LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2014

David M. Hartt (A Professional Accounting Corporation)
Certified Public Accountant

West Monroe, Louisiana

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

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DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Louisiana Center for the Blind, Inc.
Ruston, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Louisiana Center for the Blind, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of those risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion non the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Center for the Blind, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* I have also issued my report dated December 12, 2014, on my consideration of the Louisiana Center for the Blind, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Center for the Blind, Inc.'s internal control over financial reporting and compliance.

David M. Hart, CPA (APAC)

West Monroe, Louisiana
December 12, 2014

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

Current Assets		
Cash and cash equivalents	$	972,038
Accounts receivable		347,507
Investments in annuities		465,860
Investments		2,116,951
Prepaid expenses		4,760
Accrued interest and dividends		9,976
Total current assets	$	3,917,092
Property and Equipment		
Land	$	153,070
Building and improvements		3,247,941
Machinery and equipment		245,535
Furniture		77,580
Vehicles		188,090
	$	3,912,216
Less accumulated depreciation and amortization		(2,334,270)
Total property and equipment (net)	$	1,577,946
Other Assets		
Cash surrender value of life insurance	$	760,069
Total assets	$	6,255,107

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	$	36,420
Payroll related payables		48
Income taxes payable		4,036
Compensating absences payable		124,866
Total current liabilities	$	165,370
Net Assets		
Unrestricted	$	6,089,737
Temporarily restricted		
Permanently restricted		
Total net assets	$	6,089,737
Total liabilities and net assets	$	6,255,107

The accompanying notes are an integral part of this financial statement.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

UNRESTRICTED NET ASSETS		
Unrestricted revenues and gains		
Contributions	$	44,818
Federal financial assistance		212,667
Louisiana financial assistance		500,000
Program service fees		1,037,374
Investment return		329,403
Fund-raising income-bingo and other		1,713,515
Other		58,069
Total unrestricted revenues, gains, and other support	$	3,895,846
Net assets released from restrictions		
Restrictions satisfied by payments		4,433
Total unrestricted revenues, gains, other support, and reclassifications	$	3,900,279
Expenses and losses		
Program services		
Training program	$	2,296,946
Buddy program		35,030
Step program		40,715
Total program services	$	2,372,691
Supporting services		
Management and general	$	371,849
Fund-raising		1,622,027
Unallocated payments to affiliated organizations		57,000
Total expenses and losses	$	4,423,567
(Decrease) in unrestricted net assets	$	(523,288)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	$	4,433
Net assets released from restrictions		(4,433)
Increase in temporarily restricted net assets	$	0
(Decrease) in net assets	$	(523,288)
NET ASSETS AT BEGINNING OF YEAR		6,613,025
NET ASSETS AT END OF YEAR	$	6,089,737

The accompanying notes are an integral part of this financial statement.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services			Supporting Services		
	Training Program	Buddy Program	STEP Program	Management & General	Bingo-Fund-Raising	Total
Compensation and related expense						
Compensation	$ 675,524	$	$	$ 90,014	$ 66,600	$ 832,138
Payroll taxes	51,539			6,951	5,343	63,833
Fringe benefits	125,356			18,600		143,956
Total compensation and related expenses	$ 852,419	$	$	$ 115,565	$ 71,943	$ 1,039,927
Other Expenses						
Conference and training	58,399	3,184	10,473	5,739		77,795
Depreciation and amortization	133,821	2,736	1,130			137,687
Dues and reference materials				6,404		6,404
Insurance						
Property and casualty	108,351			27,088		135,439
Vehicles	21,772					21,772
Workers' compensation	8,760			973		9,733
Life insurance				13,506		13,506
Income tax on unrelated business income					9,956	9,956
Occupancy						
Electricity, gas, water and sewer	50,879	5,864	1,344	2,175		60,262
Maintenance	22,713		2,402	19,436		44,551
Rent				2,700	102,800	105,500
Postage and shipping	2,965			721		3,686
Printing	3,857	600	611	177		5,245
Prizes					1,318,082	1,318,082
Professional fees	298	40	5,622	76,549		82,509
Recreational activities	53,052	2,453	2,734			58,239
Service charges & investment fees				11,568		11,568
Specific assistance	792,442					792,442
Supplies						
Fund-raising, bingo, and other		2,326			109,775	112,101
Cleaning	53,353	327		4,830		58,510
Education	86,479	4,794	4,095			95,368
Office	1,945			11,865		13,810
Other	2,592	616		3,857	3,945	11,010
Shop	8,627					8,627
Telephone	7,214			660		7,874
Transportation - fuel, repairs, & other	22,097	90	95	14,566		36,848
Travel - lodging & meals	8			14,331		14,339
Work experience allowance (stipends)		12,000	11,920			23,920
Other	4,903		289	39,139	5,526	49,857
Total expenses	$ 2,296,946	$ 35,030	$ 40,715	$ 371,849	$ 1,622,027	$ 4,366,567

The accompanying notes are an integral part of this financial statement.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in net assets	$	(523,288)
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation and amortization		137,687
Non cash contributions		(24,717)
Realized (gain) in investments		(72,671)
Unrealized losses on investments		(145,788)
Net loss on assets disposed		1,352
(Increase) in cash surrender value		(12,705)
(Increase) decrease in operating assets		
Accounts receivable		170,315
Prepaid income taxes		19,346
Prepaid expenses		(4,760)
Accrued interest receivable		(2,066)
Increase (decrease) in operating liabilities		
Accounts payable		(72,826)
Payroll related payables		(45)
Income taxes payable		4,036
Compensating absences payable		(1,063)
Net cash (used) by operating activities	$	(527,193)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sales of investments	$	948,102
Purchase of short-term investments, net		(811,536)
Purchase of annuities investment		(9,261)
Payments for property and equipment		(28,285)
Net cash provided by investing activities	$	99,020
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	$	0
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	$	(428,173)
BEGINNING CASH AND CASH EQUIVALENTS		1,400,211
ENDING CASH AND CASH EQUIVALENTS	$	972,038
SUPPLEMENTAL INFORMATION		
Interest paid	$	0
Income taxes paid	$	1,132

The accompanying notes are an integral part of this financial statement.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Louisiana Center For The Blind, Inc. (Organization) in Ruston, Louisiana operates a training facility for blind adults. The Organization works towards integrating the blind into the social and economic life of their community through training in the skills of blindness and by encouraging the development of positive attitudes about blindness. The Organization receives a fixed monthly fee for each student in the program from the student's home state.

The Organization is supported primarily through legislative state and federal grant programs, "bingo" fund-raising, and contributions by affiliate organizations, private companies, and individuals.

Contributed Services

During the year ended June 30, 2014, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and may perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts for assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those assumed in valuing the market value of investments, expected return on investments, and the useful lives of depreciable assets. It is at least possible that the significant estimates will change within the next year.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over $500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958, *Financial Statements for Not-for-Profit Organizations.* Under Accounting Standards Codification 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Support and Revenues

Certain revenues received under government grant programs are subject to audit by the providing agency. Contributions are considered to be available for unrestricted use unless specifically restricted by the grantor or the Board of Directors.

Accounts Receivable

The Organization has not recognized an allowance for uncollectible accounts for the current period. All accounts receivable are estimated to be collectible for the current period.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Contributions

Under ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. However, the Organization realized $60,824 in unrelated business taxable income related to fund-raising activity for the current year. The unrelated business income tax reported on IRS Form 990-T for the year ended June 30, 2014 was $9,956. The tax years ending June 30, 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service. The Organization is not currently under examination by the Internal Revenue Service.

Investments

Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of one year or less to be cash equivalents.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Compensated Absences

Employees of the Organization are entitled to paid vacations and sick days depending on the length of service to the Organization. Permanent full-time employees earn sick leave at the rate of one day per month of employment, given on the last day of the first full month of employment. Sick leave can be accrued up to one month or a total of 480 hours. Sick leave in excess of 480 hours will be lost. No pay is granted at termination for any earned sick leave.

Permanent full-time employees may earn up to ten (10) days per year of annual leave at the rate of one day (8 hours) per month of employment. Five (5) of the ten (10) annual leave days must be taken during a period specified by the Executive Director and the remaining five (5) annual leave days may be taken with the approval of the Director. Employees terminating their employment, whether voluntarily or involuntarily, will not be paid for accrued annual leave.

The Organization accrued compensated absences in the amount of $124,866 for the year ended June 30, 2014.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the book balance of the Organization's deposits was $972,038. The following is a summary of specific account information by custodial institution:

Credit Risk	Book Balance	Account Balance	Average Interest Rate
Cash on hand	$ 2,510		
First National Bank, Ruston, LA			
Operating account	$ 96,101	$ 148,618	.025%
"Contribution" money market	106,790	106,790	.025%
"Buddy" operating account	116,262	120,131	.025%
"STEP" operating account	147,777	153,457	.025%
	$ 466,930	$ 528,996	
Certificates of deposits - (CDARS)			
Banco Popular de Puerto Rico			
April 17, 2014 due Oct 16, 2014	$ 106,609	$ 106,609	.250%
Private Bank and Trust, Chicago, IL			
April 17, 2014 due Oct 16, 2014	106,609	106,609	.250%
The Huntington National Bank, Columbus, OH			
July 18, 2013 due July 17, 2014	212,633	212,633	.350%
	$ 425,851	$ 425,851	
Subtotal	$ 892,781	$ 954,847	
Community Trust Bank, Ruston, LA			
"Bingo" operating account	$ 52,054	$ 56,121	
Charles Schwab Institutional			
Schwab One Account	$ 24,693	$ 24,693	
Total cash and cash equivalent	$ 972,038		

The Organization has secured its deposits with FDIC insurance and pledged securities, when applicable, at each financial institution.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2014, consists of the following:

Various state agencies for tuition and expenses	$	243,190
Louisiana Rehabilitation Services		71,599
Louisiana State Treasurer		26,935
Other		5,783
	$	347,507

The receivables represent tuition, grant and support revenues related to services provided before June 30, 2014. There were $98,144 of account receivable balances over ninety (90) days past due.

NOTE 4 - INVESTMENT AND ANNUITIES

The Organization has short-term investments in a number of annuity contracts with Western National Life Insurance Company. As of June 30, 2014, the amount of the investments and related information follows:

		Cost	Stated Interest Rate	Maturity Date	Interest Paid
Non Qualified Annuity	$	232,925	2.0%	9/11/14	Annually
Non Qualified Annuity		232,935	2.0%	9/11/14	Annually
	$	465,860			

The cost of the annuities plus accrued interest as of June 30, 2014, approximates the fair market value of the securities. Total interest earned for the current fiscal year ended June 30, 2014, was $16,715.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5 - SHORT- TERM INVESTMENTS

The Organization has short- term investments in equities, mutual funds, fixed income funds, and bond funds. Investments are summarized as follows:

	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)	Weighted Rate of Return
Charles Schwab Investments				
Fixed Income				
Municipal Bonds	$ 45,111	$ 43,046	$ (2,065)	3.4%
Equities				
Consumer Discretionary	$ 17,139	$ 21,690	$ 4,551	2.1%
Consumer Staples	33,080	36,365	3,285	3.4%
Energy Sector SPDR	13,459	18,018	4,559	1.7%
Financial Sector SPDR	62,022	68,334	6,312	6.5%
First Trust Industrials	7,803	7,932	129	1.7%
Guggenheim Equal Weight	35,552	45,246	9,694	4.3%
Industrial Sector SPDR	10,843	16,759	5,916	1.6%
iPath DJ-UBS Agriculture Index	16,250	14,346	(1,904)	1.4%
Ishares TR 2014 S&P Amt-F	62,777	61,903	(874)	5.9%
iShrs DJ US Technology	49,782	51,831	2,049	4.9%
iShrs Healthcare Prvddrs	18,876	19,536	660	3.5%
iShares Medical Devices	19,040	19,384	344	1.8%
iShares MSCI EMU Idx	40,490	44,859	4,369	4.3%
iShares MSCI Switzerland Idx	11,244	11,154	(90)	1.1%
iShares MSCI United Kingdom Idx	18,816	20,149	1,333	1.9%
UBS CM Commodity Index	13,105	13,937	832	1.3%
Vanguard Health Care	7,965	10,605	2,640	1.0%
WisdomTree Intl Div ex-Finls	23,076	23,055	(21)	2.2%
Mutual Funds				
Double Line Total Return	102,655	100,645	(2,010)	0.2%
Double Line Emerging Markets Fi	31,530	32,308	778	3.1%
Guggenheim Bank Loan	42,230	42,592	362	1.1%
JP Morgan Str Income Opportunity	55,000	55,915	915	0.4%
Leuthold Core Fund	19,000	22,409	3,409	2.1%
MainGate MLP Fund Class A	15,510	17,477	1,967	1.7%
Osterweis Strategic Income	42,000	42,793	793	2.5%
Unit Trusts	59,086	60,844	1,758	3.5%
Other Investments				
Guggenheim Bullet Shares Par 0.00	21,889	21,900	11	2.1%
Guggenheim short Duration Par 0.00	20,872	20,883	11	2.0%
iShares 20+ Yr Treasury ETF	25,412	26,110	698	2.5%
SPDR Muni ETF	31,008	30,074	(934)	2.8%
SPDR Short Muni ETF	8,157	8,151	(6)	0.8%
	$ 935,668	$ 987,204	$ 51,536	
Charles Schwab Investments totals	$ 980,779	$ 1,030,250	$ 49,471	
Chase Investment Services Corp.				
Fixed Income				
Franklin Income Class A	987,872	1,061,437	73,565	4.8%
American Funds Service Co.				
Mutual Funds	14,258	20,068	5,810	4.1%
LKCM Fund				
Mutual Funds				
Equity Fund Institutional Class	4,454	5,196	742	0.5%
	$1,987,363	$ 2,116,951	$ 129,588	

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5 - SHORT- TERM INVESTMENTS (Cont'd)

Investments in Franklin Income Class A fifty (50%) percent exceeded five (5%) percent of the investment portfolio.

Short-term investments are stated at fair value as of June 30, 2014, in the amount of $2,116,951.

All short term investments were unrestricted. Investment costs for the fiscal year ended June 30, 2014, were $9,721.

The following schedule summarizes the unrestricted investment return and its classification in the statement of activities for the current fiscal year:

Dividend income	$	80,627
Interest income		17,229
Net realized gains from sale of securities		72,671
Net unrealized holding gains		145,788
Capital gain distributions		383
Cash surrender value income		12,705
Total investment return	$	329,403

NOTE 6 - CASH SURRENDER VALUE OF LIFE INSURANCE

The Organization purchased two (2) life insurance policies on May 16, 2008, with Transamerica Life Insurance Company. Investments are summarized as follows:

Annuitant	Premium	Cost	Cash Surrender Value	Guaranteed Interest Rate
Pamela D. Allen	$ 300,000	$ 300,000	$ 375,623	1.70%
Pamela D. Allen	307,047	307,047	384,446	1.70%
		$ 607,047	$ 760,069	

The Organization is the owner and beneficiary of these policies. The fair market value approximates the cash surrender value of the policies.

NOTE 7 - PROPERTY AND EQUIPMENT

All expenditures for land, buildings and equipment in excess of $500 are capitalized. Certain assets, such as computer software, are amortized for three years. Depreciation is computed by the straight-line method, beginning in the month of acquisition, based on the following estimated useful lives:

Instructional buildings and apt. complex	20/40 years
Student activity center	15 years
Leasehold improvements	10 years
Furniture and fixtures	7 years
Office equipment	5 years
Transportation equipment	5 years

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 7 - PROPERTY AND EQUIPMENT (Cont'd)

Depreciation and amortization expense for the year ended June 30, 2014, was $137,687. Depreciation expense is reported as program and supporting services and unrestricted net assets in the statement of activities.

Property and equipment, stated at cost, consist of the following at June 30, 2014:

	Cost	Accumulated Depreciation
Land	$ 153,070	$
Vehicles	188,090	157,416
Buildings and improvements	3,247,941	1,930,975
Machinery and equipment	245,535	187,142
Furniture and fixtures	77,580	58,737
	$ 3,912,216	$ (2,334,270)
Accumulated depreciation and amortization	(2,334,270)	
Total	$ 1,577,946	

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE

The Organization has been awarded various grants from the federal government to provide education services to residents. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended June 30, 2014, was as follows:

State of Louisiana, Department of Social Services Louisiana Rehabilitation Services Purpose: To provide independent living services, training, and support to older blind individuals.	$ 150,478
Total federal grants	$ 150,478

APH Federal Quota

The Federal Act to Promote the Education of the Blind was enacted by Congress in 1879. This act is a means for providing adapted educational materials to eligible students who meet the definition of blindness. An annual registration of eligible students determines a per capita amount of money designated for the purchase of education materials produced by the American Printing House for the Blind (APH). These funds are credited to Federal Quota accounts.

The Organization received $24,717 of materials and equipment during the current fiscal year. Equipment included one (1) refreshabraille 18 machine for $1,695.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of the noncompliance by the Louisiana Center for the Blind, with the terms of the grants.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 9 - CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of money market accounts. The Organization places its temporary cash and money market accounts with creditworthy, high-quality financial institutions and brokerage firms. The Organization's cash management policies limit its exposure to concentrations of credit risk by maintaining primary cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 10 - EMPLOYEE BENEFIT PLAN

The Organization maintains a defined contribution salary deferral plan, qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the Organization contributes one and one-half percent of each eligible employee's salary and also matches dollar for dollar up to another one and one-half percent of each eligible employee's salary. Retirement contributions by the Organization during the period June 30, 2014, was $16,188.

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practical to estimate such value:

Cash and Cash Equivalents: For these instruments the carrying amount is a reasonable estimate of fair value.

Investment Securities: For Investments securities with readily determinable fair values all investments in debt securities are based upon quoted market prices, if available. If quoted, market value is not available, fair value is estimated using quoted market prices of similar products or pricing models.

Cash Surrender Value Life Insurance: For cash surrender value life insurance fair value is provided by the insurance company based upon surrender of the policy to the company. If a quoted market value is not available, fair value is estimated using quoted market prices of similar products or pricing models.

The Organization has determined the estimated market value amounts by using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Organization could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated values.

	June 30, 2014	
	Carrying Amount	Fair Value
Financial Assets		
Cash and cash equivalents	$ 972,038	$ 972,038
Investments securities		
Stocks, bonds, and notes	2,116,951	2,116,951
Cash surrender value life insurance	760,069	760,069

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)

The following are the major categories of assets and liabilities at fair value on a recurring basis during the year ended June 30, 2014, using quoted markets for identical assets (level 1); significant other observable inputs (level 2); and significant unobservable inputs (level 3).

	Level 1	Level 2	Level 3	Total
Assets				
Investments securities				
Stocks, bonds, and notes	$ 2,116,951	$	$	$ 2,116,951
Cash surrender value life insurance	760,069			760,069

NOTE 12 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

NOTE 13 - OPERATING LEASE

The organization entered into an operating lease for building and premises located at 804 Cypress Street, West Monroe, Louisiana May 9, 2012 containing approximately 9,000 square feet for purposes of conducting bingo games. The rent expense will be $700 per session. The lease will be on a five (5) year basis, expiring after midnight on June 30, 2017. This lease may be cancelled by either party with thirty (30) days written notice.

The rent expense related to this property for the year ended June 30, 2014 was $102,800. The following is a five year estimated lease costs over the term of the lease.

Fiscal Year Ended	
June 30, 2015	$ 102,800
June 30, 2016	102,800
June 30, 2017	102,800
June 30, 2018	0
June 30, 2019	0

NOTE 14 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Louisiana Center for the Blind, Inc. evaluated subsequent events through December 3, 2014, the date these financial statements were available to be issued and determined that there were no significant events to report.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Louisiana Center for the Blind, Inc.

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Louisiana Center for the Blind, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 12, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

Board of Directors
Louisiana Center for the Blind, Inc.
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Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Hatt, CPA (APAC)

West Monroe, Louisiana
December 12, 2014

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

To The Board of Directors
Louisiana Center for the Blind, Inc.
Ruston, Louisiana

I have audited the financial statements of Louisiana Center for the Blind, Inc. as of and for the year ended June 30, 2014, and have issued my report thereon dated December 12, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2014, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
- Material Weakness ____ yes X no
- Significant Deficiencies not considered to be Material Weaknesses ____ yes X no

Compliance
- Compliance Material to Financial Statements ____ yes X no

B. Federal Awards

Material Weakness Identified ____ yes X no
Significant Deficiencies not considered to be Material Weaknesses ____ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)
Unqualified _____ Qualified _____
Disclaimer ______ Adverse _____

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section II- Financial Statement Findings

There were no findings in this section.

Section III- Federal Award Findings and Questioned Costs

There were no findings in this section.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Internal Control and Compliance Material to the Financial Statements

This section not applicable.

Internal Control and Compliance Material to Federal Awards

This section not applicable.

Management Letter

This section not applicable.