

**LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2021**

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

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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, 2021, 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 on 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, 2021, 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.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to the Executive Director is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2021, 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. Sand, CPA (APAC)

West Monroe, Louisiana
December 17, 2021

FINANCIAL STATEMENTS

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

Assets	
Current assets	
Cash and cash equivalents	\$ 464,364
Accounts receivable (less Allowance for Bad Debt \$8,200)	610,874
Investments	<u>2,029,284</u>
Total current assets	<u>\$ 3,104,522</u>
Property and equipment	
Land	\$ 156,570
Building and improvements	3,337,495
Machinery and equipment	421,331
Furniture	58,869
Vehicles	<u>188,090</u>
	\$ 4,162,355
Less accumulated depreciation and amortization	<u>(2,817,528)</u>
Total property and equipment (net)	<u>\$ 1,344,827</u>
Total assets	<u><u>\$ 4,449,349</u></u>
Liabilities and net assets	
Current liabilities	
Accounts payable	\$ 44,651
Compensated absences payable	\$ 102,607
Note payable - Bank (PPP loan)	187,529
Income Taxes Payable	<u>10,834</u>
Total current liabilities	<u>\$ 345,622</u>
Net assets	
Without donor restrictions	
Undesignated	\$ 4,081,119
Designated	-
With donor restrictions	<u>22,608</u>
Total net assets	<u>\$ 4,103,727</u>
Total liabilities and net assets	<u><u>\$ 4,449,349</u></u>

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, 2021

Revenue and support without donor restrictions	
Unrestricted revenues and gains	
Contributions	\$ 98,878
Federal financial assistance	138,475
Louisiana financial assistance	600,000
Program service fees	888,589
Investment return	447,940
Fund-raising income-bingo and other	1,624,830
Grants	15,462
Government Contract - PPP	178,864
Other	<u>252,075</u>
Total unrestricted revenues, gains, and other support	\$ 4,245,113
Net assets released from restrictions	
Restrictions satisfied by payments	<u>-</u>
Total unrestricted revenues, gains, other support, and reclassifications	<u>\$ 4,245,113</u>
Expenses and losses	
Program services	
Training program	\$ 1,764,432
Buddy program	-
Step program	<u>9,357</u>
Total program services	\$ 1,773,789
Supporting services	
Management and general	484,091
Fund-raising	1,529,137
Unallocated payments to affiliated organizations	<u>-</u>
Total expenses and losses	<u>\$ 3,787,017</u>
Change in net assets without donor restrictions	<u>\$ 458,096</u>
Changes in net assets with donor restrictions	
Contributions	\$ 360
Net assets released from restrictions	<u>-</u>
Change in net assets with donor restrictions	<u>\$ 360</u>
Increase in net assets	<u>\$ 458,456</u>
Net assets at beginning of year	<u>3,645,271</u>
Net assets at end of year	<u><u>\$ 4,103,727</u></u>

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

LOUISIANA CENTER FOR THE BLIND, INC.
MONROE, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services			Supporting Services		Total
	Training Program	Program Buddy	STEP Program	Management and General	Bingo Fund- Raising	
Compensation and related expense						
Compensation	\$ 518,193	\$ -	\$ -	\$ 103,959	\$ 37,730	\$ 659,883
Payroll taxes	2,386	-	-	7,969	2,497	12,852
Fringe benefits	144,078	-	-	40,809	-	184,886
Total compensation and related expenses	664,657	-	-	152,737	40,227	857,621
Other expenses						
Conference and training	1,785	-	-	10,595	-	12,380
Bad debt	-	-	8,200	133,564	-	141,764
Depreciation and amortization	67,194	-	1,157	-	-	68,351
Dues and reference materials	-	-	-	600	-	600
Insurance	-	-	-	-	-	-
Property and casualty	94,773	-	-	23,693	-	118,467
Vehicles	33,131	-	-	-	-	33,131
Workers' compensation	3,303	-	-	826	-	4,129
Income tax on unrelated business income	-	-	-	-	13,794	13,794
Occupancy:						
Electricity, gas, water, and sewer	43,735	-	-	255	-	43,990
Maintenance	30,816	-	-	17,137	-	47,954
Rent	-	-	-	1,086	77,800	78,886
Postage and shipping	-	-	-	4,017	-	4,017
Printing	-	-	-	-	-	-
Prizes	-	-	-	188	1,276,079	1,276,267
Professional fees	-	-	-	78,866	-	78,866
Recreational activities	1,033	-	-	-	-	1,033
Service charges & investment fees	3,938	-	-	9,965	2,580	16,484
Specific assistance	694,834	-	-	-	-	694,834
Supplies:						
Fund-raising, bingo, and other	-	-	-	-	116,310	116,310
Cleaning	48,274	-	-	6,545	-	54,818
Education	29,193	-	-	-	-	29,193
Office	-	-	-	7,652	-	7,652
Other	-	-	-	1,953	-	1,953
PPE	-	-	-	1,924	-	1,924
Shop	-	-	-	-	-	-
Telephone	7,573	-	-	11,205	-	18,778
Transportation - fuel, repairs, & other	6,589	-	-	8,677	-	15,265
Travel - lodging & meals	364	-	-	5,938	-	6,301
Work experience allowance (stipends)	-	-	-	-	-	-
Other	33,241	-	-	6,671	2,346	42,258
Total expenses	<u>\$ 1,764,432</u>	<u>\$ -</u>	<u>\$ 9,357</u>	<u>\$ 484,091</u>	<u>\$ 1,529,137</u>	<u>\$ 3,787,017</u>

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

LOUISIANA CENTER FOR THE BLIND, INC.
MONROE, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash flows from operating activities	
Increase in net assets	\$ 458,456
Adjustments to reconcile net increase in net assets to cash provided by operating activities:	
Depreciation and amortization	68,351
Bad debt expense	141,764
Non cash contributions	(15,462)
Government Contract - PPP	(178,864)
Realized (gains) on investments	(61,800)
Unrealized (gains) on investments	(315,443)
(Increase) decrease in operating assets	
Accounts receivable	(140,922)
Prepaid income taxes	2,262
Increase (decrease) in operating liabilities	
Accounts payable	4,515
Compensating absences payable	(20,821)
Income tax payable	10,834
	<hr/>
Net cash (used) operating activities	\$ (47,130)
Cash flows from investing activities	
Proceeds on sales of investments	\$ 477,857
Purchase of short-term investments, net	(483,454)
Payments for property and equipment	(64,642)
	<hr/>
Net cash provided by investing activities	\$ (70,240)
Cash flows from financing activities	
Proceeds of note payable - bank (PPP loan)	\$ 187,529
Net cash provided by financing activities	<hr/> \$ 187,529
Net increase in cash and cash equivalents	<hr/> \$ 70,159
Beginning cash and cash equivalents	<hr/> \$ 394,205
Ending cash and cash equivalents	<hr/> <hr/> \$ 464,364
Supplemental information	
Interest paid	\$ -
Income taxes paid	\$ 4,854

Noncash transaction for a government contract forgiving the debt related to the PPP received in the earlier period in the amount \$178,864.

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, 2021

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" fundraising, and contributions by affiliate organizations, private companies, and individuals.

Contributed Services

During the year ended June 30, 2021, 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.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with principles generally accepted ("GAAP") in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets which are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will either (1) expire by incoming expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liability according to the nearness of their maturity and resulting use of cash.

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. During the current period, due to the unusual circumstances of COVID-19 (see the subsequent events footnote), some receivables were deemed beyond a reasonable collection period and could no longer be pursued with the agency that owed for the services. \$133,564 has been charged to uncollectible receivables 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.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$65,684 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, 2021, was \$13,794. The tax years ending June 30, 2019, 2020, and 2021, 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.

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 days per year of annual leave at the rate of one day (8 hours) per month of employment. Five of the ten annual leave days must be taken during a period specified by the Executive Director and the remaining five 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 \$102,607 for the year ended June 30, 2021.

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the book balance of the Organization's deposits was \$464,364. The following is a summary of specific account information by custodial institution:

- continued -

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

<u>Credit Risk</u>	<u>Book Balance</u>	<u>Account Balance</u>	<u>Average Interest Rate</u>
Cash on hand	\$ 2,070		
<u>First National Bank, Ruston, Louisiana</u>			
Operating account	\$ 194,820	\$ 215,608	.25%
"Contribution" money market	96,713	96,713	.25%
"Buddy" operating account	19,965	19,965	.25%
"STEP" operating account	13,462	14,042	.25%
	<u>\$ 324,960</u>	<u>\$ 346,328</u>	
<u>Origin Trust Bank, Ruston, Louisiana</u>			
"Bingo" operating account	\$ 120,942	\$ 135,664	
<u>Charles Schwab Institutional</u>			
Schwab One Account	\$ 16,392	\$ 16,392	.30%
Total cash and cash equivalents	<u>\$ 464,364</u>		

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

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2021, consists of the following:

Various state agencies for tuition and expenses	\$ 468,382
Louisiana Rehabilitation Services	150,192
Other	<u>500</u>
	<u>\$ 619,074</u>

The receivables represent tuition, grant and support revenues related to services provided before June 30, 2021. There were \$276,117 of account receivable balances over 90 days past due. During the current period \$133,564 was deemed uncollectible and charged off as bad debt.

An allowance for bad debt related to services and cost reimbursement totaled \$8,200 as of June 30, 2021. The director must approve all debts for write-off after being satisfied that the recovery procedures have been complied with and that all reasonable attempts at recovery have been satisfied.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - SHORT-TERM INVESTMENTS (continued)

The investments in Franklin Income Class A represent fifty-five (55%) percent of the investments and exceeded five (5%) percent of the investment portfolio.

Short-term investments are stated at fair value as of June 30, 2021, in the amount of \$2,029,284.

All short-term investments were unrestricted. Investment costs for the fiscal year ended June 30, 2021, were \$7,241.

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

Dividend income	\$	68,303
Interest income		48
Net realized gains from sale of securities		61,800
Net unrealized gains on investments		315,443
Capital gain distributions		2,345
Total investment return	\$	<u>447,939</u>

NOTE 5 - 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 apartment 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

Depreciation and amortization expense for the year ended June 30, 2021, was \$67,194. 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, 2021:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 156,570	\$ -
Vehicles	188,090	188,090
Buildings and improvements	3,337,495	2,265,615
Machinery and equipment	421,331	304,954
Furniture and fixtures	58,869	58,869
	\$ 4,162,355	-
Accumulated depreciation and amortization	<u>(2,817,528)</u>	<u>\$ 2,817,528</u>
Total	<u>\$ 1,344,827</u>	

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - FEDERAL FINANCIAL ASSISTANCE

The Organization has been awarded various contracts from the federal government to provide education services to residents. The contract is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Contract activity for the year ended June 30, 2021, 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	\$ <u>138,475</u>
Total federal contract	\$ <u>138,475</u>

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 \$15,462 of materials and equipment during the current fiscal year.

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.

NOTE 7 - 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 8 - 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 (1 ½%) percent of each eligible employee's salary and also matches dollar for dollar up to another one and one-half (1 ½%) percent of each eligible employee's salary. Retirement contributions by the Organization during the period June 30, 2021, was \$15,806.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 – 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 investment securities with readily determinable fair values, all investments in debt securities are based upon quoted market prices, if available. 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.

	<u>June 30, 2021</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 464,364	\$ 464,364
Investment securities:		
Stocks, bonds, and notes	\$ 2,029,284	\$ 2,029,284

The following are the major categories of assets and liabilities at fair value on a recurring basis during the year ended June 30, 2021, using quoted markets for identical assets (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investment securities:				
Stocks, bonds, and notes	\$ 2,029,284	\$ -	\$ -	\$ 2,029,284

NOTE 10 – 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.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OPERATING LEASE

The Organization entered into an operating lease on May 15, 2014, for building and premises located at 804 Cypress Street, West Monroe, Louisiana, 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 month-to-month basis. This lease may be cancelled by either party with 30 days written notice.

The rent expense related to this property for the year ended June 30, 2021, was \$77,800

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Composition of net assets with donor restrictions

The following is the composition by type of fund of net assets with donor restrictions as of June 30, 2021:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Contributions - Buddy Program	\$	\$ 360	\$	\$ 360
BlueCrossBlueShield Foundation Grant		22,248		22,248
Total	\$	\$ 22,608	\$	\$ 22,608

The Blue Cross Blue Shield of Louisiana Foundation Grant

The Center received \$22,248 in scholarship funds during the 2019-2020 fiscal year to promote the wellness and well-being of Louisianians by supporting health and education-related causes. None of the funding was expended during this year and released. The Center received \$22,248 to pay for a "Blindness Learning Lab of Louisiana" promoting economic vitality and well-being through specialized employment and financial education. The \$22,248 balance represents donor restricted funds as of June 30, 2021.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 13 – SUBSEQUENT EVENTS

In accordance with ASC 855, the Louisiana Center for the Blind, Inc. evaluated subsequent events through December 17, 2021, the date these financial statements were available to be issued.

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U. S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 23, 2020, Governor Edwards of Louisiana ordered the closure of the physical location of every “non-life sustaining/non-essential” business for what may be an extended period of time. There has been an impact on the business of the Center. The Center suspended the admission of new clients for a period of time during the current period. Future potential impacts may include continued disruptions or restrictions on our employees’ ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown.

Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty. However, subsequent to December 31, 2019, the investment and credit markets have experienced significant volatility. As a result, a substantial portion of the Center’s investments have experienced significant declines and increases.

Note Payable – Bank (PPP Loan)

July 19, 2021 the Center received notification that the PPP loan with Louisiana National Bank in the amount of \$187,529 had been forgiven by the Small Business Administration. The forgiven amount will be recognized in the subsequent period.

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Center’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions.

Cash and cash equivalents	464,364
Accounts receivable	610,874
Investments	<u>2,029,284</u>
Financial assts available to meet cash needs for general expenditure within one year	\$ 3,104,522

As part of the Center’s liquidity management, the investments are short term investments.

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - NOTE PAYABLE - BANK (PPP LOAN)

On January 19, 2021 the Center applied for a loan with the U. S. Small Business Administration's COVID-19 Payroll Protection Program "Program" through the Louisiana National Bank of Ruston, Louisiana. The loan amount of \$187,529 deposited February 11, 2021 has a maturity date of five (5) years from the date of the Note. The interest rate is one percent (1%) per year. Under the program, the Center may apply to the bank for forgiveness of the amount due on this loan in an amount equal to the sum of the following costs incurred by the Center during the 8-week or 24-month period beginning on the date of first disbursement on this loan: (a) payroll costs, (b) any payment of interest on a covered obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation), (c) any payment on a covered rent obligation, and (d) any requirements of the Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Not more than 25% of the amount forgiven can be attributable to non-payroll costs. However, the Center will remain liable for the full and punctual payment and satisfaction of the remaining outstanding principal balance of the loan plus accrued but unpaid interest, except with respect to any such portion of the Note that has been forgiven. The Note is unsecured.

The Center received notice from Louisiana National Bank of Ruston on July 19, 2021 that the note had been forgiven. (See Note15-Subsequent events).

On April 3, 2020 the Center applied for a loan with the U. S. Small Business Administration's COVID-19 Payroll Protection Program "Program" through the First National Bank of Ruston, Louisiana. The loan amount of \$178,864 deposited April 20, 2020 has a maturity date of two (2) years from the date of the Note. The interest rate is one percent (1%) per year. Under the program, the Center may apply to the bank for forgiveness of the amount due on this loan in an amount equal to the sum of the following costs incurred by the Center during the 8-week or 24-month period beginning on the date of first disbursement on this loan: (a) payroll costs, (b) any payment of interest on a covered obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation), (c) any payment on a covered rent obligation, and (d) any requirements of the Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Not more than 25% of the amount forgiven can be attributable to non-payroll costs. However, the Center will remain liable for the full and punctual payment and satisfaction of the remaining outstanding principal balance of the loan plus accrued but unpaid interest, except with respect to any such portion of the Note that has been forgiven. The Note is unsecured.

The Center received notice from First National Bank of Ruston on December 3, 2020 that the note had been forgiven. During the current period, this has been recorded as government contract revenue due to the nature of forgiveness.

SUPPLEMENTARY INFORMATION

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA

SCHEDULE I - SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO EXECUTIVE DIRECTOR
FOR THE YEAR ENDED JUNE 30, 2021

Pamela Allen, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$63,368
Benefits-insurance	16,783
Benefits-retirement	1,901
Benefits-other	N/A
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	50
Reimbursements	N/A
Travel	N/A
Registration fees	N/A
Conference travel	N/A
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A
Other- annual dues	175

See Accountant's Compilation Report

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**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 of
Louisiana Center for the Blind, Inc.
Ruston, Louisiana

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, 2021, 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 17, 2021.

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*.

Board of Directors
Louisiana Center for the Blind, Inc.
Ruston, Louisiana
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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. Nantz, CPA (CPA)

West Monroe, Louisiana
December 17, 2021

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, and have issued my report thereon dated December 17, 2021. 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, 2021, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? 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 the Uniform Guidance? N/A

LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021

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.