CENTER FOR THE VISUALLY IMPAIRED, INC. AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.

COMBINED FINANCIAL REPORT

JUNE 30, 2015

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED FINANCIAL REPORT
JUNE 30, 2015

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MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

To the Boards of Trustees
of Center for the Visually Impaired, Inc. and
Center for the Visually Impaired Foundation, Inc.

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of **Center for the Visually Impaired, Inc.** and **Center for the Visually Impaired Foundation, Inc.** (the "Organizations"), which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities, functional expenses, and cash flows for the years 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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. Accordingly, we express no such opinion. 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Center for the Visually Impaired, Inc. and Center for the Visually Impaired Foundation, Inc., as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary statements of functional expenses are presented for purposes of additional analysis and are not required parts of the combined financial statements of the Organizations. The accompanying schedule of expenditures of federal awards and state assistance, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is also not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of the Organizations' internal control over financial reporting and on our tests of their 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 our 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 Organizations' internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 9, 2015

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

Assets	CVI, Inc.	CVI Foundation, Inc.	Combined 2015
Cash and cash equivalents	$ 249,576	$ 692,878	$ 942,454
Grants receivable	130,685	-	130,685
Other accounts receivable, net	154,335	-	154,335
Pledges receivable, net	-	9,000	9,000
Inventories of visual aids	211,198	-	211,198
Investments	-	5,913,685	5,913,685
Prepaid expenses	74,703	3,268	77,971
Property and equipment, net	6,340,946	-	6,340,946
Due (to) from affiliate	687,862	(687,862)	-
Total assets	$ 7,849,305	$ 5,930,969	$ 13,780,274
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$ 98,058	$ -	$ 98,058
Accrued employee benefits	143,562	-	143,562
Other accrued expenses	48,789	6,881	55,670
Total liabilities	290,409	6,881	297,290
Net assets:			
Unrestricted	7,558,896	265,263	7,824,159
Temporarily restricted	-	3,079,336	3,079,336
Permanently restricted	-	2,579,489	2,579,489
Total net assets	7,558,896	5,924,088	13,482,984
Total liabilities and net assets	$ 7,849,305	$ 5,930,969	$ 13,780,274

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

Assets	CVI, Inc.	CVI Foundation, Inc.	Combined 2014
Cash and cash equivalents	$ 182,173	$ 193,299	$ 375,472
Grants receivable	341,880	-	341,880
Other accounts receivable, net	40,698	-	40,698
Pledges receivable, net	-	30,213	30,213
Inventories of visual aids	221,268	-	221,268
Investments	-	6,644,839	6,644,839
Prepaid expenses	66,451	2,655	69,106
Property and equipment, net	6,572,009	-	6,572,009
Due (to) from affiliate	298,334	(298,334)	-
Total assets	$ 7,722,813	$ 6,572,672	$ 14,295,485
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$ 58,021	$ -	$ 58,021
Accrued employee benefits	166,190	-	166,190
Other accrued expenses	21,470	7,978	29,448
Total liabilities	245,681	7,978	253,659
Net assets:			
Unrestricted	7,477,132	(15,048)	7,462,084
Temporarily restricted	-	4,000,253	4,000,253
Permanently restricted	-	2,579,489	2,579,489
Total net assets	7,477,132	6,564,694	14,041,826
Total liabilities and net assets	$ 7,722,813	$ 6,572,672	$ 14,295,485

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	CVI, Inc.	CVI Foundation, Inc.	Combined 2015
Changes in unrestricted net assets:			
Support and revenue:			
Public support:			
Received directly	$ -	$ 728,811	$ 728,811
Received from United Way	260,296	-	260,296
Total public support	260,296	728,811	989,107
Fees from government agencies for professional service contracts	1,795,210	-	1,795,210
Other revenue:			
Fees for professional services	31,764	-	31,764
Medical, net	116,784	-	116,784
Retail store (net of cost of goods sold of $324,096)	56,896	-	56,896
In-kind contributions	115,559	-	115,559
Investment income	3	-	3
Other income	71,560	150	71,710
Total other revenue	392,566	150	392,716
Total support and revenue	2,448,072	728,961	3,177,033
Net assets released from restrictions:			
Satisfaction of program restrictions	-	1,407,794	1,407,794
Transfer from CVI Foundation, Inc.	1,355,065	(1,355,065)	-
Total net assets released from restrictions	1,355,065	52,729	1,407,794
Total support, revenue, and net assets released from restrictions	3,803,137	781,690	4,584,827

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	CVI, Inc.	CVI Foundation, Inc.	Combined 2015
Expenses:			
Program services	3,013,964	-	3,013,964
Supporting services:			
Management and general	707,409	37,144	744,553
Fundraising	-	464,234	464,234
Total supporting services	707,409	501,378	1,208,787
Total expenses	3,721,373	501,378	4,222,751
Increase in unrestricted net assets	81,764	280,312	362,076
Changes in temporarily restricted net assets:			
Public support	-	530,610	530,610
Investment income	-	351,835	351,835
Realized gain on sale of investments	-	66,269	66,269
Unrealized loss on investments	-	(461,838)	(461,838)
Satisfaction of program restrictions	-	(1,407,794)	(1,407,794)
(Decrease) in temporarily restricted net assets	-	(920,918)	(920,918)
Increase (decrease) in total net assets	81,764	(640,606)	(558,842)
Total net assets at beginning of year	7,477,132	6,564,694	14,041,826
Total net assets at end of year	$ 7,558,896	$ 5,924,088	$ 13,482,984

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	CVI, Inc.	CVI Foundation, Inc.	Combined 2014
Changes in unrestricted net assets:			
Support and revenue:			
Public support:			
Received directly	$ -	$ 653,124	$ 653,124
Received from United Way	218,011	-	218,011
Total public support	218,011	653,124	871,135
Fees from government agencies for professional service contracts	1,277,624	-	1,277,624
Other revenue:			
Fees for professional services	16,461	-	16,461
Medical, net	102,280	-	102,280
Retail store (net of cost of goods sold of $281,689)	50,638	-	50,638
In-kind contributions	9,114	25,807	34,921
Investment income	6	1,409	1,415
Other income	100,226	141,216	241,442
Total other revenue	278,725	168,432	447,157
Total support and revenue	1,774,360	821,556	2,595,916
Net assets released from restrictions:			
Satisfaction of program restrictions	-	2,005,714	2,005,714
Transfer from CVI Foundation, Inc.	2,280,831	(2,280,831)	-
Total net assets released from restrictions	2,280,831	(275,117)	2,005,714
Total support, revenue, and net assets released from restrictions	4,055,191	546,439	4,601,630

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	CVI, Inc.	CVI Foundation, Inc.	Combined 2014
Expenses:			
Program services	3,621,303	-	3,621,303
Supporting services:			
Management and general	676,354	43,964	720,318
Fundraising	-	510,259	510,259
Total supporting services	676,354	554,223	1,230,577
Total expenses	4,297,657	554,223	4,851,880
(Decrease) in unrestricted net assets	(242,466)	(7,784)	(250,250)
Changes in temporarily restricted net assets:			
Public support	-	235,150	235,150
Investment income	-	94,414	94,414
Realized gain on sale of investments	-	127,311	127,311
Unrealized gain on investments	-	634,733	634,733
Satisfaction of program restrictions	-	(2,005,714)	(2,005,714)
(Decrease) in temporarily restricted net assets	-	(914,106)	(914,106)
Changes in permanently restricted net assets:			
Contributions	-	500	500
Increase in permanently restricted net assets	-	500	500
(Decrease) in total net assets	(242,466)	(921,390)	(1,163,856)
Total net assets at beginning of year	7,719,598	7,486,084	15,205,682
Total net assets at end of year	$ 7,477,132	$ 6,564,694	$ 14,041,826

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

		Supporting Services		Supporting Services			
	Program Services	Management and General	Total CVI, Inc.	Management and General	Fund-Raising	Total CVI Foundation, Inc.	Combined 2015
Salaries and wages	$ 1,682,000	$ 312,176	$ 1,994,176	$ -	$ 342,051	$ 342,051	$ 2,336,227
Client stipends	2,962	-	2,962	-	-	-	2,962
Employee benefits	227,213	29,348	256,561	-	25,284	25,284	281,845
Payroll taxes	134,756	24,795	159,551	-	26,307	26,307	185,858
Total salaries and related expenses	2,046,931	366,319	2,413,250	-	393,642	393,642	2,806,892
Professional fees	216,316	171,749	388,065	37,144	-	37,144	425,209
Supplies	32,057	2,811	34,868	-	399	399	35,267
Telephone	56,344	5,925	62,269	-	21	21	62,290
Postage and shipping	14,895	1,413	16,308	-	5,417	5,417	21,725
Occupancy	139,702	56,543	196,245	-	11,361	11,361	207,606
Printing	6,315	2,123	8,438	-	2,835	2,835	11,273
Staff transportation	29,663	941	30,604	-	217	217	30,821
Client transportation	193,304	97	193,401	-	-	-	193,401
Conferences	11,053	-	11,053	-	410	410	11,463
Internal meetings	4,855	2,874	7,729	-	4,042	4,042	11,771
Dues and subscriptions	9,787	9,406	19,193	-	1,333	1,333	20,526
Client activities	18,845	-	18,845	-	-	-	18,845
Equipment maintenance	2,167	826	2,993	-	-	-	2,993
Software and computer	23,332	13,628	36,960	-	4,816	4,816	41,776
Marketing	474	-	474	-	33,453	33,453	33,927
Other expense	20,763	28,852	49,615	-	6,288	6,288	55,903
Total expenses before depreciation	2,826,803	663,507	3,490,310	37,144	464,234	501,378	3,991,688
Depreciation	187,161	43,902	231,063	-	-	-	231,063
Total expenses	$ 3,013,964	$ 707,409	$ 3,721,373	$ 37,144	$ 464,234	$ 501,378	$ 4,222,751

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

		Supporting Services		Supporting Services			
	Program Services	Management and General	Total CVI, Inc.	Management and General	Fund-Raising	Total CVI Foundation, Inc.	Combined 2014
Salaries and wages	$ 2,094,985	$ 494,650	$ 2,589,635	$ -	$ 325,530	$ 325,530	$ 2,915,165
Employee benefits	305,648	(4,265)	301,383	-	33,651	33,651	335,034
Payroll taxes	167,947	39,456	207,403	-	23,555	23,555	230,958
Total salaries and related expenses	2,568,580	529,841	3,098,421	-	382,736	382,736	3,481,157
Professional fees	163,407	9,530	172,937	43,964	-	43,964	216,901
Supplies	32,210	4,635	36,845	-	86	86	36,931
Telephone	58,409	2,703	61,112	-	42	42	61,154
Postage and shipping	15,042	1,343	16,385	-	2,625	2,625	19,010
Occupancy	160,880	21,282	182,162	-	12,077	12,077	194,239
Printing	5,396	848	6,244	-	9,479	9,479	15,723
Staff transportation	24,935	1,804	26,739	-	57	57	26,796
Client transportation	173,596	202	173,798	-	-	-	173,798
Conferences	8,481	988	9,469	-	800	800	10,269
Internal meetings	4,292	3,712	8,004	-	422	422	8,426
Dues and subscriptions	12,059	9,053	21,112	-	499	499	21,611
Client activities	21,766	-	21,766	-	-	-	21,766
Equipment maintenance	3,967	746	4,713	-	-	-	4,713
Noncapitalized equipment	6,157	196	6,353	-	-	-	6,353
Software and computer	89,629	9,366	98,995	-	6,310	6,310	105,305
Bad debt expense	15,752	-	15,752	-	18,383	18,383	34,135
Marketing	33,899	3,927	37,826	-	71,975	71,975	109,801
Other expense	16,430	27,759	44,189	-	4,768	4,768	48,957
Total expenses before depreciation	3,414,887	627,935	4,042,822	43,964	510,259	554,223	4,597,045
Depreciation	206,416	48,419	254,835	-	-	-	254,835
Total expenses	$ 3,621,303	$ 676,354	$ 4,297,657	$ 43,964	$ 510,259	$ 554,223	$ 4,851,880

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	CVI, Inc.	CVI Foundation, Inc.	Combined 2015
Cash flows from operating activities:			
Increase (decrease) in total net assets	$ 81,764	$ (640,606)	$ (558,842)
Adjustments to reconcile increase (decrease) in total net assets to net cash provided by operating activities:			
Depreciation	231,063	-	231,063
Realized gain on sale of investments	-	(66,269)	(66,269)
Unrealized loss on investments	-	461,838	461,838
Changes in assets and liabilities:			
(Increase) decrease in:			
Grants receivable	211,195	-	211,195
Pledges receivable	-	21,213	21,213
Other accounts receivable	(113,637)	-	(113,637)
Inventories of visual aids	10,070	-	10,070
Prepaid expenses	(8,252)	(613)	(8,865)
Due (to) from affiliate	(389,528)	389,528	-
Increase (decrease) in:			
Accounts payable	40,037	-	40,037
Accrued expenses and other liabilities	4,691	(1,097)	3,594
Total adjustments	(14,361)	804,600	790,239
Net cash provided by operating activities	67,403	163,994	231,397
Cash flows from investing activities:			
Purchase of investments	-	(342,557)	(342,557)
Proceeds from the sale of investments	-	678,142	678,142
Net cash provided by investing activities	-	335,585	335,585
Net increase in cash and cash equivalents	67,403	499,579	566,982
Cash and cash equivalents at beginning of year	182,173	193,299	375,472
Cash and cash equivalents at end of year	$ 249,576	$ 692,878	$ 942,454

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	CVI, Inc.	CVI Foundation, Inc.	Combined 2014
Cash flows from operating activities:			
Decrease in total net assets	$ (242,466)	$ (921,390)	$ (1,163,856)
Adjustments to reconcile (decrease) in total net assets			
to net cash provided by (used in) operating activities:			
Depreciation	254,835	-	254,835
Realized gain on sale of investments	-	(127,311)	(127,311)
Unrealized gain on investments	-	(634,733)	(634,733)
Changes in assets and liabilities:			
(Increase) decrease in:			
Grants receivable	(268,462)	-	(268,462)
Pledges receivable	-	288,001	288,001
Other accounts receivable	371	-	371
Inventories of visual aids	10,285	-	10,285
Prepaid expenses	15,823	(161)	15,662
Due (to) from affiliate	400,175	(400,175)	-
Increase (decrease) in:			
Accounts payable	3,476	-	3,476
Accrued expenses and other liabilities	(61,701)	(2,746)	(64,447)
Total adjustments	354,802	(877,125)	(522,323)
Net cash provided by (used in) operating activities	112,336	(1,798,515)	(1,686,179)
Cash flows from investing activities:			
Purchase of property and equipment	(66,926)	-	(66,926)
Purchase of investments	-	(85,720)	(85,720)
Proceeds from the sale of investments	-	929,184	929,184
Net cash provided by (used in) investing activities	(66,926)	843,464	776,538
Net increase (decrease) in cash and cash equivalents	45,410	(955,051)	(909,641)
Cash and cash equivalents at beginning of year	136,763	1,148,350	1,285,113
Cash and cash equivalents at end of year	$ 182,173	$ 193,299	$ 375,472

See Notes to Combined Financial Statements.

CENTER FOR THE VISUALLY IMPAIRED, INC.
AND CENTER FOR THE VISUALLY IMPAIRED FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES

The Organizations

The mission of the Center for the Visually Impaired, Inc. (CVI) is ***to empower people impacted by vision loss to live with independence and dignity***. Each year CVI offers a combination of vision rehabilitation, education and counseling to 5,000 individuals with severe vision loss and their family members. With a staff of 55 and more than 300 volunteers, CVI helps people who are blind or visually impaired to excel academically, graduate from high school and college, succeed in their careers, connect with their communities, and discover hope for the future. Throughout every stage of life and all degrees of vision loss, CVI offers individualized services through its program areas:

- The **BEGIN early childhood program** provides essential services to enhance development and potential for newborn and preschool-aged children with severe visual impairments. BEGIN helps parents learn about their children's visual conditions and become advocates to seek the best opportunities for them. BEGIN’s year-round programming includes individual vision rehabilitation, classes, parent support groups and counseling, and family activities.

- **STARS (Social, Therapeutic, Academic and Recreational Services)** is an educational, recreational, and social skills program for students ages 5 to 21. This year-round program includes the After School Enrichment Program, summer enrichment day camps, a mentoring program and monthly activities on the weekend. Through these programs, STARS challenges the isolation and inactivity that many blind or visually impaired youth experience, helping them adjust to their vision loss and prepare for college and/or vocational success.

- The **Florence Maxwell Low Vision Clinic** enables individuals to make the best use of their remaining vision so that they can continue to lead productive, enjoyable and independent lives. A low vision optometrist assesses the vision of clients ages five and older and prescribes optical and non-optical devices to maximize their remaining vision. Occupational therapists offer counseling, training in the use of prescribed devices, and information and referral to help clients with low vision pursue their goals.

- **The New View Adult Rehabilitation Services Program** offers classes at the Center and services in the community to help adult clients achieve greater independence at home and at work. Classes include learning to travel independently and safely, independent living skills, braille, computer technology, communication skills and career services, including job readiness training and job placement.

- **VisAbility** is a nonprofit, accessible, street-level retail shop catering to the needs of people with vision loss. VisAbility provides immediate access to low vision aids, assistive technology and other adaptive devices that allow people with vision loss to maintain independent lifestyles. Products sold in VisAbility are also available for purchase on CVI’s website www.cviga.org.

- **ClearAnswer** is a contact center enterprise started in 2011 to create a revenue stream and to provide employment for people with vision loss to fund CVI’s mission. ClearAnswer provided outsourced contact center services (phone, chat, email, text) staffed by highly trained, dedicated associates who specialize in customer satisfaction and use the latest technology to offer superior services to area businesses and government agencies. The center closed in September 2014.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organizations (Continued)

The combined financial statements include the accounts of CVI and its supporting affiliate Center for the Visually Impaired Foundation, Inc. (CVI Foundation, Inc.) (collectively, the Organizations). CVI Foundation, Inc. was formed in 1989 as a supporting organization for CVI in order to manage CVI's portfolio of investments and oversee fundraising policies and procedures. In addition, CVI Foundation, Inc. serves the role of receiving gifts on behalf of CVI and investing them until utilized for the purpose intended by the donor.

Since CVI Foundation, Inc. was funded initially with the transfer of CVI’s endowment funds and since there is shared control and management of these entities, it is the policy of the Organizations to present combined financial statements.

Economic Dependence

During the years ended June 30, 2015 and 2014, CVI received approximately 73% and 72%, respectively, of its total support and revenue from government agencies. Additionally, CVI received approximately 11% and 12% of its total support and revenue for the years ended June 30, 2015 and 2014, respectively, from United Way. Although CVI relies on these contracts for support and revenues, the mix of funding sources and the number of contracts does reduce the risk of economic dependence on one contract.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organizations present their combined financial statements in accordance with *Financial Statements for Not-For-Profit Organizations* as promulgated by the Financial Accounting Standards Board (FASB). Under this guidance, the Organizations are required to report information regarding their financial position and activities according to three categories of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Board Designated Net Assets

It is the policy of the Boards of Trustees of the Organizations to review their financial standing from time to time and to designate sums of unrestricted net assets for specific efforts.

NOTE 1. NATURE OF ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Combination

The combined financial statements include the accounts of CVI and CVI Foundation, Inc. All material related party balances and transactions have been eliminated in combination.

Contributions

In accordance with *Financial Statements for Not-For-Profit Organizations*, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Assets

Non-cash contributions of marketable securities or other assets are recorded at fair market value on the date of receipt.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

Donated services are recognized as contributions in accordance with *Financial Statements for Not-For-Profit Organizations*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organizations. Volunteers provide a significant amount of services to the Organizations throughout the year that are not recognized as contributions since the recognition criteria under this standard were not met.

Promises to Give

Unconditional promises to give are recognized as support in the period in which the promise is made by the donor. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable account. Changes in the valuation allowance have not been material to the combined financial statements.

Grants receivable consist of amounts due to the Organizations in connection with various contracts with state agencies in Georgia.

Other accounts receivables consist of accrued interest, contributions, and outside project billings due to the Organizations.

Investments

The Organizations carry their investments with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying combined statement of activities. It is the policy of the Organizations' Boards of Trustees to invest in such a manner as to achieve a balanced approach.

Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

CVI Foundation, Inc.'s Board of Trustees has approved and implemented an annual spending policy related to its invested funds. The spending policy stipulates that five percent (5%) of the three-year average market value of the investment portfolio, determined at December 31st of each year, shall be available to CVI during its next fiscal year. Investment income consisting of dividends and interest (as well as any principal that may be necessary to achieve the five percent (5%) allocation) are transferred to CVI in the subsequent year. Interest, dividends, realized and unrealized gains or losses in excess of the five percent (5%) allocation are recorded as increases or decreases in the appropriate net asset class.

Inventories

Inventories consist of low vision aids and appliances. All low vision aids and appliances are sold through the VisAbility store. Inventories are carried at the lower of cost or market under the average cost method, which values inventory at the weighted average of all units available for sale during the period.

Property and Equipment

The Organizations follow the practice of capitalizing all expenditures for property and equipment in excess of $5,000; the fair value of donated property and equipment is similarly capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. These lives are estimated at three years for computer equipment and software, five years for furniture and equipment, fifteen years for building improvements, and forty years for the building. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss resulting from the disposition is reported in the statement of activities.

NOTE 1. NATURE OF ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

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

Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

As provided under Internal Revenue Code Section 501(c)(3) for nonprofit organizations, CVI, Inc. and CVI Foundation, Inc. are exempt from federal income taxes related to their exempt function activities. They are, however, required to file Federal Form 990 - Return of Organization Exempt from Income Tax. This is an information return only. Accordingly, no provision for income taxes is made in the combined financial statements.

Fair Value of Financial Instruments

The Organizations adopted FASB's *Fair Value Measurement* and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in FASB's *Fair Value Measurement*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organizations use various methods including market, income and cost approaches. Based on these approaches, the Organizations often utilize certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organizations utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Organizations are required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

NOTE 1. NATURE OF ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

For the fiscal years ended June 30, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organizations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organizations adopted the provisions of *Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)* to certain investments in funds that do not have readily determinable fair values. The guidance allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value, using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair value that would be calculated under the standards. The funds held in the Multi-Asset Fund are subject to this guidance and classified as Level 2 investments.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS

It is the Boards' intention that the invested cash held in the portfolios of the Organizations are a component of long-term investments. Therefore, the invested cash included in investment portfolios is not considered to be a cash equivalent.

The Organizations have balances in both deposit accounts at banks and investment money markets at brokerage firms. FDIC insures up to $250,000 per bank or savings institution. The Securities Investor Protection Corporation (SIPC) insures up to $500,000 (including $100,000 for claims for cash) per brokerage firm. Balances exceed insured amounts from time to time. Management does not feel that the Organizations are exposed to any significant credit risk on these accounts.

NOTE 3. PLEDGES RECEIVABLE, NET

Unconditional promises to give at net realizable value are as follows at June 30:

	2015	2014
Pledges:		
Receivable in less than one year	**$ 9,000**	$ 15,000
Receivable in one to five years	**-**	20,500
Total unconditional promises to give	**9,000**	35,500
Less unamortized discount	**-**	(287)
Less allowance for uncollectible pledges receivable	**-**	(5,000)
Pledges receivable, net	**$ 9,000**	$ 30,213

NOTE 4. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organizations' investments at fair value as of June 30, 2015:

	Level 1	**Level 2**	**Level 3**	**Total**
Cash and money markets	**$ 23,596**	**$ -**	**$ -**	**$ 23,596**
Mutual funds:				
Large funds	**533,681**	**-**	**-**	**533,681**
Mid funds	**20,086**	**-**	**-**	**20,086**
Small funds	**26,220**	**-**	**-**	**26,220**
International	**225,364**	**-**	**-**	**225,364**
Fixed income	**462,428**	**-**	**-**	**462,428**
Multi-Asset Fund	**-**	**4,622,310**	**-**	**4,622,310**
Total investments at fair value	**$ 1,291,375**	**$ 4,622,310**	**$ -**	**$ 5,913,685**

NOTE 4. INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2014:

	Level 1	Level 2	Level 3	Total
Cash and money markets	$ 77,238	$ -	$ -	$ 77,238
Mutual funds:				
Large funds	591,437	-	-	591,437
Mid funds	87,782	-	-	87,782
Small funds	34,098	-	-	34,098
International	529,703	-	-	529,703
Fixed income	508,212	-	-	508,212
Multi-Asset Fund	-	4,816,369	-	4,816,369
Total investments at fair value	$ 1,828,470	$ 4,816,369	$ -	$ 6,644,839

Investment expenses incurred totaled $9,047 and $9,505 for the years ended June 30, 2015 and 2014, respectively.

The Multi-Asset Fund includes investments in funds that invest primarily in equities and fixed income securities. There are no unfunded commitments as of June 30, 2015. The fund has a daily redemption frequency. The fair value of the investments has been estimated using the net asset value per share of the investments.

Total investment return reported in the statements of activities for the year ended June 30 are as follows:

2015	**CVI, Inc.**	**CVI Foundation, Inc.**	**Total**
Interest and dividends	**$ 3**	**$ 351,835**	**$ 351,838**
Net realized gain	**-**	**66,269**	**66,269**
Net unrealized loss	**-**	**(461,838)**	**(461,838)**
	$ 3	**$ (43,734)**	**$ (43,731)**
2014			
Interest and dividends	$ 6	$ 95,823	$ 95,829
Net realized gain	-	127,311	127,311
Net unrealized gain	-	634,733	634,733
	$ 6	$ 857,867	$ 857,873

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 5. PROPERTY AND EQUIPMENT, NET

Components of property and equipment consist of the following at June 30:

	2015	2014
Land	$ 1,025,000	$ 1,025,000
Building	7,688,361	7,688,361
Vehicles	17,739	17,739
Furniture and equipment	909,880	909,880
	9,640,980	9,640,980
Less accumulated depreciation	3,300,034	3,068,971
Total property and equipment, net	$ 6,340,946	$ 6,572,009

Depreciation expense for the years ended June 30, 2015 and 2014 was $231,063 and $254,835, respectively.

NOTE 6. RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets are available for the following purposes at June 30:

	2015	2014
Temporarily restricted:		
BEGIN - preschool children	$ 37,845	$ 34,621
STARS - school age children	13,489	3,846
Community adult services	92	-
Low vision program	926	622
VisAbility store	15,335	14,305
Adult rehabilitation	4,590	1,979
Contact center	-	65,428
Children’s programs	613,035	932,450
Endowment earnings	2,384,814	2,937,130
Planned giving initiative	9,210	9,210
Various others	-	662
Total temporarily restricted net assets	$ 3,079,336	$ 4,000,253
Permanently restricted:		
General programs	$ 800,000	$ 800,000
BEGIN - preschool children	165,000	165,000
Building maintenance	75,000	75,000
Community adult services	1,523,055	1,523,055
Internship	16,434	16,434
Total permanently restricted net assets	$ 2,579,489	$ 2,579,489

Net assets were released from donor restrictions during 2015 and 2014 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

	2015	2014
Program grants	$ 1,407,794	$ 2,005,714
	$ 1,407,794	$ 2,005,714

NOTE 6. RESTRICTED NET ASSETS (Continued)

Temporarily restricted net assets consist of the following at June 30:

	2015	2014
Cash	**$ 252,806**	$ 280,501
Pledges receivable	**-**	30,213
Investments	**2,826,530**	3,689,539
Total temporarily restricted net assets	**$ 3,079,336**	$ 4,000,253

Permanently restricted net assets consist of the following at June 30:

	2015	2014
Investments	**$ 2,579,489**	$ 2,579,489

NOTE 7. ENDOWMENT

Interpretation of Relevant Law

In approving endowment, spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Trustees of the Organizations, as authorized by the UPMIFA, has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Organizations' and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor directions to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, the Organizations classify as permanently restricted net assets the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organizations to retain as a fund of perpetual duration. The Organizations' did not have any deficiencies of this nature as of June 30, 2015 or 2014.

Return Objectives and Risk Parameters

The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organizations must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar assets classes while assuming a moderate level of investment risk. The following are benchmark indexes: Lipper Blended Benchmark, the S&P 500 Index, Barclays Aggregate Bond Index, the Lipper Intermediate Investment Grade, and the 91-Day T Bill Rate.

NOTE 7. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organizations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organizations target a diversified asset allocation to achieve their long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Related to Spending Policy

CVI Foundation, Inc.'s Board of Trustees has approved and implemented an annual spending policy related to their invested funds. The spending policy stipulates that five percent (5%) of the three-year average market value of the investment portfolio, determined at December 31st of each year, shall be available to the Organizations during their next fiscal year. Investment income consisting of dividends and interest (as well as any principal that may be necessary to achieve the five percent (5%) allocation) are transferred to CVI in the subsequent year. Interest, dividends, realized and unrealized gains or losses in excess of the five percent (5%) allocation are recorded as increases or decreases in the appropriate net asset class. The Organizations' Boards of Trustees review spending policies annually and approve distributions they deem to be prudent.

The Endowment Net Asset Composition by type of Fund at June 30, 2015 and 2014 is as follows:

Endowment Net Asset Composition by Type of Fund as of June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	**$ -**	**$ 2,384,814**	**$ 2,579,489**	**$ 4,964,303**
Total funds	**$ -**	**$ 2,384,814**	**$ 2,579,489**	**$ 4,964,303**

Endowment Net Asset Composition by Type of Fund as of June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,937,130	$ 2,579,489	$ 5,516,619
Total funds	$ -	$ 2,937,130	$ 2,579,489	$ 5,516,619

The Changes in Endowment Net Assets for the years ended June 30, 2015 and 2014 are:

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	**$ -**	**$ 2,937,130**	**$ 2,579,489**	**$ 5,516,619**
Investment gain (loss):				
Investment (loss)	-	**(27,260)**	-	**(27,260)**
Appropriation of endowment assets		**(525,056)**	**-**	**(525,056)**
Contributions	-	**-**	**-**	**-**
Endowment net assets, end of year	**$ -**	**$ 2,384,814**	**$ 2,579,489**	**$ 4,964,303**

NOTE 7. ENDOWMENT (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 2,781,448	$ 2,578,989	$ 5,360,437
Investment gain (loss):				
Investment gain	-	670,614	-	670,614
Appropriation of endowment assets		(539,932)	-	(539,932)
Contributions	-	25,000	500	25,500
Endowment net assets, end of year	$ -	$ 2,937,130	$ 2,579,489	$ 5,516,619

NOTE 8. UNITED WAY FUNDING

Revenues received from the United Way consist of funding for the Center for the Visually Impaired, Inc.'s operating budget and special allocations as requested by CVI from time to time to meet certain nonrecurring expenses. For the years ended June 30, 2015 and 2014, these revenues consist of funding for CVI's operating budget in the amount of $260,296 and $218,011, respectively.

NOTE 9. RETIREMENT PLAN

All eligible employees of the Organizations are included in a trusteed, noncontributory, defined contribution retirement plan. The plan stipulates that the Organizations fund an amount equal to 1% of each eligible employee's salary. The Organizations' policy is to fund all retirement costs as accrued. Under this plan, employees become eligible after two years of service and are fully vested. Retirement plan expense for the years ended June 30, 2015 and 2014 was $13,438 and $17,453, respectively.

NOTE 10. IN-KIND CONTRIBUTIONS

The Organizations received recognizable contributed equipment, supplies and services with a fair market value of $115,559 and $34,921 during the years ended June 30, 2015 and 2014, respectively.

NOTE 11. SUBSEQUENT EVENTS

The Organizations have evaluated subsequent events occurring through December 9 2015, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CENTER FOR THE VISUALLY IMPAIRED, INC.

SUPPLEMENTARY STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	The New View					Children's Programs		Clear Answer			Supporting Services	
	Independent Living Services	Career Services	Community Based Services	Low Vision Clinic	VisAbility Store	BEGIN	STARS	Contact Center	Volunteer Services	Total Program Services	Management and General	Total 2015
Salaries and wages	$ 354,492	$ 159,635	$ 140,703	$ 305,078	$ 76,048	$ 300,349	$ 242,772	$ 69,147	$ 33,776	$ 1,682,000	$ 312,176	$ 1,994,176
Client stipends	857	2,105	-	-	-	-	-	-	-	2,962	-	2,962
Employee benefits	63,040	14,559	21,768	40,571	11,957	58,118	10,468	-	6,732	227,213	29,348	256,561
Payroll taxes	32,612	12,427	11,569	24,489	5,954	24,303	19,107	1,542	2,753	134,756	24,795	159,551
Total salaries and related expenses	451,001	188,726	174,040	370,138	93,959	382,770	272,347	70,689	43,261	2,046,931	366,319	2,413,250
Professional fees	52,961	550	446	103,397	847	7,013	970	50,028	104	216,316	171,749	388,065
Supplies	10,489	62	392	3,390	4,704	4,184	8,338	26	472	32,057	2,811	34,868
Telephone	6,967	2,890	3,343	6,427	1,603	5,756	4,997	23,492	869	56,344	5,925	62,269
Postage and shipping	316	235	45	2,408	10,700	910	215	8	58	14,895	1,413	16,308
Occupancy	28,808	24,692	4,115	16,461	14,184	30,865	18,519	-	2,058	139,702	56,543	196,245
Printing	73	92	37	4,844	120	115	1,032	-	2	6,315	2,123	8,438
Staff transportation	2,913	57	10,711	11,985	519	2,045	1,205	133	95	29,663	941	30,604
Client transportation	17,266	24	4	17	12	75	175,904	-	2	193,304	97	193,401
Conferences	300	130	582	7,825	146	520	1,432	92	26	11,053	-	11,053
Internal meetings	143	19	17	37	25	2,487	261	140	1,726	4,855	2,874	7,729
Dues and subscriptions	4,987	4,800	-	-	-	-	-	-	-	9,787	9,406	19,193
Client activities	2,835	-	-	-	-	3,898	12,047	-	65	18,845	-	18,845
Equipment maintenance	679	301	50	200	150	376	386	-	25	2,167	826	2,993
Software and computer	4,172	1,067	950	4,929	5,936	2,804	2,870	191	413	23,332	13,628	36,960
Marketing	-	-	-	474	-	-	-	-	-	474	-	474
Other expense	1,890	1,673	274	3,629	8,244	2,023	2,495	1	534	20,763	28,852	49,615
Total expenses before depreciation	585,800	225,318	195,006	536,161	141,149	445,841	503,018	144,800	49,710	2,826,803	663,507	3,490,310
Depreciation	53,144	46,213	4,621	20,796	-	36,970	23,106	-	2,311	187,161	43,902	231,063
Total expenses	$ 638,944	$ 271,531	$ 199,627	$ 556,957	$ 141,149	$ 482,811	$ 526,124	$ 144,800	$ 52,021	$ 3,013,964	$ 707,409	$ 3,721,373

See Independent Auditor's Report.

CENTER FOR THE VISUALLY IMPAIRED, INC.

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

	The New View					Children's Programs		Clear Answer			Supporting Services	
	Independent Living Services	Career Services	Community Based Services	Low Vision Clinic	VisAbility Store	BEGIN	STARS	Contact Center	Volunteer Services	Total Program Services	Management and General	Total 2014
Salaries and wages	$ 344,567	$ 270,354	$ 225,826	$ 254,384	$ 67,520	$ 309,024	$ 216,742	$ 376,417	$ 30,151	$ 2,094,985	$ 494,650	$ 2,589,635
Employee benefits	30,330	37,183	35,420	40,838	11,679	45,866	25,380	72,873	6,079	305,648	(4,265)	301,383
Payroll taxes	27,132	21,449	18,307	20,431	5,345	24,813	17,856	30,176	2,438	167,947	39,456	207,403
Total salaries and related expenses	402,029	328,986	279,553	315,653	84,544	379,703	259,978	479,466	38,668	2,568,580	529,841	3,098,421
Professional fees	26,505	8,088	6,923	86,746	614	9,326	7,086	17,087	1,032	163,407	9,530	172,937
Supplies	3,606	848	570	7,596	3,679	7,828	7,110	884	89	32,210	4,635	36,845
Telephone	4,762	3,567	3,339	3,102	637	3,823	2,805	35,970	404	58,409	2,703	61,112
Postage and shipping	425	508	90	2,391	10,072	967	462	56	71	15,042	1,343	16,385
Occupancy	12,769	9,205	1,703	6,810	2,312	12,769	7,661	106,800	851	160,880	21,282	182,162
Printing	381	361	64	2,549	54	295	813	602	277	5,396	848	6,244
Staff transportation	5,523	1,283	10,711	3,268	173	1,818	452	1,570	137	24,935	1,804	26,739
Client transportation	11,439	306	32	74	-	131	161,605	-	9	173,596	202	173,798
Conferences	337	347	197	3,391	1,586	296	159	2,143	25	8,481	988	9,469
Internal meetings	363	132	109	146	118	482	386	1,282	1,274	4,292	3,712	8,004
Dues and subscriptions	4,904	4,999	26	158	-	74	24	1,024	850	12,059	9,053	21,112
Client activities	1,485	-	413	226	-	1,956	17,686	-	-	21,766	-	21,766
Equipment maintenance	1,847	746	60	239	165	447	433	-	30	3,967	746	4,713
Noncapitalized equipment	117	196	16	62	570	4,311	877	-	8	6,157	196	6,353
Software and computer	4,804	3,292	3,093	8,057	10,043	3,933	3,539	52,571	297	89,629	9,366	98,995
Bad debt expense	-	-	-	15,200	546	-	-	6	-	15,752	-	15,752
Marketing	-	-	-	542	47	-	-	33,310	-	33,899	3,927	37,826
Other expense	1,195	1,872	231	1,695	7,105	1,279	2,338	-	715	16,430	27,759	44,189
Total expenses before depreciation	482,491	364,736	307,130	457,905	122,265	429,438	473,414	732,771	44,737	3,414,887	627,935	4,042,822
Depreciation	40,774	68,804	5,097	22,935	-	40,774	25,484	-	2,548	206,416	48,419	254,835
Total expenses	$ 523,265	$ 433,540	$ 312,227	$ 480,840	$ 122,265	$ 470,212	$ 498,898	$ 732,771	$ 47,285	$ 3,621,303	$ 676,354	$ 4,297,657

See Independent Auditor's Report.

SINGLE AUDIT

CENTER FOR THE VISUALLY IMPAIRED, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

FEDERAL AWARDS:

Programs	CFDA	Pass-Through Number	Expenditures
U.S. Department of Education			
Passed Through Georgia Vocational Rehabilitation Agency			
Rehabilitation Services -			
Vocational rehabilitation grants to states	84.126	42700-610-0000037135	$ 877,174
Rehabilitation Services -			
Independent living services for older individuals who are blind	84.177	42700-610-0000039584	139,219
U.S. Department of Health and Human Services			
Passed Through Georgia Department of Human Services			
TANF Cluster			
Temporary assistance for needy families	93.558	42700-040-0000022511	100,000
Social services block grant	93.667	AG1514	23,455
Total expenditures of federal awards			$ 1,139,848

STATE ASSISTANCE:

Agency	Contract Number	Expenditures
Georgia Vocational Rehabilitation Agency	42700-610-0000037135	$ 237,406
	42700-610-0000039584	15,469
	42700-610-0000022975	177,859
Georgia Department of Public Health	40500-032-15151470	95,133
Georgia Department of Early Care and Learning	G13BEGIN0001	14,358
Georgia Department of Human Services	AG1514	35,130
Total expenditures of state assistance		$ 575,355

The accompanying note is an integral part of this schedule.

CENTER FOR THE VISUALLY IMPAIRED, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. The schedule of expenditures of federal awards and state assistance is prepared on the accrual basis of accounting and includes the federal grant activity for the Center for the Visually Impaired, Inc. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

MAULDIN & JENKINS

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*

To the Board of Trustees
of Center for the Visually Impaired, Inc.

We have audited, in accordance with the 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 Center for the Visually Impaired, Inc. (CVI), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2015.

Internal Control Over Financial Reporting

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

Our 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 our audit we did not identify any deficiencies in internal control that we 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 CVI's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CVI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CVI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 9, 2015

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees
of Center for the Visually Impaired, Inc.

Report on Compliance for Each Major Federal Program

We have audited Center for the Visually Impaired, Inc.'s (CVI) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CVI's major federal programs for the year ended June 30, 2015. CVI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CVI's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CVI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CVI's compliance.

Opinion on Each Major Federal Program

In our opinion, CVI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of CVI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CVI's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CVI's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 9, 2015

CENTER FOR THE VISUALLY IMPAIRED, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section I: Summary of Audit Results

Financial Statements:

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major program:

Name	CFDA Number
U.S. Department of Education passed through the Georgia Vocational Rehabilitation Agency:	
Rehabilitation Services - Vocational rehabilitation grants to states	84.126

Dollar threshold used to distinguish between type A and type B programs	$300,000
Auditee qualified as low-risk auditee?	Yes
Financial statement findings?	No
Findings and questioned costs for Federal awards?	No

CENTER FOR THE VISUALLY IMPAIRED, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section II - Financial Statement Findings	None
Section III - Federal Award Findings and Questioned Costs	None

CENTER FOR THE VISUALLY IMPAIRED, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section II - Financial Statement Findings	None
Section III - Federal Award Findings and Questioned Costs	None