

**Louisiana Association  
for the Blind  
Financial Statements  
Years Ended September 30, 2020 and 2019**

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## **Independent Auditor's Report**

The Board of Directors  
Louisiana Association for the Blind  
Shreveport, Louisiana

I have audited the accompanying financial statements of Louisiana Association for the Blind, which comprise the statements of financial position for the years ended September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and summary of significant accounting policies and the related notes to 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 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 audits. I conducted my 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 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 the 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. Accordingly, I 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 financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association for the Blind as of September 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedules of general and administrative expenses, sales and cost of sales, sales and cost of sales - base service centers, state contracts and compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Sales and Cost of Sales, Sales and Cost of Sales - Base Service Centers, State Contracts, and Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of general and administrative expenses, sales and cost of sales, sales and cost of sales - base service centers, state contracts, and compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Emphasis of Matter

As discussed in Note 19 to the financial statements, the Louisiana Association for the Blind adopted new accounting pronouncements for the years ended December 31, 2020 and 2019 with retroactive restatement as applicable. My opinion is not modified with respect to this matter.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 15, 2021 on my consideration of Louisiana Association for the Blind'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 Louisiana Association for the Blind's internal control over financial reporting and compliance.



Certified Public Accountant

Shreveport, Louisiana  
March 15, 2021



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**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***

The Board of Directors  
Louisiana Association for the Blind  
Shreveport, Louisiana

I 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 Louisiana Association for the Blind (a nonprofit organization) as of and for the year ended September 30, 2020, and the related summary of accounting policies and notes to financial statements and have issued my report thereon dated March 15, 2021.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Louisiana Association for the Blind's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered Louisiana Association for the Blind'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 Louisiana Association for the Blind’s internal control. Accordingly, I do not express an opinion on the effectiveness of Louisiana Association for the Blind'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 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 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. .

**Purpose of 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 Louisiana Association for the Blind’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Association for the Blind’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant

Shreveport, Louisiana  
March 15, 2021

# Louisiana Association for the Blind

## Statements of Financial Position

	September 30, 2020			September 30, 2019 Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 6,302,083	\$18,574	\$ 6,320,657	\$ 4,845,763	\$96,025	\$ 4,941,788
Short-term investments (Notes 3 and 4)	4,552,384	-	4,552,384	4,447,600	-	4,447,600
Accounts receivable (Notes 8, 13 and 16)	2,597,662	-	2,597,662	3,993,788	-	3,993,788
Inventories (Note 1)	2,601,865	-	2,601,865	2,449,073	-	2,449,073
Prepaid expenses and other	148,457	-	148,457	147,630	-	147,630
<b>Total current assets</b>	<b>16,202,451</b>	<b>18,574</b>	<b>16,221,025</b>	15,883,854	96,025	15,979,879
<b>Long-term investments (Notes 3 and 4)</b>	<b>8,223,488</b>	-	<b>8,223,488</b>	7,180,888	-	7,180,888
<b>Property and equipment, net (Note 2)</b>	<b>8,140,848</b>	-	<b>8,140,848</b>	8,320,824	-	8,320,824
<b>Capital lease asset, net (Note 7)</b>	<b>139,989</b>	-	<b>139,989</b>	251,979	-	251,979
<b>Goodwill, net (Notes 20 and 21)</b>	<b>279,422</b>	-	<b>279,422</b>	311,356	-	311,356
<b>Total Assets</b>	<b>\$32,986,198</b>	<b>\$18,574</b>	<b>\$33,004,772</b>	\$31,948,901	\$96,025	\$32,044,926
<b>Liabilities and Net Assets</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 594,761	\$ -	\$ 594,761	\$ 896,390	\$ -	\$ 896,390
Accrued payroll and related expenses	270,021	-	270,021	812,944	-	812,944
Deferred revenue	368,318	-	368,318	724,304	-	724,304
Note payable (Note 22)	961,508	-	961,508	-	-	-
Capital lease liability (Note 6)	125,451	-	125,451	119,643	-	119,643
<b>Total current liabilities</b>	<b>2,320,059</b>	-	<b>2,320,059</b>	2,553,281	-	2,553,281
<b>Noncurrent liabilities:</b>						
Capital lease liability (Note 6)	32,303	-	32,303	157,754	-	157,754
<b>Total liabilities</b>	<b>2,352,362</b>	-	<b>2,352,362</b>	2,711,035	-	2,711,035
<b>Net assets:</b>						
Without donor restrictions	30,633,836	-	30,633,836	29,237,866	-	29,237,866
With donor restrictions (Note 9)	-	18,574	18,574	-	96,025	96,025
<b>Total net assets</b>	<b>30,633,836</b>	<b>18,574</b>	<b>30,652,410</b>	29,237,866	96,025	29,333,891
<b>Total Liabilities and Net Assets</b>	<b>\$32,986,198</b>	<b>\$18,574</b>	<b>\$33,004,772</b>	\$31,722,466	\$96,025	\$32,044,926

*See accompanying summary of accounting policies and notes to financial statements.*

# Louisiana Association for the Blind

## Statements of Activities

<i>Years Ended</i>	September 30, 2020			September 30, 2019 Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Sales (Note 8)</b>	<b>\$ 20,010,234</b>	<b>\$ -</b>	<b>\$ 20,010,234</b>	\$ 26,856,276	\$ -	\$ 26,856,276
<b>Cost of sales</b>	<b>(16,597,682)</b>	<b>-</b>	<b>(16,597,682)</b>	(22,250,320)	-	(22,250,320)
<b>Gross profit</b>	<b>3,412,552</b>	<b>-</b>	<b>3,412,552</b>	4,605,956	-	4,605,956
<b>Expenses:</b>						
Selling	589,386	-	589,386	846,311	-	846,311
General and administrative	3,191,428	-	3,191,428	3,361,951	-	3,361,951
<b>Total expenses</b>	<b>3,780,814</b>	<b>-</b>	<b>3,780,814</b>	4,208,262	-	4,208,262
<b>Increase (decrease) in net assets from operations</b>	<b>(368,262)</b>	<b>-</b>	<b>(368,262)</b>	397,694	-	397,694
<b>Other income (expense):</b>						
Investment income, net	1,157,755	-	1,157,755	422,784	-	422,784
Other	470,957	-	470,957	32,627	-	32,627
Contribution revenues and support	135,843	4,299	140,142	8,456	55,873	64,329
Low vision program expenses	(68,227)	(13,846)	(82,073)	(52,488)	(21,065)	(73,553)
Net assets released from restrictions	67,904	(67,904)	-	-	-	-
<b>Total non-operating income (expenses)</b>	<b>1,764,232</b>	<b>(77,451)</b>	<b>1,686,781</b>	411,379	34,808	446,187
<b>Increase (decrease) in net assets</b>	<b>1,395,970</b>	<b>(77,451)</b>	<b>1,318,519</b>	809,073	34,808	843,881
Net assets, beginning of year	29,237,866	96,025	29,333,891	28,428,793	61,217	28,490,010
<b>Net assets, end of year</b>	<b>\$ 30,633,836</b>	<b>\$ 18,574</b>	<b>\$ 30,652,410</b>	\$ 29,237,866	\$ 96,025	\$ 29,333,891

*See accompanying summary of accounting policies and notes to financial statements.*

Years ended

September 30, 2020

	<u>Program Activities</u>		<u>Supporting</u>	<u>Total</u>
	<u>Selling</u>	<u>Low Vision</u>	<u>Management</u>	
	<u>Program</u>	<u>Program</u>	<u>and General</u>	
	<u>Expenses</u>	<u>Expenses</u>	<u>Program</u>	<u>Expenses</u>
<b>Expenses</b>				
Advertising Expense	\$ -	\$ 922	\$ 23,187	\$ 24,109
Audit and Accounting Expense	-	-	53,395	53,395
Board and Other Meeting Expense	-	-	398	398
Commissions and selling expenses	589,386	-	-	589,386
Consulting Expense	-	-	73,475	73,475
Contract Labor	76,753	-	-	76,753
Depreciation and Amortization	429,171	-	245,365	674,536
Dues and Subscriptions	-	-	160,254	160,254
Employee Benefits	472,128	-	204,244	676,372
Freight	187,542	-	366	187,908
Fundraising	-	619	-	619
Gifts and Entertainment	-	-	3,418	3,418
Insurance, General	-	-	174,704	174,704
Insurance, Group Health	504,177	-	274,652	778,829
Insurance, Workman's Compensation	67,618	-	18,510	86,128
Interest	10,594	-	274	10,868
Legal Fees	-	-	31,255	31,255
Low Vision Supportive Services	61,272	75,504	-	136,776
Merchandise for Resale	4,149,498	-	-	4,149,498
Miscellaneous	2,532	5,028	6,431	13,991
Office Supplies	-	-	18,521	18,521
Payroll Taxes	208,905	-	106,529	315,434
Postage	-	-	24,555	24,555
Raw Materials	7,693,622	-	-	7,693,622
Rental and Lease Expense	33,762	-	59,579	93,341
Repairs and Maintenance	134,690	-	100,851	235,541
Retirement	84,861	-	49,318	134,179
Salaries - Administrative	1,573,544	-	1,335,032	2,908,576
Salaries - Direct Labor	755,664	-	-	755,664
Security	-	-	4,499	4,499
Special Events	-	-	14,565	14,565
Supplies	31,876	-	33,910	65,786
Telephone	-	-	57,505	57,505
Tools and Small Equipment	1,719	-	22,343	24,062
Travel	1,834	-	66,983	68,817
Truck and Auto	32,920	-	4,829	37,749
Utilities	83,000	-	22,481	105,481
<b>Total Expenses</b>	<b>\$17,187,068</b>	<b>\$82,073</b>	<b>\$3,191,428</b>	<b>\$20,460,569</b>

# Louisiana Association for the Blind

## Statements of Functional Expenses

September 30, 2019

Program Activities		Supporting Activities	Total
Selling Program Expenses	Low Vision Program Expenses	Management and General Program	Expenses
\$ -	\$ 173	\$ 21,912	\$ 22,085
-	-	49,224	49,224
-	-	1,315	1,315
846,311	-	-	846,311
-	-	20,955	20,955
72,182	-	250	72,432
383,718	-	238,681	622,399
-	-	138,350	138,350
326,080	4,683	153,970	484,733
194,506	-	1,539	196,045
-	475	-	475
-	-	9,345	9,345
-	-	164,203	164,203
514,972	-	256,459	771,431
54,244	-	12,420	66,664
16,133	-	225	16,358
-	-	34,747	34,747
137,087	66,440	-	203,527
4,503,442	-	-	4,503,442
513	-	10,019	10,532
-	464	42,453	42,917
234,125	-	126,654	360,779
-	32	19,032	19,064
12,679,545	-	-	12,679,545
20,747	-	55,430	76,177
177,256	-	91,164	268,420
102,807	-	58,166	160,973
1,534,001	-	1,572,215	3,106,216
1,108,627	-	-	1,108,627
-	-	4,917	4,917
-	-	7,996	7,996
35,680	-	26,968	62,648
-	-	49,995	49,995
980	-	33,307	34,287
2,204	1,286	132,230	135,720
46,054	-	2,084	48,138
105,417	-	25,726	131,143
<b>\$23,096,631</b>	<b>\$73,553</b>	<b>\$3,361,951</b>	<b>\$26,532,135</b>

*See accompanying summary of accounting policies and notes to financial statements.*

# Louisiana Association for the Blind

## Statements of Cash Flows

Years Ended	September 30, 2020			September 30, 2019 Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Cash Flows from Operating Activities:</b>						
Increase in net assets	\$1,395,970	\$(77,451)	\$1,318,519	\$ 809,073	\$34,808	\$ 843,881
Adjustments to reconcile increase in net assets to net cash provided by operating activities:						
Depreciation and amortization	674,536	-	674,536	622,399	-	622,399
Loss (gain) on disposition of assets	-	-	-	88,501	-	88,501
Realized loss (gain) on sale of investments	(463,167)	-	(463,167)	123,125	-	123,125
Unrealized loss (gain) on investments	(130,714)	-	(130,714)	(206,794)	-	(206,794)
Change in operating assets and liabilities:						
Accounts receivable	1,396,126	-	1,396,126	(1,106,445)	-	(1,106,445)
Inventories	(152,792)	-	(152,792)	6,053	-	6,053
Prepaid expenses and other	(827)	-	(827)	(87,296)	-	(87,296)
Accounts payable	(301,629)	-	(301,629)	(297,869)	-	(297,869)
Accrued payroll and related expenses	(542,923)	-	(542,923)	196,252	-	196,252
Deferred revenue	(355,986)	-	(355,986)	355,216	-	355,216
<b>Net cash provided by operating activities</b>	<b>1,518,594</b>	<b>(77,451)</b>	<b>1,441,143</b>	502,215	34,808	537,023
<b>Cash Flows from Investing Activities:</b>						
Additions to plant and equipment	(350,636)	-	(350,636)	(434,235)	-	(434,235)
Purchases of marketable securities	(605,616)	-	(605,616)	(7,391,471)	-	(7,391,471)
Proceeds from sale of securities	52,113	-	52,113	6,066,545	-	6,066,545
Investment in business acquisition	-	-	-	(350,000)	-	(350,000)
<b>Net cash used in investing activities</b>	<b>(904,139)</b>	<b>-</b>	<b>(904,139)</b>	(2,109,161)	-	(2,109,161)
<b>Cash Flows from Financing Activities:</b>						
Proceeds from issuance of debt	961,508	-	961,508	-	-	-
Payment of lease liability	(119,643)	-	(119,643)	(114,104)	-	(114,104)
<b>Net cash used in financing activities</b>	<b>841,865</b>	<b>-</b>	<b>841,865</b>	(114,104)	-	(114,104)
Net (decrease) increase in cash and cash equivalents	1,456,320	(77,451)	1,378,869	(1,721,050)	34,808	(1,686,242)
Cash and cash equivalents at beginning of year	4,845,763	96,025	4,941,788	6,566,813	61,217	6,628,030
<b>Cash and cash equivalents at end of year</b>	<b>\$6,302,083</b>	<b>\$ 18,574</b>	<b>\$6,320,657</b>	\$ 4,845,763	\$96,025	\$ 4,941,788

*See accompanying summary of accounting policies and notes to financial statements.*

## Summary of Accounting Policies

This summary of accounting policies of Louisiana Association for the Blind (the "Association") is presented to assist in understanding the Association's financial statements. The financial statements and notes are representations of the Association's management, which is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

### Nature of Business

Louisiana Association for the Blind (the "Association") is a not-for-profit organization formed to rehabilitate, train, employ and furnish services for the blind in Northwest Louisiana. Employment opportunities are provided primarily through the Association's manufacture of copy paper, abrasive and deck covering products, printing of brochures, magazines and advertising materials, and retail sales for Barksdale Air Force Base and Fort Polk Army Installation. These financial statements include the accounts of the Association and those of the Shreveport Association for the Blind Charitable Trust, which is a trust fully controlled and administered by the management and board of directors of the Association.

### Basis of Accounting

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

### Financial Statement Presentation

For the year ended September 30, 2019, the Association adopted Accounting Standards Update (ASU) 2016-14 – "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities." Under ASU 2016-14, the Association is required to report information regarding its financial position and activities according to two classes of net assets: assets with donor restrictions and assets without donor restrictions.

Assets without donor restrictions – The part of net assets that are not restricted by donor/grantor-imposed stipulations.

Assets with donor restrictions – The part of net assets that are restricted by donor/grantor-imposed stipulations.

Expenses are generally reported as decreases in net assets without donor restriction. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

### **Revenue Recognition**

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue without donor restrictions and the related assets, which are set aside or otherwise designated by the board of directors for specific uses, are reflected as revenue without donor restrictions and net assets without donor restrictions in the accompanying financial statements.

The Association reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. 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 support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### **Property, Equipment and Depreciation**

It is the Association's policy to capitalize property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment are recorded at cost. Donated items are recorded at the fair market value of the items on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the various classes of assets ranging from three to forty years. Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred.

### **Income Taxes**

As a not-for-profit, privately supported organization, the Association is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Association is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. The Association also must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Association does not expect any of its tax positions to change significantly over the next twelve months and does not believe any of its activities create unrelated business income subject to tax. Any penalties related to late filings or other requirements would be recognized as penalties expense in the Association's accounting records.

The Association is required to file U.S. federal Form 990 for informational purposes. Its federal income tax filings for the years ended 2018 and beyond remain subject to examination by the Internal Revenue Service.

### **Cash**

For purposes of the statements of cash flows, cash includes cash in bank accounts and interest-bearing deposits with original maturities of 90 days or less which are not held for investment purposes. Investments are excluded from cash regardless of maturity, as management does not intend to use such funds within 90 days. At September 30, 2020, \$5,061,661 in cash and cash equivalents (collected bank balances) were not insured with the FDIC. For the year ended September 30, 2020, the Association adopted Accounting Standards Update (ASU) 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash." The Association considers cash and cash equivalents with donor restrictions as restricted cash.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include the value of investments, the collectability of recorded accounts receivable, inventory valuation and the life of fixed assets.

### **Inventories**

Inventories, consisting primarily of paper and paper related office products, abrasives, safety walk, and base service store material, are valued at the lower of cost or net realizable value. Cost is determined on an average cost basis.

### **Investments**

The Association has adopted FASB ASC 958-320, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under FASB 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. Fair values are computed based on quoted market values as provided by the Association's financial advisors.

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.

### **Accounts Receivable**

Accounts receivable are presented in the accompanying financial statement net of any allowance for doubtful accounts. Management periodically reviews past due accounts to determine if circumstances indicate that all, or a portion, of a customer's account will not be collectible. Based on this assessment, management reserves that portion of the receivable deemed to be uncollectible. At September 30, 2020 and 2019, the allowance for bad debts was \$0.

# Louisiana Association for the Blind

## Summary of Accounting Policies - (Concluded)

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### Advertising

The Association expenses advertising as it is incurred. The Association expended \$24,109 and \$22,085 in the years ended September 30, 2020 and 2019, respectively for advertising.

### Functional Expenses

The costs of providing program and other activities have been summarize on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<b>Expense</b>	<b>Method of Allocation</b>
Employee benefits	Time and effort
Insurance, group health	Time and effort
Insurance, workman's compensation	Time and effort
Payroll taxes	Time and effort
Retirement	Time and effort
Salaries	Time and effort
Utilities	Square footage

### Goodwill

The Association has elected to implement Financial Accounting Standard Board's Accounting Standards Update (ASU) No. 2019-06 "Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities." As provided in the ASU, management has elected the accounting alternative to amortize goodwill over 10 years on the straight-line basis. Additionally, management has elected to test goodwill for impairment at the entity level. Management has not identified any event that would trigger impairment of goodwill as of September 30, 2020. The full amount of acquired goodwill is expected to be tax deductible under the provisions of Internal Revenue Code §197 over 15 years on the straight-line basis.

### Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform with current year presentations.

**1. Inventories**

Inventories are summarized as follows:

<i>September 30,</i>	<b>2020</b>	<b>2019</b>
Raw materials	\$ 870,971	\$ 674,311
Finished goods	633,031	699,908
Work in process	6,454	9,736
Manufacturing inventories	<b>1,510,456</b>	1,383,955
Base Service Store inventories	<b>1,091,409</b>	1,065,118
<b>Total</b>	<b>\$2,601,865</b>	<b>\$2,449,073</b>

**2. Property and Equipment**

Major classes of property and equipment consist of the following:

<i>September 30,</i>	<b>2020</b>	<b>2019</b>
Buildings	\$ 7,243,822	\$ 7,002,452
Leasehold improvements - Fort Polk	2,067,033	2,067,033
Machinery	1,735,904	1,663,773
Xerox paper equipment	1,463,411	1,440,609
Padding equipment	955,127	955,127
Abrasive / deck equipment	842,194	842,194
Land	592,298	592,298
Automobiles and trucks	478,700	464,367
Furniture and fixtures	456,959	456,959
Machinery - Base Service Store	156,588	156,588
Automobiles and trucks - Fort Polk	48,044	48,044
Automobiles and trucks - Base Service Store	29,338	29,338
Machinery - Fort Polk	26,340	26,340
Leasehold improvements - Base Service Store	9,500	9,500
	<b>16,105,258</b>	<b>15,754,622</b>
Less accumulated depreciation and amortization	<b>(7,964,410)</b>	<b>(7,433,798)</b>
<b>Net property and equipment</b>	<b>\$ 8,140,848</b>	<b>\$ 8,320,824</b>

Depreciation expense related to property and equipment for the years ended September 30, 2020 and 2019 totaled \$530,612 and \$502,426, respectively.

# Louisiana Association for the Blind

## Notes to Financial Statements - (Continued)

### 3. Investments

Investments are stated at fair value and consist of the following:

September 30, 2020	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Morgan Stanley Smith Barney Short Term Reserve Account:				
Cash and money market	\$ 50,721	\$ -	\$ -	\$ 50,721
Corporate fixed income	997,757	48,153	-	1,045,910
U.S. Government securities	1,270,601	34,812	-	1,305,413
	<u>2,319,079</u>	<u>82,965</u>	<u>-</u>	<u>2,402,044</u>
Business Development Fund:				
Cash and money market	1,395,066	-	-	1,395,066
Certificates of deposit	745,000	10,274	-	755,274
	<u>2,140,066</u>	<u>10,274</u>	<u>-</u>	<u>2,150,340</u>
<b>Total short-term investments</b>	<b>\$4,459,145</b>	<b>\$93,239</b>	<b>\$ -</b>	<b>\$4,552,384</b>
Morgan Stanley Smith Barney Intermediate Term Reserve Account:				
Cash and money market	\$ 719,258	\$ -	\$ -	\$ 719,258
Government & GSE	2,188,350	119,650	-	2,308,000
Corporate fixed income	1,239,888	87,377	-	1,327,265
Common stocks	706,360	335,619	-	1,041,979
Exchange-traded funds	282,637	69,570	-	352,207
	<u>5,136,493</u>	<u>612,216</u>	<u>-</u>	<u>5,748,709</u>
Charitable Trust Fund:				
Cash and money market	755,723	-	-	755,723
Common stock	886,447	385,025	-	1,271,472
Exchange-traded funds	206,608	-	(1,355)	205,253
Mutual funds	231,755	10,576	-	242,331
	<u>2,080,533</u>	<u>395,601</u>	<u>(1,355)</u>	<u>2,474,779</u>
<b>Total long-term investments</b>	<b>\$7,217,026</b>	<b>\$1,007,817</b>	<b>\$(1,355)</b>	<b>\$8,223,488</b>

# Louisiana Association for the Blind

## Notes to Financial Statements - (Continued)

### 3. Investments - (Continued)

September 30, 2019	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Morgan Stanley Smith Barney Short Term Reserve Account:				
Cash and money market	\$ 77,645	\$ -	\$ -	\$ 77,645
Corporate fixed income	1,286,321	30,392	-	1,316,713
U.S. Government securities	914,494	20,386	-	934,880
	<u>2,278,460</u>	<u>50,778</u>	<u>-</u>	<u>2,329,238</u>
MetLife Short Term Account:				
Cash and money market	111,031	-	-	111,031
Certificates of deposit	247,000	450	-	247,450
	<u>358,031</u>	<u>450</u>	<u>-</u>	<u>358,481</u>
Business Development Fund:				
Cash and money market	36,808	-	-	36,808
Certificates of deposit	1,715,000	8,073	-	1,723,073
	<u>1,751,808</u>	<u>8,073</u>	<u>-</u>	<u>1,759,881</u>
<b>Total short-term investments</b>	<b>\$4,388,299</b>	<b>\$59,301</b>	<b>\$ -</b>	<b>\$4,447,600</b>
Morgan Stanley Smith Barney Intermediate Term Reserve Account:				
Cash and money market	\$ 94,366	\$ -	\$ -	\$ 94,366
Government & GSE	2,230,768	52,432	-	2,283,200
Corporate fixed income	1,246,491	55,534	-	1,302,025
Common stocks	771,323	130,815	-	902,138
Exchange-traded funds	522,356	64,835	-	587,191
	<u>4,865,304</u>	<u>303,616</u>	<u>-</u>	<u>5,168,920</u>
Charitable Trust Fund:				
Cash and money market	33,320	-	-	33,320
Common stock	1,072,826	197,927	-	1,270,753
Exchange-traded funds	574,779	34,845	-	609,624
Mutual funds	96,243	2,028	-	98,271
	<u>1,777,168</u>	<u>234,800</u>	<u>-</u>	<u>2,011,968</u>
<b>Total long-term investments</b>	<b>\$6,642,472</b>	<b>\$538,416</b>	<b>\$ -</b>	<b>\$7,180,888</b>

**3. Investments - (Continued)**

The Board of Directors of the Association has full responsibility for governance of the Charitable Trust Fund (Trust). Income earned by the Trust is available for use in connection with any activity, which directly benefits the blind, primarily educational, charitable, or literary purposes. Principal of the Trust is available for use only to the extent the original donor has so provided. At September 30, 2020, no assets of the Charitable Trust Fund were restricted by donors.

**4. Fair Value of Financial Instruments**

The Association has adopted FASB ASC Topic 820, "Fair Value Measurements" (Topic 820). Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata include:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume)
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Association-specific data. These unobservable assumptions reflect the Association's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

# Louisiana Association for the Blind

## Notes to Financial Statements - (Continued)

### 4. Fair Value of Financial Instruments - (Continued)

Fair values of assets and liabilities measured on a recurring basis at September 30, 2020 and 2019 are as follows:

	Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$ -	\$2,920,769	\$ -	\$ 2,920,769
Certificates of Deposit	-	755,274	-	755,274
Mutual Funds:				
Exchange-traded Funds	557,460	-	-	557,460
Domestic Growth	242,331	-	-	242,331
Total Mutual Funds	799,791	-	-	779,791
Government Obligations and Corporate Bonds	-	5,986,587	-	5,986,587
Equity Securities - Domestic	2,313,451	-	-	2,313,451
<b>Total</b>	<b>\$3,113,242</b>	<b>\$9,662,630</b>	<b>\$ -</b>	<b>\$12,775,872</b>

	Assets at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$ -	\$ 353,170	\$ -	\$ 353,170
Certificates of Deposit	-	1,970,522	-	1,970,522
Mutual Funds:				
Exchange-traded Funds	1,196,815	-	-	1,196,815
Domestic Growth	98,272	-	-	98,272
Total Mutual Funds	1,295,087	-	-	1,295,087
Government Obligations and Corporate Bonds	-	5,836,818	-	5,836,818
Equity Securities - Domestic	2,172,891	-	-	2,172,891
<b>Total</b>	<b>\$3,467,978</b>	<b>\$8,160,510</b>	<b>\$ -</b>	<b>\$11,628,488</b>

**5. Operating Leases**

The Association leases equipment for some of its activities under operating leases. Minimum rentals under the leases with initial or remaining terms in excess of one year are as follows at September 30, 2020:

Year	Operating Lease Payments
2021	\$44,868
2022	44,868
2023	44,868
2024 and thereafter	3,739
<b>Total minimum operating lease payments</b>	<b>\$138,343</b>

Amounts charged to operations under operating leases totaled \$85,688 and \$76,117 in 2020 and 2019, respectively.

**6. Capital Lease Liability**

The Association leases equipment for some of its activities under a capital leasing arrangement with an initial present value of \$578,617 with 60 monthly payments of \$10,853 including an imputed annual interest rate of 4.75% beginning January 1, 2017 with a bargain purchase of \$1 at the end of the lease term.

Future lease liability commitments under capital leases as of September 30, 2020 are as follows:

Year	Capital Lease Commitments
2021	\$125,451
2022	32,303
<b>Total capital lease commitments</b>	<b>\$157,754</b>

Current and noncurrent portion of capital lease liabilities are summarized as follows:

	2020	2019
Current portion	\$125,451	\$119,643
Noncurrent portion	32,303	157,754
<b>Total lease liability</b>	<b>\$157,754</b>	<b>\$277,397</b>

Interest expense associated with capital lease liabilities was \$10,594 and \$16,133 for the years ended September 30, 2020 and 2019, respectively.

**7. Capital Lease Assets**

The Association records a capital lease asset corresponding to the initial present value of the underlying capital lease liabilities. Depreciation expense is recorded on a straight-line basis over the term of the lease.

	2020	2019
Printing equipment	\$ 578,617	\$ 578,617
Less accumulated depreciation	(438,628)	(326,638)
<b>Capital lease assets, net</b>	<b>\$ 139,989</b>	<b>\$ 251,979</b>

Depreciation expense associated with capital leases was \$111,990 and \$111,990 for the years ended September 30, 2020 and 2019, respectively.

**8. Major Customer**

The majority of the Association's sales are to agencies of the United States Government or to third-party commercial enterprises, which then resale the products to agencies of the United States Government. Sales to agencies of the United States Government and such commercial enterprises accounted for approximately 88% and 93% of total sales in 2020 and 2019. Related accounts receivable accounted for approximately 89% and 90% of total accounts receivable at September 30, 2020 and 2019, respectively.

**9. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes:

	2020	2019
Children's Programs	\$ 9,489	\$15,743
Scholarships	9,085	12,435
Assistive Technology	-	66,351
Art Program	-	1,496
<b>Net assets with donor restrictions</b>	<b>\$18,574</b>	<b>\$96,025</b>

**10. Retirement Plan**

The Association has a qualified, contributory 401(k) plan for all eligible employees. Effective January 1, 2011, the Association amended the plan to allow eligible employees to contribute up to the legal limit from their compensation and the Association would match employee contributions 100% up to 5% of eligible compensation. Also, the Association can contribute a discretionary amount as determined annually by the Board of Directors based on year-end profits. No discretionary contributions were made in either year.

**10. Retirement Plan - (Continued)**

The total of the discretionary contributions, matching contributions and employee contributions may not exceed the maximum as allowed by law for each employee. Matching contributions charged against operations amounted to \$134,179 and \$160,973 in 2020 and 2019, respectively.

**11. Supplemental Cash Flows Information**

Cash paid for interest totaled \$10,868 and \$16,358 for the years ended September 30, 2020 and 2019, respectively.

**12. Major Vendors**

One vendor accounted for 29% of purchases in 2020 and 38% in 2019.

**13. State of Louisiana Contract**

In 2020 and 2019, the Association received revenue totaling \$505,091 and \$591,673, respectively from the State of Louisiana. The funds were expended in exchange for providing certain services and procuring certain equipment based on an annual budget request submitted to the State of Louisiana. Such budget items included acquisitions (or major repair) of property and equipment, advertising costs, staff salaries and professional services. Included in Accounts Receivable as of September 30, 2020 and 2019 are \$96,764 and \$512,038, respectively, related to this revenue.

**14. Subsequent Events**

In accordance with FASB Accounting Standards Codification topic 855 "Subsequent Events," the Association evaluated events and transactions that occurred after the statement of financial position date but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Association evaluated such events through March 15, 2021, the date the financial statements were available to be issued and noted no subsequent events that required provision for or disclosure in the financial statements.

**15. Related Party Transactions**

The Association has an agreement with the National Industries for the Blind ("NIB"), under which NIB acts as a prime contractor and central nonprofit agency for the Association to obtain governmental contracts under the Ability One, formerly Javits-Wagner-O'Day (JWOD) Program. The Association pays commissions of 3.93% to NIB on all Ability One sales for which either the Association or NIB act as the prime contractor. Commissions paid to NIB for Ability One sales were \$431,602 and \$671,323 for the years ended September 30, 2020 and 2019, respectively.

**16. Accounts Receivable**

Accounts receivable comprise the following:

	2020	2019
Trade accounts receivable	\$2,386,641	\$3,481,122
Other receivables	114,257	628
State appropriations receivable	96,764	512,038
	<b>\$2,597,662</b>	<b>\$3,993,788</b>

**17. Availability of Financial Assets**

The following reflects the Association's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	2020	2019
Financial assets at year end	\$21,694,191	\$20,564,064
Less those unavailable for general operations within one year due to:		
Restricted by donor with time or purpose restriction	(18,574)	(96,025)
Total financial assets available to meet cash needs for general expenditure within one year	<b>\$21,675,617</b>	<b>\$20,468,039</b>

The Association's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2020	2019
Cash and cash equivalents	\$6,302,083	\$4,845,763
Accounts receivable and other receivable	2,579,662	3,993,788
Short-term investments	4,552,384	4,447,600
Long-term investments	8,223,488	7,180,888
Total financial assets	<b>\$21,657,617</b>	<b>\$20,468,039</b>

**18. Commitments and Contingencies**

In the normal course of business, the Association may be subject to various claims and litigation. The Association anticipates no material losses as a result of any such actions.

**19. Adoption of New Pronouncements**

For the year ended September 30, 2019, the Association adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – “Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities.” The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures.

With respect to these financial statements, the major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) requiring the presentation of an analysis of expenses by function and nature and along with a summary of the allocation methods used to allocate costs, (c) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of financial resources, and (d) presenting investment return net of external and direct expenses.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the periods presented. The Association’s net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, the Association’s net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

For the year ended September 30, 2019, the Association adopted Financial Accounting Standard Update (ASU) No. 2019-06 – “Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities.” The ASU extends certain private company accounting alternatives to not-for-profit entities.

Specifically, the ASU permits a not-for-profit entity to amortize goodwill on a straight-line basis over 10 years. Additionally, the entity must make an accounting policy election to test goodwill for impairment at either the entity level or the reporting-unit level. Goodwill of the entity (or the reporting unit) is tested for impairment if an event occurs or circumstances change indicating that the fair value of the entity (or the reporting unit) may be below its carrying amount. Annual testing of goodwill for impairment is not required. Implementation of ASU 2019-06 did not require reclassification or restatement of any opening balances related to the periods presented.

For the year ended September 30, 2020, the Association adopted Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which addresses classification and presentation of changes in restricted cash on the statement of cash flows. ASU 2016-18 requires an entity’s reconciliation of the beginning-of-period and end-of-period total amounts shown on the statement of cash flows to include cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents. The Financial Accounting Standards Board has not defined restricted cash or restricted cash equivalents. The Association considers restricted cash to include cash contributions, grants or other support received with donor restrictions that have not been released from restriction through fulfillment of the stipulated restrictions. The Association has adopted ASU 2016-18 using a retrospective method. Cash and cash equivalents with donor restrictions, including associated changes if applicable, are presented in a separate column on the statement of financial position and statement of cash flows.

## Louisiana Association for the Blind

### Notes to Financial Statements - (Continued)

#### 20. Acquisitions

On June 25, 2019, the Association acquired the following assets that comprised the business operations of Hilburn Printing, Inc., Shreveport, Louisiana in an all cash transaction:

Goodwill	\$319,339
Vehicles and equipment	27,899
Inventory	2,500
Furniture and fixtures	262
	<b>\$350,000</b>

Tangible assets were valued at their fair market value as of the date of acquisition. None of Hilburn Printing, Inc.'s liabilities were assumed, and no other considerations were provided or received. Goodwill represents the expected synergies from combined operations.

#### 21. Goodwill

The following reflects the schedule of goodwill amortization expense:

Year	Amortization Expense
2021	\$ 31,934
2022	31,934
2023	31,934
2024	31,934
2025 and thereafter	151,686
	<b>\$279,422</b>

Goodwill amortization expense for the years ended September 30, 2020 and 2019 totaled \$31,934 and \$7,893, respectively.

The following represents the value of goodwill:

	2020	2019
Acquired goodwill	<b>\$319,339</b>	\$319,339
Accumulated amortization expense	<b>(39,917)</b>	(7,893)
Goodwill, net	<b>\$279,422</b>	\$311,446

**22. Note Payable**

The Association received a loan in the amount of \$961,508 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. The loan is subject to a note dated April 14, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan bears an interest at a rate of 1% and is payable in 17 monthly installments of \$54,110 of principal and interest beginning 7 months from the date of the note.

Management has elected to treat the loan under the provisions of Financial Accounting Standard Board Accounting Standard Codification Topic 450-30 “Gain Contingencies.” Under this model, the earnings impact of a gain contingency is recognized when all the contingencies related to receipt of the loan have been met and the gain is realized or realizable. Management considers the significant contingencies for recognizing the gain to include expending the funds for allowable purposes and receiving an approved loan forgiveness from the lender. The Association expended all PPP loan proceeds on allowable costs but has not received approved loan forgiveness as of September 30, 2020. Once the lender has approved the request for loan forgiveness, management will derecognize the note payable liability and recognize governmental grant revenues in the amount of the forgiven loan. Management expects the PPP loan to be fully forgivable.

**23. Prior Period Adjustment**

During the year ended September 30, 2020, management found there was an error recording income from the State of Louisiana contract. Therefore, a prior period adjustment of \$226,433 has been recorded to properly reflect income for the year ended September 30, 2020. The effect was to increase Sales, current assets, increase in net assets and fund balance by \$226,433.

The changes for the year ended 2019 are as follows:

	As Previously Reported	As Restated
Current Assets	\$15,753,444	\$15,979,879
Total Assets	\$31,818,491	\$32,044,926
Unrestricted Fund Balance	\$29,011,431	\$29,237,866
Total Fund Balance	\$29,107,456	\$29,333,891
Sales	\$26,629,841	\$26,856,276
Net Increase in Assets From Operations	\$ 171,259	\$ 397,694
Net Increase in Assets	\$ 617,446	\$ 843,881

## **Supplementary Information**

<i>Years Ended</i>	September 30, 2020					
	Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
<b>Sales:</b>						
General Services Administration	\$ -	\$1,036,067	\$ -	\$ 3,163,988	\$ -	\$ 4,200,055
MAS and Ability One	162,926	968,800	-	6,786,031	-	7,917,757
Commercial / NON-NIB	182,722	1,212,276	-	61,204	856,092	2,312,294
Waste	-	-	-	99,215	-	99,215
Base Service Stores	67	-	-	89,144	-	89,211
State Contract	-	-	264,992	-	-	264,992
Other	-	85	391,603	4,943	-	396,631
	<b>345,715</b>	<b>3,217,228</b>	<b>656,595</b>	<b>10,204,525</b>	<b>856,092</b>	<b>15,280,155</b>
<b>Cost of Sales:</b>						
Beginning inventory	65,234	547,531	35,623	675,580	59,987	1,383,955
Add: Purchase / transfer from other departments	153,853	1,796,486	205,175	5,447,456	243,242	7,846,212
Less: Ending inventory	(106,444)	(696,106)	(34,793)	(660,570)	(12,545)	(1,510,458)
Raw materials consumed	112,643	1,647,911	206,005	5,462,466	290,684	7,719,709
Manufacturing costs	522,499	617,688	1,003,381	1,713,031	710,795	4,567,394
Cost of sales	<b>635,142</b>	<b>2,265,599</b>	<b>1,209,386</b>	<b>7,175,497</b>	<b>1,001,479</b>	<b>12,287,103</b>
Gross profit (loss)	<b>\$(289,427)</b>	<b>\$ 951,629</b>	<b>\$ (552,791)</b>	<b>\$ 3,029,028</b>	<b>\$ (145,387)</b>	<b>\$ 2,993,052</b>
Gross profit as a percent of sales	NM	29.6%	NM	29.7%	NM%	19.6%

NM - Not Meaningful

# Louisiana Association for the Blind

## Schedules of Sales and Cost of Sales

September 30, 2019					
Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
\$ -	\$ 631,314	\$ -	\$ 4,212,075	\$ -	\$ 4,843,389
296,946	849,957	-	11,552,588	-	12,699,491
39,526	2,077,575	-	176,747	631,191	2,925,039
-	-	-	204,006	-	204,006
67	-	-	89,308	-	89,375
-	-	226,435	-	-	226,435
-	426	619,927	1,971	-	622,324
336,539	3,559,272	846,362	16,236,695	631,191	21,610,059
71,082	500,185	27,243	778,674	23,935	1,401,119
139,671	1,597,577	192,080	10,681,779	168,463	12,779,570
(65,234)	(547,531)	(35,623)	(675,580)	(59,987)	(1,383,955)
145,519	1,550,231	183,700	10,784,873	132,411	12,796,734
603,275	731,565	902,162	1,981,746	477,089	4,695,837
748,794	2,281,796	1,085,862	12,766,619	609,500	17,492,571
\$(412,255)	\$1,277,476	\$ (239,500)	\$ 3,470,076	\$ 21,691	\$ 4,117,488
NM	35.9%	NM	21.4%	3.4%	19.1%

<i>Years Ended</i>	September 30, 2020			
	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
<b>Sales</b>	\$1,001,566	\$2,147,006	\$1,581,507	\$4,730,079
<b>Cost of Sales:</b>				
Beginning inventory	260,558	535,160	269,400	1,065,118
Add: Purchase/transfer from other departments	805,644	2,040,603	1,145,292	3,991,539
Less: Ending inventory	(211,984)	(664,455)	(214,970)	(1,091,409)
Raw materials consumed	854,218	1,911,308	1,199,722	3,965,248
Other costs	118,462	92,426	134,443	345,331
Cost of sales	972,680	2,003,734	1,334,165	4,310,579
Gross profit	\$ 28,886	\$ 143,272	\$ 247,342	\$ 419,500
Gross profit as a percent of sales	2.9%	6.7%	15.6%	8.9%

# Louisiana Association for the Blind

## Schedules of Sales and Cost of Sales - Base Service Centers

September 30, 2019				
	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
	\$1,188,006	\$2,358,704	\$1,699,507	\$5,246,217
	287,782	450,109	316,116	1,054,007
	936,119	2,028,256	1,384,011	4,348,386
	(260,558)	(535,160)	(269,400)	(1,065,118)
	963,343	1,943,205	1,430,727	4,337,275
	117,618	115,914	186,944	420,476
	1,080,961	2,059,119	1,617,671	4,757,751
	\$ 107,045	\$ 299,585	\$ 81,836	\$ 488,466
	9.0%	12.7%	4.8%	9.3%

# Louisiana Association for the Blind

## Schedules of State Contracts

### *Year Ended September 30, 2020*

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2020 Appropriation	\$500,000	\$408,327	\$408,327
2021 Appropriation	500,000	96,764	96,764
Total		\$505,091	\$505,091

### *Year Ended September 30, 2019*

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2019 Appropriation	\$500,000	\$500,000	\$500,000
2020 Appropriation	500,000	91,673	91,673
Total		\$591,673	\$591,673

**Schedule of Compensation, Benefits and Other Payments to Agency Head**

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*Year Ended September 30, 2020*

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Louisiana Revised Statute 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2016 Regular Session of the Louisiana Legislature to clarify that nongovernmental or not-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

Louisiana Association for the Blind is not required to report the total compensation, reimbursements, and benefits paid to Ms. Shawn Murphy, the Association's President and Chief Executive Officer during the year ended September 30, 2020, as none of those payments were made from public funds.

*Year Ended September 30, 2020*

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1. The independent auditor's report expressed an unqualified opinion on the financial statements of the Louisiana Association for the Blind.
2. No instances of noncompliance were reported in the independent auditor's report on compliance.
3. No material weaknesses in internal accounting control were disclosed in the independent auditor's report on internal control.
4. A separate management letter was not issued.

**Louisiana Association for the Blind**

**Schedule of Findings and Questioned Costs**

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*Year Ended September 30, 2020*

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There were no findings for the year ended September 30, 2020.

**Louisiana Association for the Blind**

**Schedule of Prior Year Audit Findings**

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*Year Ended September 30, 2019*

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There were no findings for the year ended September 30, 2019.