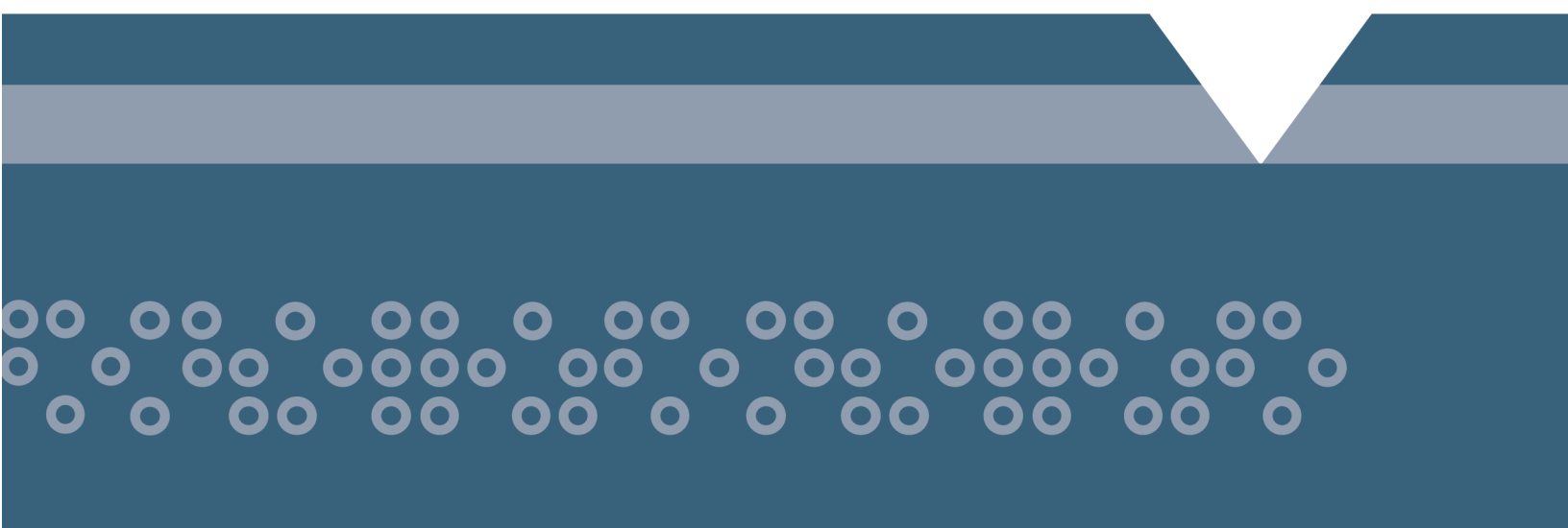


Louisiana Association for the Blind

Financial Statements

Years Ended September 30, 2023 and 2022



CERTIFIED PUBLIC
ACCOUNTANTS

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Louisiana Association for the Blind, which comprise the statements of financial position as of September 30, 2023 and 2022, 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.

In our 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, 2023, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

The financial statements of Louisiana Association for the Blind as of September 30, 2022, and for the year then ended were audited by other auditors whose report dated March 15, 2023, expressed an unmodified opinion on those financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Louisiana Association for the Blind and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Association for the Blind's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Louisiana Association for the Blind's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Association for the Blind's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. 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 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 our opinion, 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 fairly stated, in all material respects, in relation to the basic 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 April 9, 2024, on our consideration of the Louisiana Association for the Blinds internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Louisiana Association for the Blind's 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 reporting and compliance.

HEARD, McELROY & VESTAL, L.L.C.

Certified Public Accountant

Shreveport, Louisiana
April 9, 2024

Louisiana Association for the Blind

Statements of Financial Position

	September 30, 2023			September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,947,673	\$ 6,823	\$ 4,954,496	\$ 4,856,808	\$ 12,013	\$ 4,868,821
Short-term investments (Notes 3 and 4)	6,232,235	-	6,232,235	5,754,359	-	5,754,359
Accounts receivable (Notes 6, 11 and 14)	4,422,039	-	4,422,039	3,939,492	-	3,939,492
Inventories (Note 1)	4,833,829	-	4,833,829	4,467,991	-	4,467,991
Prepaid expenses and other	107,788	-	107,788	93,315	-	93,315
Total current assets	20,543,564	6,823	20,550,387	19,111,965	12,013	19,123,978
Long-term investments (Notes 3 and 4)	8,313,526	-	8,313,526	7,642,878	-	7,642,878
Property and equipment, net (Note 2)	6,549,931	-	6,549,931	6,610,809	-	6,610,809
Right-of-use asset, net (Note 5)	157,588	-	157,588	-	-	-
Goodwill, net (Note 19)	-	-	-	-	-	-
Total Assets	\$ 35,564,609	\$ 6,823	\$ 35,571,432	\$ 33,365,652	\$ 12,013	\$ 33,377,665
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	\$ 873,175	\$ -	\$ 873,175	\$ 591,251	\$ -	\$ 591,251
Accrued payroll and related expenses	319,030	-	319,030	726,855	-	726,855
Deferred revenue	566,962	-	566,962	733,105	-	733,105
Right-of-use lease liability (Note 5)	26,894	-	26,894	-	-	-
Total current liabilities	1,786,061	-	1,786,061	2,051,211	-	2,051,211
Noncurrent liabilities:						
Right-of-use lease liability (Note 5)	116,746	-	116,746	-	-	-
Total liabilities	1,902,807	-	1,902,807	2,051,211	-	2,051,211
Net assets:						
Without donor restrictions	33,661,802	-	33,661,802	31,314,441	-	31,314,441
With donor restrictions (Note 7)	-	6,823	6,823	-	12,013	12,013
Total net assets	33,661,802	6,823	33,668,625	31,314,441	12,013	31,326,454
Total Liabilities and Net Assets	\$ 35,564,609	\$ 6,823	\$ 35,571,432	\$ 33,365,652	\$ 12,013	\$ 33,377,665

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

Louisiana Association for the Blind

Statements of Activities

Years Ended	September 30, 2023			September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Sales (Note 16)	\$ 31,128,663	\$ -	\$ 31,128,663	\$ 22,648,914	\$ -	\$ 22,648,914
Cost of sales	(25,312,821)	-	(25,312,821)	(18,390,220)	-	(18,390,220)
Gross profit	5,815,842	-	5,815,842	4,258,694	-	4,258,694
Expenses:						
Selling	992,781	-	992,781	752,444	-	752,444
General and administrative	4,059,037	-	4,059,037	3,147,728	-	3,147,728
Total expenses	5,051,818	-	5,051,818	3,900,172	-	3,900,172
Increase in net assets from operations	764,024	-	764,024	358,522	-	358,522
Other income (expense):						
Earning on non-exchange contracts (Note 11)	519,318	-	519,318	539,203	-	539,203
Contributions of cash and other financial assets	26,649	-	26,649	48,576	1,000	49,576
Other	43,248	-	43,248	27,378	-	27,378
Low vision program expenses	(225,310)	-	(225,310)	(276,184)	-	(276,184)
Investment income (loss), net	1,184,242	-	1,184,242	(1,711,423)	-	(1,711,423)
Loss from discontinued operations (Note 20)	-	-	-	(378,328)	-	(378,328)
Gain on disposition of assets	30,000	-	30,000	-	-	-
Net assets released from restrictions	5,190	(5,190)	-	3,328	(3,328)	-
Total non-operating income (expenses)	1,583,337	(5,190)	1,578,147	(1,747,450)	(2,328)	(1,749,778)
Increase (decrease) in net assets	2,347,361	(5,190)	2,342,171	(1,388,928)	(2,328)	(1,391,256)
Net assets, beginning of year	31,314,441	12,013	31,326,454	32,703,369	14,341	32,717,710
Net assets, end of year	\$ 33,661,802	\$ 6,823	\$ 33,668,625	\$ 31,314,441	\$ 12,013	\$ 31,326,454

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

*Years ended*September 30, 2023

	<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>
Expenses				
Advertising Expense	\$ -	\$ -	\$ 104,512	\$ 104,512
Audit and Accounting Expense	-	-	38,511	38,511
Board and Other Meeting Expense	-	-	717	717
Commissions and selling expenses	992,781	-	-	992,781
Consulting Expense	-	-	13,545	13,545
Contract Labor	179,603	-	27,037	206,640
Depreciation and Amortization	353,588	-	166,285	519,873
Dues and Subscriptions	-	-	198,342	198,342
Employee Benefits	619,065	-	159,404	778,469
Freight	502,815	-	430	503,245
Gifts and Entertainment	-	-	5,876	5,876
Insurance, General	-	-	334,068	334,068
Insurance, Group Health	745,366	-	397,191	1,142,557
Insurance, Workman's Compensation	126,697	-	51,327	178,024
Legal Fees	-	-	8,625	8,625
Low Vision Supportive Services	44,447	222,356	-	266,803
Merchandise for Resale	5,376,647	-	-	5,376,647
Miscellaneous	-	2,954	68,458	71,412
Office Supplies	-	-	43,741	43,741
Payroll Taxes	301,189	-	136,376	437,565
Postage	-	-	2,316	2,316
Raw Materials	13,258,455	-	-	13,258,455
Rental and Lease Expense	5,300	-	37,910	43,210
Repairs and Maintenance	166,127	-	82,608	248,735
Retirement	127,189	-	58,202	185,391
Salaries - Administrative	1,990,246	-	1,682,606	3,672,852
Salaries - Direct Labor	1,307,313	-	-	1,307,313
Security	-	-	10,829	10,829
Special Events	-	-	59,363	59,363
Supplies	24,782	-	42,898	67,680
Telephone	-	-	124,141	124,141
Tools and Small Equipment	2,788	-	34,536	37,324
Travel	3,647	-	136,258	139,905
Truck and Auto	76,777	-	5,042	81,819
Utilities	100,780	-	27,883	128,663
Total Expenses	\$26,305,602	\$225,310	\$4,059,037	\$30,589,949

Louisiana Association for the Blind

Statements of Functional Expenses

September 30, 2022

Program Activities		Supporting Activities	Total
Selling Program Expenses	Low Vision Program Expenses	Management and General Program	Expenses
\$ -	\$ 217	\$ 39,438	\$ 39,655
-	-	36,635	36,635
-	-	57	57
752,444	-	-	752,444
-	-	93,115	93,115
204,619	-	-	204,619
231,173	-	141,903	373,076
-	-	164,601	164,601
383,574	-	153,317	536,891
745,645	-	259	745,904
-	-	5,086	5,086
-	-	224,496	224,496
434,459	-	271,365	705,824
55,586	-	15,947	71,533
-	-	220	220
-	-	8,369	8,369
43,804	273,216	-	317,020
3,756,780	-	-	3,756,780
5,162	2,751	104,719	112,632
-	-	21,159	21,159
179,570	-	113,248	292,818
-	-	2,887	2,887
9,289,363	-	-	9,289,363
989	-	53,708	54,697
190,379	-	108,682	299,061
96,782	-	41,228	138,010
1,779,340	-	1,340,458	3,119,798
797,577	-	-	797,577
-	-	10,879	10,879
-	-	9,672	9,672
26,842	-	24,604	51,446
-	-	66,840	66,840
2,223	-	16,563	18,786
9,186	-	41,064	50,250
52,696	-	11,140	63,836
104,471	-	26,069	130,540
\$19,142,664	\$276,184	\$3,147,728	\$22,566,576

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

Louisiana Association for the Blind

Statements of Cash Flows

Years Ended	September 30, 2023			September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:						
Increase (decrease) in net assets	\$ 2,347,361	(5,190)	2,342,171	(1,388,928)	(2,328)	(1,391,256)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:						
Depreciation and amortization	519,873	-	519,873	772,237	-	772,237
(Gain) on disposition of assets	(30,000)	-	(30,000)	-	-	-
Realized gain (loss) on sale of investments	80,318	-	80,318	(263,251)	-	(263,251)
Unrealized (gain) loss on investments	(837,994)	-	(837,994)	2,197,565	-	2,197,565
Non-cash Gain from loan forgiveness	-	-	-	-	-	-
Change in operating assets and liabilities:						
Accounts receivable	(482,547)	-	(482,547)	(791,847)	-	(791,847)
Inventories	(365,838)	-	(365,838)	(1,207,287)	-	(1,207,287)
Prepaid expenses and other	(14,473)	-	(14,473)	68,075	-	68,075
Accounts payable	281,925	-	281,925	(54,463)	-	(54,463)
Accrued payroll and related expenses	(407,825)	-	(407,825)	(68,855)	-	(68,855)
Deferred revenue	(166,143)	-	(166,143)	554,974	-	554,974
Increase in operating lease asset and liability	(13,948)	-	(13,948)	(32,303)	-	(32,303)
Net cash provided by (used in) operating activities	910,709	(5,190)	(905,519)	(214,083)	(2,328)	(216,411)
Cash Flows from Investing Activities:						
Additions to plant and equipment	(458,995)	-	(458,995)	(104,400)	-	(104,400)
Proceeds from sale of assets	30,000	-	30,000	-	-	-
Purchases of marketable securities	(6,198,117)	-	(6,198,117)	(10,899,958)	-	(10,899,958)
Proceeds from sale of securities	5,807,268	-	5,807,268	10,680,559	-	10,680,559
Net cash used in investing activities	(819,844)	-	(819,844)	(323,799)	-	(323,799)
Cash Flows from Financing Activities:						
Net cash used in financing activities	-	-	-	-	-	-
Net increase in cash and cash equivalents	90,865	(5,190)	85,675	(537,882)	(2,328)	(540,210)
Cash and cash equivalents at beginning of year	4,856,808	12,013	4,868,821	5,394,690	14,341	5,409,031
Cash and cash equivalents at end of year	\$ 4,947,673	6,823	4,954,496	4,856,808	12,013	4,868,821

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 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 Louisiana Association for the Blind Charitable Trust, which is a trust fully controlled and administered by the management and board of directors of the Association. Printing operations were discontinued in the year ended September 30, 2022 (Note 20).

Basis of Accounting

The financial statements of the 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

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

Contributions – 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.

Contributed Nonfinancial Assets – The Association adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. 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. The Association’s policy is to use contributed nonfinancial assets for general and administrative activities unless otherwise stipulated by explicit donor restrictions.

Conditional Contributions, Grants and Non-exchange Contracts – The Association adopted ASU 2018-08 – “Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.” The ASU provides guidance on identifying conditions that would preclude the recognition of a contribution as revenue or effect the timing thereof. A condition represents a criterion the Association must achieve before becoming entitled to the transferred asset. The Association adopted the new standard effective October 1, 2020 using the full retrospective method.

Cash and other assets received as conditional contributions, grants, and non-exchange contracts are accounted for as refundable advances on the statement of financial position until the condition has been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition was met as either an increase in net assets without donor restrictions or as an increase in net assets with donor restrictions if a time or purpose restrictions exist beyond the initial condition.

Contracts with Customers –The Association adopted ASU 2014-09 – “Revenue from Contracts with Customers (Topic 606)” as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and to account for certain contract costs and revenues as contract assets or contract liabilities. The Association adopted the new standard effective October 1, 2020 using the full retrospective method.

Performance Obligations

Retail Sales – Revenue from retail sales of merchandise is recognized at a point in time when control of the goods transfers to the customer in an amount that reflects the consideration the Association expects to receive in exchange for the goods. Typically, control is deemed to transfer at the date at which the goods are shipped, title has passed to the customer, or the customer accepts the goods and assumes the risks and rewards of ownership.

Manufactured Goods Sales – Revenue from the sale of manufactured goods is recognized at a point in time when control of the goods transfers to the customer in an amount that reflects the consideration the Association expects to receive in exchange for the goods. Typically, control is deemed to transfer at the date at which the goods are shipped, title has passed to the customer, or the customer accepts the goods and assumes the risks and rewards of ownership.

Printing and Reproduction Services – Revenue from printing and reproduction services is recognized at a point in time when control of the goods transfers to the customer in an amount that reflects the consideration the Association expects to receive in exchange for the goods or services. Typically, control is deemed to transfer at the date at which the goods are shipped, title has passed to the customer, or the customer accepts the goods or services and assumes the risks and rewards of ownership. Printing operations were discontinued in the year ended September 30, 2022 (Note 23).

Low Vision Services – Revenue from Low Vision services is recognized at a point in time when the customer receives the service in an amount that reflects the consideration the Association expects to receive in exchange for the services provided.

Sales Taxes

The Association is required to collect local and state sales taxes based on a percentage of qualifying sales. The Association's policy is to exclude sales taxes from the transaction price of all revenue when collected and from expenses paid. Instead, the Association records the collection and payment of sales taxes through a liability account.

Shipping and Handling

The Association treats shipping and handling activities as a part of the underlying promise to transfer goods to customers and to not treat them as a separate performance obligation. Thus, no portion of revenue received from customers is allocated to shipping and handling activities. All shipping and handling costs are classified as fulfillment costs.

Contract Assets and Liabilities

The Association records contract assets and liabilities related to contracts with customers. Contract assets consist of the Association's right to payment from customers for goods or services that have been provided to those customers, with the right to collection conditional on something other than the passage of time. Contract assets were \$0 and \$0 for the years ended September 30, 2023 and 2022, respectively.

Contract Assets and Liabilities (Continued)

Contract liabilities consist of the Association's obligation to transfer goods or services to customers for which the Association has received consideration from customers, including advance payments received from customers for future goods and services. Contract liabilities were \$566,962 and \$733,105 for the years ended September 30, 2023 and 2022, respectively.

Refund Assets and Liabilities

Sales of retail merchandise and manufactured goods are subject to limited rights of return. Management accrues a refund asset and liability for product returns at the time of sale based on historical experience.

The refund asset represents the Association's right to receive goods back from the customer. The asset is initially measured at the carrying amount of the goods at the time of sale, less any expected costs to recover the goods and any expected reduction in value.

The refund liability represents the amount of consideration the Association does not expect to be entitled to because it will be refunded or credited to customers. The refund liability is remeasured at each reporting date to reflect changes in the estimate, with a corresponding adjustment to revenue. The actual amount refunded is reduced by a restocking fee.

Management has reviewed the refund historical experience and determined the refund asset and refund liability are immaterial for the years ended September 30, 2023 and 2022; thus, none have been reported in these financial statements.

Warranties

The Association provides limited assurance type warranties for manufactured goods. An assurance type warranty provides the customer with assurance the product will function as intended. Assurance warranties are not accounted for as separate performance obligations. A warranty that goes above and beyond ensuring basic functionality is considered a service type warranty. The Association does not provide service type warranties.

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. The allowance for bad debt was \$0 and \$0 for the years ended September 30, 2023 and 2022, respectively.

Refundable Advances

The Association records refundable advances related to contributions, grants, or non-exchange contracts with donor-imposed conditions where the condition has not been substantially met or explicitly waived. Refundable advances were \$0 and \$0 for the years ended September 30, 2023 and 2022 respectively.

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.

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, 2023, \$4,798,360 in cash and cash equivalents (collected bank balances) were not insured with the FDIC. The Association has 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.

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 penalty expenses 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 2021 and beyond remain subject to examination by the Internal Revenue Service.

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; amounts accrued as a refund liability and refund asset; and the life of fixed assets.

Inventories

Inventories, consisting primarily of paper and paper related office products, abrasives, safety walk, and base service store materials, 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.

Leases

The Association determines if an arrangement is a lease at inception. Operating leases are included in lease right-of-use ("ROU") assets and lease liabilities in the statement of financial position. Finance leases are included in property and equipment lease liabilities in the statement of financial position.

ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the implicit rate in the lease, when available, or, when the implicit rate is not available, the Association's incremental borrowing rate based on the information available at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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. As described in Note 21, management determined unamortized goodwill related to the discontinued printing and reproduction services division was fully impaired during the year ended September 30, 2022.

Louisiana Association for the Blind

Summary of Accounting Policies - (Concluded)

Advertising

The Association expenses advertising as it is incurred. The Association expended \$104,512 and \$39,655 in the years ended September 30, 2023 and 2022, 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:

Expense	Method of Allocation
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

Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform with current year presentations. These reclassifications had no effect on reported results of operation.

Louisiana Association for the Blind

Notes to Financial Statements

1. Inventories

Inventories are summarized as follows:

<i>Year ended September 30,</i>	2023	2022
Raw materials	\$2,096,750	\$2,179,108
Finished goods	1,484,861	1,051,451
Work in process	252	94
Manufacturing inventories	3,581,863	3,230,653
Base Service Store inventories	1,251,966	1,237,338
Total	\$4,833,829	\$4,467,991

2. Property and Equipment

Major classes of property and equipment consist of the following:

<i>Year ended September 30,</i>	2023	2022
Buildings	\$ 7,571,522	\$ 7,521,774
Machinery	2,074,084	1,738,404
Xerox paper equipment	1,572,608	1,530,251
Abrasive / deck equipment	1,052,988	1,052,988
Padding equipment	955,127	955,127
Land	592,298	592,298
Furniture and fixtures	456,959	456,959
Automobiles and trucks	508,303	477,093
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
	15,053,699	14,594,704
Less accumulated depreciation and amortization	(8,503,768)	(7,983,895)
Net property and equipment	\$6,549,931	\$6,610,809

Depreciation expense related to property and equipment for the years ended September 30, 2023 and 2022 totaled \$519,873 and \$496,748, respectively.

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

2. Property and Equipment - (Continued)

In April 2021, the United States Army took possession of a building comprising leasehold improvements paid for by the Association located on Fort Polk, Louisiana. As a result, the Association incurred a net loss of \$947,683 on the disposition of the asset for the year ended September 30, 2021. The Fort commander continued to allow the Association use of the facility rent free to operate the base service center. Additionally, the commander of Barksdale Air Force Base, Louisiana provides the Association a building rent free to operate the base service center. Management has not evaluated the benefit of this rent-free arrangement and has not recorded any revenue from contributed nonfinancial assets therefrom.

3. Investments

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

<i>Year ended September 30, 2023</i>	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Short Term Fixed Income				
Cash and money market	\$ 121,124	\$ -	\$ -	\$ 121,124
U.S. Government securities	1,381,587	-	(23,273)	1,358,314
Corporate fixed income	927,872	-	(45,582)	882,290
	<u>2,430,583</u>	-	<u>(68,855)</u>	<u>2,361,728</u>
Business Development Fund:				
Cash and money market	223,042	-	-	223,042
U.S. Government securities	1,379,658	-	(83,034)	1,296,624
Corporate fixed income	905,933	-	(50,946)	854,987
Common stock	1,202,332	199,464	-	1,401,796
Asset-backed securities	99,832	-	(5,774)	94,058
Exchange-traded funds	-	-	-	-
	<u>3,810,797</u>	<u>199,464</u>	<u>(139,754)</u>	<u>3,870,507</u>
Total short-term investments	\$6,241,380	\$ 199,464	\$(208,609)	\$6,232,235
Intermediate Term Funds:				
Cash and money market	\$ 80,612	\$ -	\$ -	\$ 80,612
Common stock	1,377,611	317,147	-	1,694,758
U.S government securities	1,637,953	-	(110,584)	1,527,369
Corporate fixed income	1,525,866	-	(212,619)	1,313,247
Asset-backed securities	899,540	-	(186,288)	713,252
Exchange traded funds	159,640	144,799	-	304,439
	<u>5,681,222</u>	<u>461,946</u>	<u>(509,491)</u>	<u>5,633,677</u>
Charitable Trust Fund:				
Cash and money market	77,599	-	-	77,599
Common stock	1,809,640	443,851	-	2,253,491
Exchange-traded funds	96,996	-	(627)	96,369
Mutual funds	255,413	-	(3,023)	252,390
	<u>2,239,648</u>	<u>443,851</u>	<u>(3,650)</u>	<u>2,679,849</u>
Total long-term investments	\$7,920,870	\$905,797	\$(513,141)	\$8,313,526

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

3. Investments - (Continued)

<i>Year ended September 30, 2022</i>	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Short Term Fixed Income				
Cash and money market	\$ 455,165	\$ -	\$ -	\$ 455,165
U.S. Government securities	1,026,432	-	(43,391)	983,041
Corporate fixed income	919,252	-	(58,863)	860,389
	<u>2,400,849</u>	-	<u>(102,254)</u>	<u>2,298,595</u>
Business Development Fund:				
Cash and money market	753,821	-	-	753,821
U.S. Government securities	1,327,516	-	(98,961)	1,228,555
Certificates of deposit	835,511	-	(63,130)	772,381
Common stock	606,301	-	(17,380)	588,921
Asset-backed securities	99,832	-	(7,410)	92,422
Exchange-traded funds	19,943	-	(279)	19,664
	<u>3,642,924</u>	-	<u>(187,160)</u>	<u>3,455,764</u>
Total short-term investments	<u>\$6,043,773</u>	<u>\$ -</u>	<u>\$(289,414)</u>	<u>\$5,754,359</u>
Intermediate Term Funds:				
Cash and money market	\$ 288,626	\$ -	\$ -	\$ 288,626
Common stock	1,335,637	27,147	-	1,362,784
U.S government securities	1,362,269	-	(101,971)	1,260,298
Corporate fixed income	1,463,792	-	(227,224)	1,236,568
Asset-backed securities	982,735	-	(161,384)	821,351
Exchange traded funds	159,640	83,850	-	243,490
	<u>5,592,699</u>	<u>110,997</u>	<u>(490,579)</u>	<u>5,213,117</u>
Charitable Trust Fund:				
Cash and money market	15,654	-	-	15,654
Common stock	1,942,151	67,704	-	2,009,855
Exchange-traded funds	309,201	-	(6,344)	302,857
Mutual funds	103,149	-	(1,754)	101,395
	<u>2,370,155</u>	<u>67,704</u>	<u>(8,098)</u>	<u>2,429,761</u>
Total long-term investments	<u>\$7,962,854</u>	<u>\$178,701</u>	<u>\$(498,677)</u>	<u>\$7,642,878</u>

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, 2023, 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, 2023 and 2022 are as follows:

	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$502,377	\$ -	\$ -	\$ 502,377
Mutual Funds:				
Exchange-traded Funds	96,369	-	-	96,369
Domestic Growth	556,829	-	-	556,829
Total Mutual Funds	653,198	-	-	653,198
Government Obligations and Corporate Bonds	-	7,232,831	-	7,232,831
Equity Securities:				
Equity Securities – Domestic	5,339,442	-	-	5,339,442
Equity Securities - Nondomestic	10,603	-	-	10,603
Total Equity Securities	5,350,045	-	-	5,350,045
Asset-backed Securities	-	807,310	-	807,310
Total	\$6,505,620	\$8,040,141	\$ -	\$14,545,761

	Assets at Fair Value as of September 30, 2022			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$1,513,297	\$ -	\$ -	\$ 1,513,297
Mutual Funds:				
Exchange-traded Funds	546,347	-	-	546,347
Domestic Growth	101,395	-	-	101,395
Total Mutual Funds	647,742	-	-	647,742
Government Obligations and Corporate Bonds	-	6,341,232	-	6,341,232
Equity Securities:				
Equity Securities - Domestic	3,758,711	-	-	3,758,711
Equity Securities - Nondomestic	222,482	-	-	222,482
Total Equity Securities	3,981,193	-	-	3,981,193
Asset-backed Securities	-	913,773	-	913,773
Total	\$6,142,232	\$7,255,005	\$ -	\$13,397,237

Louisiana Association for the Blind

Notes to Financial Statements - (Concluded)

5. Operating Leases

The Association leases equipment for some of its activities. These leases did not meet the criteria to be classified as finance leases and therefore are accounted for as operating leases. The right of use (ROU) asset represents the Association's right to use the underlying assets for the lease term, and the lease liabilities represent the Association's obligation to make lease payments arising from the leases. The ROU asset and liabilities were calculated based on the present value of future lease payments over the lease terms. The Association used the risk free rate plus one basis point in lieu of incremental borrowing rates to discount the future lease payments. The weighted average discount rate applied to calculate lease liabilities as of September 30, 2023 was 3.25%. As of September 30, 2023, the weighted average remaining lease term for the operating leases were 5.08 years. The expense incurred related to rental lease payments was \$0508 for the year ended September 30, 2023. The lease expense incurred for the year ended December 31, 2022 (pre-adoption of the new accounting standard) was \$90,508.

Cash paid for operating leases for 2023 was \$46,216. There were no noncash investing or financing transactions related to leasing other than the transition entry of \$185,862 to record the right of use asset and related lease obligation at the beginning of the year.

Future maturities of lease liabilities for the next five years and in the aggregate are as follows:

Year	Operating Lease Payments
2024	\$ 31,080
2025	31,080
2026	31,080
2027	31,080
2028	31,080
Thereafter	-
Total future payments	155,400
Less: present value discount	(11,760)
Total lease liabilities	\$143,640

6. 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 92% and 91% of total sales in 2023 and 2022, respectively. Related accounts receivable accounted for approximately 87% and 88% of total accounts receivable at September 30, 2023 and 2022, respectively.

Louisiana Association for the Blind

Notes to Financial Statements - (Concluded)

7. Net Assets with Donor Restrictions

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

<i>Year ended September 30,</i>	2023	2022
Scholarships	\$ 2,236	\$ 7,236
Children's Programs	4,587	4,777
Net assets with donor restrictions	\$6,823	\$12,013

8. 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.

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 \$184,590 and \$153,871 in 2023 and 2022, respectively.

9. Supplemental Cash Flows Information

Cash paid for interest totaled \$-0- and \$220 for the years ended September 30, 2023 and 2022, respectively.

10. Major Vendors

Two vendors accounted for 43% of purchases in 2023 and one vendor accounted for 43% in 2022.

11. State of Louisiana Contract

In 2023 and 2022, the Association received revenue totaling \$519,318 and \$539,203, respectively from the State of Louisiana under a cooperative endeavor agreement meeting the definition of a non-exchange contract. The funds were expended in 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, 2023 and 2022 are \$277,392 and \$112,788, respectively, related to this revenue.

12. 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 April 9, 2024 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.

Louisiana Association for the Blind

Notes to Financial Statements - (Concluded)

13. 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 3.73% to 3.9% 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 \$779,122 and \$570,238 for the years ended September 30, 2023 and 2022, respectively. Amounts due to NIB at September 30, 2023 and 2022 were \$71,970 and \$54,928, respectively.

14. Accounts Receivable

Accounts receivable comprise the following:

<i>Year ended September 30,</i>	2023	2022
Trade accounts receivable	\$4,144,647	\$3,826,704
State appropriations receivable	277,392	112,788
	<u>\$4,422,039</u>	<u>\$3,939,492</u>

15. Liquidity and Availability of Financial Resources

The Association monitors its liquidity so that it can meet its operating needs and other contractual commitments as they come due while maximizing the investment of its excess operating cash. The Association believes it has sufficient financial assets available for general operations. 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.

<i>Year ended September 30,</i>	2023	2022
Financial assets at year end	\$23,922,296	\$22,205,550
Less those unavailable for general operations within one year due to:		
Restricted by donor with time or purpose restriction	(6,823)	(12,013)
Total financial assets available to meet cash needs for general expenditure within one year	<u>\$23,915,473</u>	<u>\$22,193,537</u>

Louisiana Association for the Blind

Notes to Financial Statements - (Concluded)

15. Liquidity and Availability of Financial Resources - (Continued)

The Association's financial assets available within one year of the statement of financial position date for general expenditures comprise the following:

<i>Year ended September 30,</i>	2023	2022
Cash and cash equivalents	\$4,942,483	\$4,856,808
Accounts receivable and other receivable	4,303,654	3,939,492
Short-term investments	6,232,235	5,754,359
Long-term investments	8,313,526	7,642,878
Total financial assets	\$23,791,898	\$22,193,537

16. Disaggregation of Revenues

Revenue from contracts with customers disaggregated by time of transfer of goods and services follows:

<i>Year ended September 30,</i>	2023	2022
Revenue recognized based on goods and services transferred to customers at a point in time:		
Manufacturing Sales	\$23,867,328	\$17,507,946
Retail Sales	6,724,191	4,632,172
Low Vision Services	537,144	508,796
Print and Reproduction Services	-	-
Total revenue recognized at a point in time	\$31,128,663	\$22,648,914

17. Contract Liabilities (Deferred Revenues)

The following summarizes significant changes in contract liabilities, all related to retail sales:

<i>Year ended September 30,</i>	2023	2022
Contract liabilities, beginning of year:	\$ 733,105	\$ 178,131
Revenue recognized that was in contract liabilities at the beginning of the year:	(733,105)	(178,131)
Increases in contract liabilities due to cash received during the year	566,962	733,105
Contract liabilities, end of year	\$ 566,962	\$ 733,105

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.

Louisiana Association for the Blind

Notes to Financial Statements - (Concluded)

19. Goodwill

Goodwill amortization expense for the years ended September 30, 2023 and 2022, totaled \$-0- and \$21,288, respectively. For the years ended September 30, 2023 and 2022, goodwill impairment loss resulting from discontinued operations identified in Note 23 was \$-0- and \$226,202.

The following represents the value of goodwill:

<i>Year ended September 30,</i>	2023	2022
Acquired goodwill	\$ -	\$ 319,339
Accumulated impairment loss	-	(226,202)
Accumulated amortization expense	-	(93,137)
Goodwill, net	\$ -	\$ -

20. Discontinued Operations

For the year ended September 30, 2022, the Association discontinued operation of its Printing Services division to focus resources on other areas of operations. In accordance with Accounting Standards Update 2014-08, income, expenses, and other costs related to this discontinued operation has been reported separately from income and expenses from operations. Loss from discontinued operations reported in the statement of activities comprise the following:

<i>Year ended September 30,</i>	2023	2022
Sales	\$ -	\$ 338,912
Cost of goods sold	-	(447,375)
Goodwill impairment loss	-	(226,202)
Depreciation and amortization	-	(41,479)
Loss on disposition of assets	-	(2,184)
Loss from discontinued operations	\$ -	\$(378,328)

21. Adoption of New Accounting Pronouncements

For the year ended September 30, 2023, the Association adopted ASU 2016-02, "Leases (Topic 842)" and subsequent amendments thereto. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, "Leases." Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard was effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Prior periods were not restated and continue to be presented under legacy GAAP. Disclosures about the Association's leasing activities are presented in Note 5 – Operating Leases.

Supplementary Information

Years EndedSeptember 30, 2023

	Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
Sales:						
General Services Administration	\$ -	\$ 635,726	\$ -	\$ 8,574,530	\$ -	\$ 9,210,256
MAS and Ability One	115,013	1,019,620	-	10,965,315	-	12,099,948
Commercial / Non-NIB	459,947	1,623,674	-	152,302	-	2,235,923
Waste	-	-	-	181,774	-	181,774
Base Service Stores	112	-	-	120,216	-	120,328
Other	-	1,845	537,144	11,704	-	550,693
	575,072	3,280,865	537,144	20,005,841	-	24,398,922

Cost of Sales:

Beginning inventory	205,410	1,083,430	95,580	1,846,233	-	3,230,653
Add: Purchase / transfer from other departments	404,387	1,495,827	504,183	11,657,365	-	14,061,762
Less: Ending inventory	(316,025)	(865,516)	(251,878)	(2,148,444)	-	(3,581,863)
Raw materials consumed	293,772	1,713,741	347,885	11,355,154	-	13,710,552
Manufacturing costs	758,094	1,038,290	1,063,012	3,020,633	-	5,880,029
Cost of sales	1,051,866	2,752,031	1,410,897	14,375,787	-	19,590,581
Gross profit (loss)	\$(476,794)	\$ 528,834	\$ (873,753)	\$ 5,630,054	\$ -	\$ 4,808,341
Gross profit as a percent of sales	NM	16.1%	NM	28.1%		19.7%

NM - Not Meaningful

Louisiana Association for the Blind

Schedules of Sales and Cost of Sales

September 30, 2022

Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
\$ -	\$ 764,576	\$ -	\$ 5,740,262	\$ -	\$ 6,504,838
138,888	823,479	-	7,803,232	-	8,765,599
238,883	1,607,925	-	175,676	-	2,022,484
-	-	-	113,302	-	113,302
92	-	-	93,147	-	93,239
-	115	508,796	8,369	-	517,280
377,863	3,196,095	508,796	13,933,988	-	18,016,742
99,353	1,038,108	57,345	1,070,236	-	2,265,042
255,068	1,513,570	248,249	8,868,591	-	10,885,478
(205,410)	(1,083,430)	(95,580)	(1,846,233)	-	(3,230,653)
149,011	1,468,248	210,014	8,092,594	-	9,919,867
504,003	795,718	1,031,690	2,138,938	-	4,470,349
653,014	2,263,966	1,241,704	10,231,532	-	14,390,216
\$(275,151)	\$ 932,129	\$(732,908)	\$ 3,702,456	\$ -	\$ 3,626,526
NM	29.2%	NM	26.6%		20.2%

Years EndedSeptember 30, 2023

	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
Sales	\$1,681,893	\$3,183,924	\$1,858,374	\$6,724,191
Cost of Sales:				
Beginning inventory	276,962	749,394	210,982	1,237,338
Add: Purchase/transfer from other departments	1,336,669	2,398,994	1,406,787	5,142,450
Less: Ending inventory	(305,555)	(693,422)	(252,989)	(1,251,966)
Raw materials consumed	1,308,076	2,454,966	1,364,780	5,127,822
Other costs	265,734	96,422	213,542	575,698
Cost of sales	1,573,810	2,551,388	1,578,322	5,703,520
Gross profit	\$ 108,083	\$ 632,536	\$ 280,052	\$ 1,020,671
Gross profit as a percent of sales	6.4%	19.9%	15.1%	15.2%

Louisiana Association for the Blind

Schedules of Sales and Cost of Sales - Base Service Centers

September 30, 2022				
	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
	\$1,275,477	\$2,096,658	\$1,260,037	\$4,632,172
	274,265	510,306	203,740	988,311
	977,362	1,881,865	960,655	3,819,882
	(276,962)	(749,394)	(210,982)	(1,237,338)
	974,665	1,642,777	953,413	3,570,855
	192,171	82,488	154,490	429,149
	1,166,836	1,725,265	1,107,903	4,000,004
	\$ 108,641	\$ 371,393	\$ 152,134	\$ 632,168
	8.5%	17.7%	12.1%	13.6%

Louisiana Association for the Blind

Schedules of State Contracts

Year Ended September 30, 2023

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2023 Appropriation	\$500,000	\$400,933	\$400,933
2024 Appropriation	\$500,000	118,385	118,385
Total		\$519,318	\$519,318

Year Ended September 30, 2022

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2022 Appropriation	\$500,000	\$426,415	\$426,415
2023 Appropriation	\$500,000	112,788	112,788
Total		\$539,203	\$539,203

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended September 30, 2023

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 Mr. Brian Patchett, the Association's President and Chief Executive Officer during the year ended September 30, 2023, as none of those payments were made from public funds.



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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

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 Louisiana Association for the Blind (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statement of activities, cash flows, functional expenses, summary of accounting policies and notes to financial statements and have issued our report thereon dated April 9, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Association for the Blind’s internal control over financial reporting (internal control) as a basis for designing 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 Louisiana Association for the Blind’s internal control. Accordingly, we 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 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 Louisiana Association for the Blind'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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and responses as item 2023-01.

Purpose of 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 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.

HEARD, McELROY & VESTAL, L.L.C.

Certified Public Accountant

Shreveport, Louisiana
April 9, 2024

Year Ended September 30, 2023

1. The independent auditor's report expressed an unqualified opinion on the financial statements of the Louisiana Association for the Blind.
2. One instance of noncompliance was 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.

Year Ended September 30, 2023

2023-01: Late Filing of Audit Report

The audit report was not submitted to the Legislative Auditor within 180 days of the close of the entity's fiscal year as required by state statute.

Louisiana Association for the Blind

Schedule of Prior Year Audit Findings

Year Ended September 30, 2022

There were no findings for the year ended September 30, 2022.

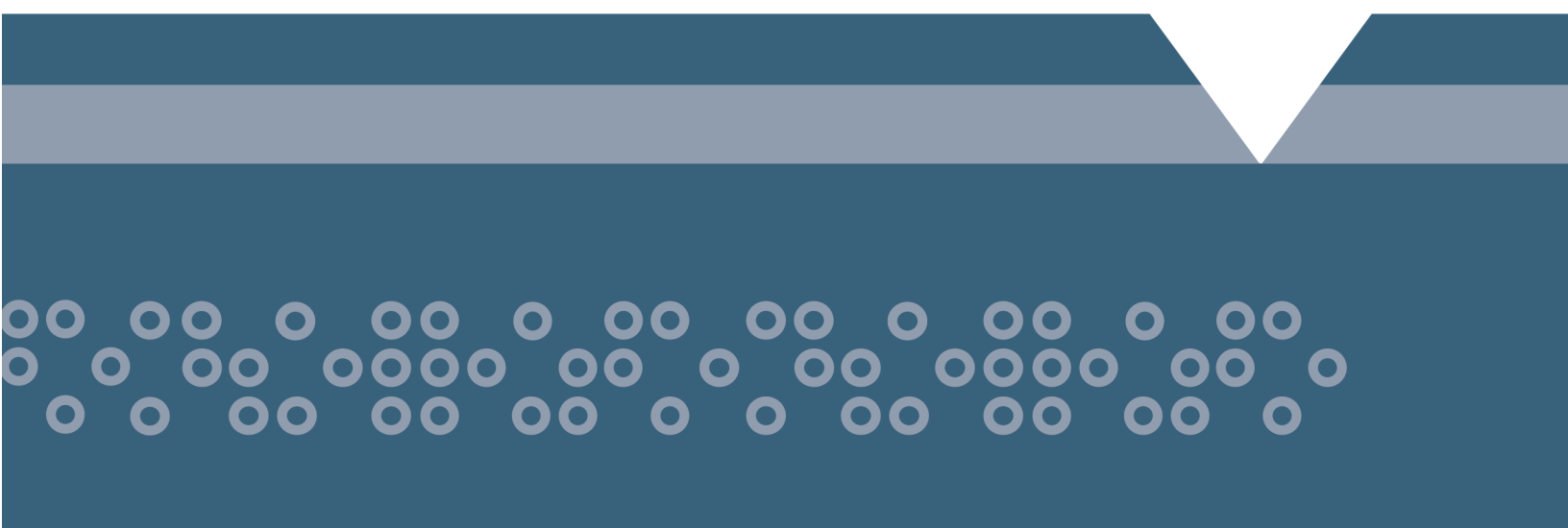
Year Ended September 30, 2023

2023-01: Late Filing of Audit Report

Due to unforeseen circumstances related to staffing at CPA firm, the CPA was not able to submit the audited financials timely in accordance with state statute. The CPA and management will work together to ensure timely filing of the audited financials going forward.

Louisiana Association for the Blind

Agreed-Upon Procedures Report
For the Year Ended September 30, 2023



CERTIFIED PUBLIC
ACCOUNTANTS



REGIONS TOWER
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April 9, 2024

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

Louisiana Legislative Auditor
Baton Rouge, Louisiana

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022, through September 30, 2023. Louisiana Association for the Blind's ("The Entity") management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022, through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Findings: *No exceptions noted.*

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Findings: *Exceptions noted. The following written Purchasing policy and procedure functions were not addressed: Controls to ensure compliance with the Public Bid Law and documentation required to be maintained for all bids and price quotes.*

- c) **Disbursements**, including processing, reviewing, and approving.

Findings: *No exceptions noted.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Findings: *Exceptions noted. Policies and procedures regarding management's actions to determine the completeness of all collections for each type of revenue was not addressed.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Findings: *No exceptions noted.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Findings: *Exceptions noted. None of the Contracting functions described above were addressed.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Findings: *No exceptions noted.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Findings: *Exceptions noted. The dollar thresholds by category of expense were not addressed.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Findings: *Not applicable to this nonprofit entity.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: *Not applicable to this nonprofit entity.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings: *No exceptions noted.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: *Not applicable to this nonprofit entity.*

Management's Response: *Management agrees.*

1.b) *Written policies and procedures will be amended to ensure compliance with Public Bid Law and requirements for maintaining documentation of bids and price quotes. No public funds were used for the procurement of materials and supplies or public works that met Public Bid Law contract limits in fiscal year 2023.*

1.d) *Written policies and procedures will be amended to address actions to determine the completeness of transactions.*

1.f) *Written policies and procedures will be amended to address contracting functions described in SAUP.*

1.h) *Written policies and procedures will be amended to address thresholds by category of expense.*

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

Not applicable. The entity reports on the nonprofit accounting model and public funds comprised less than 10% of the entity's collections during the fiscal year.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable to this nonprofit entity.

- d) Observe whether the board or finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Findings: *Exceptions noted. The board did not receive written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings were considered fully resolved.*

Management's Response: *Management agrees. Written updates of the progress of resolving audit finding(s), according to management's corrective action plan will be given at each meeting until the findings are considered fully resolved.*

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: *Exception noted. There was no observable evidence of the date that a member of management/board member who does not handle cash, post ledgers, or issue checks reviewed each bank reconciliation.*

Management's Response: *Management agrees and will document the date each bank reconciliation is reviewed.*

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: *Statewide agree-upon procedures for Collections were not considered necessary since all public funds are collected via EFT.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation

that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: *Exceptions noted. The employee responsible for processing payments also mails the payments.*

Management's Response: *Management has other controls in place to effectively reduce the risk of fraud or errors in the payment process to the extent that it becomes inconsequential who mails the checks.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: *No exceptions noted.*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - c) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: *Statewide agreed-upon procedures for Travel and Travel-Related Expense Reimbursements were not considered necessary since no public funds were used for such transactions.*

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings: *No exceptions noted.*

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: *No exceptions noted.*

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: *Statewide agreed-upon procedures for Ethics were not considered necessary since the provisions of Louisiana R.S. 42:1111-1121 do not apply to this nonprofit entity.*

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: *Statewide agreed-upon procedures for Debt Service were not considered necessary since the control and compliance criteria does not apply to this nonprofit entity.*

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: *Exception noted. The entity has not posted on its premises and website the notice required by R.S.24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.*

Management's Response: *Management agrees and will post the required fraud notice on the premises and website.*

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and

active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: *We performed the procedure and discussed the results with management.*

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;
 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 5. Amount of time it took to resolve each complaint.

Findings: *Statewide agreed-upon procedures for Sexual Harassment were not considered necessary since the provisions of Louisiana R.S. 42:342-344 do not apply to this nonprofit entity.*

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

HEARD, McELROY & VESTAL, L.L.C.