Louisiana Association for the Blind

Financial Statements

Years Ended September 30, 2021 and 2020

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James K. McClelland, CPA LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

I have audited the accompanying financial statements of Louisiana Association for the Blind, which comprise the statements of financial position for as of September 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and summary of significant accounting policies and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association for the Blind as of September 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

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

Emphasis of Matter

As discussed in Note 23 to the financial statements, the Louisiana Association for the Blind adopted new accounting pronouncements for the years ended September 30, 2021 and 2020 with retroactive restatement as applicable. My opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 25, 2022, on my 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 my 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.

James Dem McClelland, CPA LLC

Certified Public Accountant

Shreveport, Louisiana
March 25, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained *in Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Louisiana Association for the Blind (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021, and the related statement of activities, cash flows, functional expenses, summary of accounting policies and notes to financial statements and have issued my report thereon dated March 25, 2022.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Association for the Blind's internal control. Accordingly, 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.

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

Compliance and Other Matters I

As part of obtaining reasonable assurance about whether Louisiana Association for the Blind's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of Report

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

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

James D. McElland, CPA LLC

Certified Public Accountant

Shreveport, Louisiana
March 25, 2022

	September 30, 2021			September 30, 2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current assets:						
Cash and cash equivalents	**$ 5,394,690**	**$14,341**	**$ 5,409,031**	$ 6,302,083	$18,574	$ 6,320,657
Short-term investments (Notes 3 and 4)	**6,106,753**	**-**	**6,106,753**	4,552,384	-	4,552,384
Accounts receivable (Notes 8, 13 and 16)	**3,147,645**	**-**	**3,147,645**	2,597,662	-	2,597,662
Inventories (Note 1)	**3,260,704**	**-**	**3,260,704**	2,601,865	-	2,601,865
Prepaid expenses and other	**161,390**	**-**	**161,390**	148,457	-	148,457
Total current assets	**18,071,182**	**14,341**	**18,085,523**	16,202,451	18,574	16,221,025
Long-term investments (Notes 3 and 4)	**9,005,399**	**-**	**9,005,399**	8,223,488	-	8,223,488
Property and equipment, net (Note 2)	**7,130,177**	**-**	**7,130,177**	8,140,848	-	8,140,848
Capital lease asset, net (Note 7)	**27,999**	**-**	**27,999**	139,989	-	139,989
Goodwill, net (Note 21)	**247,490**	**-**	**247,490**	279,422	-	279,422
Total Assets	**$34,482,247**	**$14,341**	**$34,496,588**	$32,986,198	$18,574	$33,004,772
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	**$ 645,714**	**$ -**	**$ 645,714**	$ 594,761	$ -	$ 594,761
Accrued payroll and related expenses	**795,710**	**-**	**795,710**	270,021	-	270,021
Deferred revenue	**178,131**	**-**	**178,131**	368,318	-	368,318
Note payable (Note 22)	**-**		**-**	961,508		961,508
Capital lease liability (Note 6)	**32,303**	**-**	**32,303**	125,451	-	125,451
Total current liabilities	**1,651,858**	**-**	**1,651,858**	2,320,059	-	2,320,059
Noncurrent liabilities:						
Capital lease liability (Note 6)	**-**	**-**	**-**	32,303	-	32,303
Total liabilities	**1,651,858**	**-**	**1,651,858**	2,352,362	-	2,352,362
Net assets:						
Without donor restrictions	**32,830,389**	**-**	**32,830,389**	30,633,836	-	30,633,836
With donor restrictions (Note 9)	**-**	**14,341**	**14,341**	-	18,574	18,574
Total net assets	**32,830,389**	**14,341**	**32,844,730**	30,633,836	18,574	30,652,410
Total Liabilities and Net Assets	**$34,482,247**	**$14,341**	**$34,496,588**	$32,986,198	$18,574	$33,004,772

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

Years Ended	**September 30, 2021**			September 30, 2020 (Restated)		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Sales (Note 18 and 23)	**$ 22,416,105**	**$ -**	**$ 22,416,105**	$ 19,862,010	$ -	$ 19,862,010
Cost of sales	**(17,487,349)**	**-**	**(17,487,349)**	(16,597,682)	-	(16,597,682)
Gross profit	**4,928,756**	**-**	**4,928,756**	3,264,328	-	3,264,328
Expenses:						
Selling	**695,159**	**-**	**695,159**	589,386	-	589,386
General and administrative	**3,256,432**	**-**	**3,256,432**	3,191,428	-	3,191,428
Total expenses	**3,951,591**	**-**	**3,951,591**	3,780,814	-	3,780,814
Increase (decrease) in net assets from operations	**977,165**	**-**	**977,165**	(516,486)	-	(516,486)
Other income (expense):						
Investment income, net	**743,005**	**-**	**743,005**	1,157,755	-	1,157,755
Other	**139,654**	**-**	**139,654**	470,957	-	470,957
Contributions and support (Note 23)	**558,796**	**-**	**558,796**	284,067	4,299	288,366
PPP Loan forgiveness (Note 22)	**961,508**		**961,508**	-	-	-
Low vision program expenses	**(261,125)**	**-**	**(261,125)**	(68,227)	(13,846)	(82,073)
Loss on disposition of assets	**(926,683)**	**-**	**(926,683)**	-	-	-
Net assets released from restrictions	**4,233**	**(4,233)**	**-**	67,904	(67,904)	-
Total non-operating income (expenses)	**1,219,388**	**(4,233)**	**1,215,155**	1,912,456	(77,451)	1,835,005
Increase (decrease) in net assets	**2,196,553**	**(4,233)**	**2,192,320**	1,395,970	(77,451)	1,318,519
Net assets, beginning of year	**30,633,836**	**18,574**	**30,652,410**	29,237,866	96,025	29,333,891
Net assets, end of year	**$ 32,830,389**	**$ 14,341**	**$ 32,844,730**	$ 30,633,836	$ 18,574	$ 30,652,410

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

Years ended	September 30, 2021			
	Program Activities		Supporting Activities	
	Selling Program Expenses	Low Vision Program Expenses	Management and General Program	Total Expenses
Expenses				
Advertising Expense	$ -	$ -	$ 35,533	**$ 35,533**
Audit and Accounting Expense	-	-	44,500	**44,500**
Board and Other Meeting Expense	-	-	-	**-**
Commissions and selling expenses	695,159	-	-	**695,159**
Consulting Expense	-	-	61,284	**61,284**
Contract Labor	141,361	-	200	**141,561**
Depreciation and Amortization	300,538	-	219,795	**520,333**
Dues and Subscriptions	-	-	203,185	**203,185**
Employee Benefits	453,281	-	188,721	**642,002**
Freight	281,067	-	2,549	**283,616**
Fundraising	-	186	-	**186**
Gifts and Entertainment	-	-	5,178	**5,178**
Insurance, General	-	-	178,397	**178,397**
Insurance, Group Health	438,817	-	273,637	**712,454**
Insurance, Workman’s Compensation	32,163	-	6,219	**38,382**
Interest	4,786	-	93	**4,879**
Legal Fees	-	-	6,629	**6,629**
Low Vision Supportive Services	65,122	258,335	-	**323,457**
Merchandise for Resale	4,592,890	-	-	**4,592,890**
Miscellaneous	7,431	2,604	9,629	**19,664**
Office Supplies	-	-	29,403	**29,403**
Payroll Taxes	167,790	-	113,069	**280,859**
Postage	-	-	2,983	**2,983**
Raw Materials	7,795,434	-	-	**7,795,434**
Rental and Lease Expense	105,671	-	57,266	**162,937**
Repairs and Maintenance	231,089	-	90,600	**321,689**
Retirement	84,540	-	50,772	**135,312**
Salaries - Administrative	1,561,414	-	1,507,292	**3,068,706**
Salaries - Direct Labor	1,061,947	-	-	**1,061,947**
Security	-	-	4,620	**4,620**
Special Events	-	-	6,860	**6,860**
Supplies	33,686	-	38,919	**72,605**
Telephone	-	-	66,827	**66,827**
Tools and Small Equipment	3,989	-	12,498	**16,487**
Travel	2,327	-	9,176	**11,503**
Truck and Auto	28,676	-	5,169	**33,845**
Utilities	93,330	-	25,429	**118,759**
Total Expenses	**$18,182,508**	**$261,125**	**$3,256,432**	**$21,700,065**

September 30, 2020

Program Activities: Selling Program Expenses	Program Activities: Low Vision Program Expenses	Supporting Activities: Management and General Program	Total Expenses
$ -	$ 922	$ 23,187	**$ 24,109**
-	-	53,395	**53,395**
-	-	398	**398**
589,386	-	-	**589,386**
-	-	73,475	**73,475**
76,753	-	-	**76,753**
429,171	-	245,365	**674,536**
-	-	160,254	**160,254**
472,128	-	204,244	**676,372**
187,542	-	366	**187,908**
-	619	-	**619**
-	-	3,418	**3,418**
-	-	174,704	**174,704**
504,177	-	274,652	**778,829**
67,618	-	18,510	**86,128**
10,594	-	274	**10,868**
-	-	31,255	**31,255**
61,272	75,504	-	**136,776**
4,149,498	-	-	**4,149,498**
2,532	5,028	6,431	**13,991**
-	-	18,521	**18,521**
208,905	-	106,529	**315,434**
-	-	24,555	**24,555**
7,693,622	-	-	**7,693,622**
33,762	-	59,579	**93,341**
134,690	-	100,851	**235,541**
84,861	-	49,318	**134,179**
1,573,544	-	1,335,032	**2,908,576**
755,664	-	-	**755,664**
-	-	4,499	**4,499**
-	-	14,565	**14,565**
31,876	-	33,910	**65,786**
-	-	57,505	**57,505**
1,719	-	22,343	**24,062**
1,834	-	66,983	**68,817**
32,920	-	4,829	**37,749**
83,000	-	22,481	**105,481**
$17,187,068	**$82,073**	**$3,191,428**	**$20,460,569**

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

Years Ended	**September 30, 2021**			September 30, 2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:						
Increase (decrease) in net assets	**$2,196,553**	**$(4,233)**	**$2,192,320**	$1,395,970	$(77,451)	$1,318,519
Adjustments to reconcile increase in net assets to net cash provided by operating activities:						
Depreciation and amortization	**698,028**	**-**	**698,028**	674,536	-	674,536
Loss (gain) on disposition of assets	**926,683**	**-**	**926,683**	-	-	-
Realized loss (gain) on sale of investments	**(102,275)**	**-**	**(102,275)**	(463,167)	-	(463,167)
Unrealized loss (gain) on investments	**(175,238)**	**-**	**(175,238)**	(130,714)	-	(130,714)
Non-cash Gain from loan forgiveness	**(961,508)**	**-**	**(961,508)**	-	-	-
Change in operating assets and liabilities:						
Accounts receivable	**(549,983)**	**-**	**(549,983)**	1,396,126	-	1,396,126
Inventories	**(658,839)**	**-**	**(658,839)**	(152,792)	-	(152,792)
Prepaid expenses and other	**(12,933)**	**-**	**(12,933)**	(827)	-	(827)
Accounts payable	**50,953**	**-**	**50,953**	(301,629)	-	(301,629)
Accrued payroll and related expenses	**525,689**	**-**	**525,689**	(542,923)	-	(542,923)
Deferred revenue	**(190,187)**	**-**	**(190,187)**	(355,986)	-	(355,986)
Net cash provided by (used in) operating activities	**1,746,943**	**(4,233)**	**1,742,710**	1,518,594	(77,451)	1,441,143
Cash Flows from Investing Activities:						
Additions to plant and equipment	**(491,118)**	**-**	**(491,118)**	(350,636)	-	(350,636)
Proceeds from sale of assets	**21,000**	**-**	**21,000**	-	-	-
Purchases of marketable securities	**(25,023,052)**	**-**	**(25,023,052)**	(605,616)	-	(605,616)
Proceeds from sale of securities	**22,964,285**	**-**	**22,964,285**	52,113	-	52,113
Net cash used in investing activities	**(2,528,885)**	**-**	**(2,528,885)**	(904,139)	-	(904,139)
Cash Flows from Financing Activities:						
Proceeds from issuance of debt	**-**	**-**	**-**	961,508	-	961,508
Payment of lease liability	**(125,451)**	**-**	**(125,451)**	(119,643)	-	(119,643)
Net cash provided by (used in) financing activities	**(125,451)**	**-**	**(125,451)**	841,865	-	841,865
Net (decrease) increase in cash and cash equivalents	**(907,393)**	**(4,233)**	**(911,626)**	1,456,320	(77,451)	1,378,869
Cash and cash equivalents at beginning of year	**6,302,083**	**18,574**	**6,320,657**	4,845,763	96,025	4,941,788
Cash and cash equivalents at end of year	**$5,394,690**	**$ 14,341**	**$5,409,301**	$6,302,083	$ 18,574	$6,320,657

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.

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.

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.

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, the first day of the Association's fiscal year, 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, the first day of the Association's fiscal year, 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.

Performance Obligations (continued)

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.

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, 2021 and 2020, respectively

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 $178,131 and $368,318 for the years ended September 30, 2021 and 2020, respectively.

Refunds 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, 2021 and 2020; 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, 2021 and 2020, 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, 2021 and 2020 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, 2021, $4,996,430 in cash and cash equivalents (collected bank balances) were not insured with the FDIC. For the year ended September 30, 2020, the Association adopted Accounting Standards Update (ASU) 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash." The Association considers cash and cash equivalents with donor restrictions as restricted cash.
Cash paid for interest was $4,879 and $10,868, for the years ended September 30, 2021 and 2020, respectively.

Income Taxes

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

The Association is required to file U.S. federal Form 990 for informational purposes. Its federal income tax filings for the years ended 2019 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. Management has not identified any event that would trigger impairment of goodwill as of September 30, 2021. The full amount of acquired goodwill is expected to be tax deductible under the provisions of Internal Revenue Code §197 over 15 years on the straight-line basis.

Advertising

The Association expenses advertising as it is incurred. The Association expended $35,533 and $24,109 in the years ended September 30, 2021 and 2020, 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.

1. Inventories

Inventories are summarized as follows:

September 30,	**2021**	2020
Raw materials	**$1,390,834**	$ 870,971
Finished goods	**874,795**	633,031
Work in process	**6,764**	6,454
Manufacturing inventories	**2,272,393**	1,510,456
Base Service Store inventories	**988,311**	1,091,409
Total	**$3,260,704**	$2,601,865

2. Property and Equipment

Major classes of property and equipment consist of the following:

September 30,	**2021**	2020
Buildings	**$ 7,512,192**	$ 7,243,822
Machinery	**1,738,404**	1,735,904
Xerox paper equipment	**1,526,829**	1,463,411
Abrasive / deck equipment	**999,025**	842,194
Padding equipment	**955,127**	955,127
Land	**592,298**	592,298
Furniture and fixtures	**456,959**	456,959
Automobiles and trucks	**439,661**	478,700
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
Leasehold improvements - Fort Polk	**-**	2,067,033
	14,490,305	16,105,258
Less accumulated depreciation and amortization	**(7,360,128)**	(7,964,410)
Net property and equipment	**$ 7,130,177**	$ 8,140,848

Depreciation expense related to property and equipment for the years ended September 30, 2021 and 2020 totaled $554,106 and $530,612, respectively.

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 as not evaluated the benefit of this rent-free arrangement and has not recorded any in-kind revenues therefrom.

3. Investments

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

September 30, 2021	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Raymond James Short Term Fixed Income				
Cash and money market	$ 24,086	$ -	$ -	$ 24,086
Corporate fixed income	710,492	8,803	-	719,295
U.S. Government securities	1,646,030	1,761	-	1,647,791
	2,380,608	10,564	-	2,391,172
Business Development Fund:				
Cash and money market	771,680	-	-	771,680
Certificates of deposit	2,245,536	-	-	2,245,536
Common stock	681,140	-	(24,760)	656,380
Exchange-traded funds	43,413	-	(1,428)	41,985
	3,741,769	-	(26,188)	3,715,581
Total short-term investments	$6,122,377	$10,564	$(26,188)	$6,106,753
Raymond James Intermediate Term Funds:				
Cash and money market	$ 207,939	$ -	$ -	$ 207,939
Common stock	1,053,151	598,794	-	1,651,945
Exchange traded funds	225,758	140,418	-	366,176
U.S government securities	1,424,414	-	(5,679)	1,418,735
Corporate fixed income	1,179,162	13,109	-	1,192,271
Asset-backed securities	1,248,676	-	(21,222)	1,227,454
	5,339,100	752,321	(26,901)	6,064,520
Charitable Trust Fund:				
Cash and money market	115,048	-	-	115,048
Common stock	1,463,893	811,801	-	2,275,694
Exchange-traded funds	294,635	10,111	-	304,746
Mutual funds	238,577	6,814	-	245,391
	2,112,153	828,726	-	2,940,879
Total long-term investments	$7,451,253	$1,581,047	$(26,901)	$9,005,399

3. Investments - (Continued)

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

3. Investments - (Continued)

The Board of Directors of the Association has full responsibility for governance of the Charitable Trust Fund (Trust). Income earned by the Trust is available for use in connection with any activity, which directly benefits the blind, primarily educational, charitable, or literary purposes. Principal of the Trust is available for use only to the extent the original donor has so provided. At September 30, 2021, 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.

4. Fair Value of Financial Instruments - (Continued)

Fair values of assets and liabilities measured on a recurring basis at September 30, 2021 and 2020 are as follows:

	Assets at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	$1,118,753	$ -	$ -	$ 1,118,753
Certificates of Deposit	2,245,536	-	-	2,245,536
Mutual Funds:				
Exchange-traded Funds	712,907	-	-	712,907
Domestic Growth	245,391	-	-	245,391
Total Mutual Funds	958,298	-	-	958,298
Government Obligations and Corporate Bonds	-	4,978,092	-	4,978,092
Equity Securities:				
Equity Securities - Domestic	4,357,341	-	-	4,357,341
Equity Securities - Nondomestic	226,678	-	-	226,678
Total Equity Securities	4,584,019	-	-	4,584,019
Asset-backed Securities	-	1,227,454	-	1,227,454
Total	$8,906,606	$6,205,546	$ -	$15,112,152

	Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	$2,920,769	$ -	$ -	$ 2,920,769
Certificates of Deposit	755,274	-	-	755,274
Mutual Funds:				
Exchange-traded Funds	557,460	-	-	557,460
Domestic Growth	242,331	-	-	242,331
Total Mutual Funds	799,791	-	-	779,791
Government Obligations and Corporate Bonds	-	5,986,587	-	5,986,587
Equity Securities - Domestic	2,313,451	-	-	2,313,451
Total	$6,789,285	$5,986,587	$ -	$12,775,872

5. Operating Leases

The Association leases equipment for some of its activities under operating leases. Minimum rentals under the leases with initial or remaining terms in excess of one year are as follows at September 30, 2021:

Year	Operating Lease Payments
2022	$ 44,868
2023	44,868
2024 and thereafter	3,739
Total minimum operating lease payments	$93,475

Amounts charged to operations under operating leases totaled $72,284 and $85,688 in 2021 and 2020, respectively.

6. Capital Lease Liability

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

Future lease liability commitments under capital leases as of September 30, 2021 are as follows:

Year	Capital Lease Commitments
2022	$32,303
Total capital lease commitments	$32,303

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

	2021	2020
Current portion	**$32,303**	$125,451
Noncurrent portion	**-**	32,303
Total lease liability	**$32,303**	$157,754

Interest expense associated with capital lease liabilities was $4,786 and $10,594 for the years ended September 30, 2021 and 2020, respectively.

7. Capital Lease Assets

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

	2021	2020
Printing equipment	**$ 578,617**	$ 578,617
Less accumulated depreciation	**(550,618)**	(438,628)
Capital lease assets, net	**$ 27,999**	$ 139,989

Depreciation expense associated with capital leases was $111,990 and $111,990 for the years ended September 30, 2021 and 2020, respectively.

8. Major Customer

The majority of the Association's sales are to agencies of the United States Government or to third-party commercial enterprises, which then resale the products to agencies of the United States Government. Sales to agencies of the United States Government and such commercial enterprises accounted for approximately 93% and 88% of total sales in 2021 and 2020, respectively. Related accounts receivable accounted for approximately 89% and 89% of total accounts receivable at September 30, 2021 and 2020, respectively.

9. Net Assets with Donor Restrictions

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

	2021	2020
Scholarships	**$ 9,085**	$ 9,085
Children's Programs	**5,256**	9,489
Net assets with donor restrictions	**$14,341**	$18,574

10. Retirement Plan

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

10. Retirement Plan - (Continued)

The total of the discretionary contributions, matching contributions and employee contributions may not exceed the maximum as allowed by law for each employee. Matching contributions charged against operations amounted to $142,583 and $134,179 in 2021 and 2020, respectively.

11. Supplemental Cash Flows Information

Cash paid for interest totaled $4,879 and $10,868 for the years ended September 30, 2021 and 2020, respectively.

12. Major Vendors

One vendor accounted for 25% of purchases in 2021 and 29% in 2020.

13. State of Louisiana Contract

In 2021 and 2020, the Association received revenue totaling $487,296 and $505,091, respectively from the State of Louisiana. The funds were expended in exchange for providing certain services and procuring certain equipment based on an annual budget request submitted to the State of Louisiana. Such budget items included acquisitions (or major repair) of property and equipment, advertising costs, staff salaries and professional services. Included in Accounts Receivable as of September 30, 2021 and 2020 are $84,060 and $96,764, respectively, related to this revenue.

14. Subsequent Events

In accordance with FASB Accounting Standards Codification topic 855 “Subsequent Events,” the Association evaluated events and transactions that occurred after the statement of financial position date but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Association evaluated such events through March 23, 2022 the date the financial statements were available to be issued and noted no subsequent events that required provision for or disclosure in the financial statements.

15. Related Party Transactions

The Association has an agreement with the National Industries for the Blind (“NIB”), under which NIB acts as a prime contractor and central nonprofit agency for the Association to obtain governmental contracts under the Ability One, formerly Javits-Wagner-O’Day (JWOD) Program. The Association pays commissions of 3.73% 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 $529,201 and $431,602 for the years ended September 30, 2021 and 2020, respectively. Amounts due to NIB at September 30, 2021 and 2022 were $108,161 and $82,176, respectively.

16. Accounts Receivable

Accounts receivable comprise the following:

	2021	2020
Trade accounts receivable	**$3,063,585**	$2,386,641
State appropriations receivable	**84,060**	96,764
Other receivables	**-**	114,257
	$3,147,645	$2,597,662

17. Availability of Financial Assets

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

	2021	2020
Financial assets at year end	**$23,668,828**	$21,694,191
Less those unavailable for general operations within one year due to:		
Restricted by donor with time or purpose restriction	**(14,341)**	(18,574)
Total financial assets available to meet cash needs for general expenditure within one year	**$23,654,487**	$21,675,617

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

	2021	2020
Cash and cash equivalents	**$5,394,690**	$6,302,083
Accounts receivable and other receivable	**3,147,645**	2,597,662
Short-term investments	**6,106,753**	4,552,384
Long-term investments	**9,005,399**	8,223,488
Total financial assets	**$23,654,487**	$21,675,617

18 Disaggregation of Revenues

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

	2021	2020
Revenue recognized based on goods and services transferred to customers at a point in time:		
Manufacturing Sales	**$15,792,035**	$13,767,467
Retail Sales	**5,390,117**	4,730,079
Low Vision Services	**663,791**	508,372
Print and Reproduction Services	**570,162**	856,092
Total revenue recognized at a point in time	**$22,416,105**	$19,862,010

19. Contract Liabilities (Deferred Revenues)

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

	2021	2020
Contract liabilities, beginning of year:	**$ 368,318**	$ 724,304
Revenue recognized that was in contract liabilities at the beginning of the year:	**(368,318)**	(724,304)
Increases in contract liabilities due to cash received during the year	**178,131**	368,318
Contract liabilities, end of year	**$ 178,131**	$ 368,318

20. 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.

21. Goodwill

The following reflects the schedule of goodwill amortization expense:

Year	**Amortization Expense**
2022	$ 31,934
2023	31,934
2024	31,934
2025 and thereafter	151,688
	$247,490

21 Goodwill (Continued)

Goodwill amortization expense for the years ended September 30, 2021 and 2020, totaled $31,934 and $31,934, respectively.

The following represents the value of goodwill:

	2021	2020
Acquired goodwill	**$319,339**	$319,339
Accumulated amortization expense	**(71,849)**	(39,917)
Goodwill, net	**$247,490**	$279,422

22. Note Payable

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

Management has elected to treat the loan under the provisions of Financial Accounting Standard Board Accounting Standard Codification Topic 450-30 “Gain Contingencies.” Under this model, the earnings impact of a gain contingency is recognized when all the contingencies related to receipt of the loan have been met and the gain is realized or realizable. Management considers the significant contingencies for recognizing the gain to include expending the funds for allowable purposes and receiving an approved loan forgiveness from the lender. The Association expended all PPP loan proceeds on allowable costs and received loan forgiveness in January 2021. The forgiveness of debt is recorded as PPP Loan forgiveness in the statement of activities.

23. Adoption of New Pronouncements

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

23. Adoption of New Pronouncements (Continued)

Effective October 1, 2020, the Association adopted ASU 2014-09, "Revenue from Contracts with Customers" and subsequent amendments. The amendments are required by GAAP, and collectively create a new Accounting Standards Codification (ASC) 606, "Revenue from Contracts with Customers," which replaces most of the existing revenue recognition guidance found in GAAP. ASC 606 establishes a new, single revenue framework to recognize revenue from contracts with customers and requires expanded disclosures for revenue transactions.

Effective October 1, 2020, 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 clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction accounted for under ASC 606. The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction.

The Association examined the effect of adopting ASC 606 and ASU 2018-08 on the financial statements in conjunction with one another using the full retrospective method applied to all contracts not completed as of October 1, 2020. The effect was to segregate $264,994 received from non-exchange contracts previously reported in gross sales revenue and reclassify the amount as contribution revenue in the statement of activities for the year ended September 30, 2020. Additionally, $116,770 of contribution revenue was reclassified as sales revenue for the year ended September 30, 2020.

Year ended September 30, 2020	As previously reported		As restated	
	Without Donor Restrictions	Total	Without Donor Restrictions	Total
Sales	$20,010,234	$20,010,234	$19,862,010	$19,862,010
Gross profit	$ 3,412,552	$ 3,412,552	$ 3,264,328	$ 3,264,328
Increase (decrease) in net assets from operations	$ (368,262)	$ (368,262)	$ (516,486)	$ (516,486)
Other income (expenses)				
Contributions and support	$ 135,843	$ 140,142	$ 284,067	$ 288,366
Total non-operating income (expenses)	$ 1,764,232	$ 1,686,781	$1,912,456	$1,835,005

Supplementary Information

Years Ended	September 30, 2021					
	Paper	**Abrasives / Deck Coverings**	**Low-Vision**	**Xerox & Other**	**Printing Services**	**Total**
Sales:						
General Services Administration	**$ -**	**$1,126,885**	**$ -**	**$ 3,745,152**	**$ -**	**$ 4,872,037**
MAS and Ability One	**102,304**	**1,068,787**	**-**	**7,391,643**	**-**	**8,562,734**
Commercial / NON-NIB	**236,217**	**1,813,754**	**-**	**164,782**	**570,162**	**2,784,915**
Waste	**599**	**-**	**-**	**89,132**	**-**	**89,731**
Base Service Stores	**112**	**-**	**-**	**74,438**	**-**	**74,550**
Other	**-**	**18**	**633,791**	**8,212**	**-**	**642,021**
	339,232	**4,009,444**	**633,791**	**11,473,359**	**570,162**	**17,025,988**
Cost of Sales:						
Beginning inventory	**106,444**	**696,106**	**34,793**	**660,570**	**12,545**	**1,510,458**
Add: Purchase / transfer from other departments	**69,116**	**2,238,526**	**386,093**	**5,980,518**	**192,815**	**8,867,068**
Less: Ending inventory	**(99,353)**	**(1,038,108)**	**(57,345)**	**(1,070,236)**	**(7,351)**	**(2,272,393)**
Raw materials consumed	**76,207**	**1,896,524**	**363,541**	**5,570,852**	**198,009**	**8,105,133**
Manufacturing costs	**530,420**	**745,798**	**1,062,030**	**1,825,607**	**596,433**	**4,760,288**
Cost of sales	**606,627**	**2,642,322**	**1,425,571**	**7,396,459**	**794,442**	**12,865,421**
Gross profit (loss)	**$(267,395)**	**$1,367,122**	**$ (791,780)**	**$ 4,076,900**	**$ (224,280)**	**$ 4,160,567**
Gross profit as a percent of sales	**NM**	**34.1%**	**NM**	**35.5%**	**NM**	**24.4%**

NM - Not Meaningful

	September 30, 2020					
	Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
	$ -	$1,036,067	$ -	$ 3,163,988	$ -	$ 4,200,055
	162,926	968,800	-	6,786,031	-	7,917,757
	182,722	1,212,276	-	61,204	856,092	2,312,294
	-	-	-	99,215	-	99,215
	67	-	-	89,144	-	89,211
	-	85	508,372	4,943	-	513,400
	345,715	3,217,228	508,372	10,204,525	856,092	15,131,932
	65,234	547,531	35,623	675,580	59,987	1,383,955
	153,853	1,796,486	205,175	5,447,456	243,242	7,846,212
	(106,444)	(696,106)	(34,793)	(660,570)	(12,545)	(1,510,458)
	112,643	1,647,911	206,005	5,462,466	290,684	7,719,709
	522,499	617,688	1,003,381	1,713,031	710,795	4,567,394
	635,142	2,265,599	1,209,386	7,175,497	1,001,479	12,287,103
	$(289,427)	$ 951,629	$ (701,014)	$ 3,029,028	$ (145,387)	$ 2,844,829
	NM	29.6%	NM	29.7%	NM	18.8%

Years Ended	September 30, 2021			
	BAFB Base Supply	**BAFB Base Equipment**	**Fort Polk SSSC**	**Total**
Sales	**$1,157,749**	**$2,658,280**	**$1,574,088**	**$5,390,117**
Cost of Sales:				
Beginning inventory	**211,984**	**664,455**	**214,970**	**1,091,409**
Add: Purchase/transfer from other departments	**931,474**	**1,977,565**	**1,234,751**	**4,143,790**
Less: Ending inventory	**(274,265)**	**(510,306)**	**(203,740)**	**(988,311)**
Raw materials consumed	**869,193**	**2,131,714**	**1,245,981**	**4,246,888**
Other costs	**140,179**	**90,014**	**144,847**	**375,040**
Cost of sales	**1,009,372**	**2,221,728**	**1,390,828**	**4,621,928**
Gross profit	**$ 148,377**	**$ 436,552**	**$ 183,260**	**$ 768,189**
Gross profit as a percent of sales	**12.8%**	**16.4%**	**11.6%**	**14.3%**

Schedules of Sales and Cost of Sales - Base Service Centers

	September 30, 2020			
	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
	$1,001,566	$2,147,006	$1,581,507	$4,730,079
	260,558	535,160	269,400	1,065,118
	805,644	2,040,603	1,145,292	3,991,539
	(211,984)	(664,455)	(214,970)	(1,091,409)
	854,218	1,911,308	1,199,722	3,965,248
	118,462	92,426	134,443	345,331
	972,680	2,003,734	1,334,165	4,310,579
	$ 28,886	$ 143,272	$ 247,342	$ 419,500
	2.9%	6.7%	15.6%	8.9%

Year Ended September 30, 2021

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2021 Appropriation	$500,000	$403,236	$403,236
2022 Appropriation	$500,000	84,060	84,060
Total		$487,296	$487,296

Year Ended September 30, 2020

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

Year Ended September 30, 2021

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

Louisiana Association for the Blind is not required to report the total compensation, reimbursements, and benefits paid to Ms. Shawn Murphy, the Association's President and Chief Executive Officer during the year ended September 30, 2021, as none of those payments were made from public funds.

Year Ended September 30, 2021

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

2. No instances of noncompliance were reported in the independent auditor's report on compliance.

3. No material weaknesses in internal accounting control were disclosed in the independent auditor's report on internal control.

4. A separate management letter was not issued.

Year Ended September 30, 2021

There were no findings for the year ended September 30, 2021.

Year Ended September 30, 2020

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