EASTER SEALS LOUISIANA, INC.

Audits of Financial Statements

June 30, 2025 and 2024

LAPORTE
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Contents

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Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Easter Seals Louisiana, Inc. (the Organization), (a non-profit organization) which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Organization'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 GAAS and *Government 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 GAAS and *Government 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 the Organization'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 the Organization'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 financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2025 on our consideration of the Organization's internal control over financial reporting and 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 the Organization'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 the Organization's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
November 30, 2025

EASTER SEALS LOUISIANA, INC.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Cash Used for Operations	**$ 575,558**	$ 734,982
Cash Equivalents Designated for Endowment	**4,325,663**	5,758,689
Accounts Receivable, Net	**2,080,302**	1,775,001
Prepaid Expenses and Deposits	**21,643**	61,455
Right-of-Use Assets, Operating Leases	**1,107,359**	1,607,661
Right-of-Use Assets, Financing Leases	**310,978**	173,955
Investments - Board-Designated	**4,779,494**	4,418,266
Unemployment Services Trust	**77,296**	83,550
Beneficial Interest in Asset Held by Others	**8,296**	8,296
Goodwill	**-**	45,962
Property, Furniture, and Equipment, Net	**2,888,082**	1,632,556
Total Assets	**$ 16,174,671**	$ 16,300,373
Liabilities		
Accounts Payable	**$ 47,708**	$ 109,441
Accrued Expenses	**89,584**	19,777
Operating Lease Liabilities	**1,118,439**	1,631,311
Financing Lease Liabilities	**318,227**	169,238
Deposits	**4,150**	-
Total Liabilities	**1,578,108**	1,929,767
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	**5,491,406**	4,193,651
Board-Designated	**9,105,157**	10,176,955
Total Net Assets	**14,596,563**	14,370,606
Total Liabilities and Net Assets	**$ 16,174,671**	$ 16,300,373

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2025 and 2024

	2025	2024
Support and Revenue		
Program Revenue		
Case Management	**$ 8,539,703**	$ 7,621,937
Mental Health Services	**1,803,810**	1,517,878
System Point of Entry (SPOE)	**1,235,238**	1,122,102
Housing Services	**3,745,393**	3,116,813
Applied Behavioral Services	**570,967**	580,727
Tuition Revenue	**518,200**	481,850
Contributions and Other Revenue		
Contributions	**372,561**	179,330
Net Bingo Income	**180,095**	371,846
Rental Income	**11,850**	49,850
Special Events	**81,586**	44,098
Miscellaneous	**63,712**	60,310
Net Investment Return	**647,755**	669,639
Total Support and Revenue	**17,770,870**	15,816,380
Expenses		
Program Services		
Case Management	**6,395,643**	6,390,864
Mental Health Services	**1,512,038**	1,527,039
System Point of Entry (SPOE)	**1,265,238**	1,019,660
Housing Services	**4,730,061**	3,167,348
Applied Behavior Analysis Services and Tuition	**1,337,680**	1,227,710
Supporting Services		
Management and General	**1,824,952**	1,881,599
Development, Marketing, and Fundraising	**479,301**	677,949
Total Expenses	**17,544,913**	15,892,169
Change in Net Assets	**225,957**	(75,789)
Net Assets, Beginning of Year	**14,370,606**	14,446,395
Net Assets, End of Year	**$ 14,596,563**	$ 14,370,606

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services					
	Case Management	**Housing Services**	**Mental Health Services**	**Applied Behavior Analysis Services and Tuition**	**System Point of Entry**	**Total Program Services**
Salaries and Employee Benefits	$ 5,427,619	$ 1,649,168	$ 1,170,533	$ 1,071,752	$ 984,019	$ 10,303,091
Professional Fees and Contracted Services	49,481	68,207	42,960	69,352	6,814	236,814
Supplies	113,773	233,128	62,123	41,779	35,866	486,669
Telecommunications	93,872	37,268	20,129	10,073	27,200	188,542
Postage and Shipping	15,016	-	756	-	5,284	21,056
Occupancy	208,242	2,021,716	122,623	18,154	111,663	2,482,398
Equipment Rent and Maintenance	131,523	25,303	11,694	18,704	19,400	206,624
Printing, Publications, and Media	979	5,308	-	-	-	6,287
Travel and Transportation	214,423	24,239	24,473	1,420	48,377	312,932
Conferences and Meetings	1,792	619	10,172	690	981	14,254
Specific Assistance	-	541,806	-	-	-	541,806
Insurance	3,815	998	-	-	-	4,813
Provision for Credit Losses	15,828	-	-	85,001	-	100,829
Miscellaneous	48,465	70,065	29,920	6,928	11,640	167,018
Auditing Fees	-	-	-	-	-	-
Directors and Officers Insurance	50,192	37,024	11,798	9,800	9,919	118,733
Depreciation and Amortization	20,623	15,212	4,857	4,027	4,075	48,794
Interest Expense - Finance Leases	-	-	-	-	-	-
Total Functional Expenses	6,395,643	4,730,061	1,512,038	1,337,680	1,265,238	15,240,660
National Membership Dues	-	-	-	-	-	-
Total Functional Expenses with National Membership Dues	$ 6,395,643	$ 4,730,061	$ 1,512,038	$ 1,337,680	$ 1,265,238	$ 15,240,660

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025 (Continued)

	Supporting Services			
	Management and General	Development, Marketing, and Fundraising	Total Supporting Services	Total
Salaries and Employee Benefits	$ 1,092,297	$ 207,759	$ 1,300,056	$ 11,603,147
Professional Fees and Contracted Services	234,325	43,638	277,963	514,777
Supplies	44,303	109,046	153,349	640,018
Telecommunications	11,265	772	12,037	200,579
Postage and Shipping	6,862	220	7,082	28,138
Occupancy	46,518	97,916	144,434	2,626,832
Equipment Rent and Maintenance	43,521	3,613	47,134	253,758
Printing, Publications, and Media	-	-	-	6,287
Travel and Transportation	39,184	73	39,257	352,189
Conferences and Meetings	15,850	3,023	18,873	33,127
Specific Assistance	-	-	-	541,806
Insurance	-	-	-	4,813
Provision for Credit Losses	-	-	-	100,829
Miscellaneous	85,067	7,962	93,029	260,047
Auditing Fees	55,495	-	55,495	55,495
Directors and Officers Insurance	13,237	3,742	16,979	135,712
Depreciation and Amortization	62,435	1,537	63,972	112,766
Interest Expense - Finance Leases	15,823	-	15,823	15,823
Total Functional Expenses	1,766,182	479,301	2,245,483	17,486,143
National Membership Dues	58,770	-	58,770	58,770
Total Functional Expenses with National Membership Dues	$ 1,824,952	$ 479,301	$ 2,304,253	$ 17,544,913

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services					
	Case Management	Housing Services	Mental Health Services	Applied Behavior Analysis Services and Tuition	System Point of Entry	Total Program Services
Salaries and Employee Benefits	$ 5,408,797	$ 1,257,030	$ 1,146,563	$ 1,057,173	$ 787,494	$ 9,657,057
Professional Fees and Contracted Services	78,784	59,154	38,972	72,389	14,329	263,628
Supplies	87,643	200,880	33,800	31,069	26,963	380,355
Telecommunications	90,758	30,767	22,975	7,495	21,953	173,948
Postage and Shipping	18,408	-	1,039	-	9,931	29,378
Occupancy	221,136	887,523	156,704	13,851	101,812	1,381,026
Equipment Rent and Maintenance	137,352	26,160	25,340	13,023	16,494	218,369
Printing, Publications, and Media	180	2,300	26	-	-	2,506
Travel and Transportation	157,943	17,301	17,804	8	18,837	211,893
Conferences and Meetings	2,472	668	2,052	-	922	6,114
Specific Assistance	-	605,229	-	-	-	605,229
Insurance	3,456	1,689	-	-	-	5,145
Provision for Credit Losses	24,071	-	41,750	8,584	-	74,405
Miscellaneous	70,635	33,967	19,397	6,845	6,663	137,507
Directors and Officers Insurance	50,778	25,627	11,425	9,887	8,127	105,844
Depreciation and Amortization	38,451	19,053	9,192	7,386	6,135	80,217
Interest Expense - Finance Leases	-	-	-	-	-	-
Total Functional Expenses	6,390,864	3,167,348	1,527,039	1,227,710	1,019,660	13,332,621
National Membership Dues	-	-	-	-	-	-
Total Functional Expenses with National Membership Dues	$ 6,390,864	$ 3,167,348	$ 1,527,039	$ 1,227,710	$ 1,019,660	$ 13,332,621

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2024

	Supporting Services			
	Management and General	**Development, Marketing, and Fundraising**	**Total Supporting Services**	**Total**
Salaries and Employee Benefits	$ 1,298,851	$ 257,690	$ 1,556,541	$ 11,213,598
Professional Fees and Contracted Services	233,844	88,993	322,837	586,465
Supplies	26,475	234,303	260,778	641,133
Telecommunications	13,640	722	14,362	188,310
Postage and Shipping	1,062	-	1,062	30,440
Occupancy	70,602	78,619	149,221	1,530,247
Equipment Rent and Maintenance	40,816	5,848	46,664	265,033
Printing, Publications, and Media	-	-	-	2,506
Travel and Transportation	42,691	75	42,766	254,659
Conferences and Meetings	20,394	100	20,494	26,608
Specific Assistance	-	-	-	605,229
Insurance	-	-	-	5,145
Provision for Credit Losses	-	-	-	74,405
Miscellaneous	47,172	2,171	49,343	186,850
Directors and Officers Insurance	14,304	5,349	19,653	125,497
Depreciation and Amortization	11,003	4,079	15,082	95,299
Interest Expense - Finance Leases	7,707	-	7,707	7,707
Total Functional Expenses	1,828,561	677,949	2,506,510	15,839,131
National Membership Dues	53,038	-	53,038	53,038
Total Functional Expenses with National Membership Dues	$ 1,881,599	$ 677,949	$ 2,559,548	$ 15,892,169

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	$ 225,957	$ (75,789)
Adjustments to Reconcile Change in Net Assets		
Net Cash (Used in) to Operating Activities		
Depreciation and Amortization	112,766	95,299
Loss on Disposal of Capital Assets	52,870	-
Provision for Credit Losses	100,829	74,405
Net Realized and Unrealized (Gain) on Investments	(311,400)	(284,794)
(Increase) Decrease in Operating Assets		
Accounts Receivable	(406,130)	(176,576)
Prepaid Expenses and Deposits	39,812	75,937
Right-of-Use Assets, Operating Leases	675,212	390,686
Unemployment Services Trust	6,254	(17,797)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(61,733)	69,685
Accrued Expenses	69,807	(277,489)
Operating Lease Liabilities	(683,044)	(377,698)
Deposits	4,150	-
Net Cash Used in Operating Activities	(174,650)	(504,131)
Cash Flows from Investing Activities		
Purchases of Property, Furniture, and Equipment	(1,307,350)	(15,092)
Purchases of Investments	(622,002)	(993,047)
Proceeds from Sales of Investments	572,174	852,705
Net Cash Used in Investing Activities	(1,357,178)	(155,434)
Cash Flows from Financing Activities		
Principle Payments on Finance Leases	(60,622)	(46,498)
Net Cash Used in Financing Activities	(60,622)	(46,498)
Net Change in Cash and Cash Equivalents	(1,592,450)	(706,063)
Cash and Cash Equivalents, Beginning of Year	6,493,671	7,199,734
Cash and Cash Equivalents, End of Year	$ 4,901,221	$ 6,493,671

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Cash Flows (Continued)
For the Years Ended June 30, 2025 and 2024

	2025	2024
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	**$ 15,823**	$ 7,707
Non-Cash Investing and Financing Activities		
Recognition of Right-of-Use Assets, Operating Leases Under ASC 842	**$ 379,783**	$ 995,903
Operating Lease Liabilities Arising from Obtaining Right-of-Use Assets	**$ 17,100**	$ 990,060
Financing Lease Liabilities Arising from Obtaining Right-of-Use Assets	**$ 362,683**	$ 5,843

The following table provides a reconciliation of cash and board-designated cash equivalents reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2025	2024
Cash Used for Operations	**$ 575,558**	$ 734,982
Cash Equivalents Designated for Endowment	**4,325,663**	5,758,689
Total Cash and Designated Cash Equivalents Shown in the Statements of Cash Flows	**$ 4,901,221**	$ 6,493,671

The accompanying notes are an integral part of these financial statements.

Note 1. Nature of Activities

Easter Seals Louisiana, Inc. (the Organization), is a non-profit, community-based healthcare agency organized under the laws of the State of Louisiana. The mission of the Organization is to help children and adults with disabilities, and their families, obtain, and effectively utilize resources necessary to lead more independent and purposeful lives. The Organization maintains services that create an acceptance toward people with disabilities through the following programs:

Case Management - Assists individuals with intellectual and developmental disabilities across the lifespan and adults with behavioral health issues to access needed services and become as independent as possible.

Housing Services - Provides various housing services, including housing to individuals and families that have mental health needs, time-limited rental assistance to people with mental health conditions who are experiencing homelessness, affordable rental housing to individuals with multifaceted needs, and transitional living for people who are experiencing homelessness who would benefit from shared living community.

Mental Health Services - Teaches and reinforces skills for participants to remain in the community living independently. Mental Health Services includes case management and skills training focused on addressing functional deficits related to chronic, severe behavioral health issues. These services are provided primarily in the community including the participant's home, community resources, and other community locations by utilizing an advanced practice registered nurse for psychiatric evaluations and medication management and licensed counselors for assessments and counseling services.

Applied Behavior and Analysis Tuition - Implements applied behavior analysis by working to increase functional communication, adaptive behaviors, and social skills, while reducing challenging behaviors, to make a life of independence and purpose possible for children and adults with Autism.

System Point of Entry - Identifies, evaluates, and supports infants and toddlers, ages birth to three, who have a developmental delay or developmental disability.

Note 2. Summary of Significant Accounting Policies

Organization and Income Taxes

The Organization is a non-profit corporation organized under the laws of the State of Louisiana in 1951. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of Louisiana Revised Statute (R.S.) 47:121(5).

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities.* Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization has no net assets with donor restrictions.

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Contributions

Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Accounts Receivable

The Organization provides services under contracts entered into with various state and federal agencies. Accounts receivable include amounts billed under these contracts and amounts due from patients for services provided.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)
A major portion of the accounts receivable balances as of June 30, 2025 and 2024 is from the Louisiana Department of Health. The Organization adopted FASB ASC 326-20 *Financial Instruments - Credit Losses* on July 1, 2023, in which management determines the allowance using an estimate of expected credit losses, applied to customer groupings with similar risk characteristics, based on historical experience, current economic conditions and certain forward-looking information. Account balances are written-off against the established allowance when management determines it is probable the receivable will not be collected. As of June 30, 2025 and 2024, the total allowance recorded for credit losses was $100,829 and $74,405, respectively.

Changes in the allowance for credit losses for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Allowance for Credit Losses, Beginning of Year	**$ 74,405**	$ -
Provisions	**100,829**	74,405
Write-Offs, net of recoveries	**(74,405)**	-
Allowance for Credit Losses, End of Year	**$ 100,829**	$ 74,405

Accounts receivable from contracts with customers totaled $2,181,131, $1,853,184, and $1,672,830 as of June 30, 2025, 2024, and 2023, respectively.

Investments
In accordance with FASB ASC Topic, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, the Organization carries all investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Revenue Recognition
The Organization accounts for a contract with a client when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance, and collection is probable.

Revenue is recognized when, or as, control of a promised service transfers to a client, in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring those services.

If the consideration promised in a contract includes a variable amount, the Organization estimates the amount to which it expects to be entitled using the most-likely-amount method.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The Organization only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Organization's standard billing terms are that payment is due upon receipt of invoice, payable within 30 - 60 days. Invoices are generally issued monthly when services are rendered.

The Organization maintains programs and services that create an acceptance toward people with disabilities through the following: Camperships, Support Coordination (Case Management), Mental Health Services, and Early Intervention Services. The Organization also hosts bingo events as part of its fundraising activity.

For support coordination, contracts typically require the completion of a defined service per month, and billing for completed services is based on actual amounts. The Organization typically satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized monthly, after the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date.

Under Case Management contracts, the Organization is contracted by the State of Louisiana through its designee for the initial coordination of the Early Steps Program, an early intervention program. The Organization is reimbursed for allowable costs incurred as services are incurred and costs are submitted. While management determined that performance obligations related to this service are satisfied over time, the services are typically billed as incurred, which is within four weeks of the service being provided. Management therefore elected to utilize the right to invoice practical expedient, where an entity is allowed to recognize revenue as invoiced, if the entity's right to payment is for an amount that corresponds directly with the value to the customer.

Revenues from bingo fundraiser events are recognized at a point in time, which is the date at which the event took place. This results in revenue recognition that corresponds with the value to the client of the services transferred to date.

Property, Furniture, and Equipment

Property, furniture, and equipment are recorded at cost. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments of $1,000 or greater are capitalized. Depreciation is computed on the straight-line method over the estimated useful life of each asset which ranges from three to thirty years. Donated property is recorded at its fair market value at the date of donation.

Note 2. Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the years ended June 30, 2025 and 2024, there were no impairment losses recognized for long-lived assets.

Goodwill

On January 1, 2021, the Organization entered into an asset purchase agreement (see Note 8). The Organization has classified the excess of the purchase price over fair value of assets acquired as goodwill. In accordance with accounting alternatives offered to nonpublic companies for the recognition and measurement of goodwill, the Organization has elected not to recognize separately from goodwill any intangible assets relating to (a) customer-related intangible assets unless they are capable of being sold or licensed independently from other assets of a business or (b) non-competition agreements. The Organization has also elected to amortize goodwill over ten years on the straight-line basis and only evaluate goodwill for impairment when a triggering event occurs. There was no impairment for the year ended June 30, 2024.

During the year ended June 30, 2025, the Canal Hall Bingo Operations were terminated and the associated goodwill written off. The Organization recognized a loss of $42,426 in the statement of activities and changes in net assets for the year ended June 30, 2025.

Allocated Expenses

The costs of providing the various programs and supporting services are summarized in the statements of functional expenses, which present the natural classification detail of expenses by function. Certain expenses have been allocated among the programs and supporting services benefitted based on management's estimates of the costs involved (see Note 14).

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Note 2. Summary of Significant Accounting Policies (Continued)

Leases (Continued)

The Organization recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense in the statements of activities and changes in net assets.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease or July 1, 2023, for existing leases upon the adoption of Topic 842. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election to utilize a risk-free rate, which is aligned with the lease term at the lease commencement date or remaining term for leases existing upon the adoption of Topic 842.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Note 3. Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization manages its cash available to meet general expenditures by:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets;
- Maintaining sufficient reserves to provide reasonable assurance of sustainability; and
- Having a line of credit available for times of unforeseen events or delays in payment of receivables by resource providers.

Assets not available to meet general expenditures within one year of the statements of financial position date include amounts in nonspendable form and assets subject to internal board designations. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

The following table reflects the Organization's financial assets available to meet general expenditures within one year of the statements of financial position as of June 30, 2025 and 2024:

	2025	2024
Cash Used for Operations	**$ 575,558**	$ 734,982
Accounts Receivable, Net	**2,080,302**	1,775,001
Total Financial Assets	**$ 2,655,860**	$ 2,509,983

Note 4. Investments

Investments are summarized as follows at June 30, 2025 and 2024:

2025		**Cost**		**Fair Market Value**
Common Stocks	**$**	**739,593**	**$**	**1,123,259**
Preferred Stocks		**43,526**		**42,455**
Equity Mutual Funds		**1,461,252**		**1,925,784**
Corporate Bonds		**419,627**		**420,971**
Bond Mutual Funds		**1,282,820**		**1,267,025**
Total	**$**	**3,946,818**	**$**	**4,779,494**

2024		Cost		Fair Market Value
Common Stocks	$	765,445	$	1,080,812
Preferred Stocks		43,256		41,866
Equity Mutual Funds		1,457,335		1,697,896
Corporate Bonds		427,528		415,176
Bond Mutual Funds		1,236,184		1,182,516
Total	$	3,929,748	$	4,418,266

Note 5. Unemployment Services Trust

The Organization self-insures for unemployment expenses via the Unemployment Services Trust (the Trust). The Trust balance per contract would be fully refunded to the Organization upon payment of all outstanding unemployment claims. The balance of the Trust is based on the gross balance of the account less an estimate of actual claims. The net recorded balance as of June 30, 2025 and 2024 was $77,296 and $83,550, respectively.

Note 6. Beneficial Interest in Asset Held by Others

During the year ended June 30, 2015, the Organization was made aware of a gift annuity contract entered into by a donor wherein the Organization is to receive 75% of the remainder. As of June 30, 2025 and 2024, the balance estimated to be received by the Organization was $8,296, shown as beneficial interest in asset held by others on the statements of financial position.

Note 7. Property, Furniture, and Equipment

The following is a summary of property, furniture, and equipment at June 30, 2025 and 2024:

		2025		2024
Land	$	1,381,000	$	1,175,000
Building		1,509,000		415,000
Office Equipment		239,746		253,450
Improvements		101,627		136,167
Furniture and Fixtures		84,581		69,488
Total Property, Furniture, and Equipment		3,315,954		2,049,105
Less: Accumulated Depreciation		(427,872)		(416,549)
Property, Furniture, and Equipment, Net	$	2,888,082	$	1,632,556

Depreciation expense was $44,916 and $46,749 for the years ended June 30, 2025 and 2024, respectively.

Note 8. Goodwill

On January 1, 2021, the Organization acquired certain assets of Canal Hall Bingo Operations in a business combination. Amortization expense was $3,536 and $7,071 during the years ended June 30, 2025 and 2024, respectively.

During the year ended June 30, 2025, the Canal Hall Bingo Operations were terminated and the associated goodwill written off. The Organization recognized a loss of $42,426 for the remaining value of goodwill in the statement of activities and changes in net assets for the year ended June 30, 2025.

Note 9. Line of Credit

The Organization has a $500,000 revolving bank line of credit. Interest is payable at the prime rate, plus 1.25% points, with a floor of 5.25%. The interest rate was 8.75% and 9.75% as of June 30, 2025 and 2024, respectively. All unpaid interest and principal are due on maturity, May 6, 2026. The loan is secured with receivables and property, furniture, and equipment. There was no outstanding balance on the line of credit as of June 30, 2025 and 2024.

Note 10. Net Assets

As further explained in Note 11, a portion of the unrestricted net assets has been designated by the Board of Directors to be used for specific purposes. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes and are used as an aid in planning future expenditures and investing. Information regarding the components of unrestricted net assets at June 30, 2025 and 2024 is as follows:

	2025	2024
Undesignated Net Assets	**$ 5,491,406**	$ 4,193,651
Designated for Endowment	**9,105,157**	10,176,955
Total Net Assets	**$ 14,596,563**	$ 14,370,606

Note 11. Board-Designated Endowments

In May 2013, an endowment fund was established by the Board of Directors in the form of investments with the purpose of providing perpetual financial support to the Organization. As required by FASB ASC 958, *Not-For-Profit Entities*, net assets associated with endowment funds are classified and reported based on the existence or absence of restrictions imposed by a donor. The funds in the investment portfolio are not anticipated to be utilized for the daily operations of the Organization, and as such, are invested over a long-term investment horizon. The endowment fund uses a total return-based spending policy, which means that it will fund distributions from net investment return, net realized capital gains, and proceeds from the sale of investments. A distribution of fund assets is permitted to the extent that such distributions do not exceed a level that would erode the portfolio's real assets over time. As of June 30, 2025 and 2024, no appropriations have been made from the endowment.

In June 2021, a second endowment fund was established by the Board of Directors in the form of investments with the purpose of providing perpetual financial support to the Organization. As required by FASB ASC 958, *Not-For-Profit Entities*, net assets associated with endowment funds are classified and reported based on the existence or absence of restrictions imposed by a donor. The funds in the investment portfolio are not anticipated to be utilized for the daily operations of the Organization, and as such, are invested over a long-term investment horizon. The endowment fund uses a total return-based spending policy, which means that it will fund distributions from net investment return, net realized capital gains, and proceeds from the sale of investments. A distribution of fund assets is permitted to the extent that such distributions do not exceed a level that would erode the portfolio's real assets over time. As of June 30, 2025, no appropriations have been made from the endowment.

Note 11. Board-Designated Endowments (Continued)

The two endowment funds have the same investment strategy, which is to provide for capital appreciation over the long-term, deploying a moderate growth investment objective. The portfolios are managed in a way that reflects an above average risk tolerance and the ability to accept higher levels of volatility while seeking to achieve annual returns of 5% to 8% above the rate of inflation. In order to accomplish this, the investment manager is instructed to invest the portfolio using an allocation of both equities and fixed income securities. With regard to equity securities held in the portfolio, the investment manager is not restricted in its selection of securities. However, the Organization retains the right to request the divestiture of any security it may find objectionable. With regard to fixed income securities, securities which are deemed suitable for the portfolio will be of investment grade and represent obligations of the U.S. Government or its agencies and/or domestic corporations.

To implement the investment strategy outlined above, the investment manager will invest the portfolio as follows:

Asset Class	Strategic %	Minimum	Maximum
Cash and Cash Equivalents	5%	0%	5%
Fixed Income	30%	20%	50%
Equities	65%	50%	80%

Endowment fund net asset composition by type of fund as of June 30, 2025 and 2024 is as follows:

June 30, 2025	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Net Assets**
Board-Designated Endowment Fund	**$ 9,105,157**	**$ -**	**$ 9,105,157**
Total	**$ 9,105,157**	**$ -**	**$ 9,105,157**

June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-Designated Endowment Fund	$ 10,176,955	$ -	$ 10,176,955
Total	$ 10,176,955	$ -	$ 10,176,955

Note 11. Board-Designated Endowments (Continued)

Changes in endowment fund net assets for the years ended June 30, 2025 and 2024 were as follows:

June 30, 2025	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Net Assets**
Net Assets, Beginning of Year	**$ 10,176,955**	**$ -**	**$ 10,176,955**
Released from Designation	**(1,719,553)**	**-**	**(1,719,553)**
Net Investment Return	**647,755**	**-**	**647,755**
Net Assets, End of Year	**$ 9,105,157**	**$ -**	**$ 9,105,157**

June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Net Assets, Beginning of Year	$ 10,542,338	$ -	$ 10,542,338
Released from Designation	(1,035,022)	-	(1,035,022)
Net Investment Return	669,639	-	669,639
Net Assets, End of Year	$ 10,176,955	$ -	$ 10,176,955

Note 12. Fair Value Measurements

FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments. FASB ASC Topic 820 establishes a fair value hierarchy which prioritizes inputs to the valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data (observable inputs) or they may be internally developed (unobservable inputs). The fair value hierarchy prioritizes the inputs to the valuation techniques used to measure fair value into three broad categories. These categories include: Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 12. Fair Value Measurements (Continued)

The market approach is used for valuing common stocks, equity mutual funds, and bond mutual funds, which are all classified within Level 1 of the fair value hierarchy. The remainder of the Organization's investment portfolio consists of corporate bonds, which may not trade on a daily basis. Corporate bonds are generally valued based upon quoted market prices from brokers and dealers, which represent fair value, and are classified within Level 2, or Level 1 if a more active market exists for the bond.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value are comprised of the following as of June 30, 2025 and 2024:

June 30, 2025	**Total Assets Measured at Fair Value**	**Level 1**	**Level 2**	**Level 3**
Common Stocks	**$ 1,123,259**	**$ 1,123,259**	**$ -**	**$ -**
Preferred Stocks	**42,455**	**42,455**	**-**	**-**
Equity Mutual Funds	**1,925,784**	**1,925,784**	**-**	**-**
Corporate Bonds	**420,971**	**420,971**	**-**	**-**
Bond Mutual Funds	**1,267,025**	**1,267,025**	**-**	**-**
Total	**$ 4,779,494**	**$ 4,779,494**	**$ -**	**$ -**

June 30, 2024	Total Assets Measured at Fair Value	Level 1	Level 2	Level 3
Common Stocks	$ 1,080,812	$ 1,080,812	$ -	$ -
Preferred Stocks	41,866	41,866	-	-
Equity Mutual Funds	1,697,896	1,697,896	-	-
Corporate Bonds	415,176	415,176	-	-
Bond Mutual Funds	1,182,516	1,182,516	-	-
Total	$ 4,418,266	$ 4,418,266	$ -	$ -

Note 13. Significant Contracts and Grants

For the years ended June 30, 2025 and 2024, approximately $9,117,000 and $8,203,000, respectively, of contract revenue was from the State of Louisiana Department of Health acting as a Medicaid fiscal intermediary, and approximately $1,235,000 and $1,122,000, respectively, of contract revenue was from the State of Louisiana Department of Health acting as a pass-through entity for federal grants. The State of Louisiana (the State) provides annual contracts to the Organization which grant the State the right to audit program accounts and activities. The State, acting as the Medicaid intermediary for Medicaid patients, reimburses services rendered to Medicaid program beneficiaries under an allowable cost reimbursement formula that is subject to audit and retroactive adjustments. Management believes that the Organization is in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

Note 14. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expense accounts that are allocated are insurance and depreciation. Allocation for these accounts is pro-rata based on functional expense totals before insurance and depreciation.

Note 15. Leases

The Organization leases property and equipment from various outside parties under several lease agreements, including:

- Office facilities under operating lease agreements maturing between 2027 and 2030.
- Office under finance lease agreements, maturing between 2027 and 2030. equipment
- Facilities and equipment on an month to month basis. All such rental agreements are treated as short-term leases under the practical expedient.

Note 15. Leases (Continued)

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the year ended June 30, 2025:

	2025	2024
Operating Leases Costs	**$ 376,805**	$ 411,832
Financing Lease Cost - Amortization of Right-of-Use Assets	**68,453**	46,498
Financing Lease Cost - Interest on Lease Liabilities	**15,823**	7,707
Short-Term Lease Costs	**939,837**	660,757
Total Lease Costs	**$ 1,400,918**	$ 1,126,794

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Supplemental information related to leases is as follows as of June 30, 2025 and 2024:

	2025	2024
Weighted-Average Remaining Lease Term (Years)		
Operating Leases	**6.67**	6.40
Finance Leases	**4.03**	3.00
Weighted-Average Discount Rate		
Operating Leases	**4.20%**	4.13%
Finance Leases	**4.64%**	4.13%

Note 15. Leases (Continued)

Future undiscounted cash flows for each of the next five years and a reconciliation to the lease liabilities on the statements of financial position are as follows for June 30, 2025:

Year Ending June 30,	Operating Leases	Finance Leases
2026	$ 316,118	$ 86,392
2027	207,144	85,631
2028	164,776	79,422
2029	118,152	72,706
2030	118,777	24,376
Thereafter	356,633	-
Total Lease Payments	1,281,600	348,527
Less: Inputed Interest	(163,161)	(30,300)
Less: Current Portion	(275,729)	(73,782)
Lease Liabilities, Net of Current Portion	$ 842,710	$ 244,445

Note 16. Pension Plan

The Organization sponsors a defined contribution profit-sharing plan covering substantially all employees of the Organization who have one year of eligible service. The plan provided for contributions by the Organization equal to 2% of eligible compensation for each eligible employee for the years ended June 30, 2025 and 2024. The Organization incurred contribution expense of $151,438 and $138,054 for the years ended June 30, 2025 and 2024, respectively.

Note 17. Concentrations of Credit Risk

The Organization periodically maintains cash in bank accounts in excess of the insured limit of $250,000 provided for by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. At June 30, 2025 and 2024, the Organization held approximately $570,000 and $880,000, respectively, in excess of FDIC limits.

Investments are exposed to various risks such as interest rate, market, and credit risks. Future changes in financial markets could affect the value of the investment securities and future earnings of the Organization.

Note 18. Related-Party Transactions

The Organization is affiliated with Easter Seals, Inc. (Easter Seals) and pays an annual membership fee. For the years ended June 30, 2025 and 2024, the fee was $58,770 and $53,038, respectively. Easter Seals provides supplies for certain campaigns and charges the Organization for those supplies. Easter Seals also remits to the Organization contributions collected on behalf of the Organization. There was $-0- due to the Organization as of June 30, 2025 and 2024.

Note 19. Risk Management

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended June 30, 2025 and 2024.

Note 20. Uncertain Tax Positions

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Note 21. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 30, 2025, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

EASTER SEALS LOUISIANA, INC.
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2025

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
Tracy Garner, Chief Executive Officer

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	$0
Benefits - Insurance	$0
Benefits - Retirement	$0
Benefits - Cell and Data Plan	$0
Car Allowance	$0
Vehicle Provided by Government	$0
Per Diem	$0
Reimbursements	$0
Mileage	$0
Registration Fees	$0
Conference Travel	$0
Professional Dues/ Memberships	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Special Meals	$0

See independent auditor’s report.

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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*

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Easter Seals Louisiana, Inc. (the Organization) (a non-profit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2025.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that we not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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

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

LaPorte

A Professional Accounting Corporation

Covington, LA
November 30, 2025

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

Opinion on Each Major Federal Program

We have audited Easter Seals Louisiana, Inc.'s (the Organization) (a non-profit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

LaPorte

A Professional Accounting Corporation

Covington, LA
November 30, 2025

EASTER SEALS LOUISIANA, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/ Pass-Through Entity/ Program Title	Assistance Listing Number	Pass-Through Award Number	Federal Expenditures
United States Department of Housing and Urban Development			
Direct			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant	14.218	N/A	$ 129,216
Community Development Block Grant - SOAR	14.218	N/A	63,710
Total CDBG - Entitlement Grants Cluster			192,926
Continuum of Care - Pathways	14.267	N/A	218,910
Continuum of Care - ICE	14.267	N/A	597,085
Continuum of Care - Monroe	14.267	N/A	158,934
Continuum of Care - Baton Rouge	14.267	N/A	1,042,747
Continuum of Care - New Orleans Survivors	14.267	N/A	480,056
Continuum of Care - Northlake Permanent Supportive Housing	14.267	N/A	152,768
Continuum of Care - Sponsor-Based	14.267	N/A	170,000
Continuum of Care - New Orleans Connections	14.267	N/A	240,868
Continuum of Care - Unsheltered	14.267	N/A	453,937
Total Continuum of Care			3,515,305
Total United States Department of Housing and Urban Development			3,708,231
United States Department of Education			
Passed through the Louisiana Department of Health and Hospitals			
Special Education - Grants for Infants and Families with Disabilities	84.181	2000122759 SPOE R8	661,993
Special Education - Grants for Infants and Families with Disabilities	84.181	2000126731 SPOE R1	573,245
Total Special Education - Grants for Infants and Families			1,235,238
Total United States Department of Education			1,235,238
United States Department of Health and Human Services			
Direct			
Block Grants for Community Mental Health Services			
Peer Center	93.958	N/A	163,372
Florida Parish	93.958	N/A	284,904
Florida Parish CCR	93.958	N/A	69,355
Florida Parish Recovery Housing	93.958	N/A	26,253
Total Block Grants for Community Mental Health Services			543,884
Mental Health First Aid	93.246	N/A	152,311
Projects for Assistance in Transition from Homelessness	93.150	N/A	54,847
Total United States Department of Health and Human Services			751,042
Total Expenditures of Federal Awards			$ 5,694,511

See independent auditor’s report and notes to schedule of expenditures of federal awards.

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Easter Seals Louisiana, Inc. (the Organization) and is prepared in accordance with the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Payments to Subrecipients

There were no payments to subrecipients for the year ended June 30, 2025.

Note 2. De Minimis Cost Rate

As of October 1, 2024, the Organization uses the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Prior to October 1, 2024, the Organization used the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
84.181	Special Education - Grants for Infants and Families with Disabilities
14.267	Continuum of Care

Dollar threshold used to determine Type A Programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II. FINANCIAL STATEMENT FINDINGS

None.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

EASTER SEALS LOUISIANA, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

None.

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AGREED-UPON PROCEDURES REPORT

Easter Seals Louisiana, Inc.

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2024 - June 30, 2025

To the Board of Directors
Easter Seals Louisiana, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. Easter Seals Louisiana, Inc.'s (the Organization) management is responsible for those C/C areas identified in the SAUPs.

The Organization 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 the LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, the 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:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   ii. ***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.

   iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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).

v. ***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 rates of pay or approval and maintenance of pay rate schedules.

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

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

viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

ix. ***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.

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

xi. ***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.

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

<u>Results:</u> The Organization's policies address all of the functions listed, with the following exceptions: Purchasing policy does not address ii(2) how vendors are added to the vendor list and ii(3) the preparation and approval process of purchase requisitions and purchase orders. Contract policy does not address vi(1) types of services requiring written contracts, vi(2) standard terms and conditions, vi(3) legal review and vi(5) monitoring process.

Management has determined that the debt service policy, ethics policy, and sexual harassment policy are not applicable to the Organization.

2) Payroll and Personnel

A. 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.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #2A above, obtain attendance records and leave documentation for the pay period, and:

   i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

   ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

   iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

   iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. 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.

   Results: No exceptions were noted as a result of the procedures performed.

We were engaged by the Organization 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 Standard*s. 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 Organization 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.

LaPorte

A Professional Accounting Corporation

Covington, LA
October 1, 2025