

**LENARD W ELIE
VETERANS OF FOREIGN WARS
POST 8852**

**FINANCIAL REPORT
ACT 397 FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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Independent Auditors' Report

To the Officers
Lenard W Elie Veterans of Foreign Wars
Post 8852
Alexandria, Louisiana

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of the funding received from Act 397 of the 2023 Regular Session of the Louisiana Legislature (Act 397 Funding) of Lenard W Elie Veterans of Foreign Wars Post 8852 (the Post) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Act 397 Funding as of December 31, 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.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Act 397 Funding and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Act 397 Funding ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 internal control associated with Act funding. 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 Post 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.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

August 31, 2026

Veterans of Foreign Wars Post 8852

Act 397 Funding

Statement of Financial Position

December 31, 2025 and 2024

<u>Assets</u>	2025	2024
Current Assets:		
Cash and Cash Equivalents - Grant Funds	\$ -	\$ 211,965
Accounts Receivable	-	250,000
Total Current Assets	-	461,965
Property and Equipment, Net of Accumulated Depreciation	500,000	39,770
Total Assets	<u>\$ 500,000</u>	<u>\$ 501,735</u>
 <u>Liabilities</u>		
Current Liabilities:		
Accounts Payable and Other Payables	\$ -	\$ 1,735
Total Liabilities	-	1,735
 <u>Net Assets</u>		
Without Donor Restrictions	500,000	39,770
With Donor Restrictions	-	460,230
Total Net Assets	<u>500,000</u>	<u>500,000</u>
Total Liabilities and Net Assets	<u>\$ 500,000</u>	<u>\$ 501,735</u>

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

Veterans of Foreign Wars Post 8852**Act 397 Funding****Statement of Activities****For the Years Ended December 31, 2025 and 2024**

	2025			2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and Support</u>						
Grants Awards Restricted for Improvements	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Net Assets Released From Restrictions	<u>460,230</u>	<u>(460,230)</u>	<u>-</u>	<u>39,770</u>	<u>(39,770)</u>	<u>-</u>
Total Revenue and Support	<u>460,230</u>	<u>(460,230)</u>	<u>-</u>	<u>39,770</u>	<u>460,230</u>	<u>500,000</u>
 <u>Expenses</u>						
Program Services	-	-	-	-	-	-
Support Services						
Management and General	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Change in Net Assets	460,230	(460,230)	-	39,770	460,230	500,000
Net Assets - Beginning of Year	<u>39,770</u>	<u>460,230</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 39,770</u>	<u>\$ 460,230</u>	<u>\$ 500,000</u>

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

Veterans of Foreign Wars Post 8852

Act 397 Funding

Statement of Cash Flows

For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ -	\$ 500,000
Adjustments to Reconcile Increases in Net Assets to Net Cash Provided by Operating Activities		
Contributions Restricted for Capital Purchases	-	(500,000)
(Increase) Decrease in Receivables	-	-
Increase (Decrease) in Accounts Payable and Other Current Liabilities	-	-
Net Cash Provided (Used) by Operating Activities	-	-
<u>Cash Flows From Investing Activities</u>		
Purchases of Property and Equipment	(461,965)	(38,035)
Net Cash Provided (Used) by Investing Activities	(461,965)	(38,035)
<u>Cash Flows From Financing Activities</u>		
Receipts from Contributions Restricted for Capital Purchases	250,000	250,000
Net Cash Provided (Used) by Financing Activities	250,000	250,000
Net Increase (Decrease) in Cash	(211,965)	211,965
Cash and Equivalents- Beginning of Year	211,965	-
Cash and Equivalents- End of Year	<u>\$ -</u>	<u>\$ 211,965</u>

For the year ended December 31, 2025 and 2024, there were no significant investing or financing activities that did not result in cash flows.

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

Veterans of Foreign Wars Post 8852

Act 397 Funding

Notes to Financial Statements

December 31, 2025 and 2024

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Lenard W Elie Veterans of Foreign Wars Post 8852 (the Post) is a non-profit organization incorporated under the laws of the State of Louisiana in 1973, to provide services to veterans. The Post received funding from Act 397 of the 2023 Regular Session of the Louisiana Legislature. The report and financial statements are only reporting the grant funds. Accordingly, the accompanying financial statements do not report balances or activities associated with any of the Post's remaining operations.

The Post is governed by Officers elected by its membership.

The Post qualifies as a tax-exempt organization under Section 501(c)(19) of the U.S. Internal Revenue Code and comparable Louisiana law and, accordingly, is not subject to federal or state income tax. Furthermore, the Post is not classified as a "private foundation" by the internal revenue service.

The more significant accounting policies of the Act 397 Funding are described below.

BASIS OF PRESENTATION

The financial statements of the grant funds have been prepared on the accrual basis in conformity with generally accepted accounting principles. Preparation of financial statements in conformity with generally accepted accounting principles requires certain estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

As required by Generally Accepted Accounting Standards, net assets and activities are classified in the following manner:

Net Assets without Donor Restrictions – Net assets that are not subject to donor imposed restrictions. This classification includes restricted contributions whenever the restriction is fulfilled prior to the end of the period in which the contribution was awarded.

Net Assets with Donor Restrictions – Net assets subject to certain donor imposed restrictions and restrictions imposed by grant agreements. Donor restrictions apply when the restriction can be fulfilled by specific actions or by the passage of time.

Satisfaction of donor restrictions is presented in the accompanying financial statements as net assets released from restrictions. This process simultaneously increases net assets without donor restrictions and decreases net assets with donor restrictions. Expenses are presented as decreases in net assets without donor restrictions.

REVENUE RECOGNITION:

The grant awards have been recognized as of December 31, 2024. The grant award was a line item appropriation from the State. There were no grant receipts for the year ended December 31, 2025.

Veterans of Foreign Wars Post 8852

Act 397 Funding

Notes to Financial Statements

December 31, 2025 and 2024

ACCOUNTS AND OTHER RECEIVABLES:

Accounts receivables consist of the balance due from the State of Louisiana for the grant funds appropriated. Accounts receivables are stated at unpaid balances. There are no allowances for doubtful accounts due to these funds being received from the State.

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents represent bank deposits and highly liquid investments with original maturities of three months or less.

PROPERTY AND EQUIPMENT

Building improvements are recorded at cost on the date of acquisition. Depreciation on buildings and equipment is computed using the straight-line basis over estimated useful lives ranging from 5 to 40 years and will be recognized when construction activity is completed.

NOTE 2 – CASH AND EQUIVALENTS

As of December 31, 2025, all grant activity was concluded and there were no amounts outstanding or in the bank. Amounts reported as cash at December 31, 2024 are summarized as follows:

<u>December 31, 2024</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Grant Account	\$ 211,965	\$ 211,965
Total Cash and Equivalents	<u>\$ 211,965</u>	<u>\$ 211,965</u>

Amounts reported in the grant account are available to be used for grant activity only.

Deposits are fully secured from risk by \$250,000 federal insurance (FDIC).

NOTE 3 - ACCOUNTS RECEIVABLE

Receivables are considered entirely collectible and there is no allowance for doubtful accounts. Furthermore, receivables are expected to be fully collected within one year. There are no grants receivable at December 31, 2025. Grant receivables at December 31, 2024 are \$250,000.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 and 2024 is presented as follows:

	<u>Construction in Process</u>	
	<u>2025</u>	<u>2024</u>
Building Improvements	\$ 500,000	\$ 39,770
Accumulated Depreciation	----	----
Property and Equipment, net	<u>\$ 500,000</u>	<u>\$ 39,770</u>

Veterans of Foreign Wars Post 8852

Act 397 Funding

Notes to Financial Statements

December 31, 2025 and 2024

Due to the construction activity commencing in 2024, all activity is considered in process. In addition, the work was not completed until the last quarter of 2025, and therefore was not considered placed in service until the subsequent period.

NOTE 5 – CONTINGENCIES

Existing conditions that may have financial consequences are referred to as contingencies. For the years ended December 31, 2025 and 2024, the Post has used Act 397 Funding to improve its building. The officers are confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

With the exception of property and equipment, essentially all of the Act 397 Funding are of a financial nature. Liquidity is provided by grant funds on deposit with a regulated financial institution.

NOTE 7 – MANAGEMENT’S REVIEW

Management has evaluated subsequent events through August 31, 2026, which is the date the financial statements were available to be issued. There were no subsequent events that require recording or disclosure in the financial statements for the years ended December 31, 2025 and 2024.