LOUISIANA ASSOCIATION FOR THE BLIND

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

LOUISIANA ASSOCIATION FOR THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Louisiana Association for the Blind (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 present fairly, in all material respects, the financial position of Louisiana Association for the Blind, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Louisiana Association for the Blind and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Year Financial Statements
The financial statements of Louisiana Association for the Blind, as of December 31, 2024 were audited by other auditors whose report dated November 20, 2025 expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *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 generally accepted auditing standards 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 Louisiana Association for the Blind's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Association for the Blind's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedules of sales and cost of sales, state contracts, and compensation, benefits and other payments to agency head are presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. 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 July 30, 2026 on our consideration of Louisiana Association for the Blind's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Association for the Blind's internal control over financial reporting and compliance.

Henry & Peters, PC

Longview, Texas
July 30, 2026

LOUISIANA ASSOCIATION FOR THE BLIND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 678,826	$ 1,755,756
Short-term investments	6,951,826	9,059,399
Accounts receivable, less allowance for credit losses	3,918,338	2,745,241
Inventories	5,464,171	5,585,143
Prepaid expenses	150,202	176,383
Total current assets	17,163,363	19,321,922
NONCURRENT ASSETS		
Long-term investments	12,790,139	10,993,900
Property and equipment, net	12,962,430	7,515,070
Right-of-use asset, net	81,656	109,588
Total noncurrent assets	25,834,225	18,618,558
Total assets	$ 42,997,588	$ 37,940,480
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 1,397,655	$ 1,136,616
Accrued liabilities	64,695	275,760
Retainage payable	367,725	-
Contract liabilities	85,832	128,128
Right-of-use lease liability, current	28,853	27,932
Finance lease liability, current	101,838	83,597
Line of credit - due on demand	2,098,031	-
Total current liabilities	4,144,629	1,652,033
LONG-TERM LIABILITIES		
Right-of-use lease liability, net of current portion	52,803	81,656
Finance lease liability, net of current portion	372,463	224,906
Total long-term liabilities	425,266	306,562
Total liabilities	4,569,895	1,958,595
NET ASSETS		
Without donor restrictions	38,427,693	35,981,829
With donor restrictions	-	56
Total net assets	38,427,693	35,981,885
Total liabilities and Net assets	$ 42,997,588	$ 37,940,480

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR THE BLIND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restriction	With Donor Restriction	Total
SALES	$ 25,979,498	$ -	$ 25,979,498
COST OF SALES	20,179,132	-	20,179,132
GROSS PROFIT	5,800,366		5,800,366
EXPENSES			
Selling program	775,147	-	775,147
Low vision program	198,853	-	198,853
Management and general	5,853,408	-	5,853,408
Total expenses	6,827,408		6,827,408
CHANGE IN NET ASSETS FROM OPERATIONS	(1,027,042)	-	(1,027,042)
OTHER INCOME (EXPENSES)			
Development support	(39,985)	-	(39,985)
Interest expense	(130,872)	-	(130,872)
Contributions of cash and other financial assets	2,144	3,750	5,894
Miscellaneous	196,096	-	196,096
Earnings on non-exchange contracts	539,871	-	539,871
Investment income, net	2,901,846	-	2,901,846
Net assets released from restrictions	3,806	(3,806)	-
Total other income (expenses)	3,472,906	(56)	3,472,850
Increase (decrease) in net assets	2,445,864	(56)	2,445,808
NET ASSETS, BEGINNING OF YEAR	35,981,829	56	35,981,885
NET ASSETS, END OF YEAR	$ 38,427,693	$ -	$ 38,427,693

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR THE BLIND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
SALES	$ 32,935,591	$ -	$ 32,935,591
COST OF SALES	26,541,258	-	26,541,258
GROSS PROFIT	6,394,333		6,394,333
EXPENSES			
Selling program	1,094,624	-	1,094,624
Low vision program	245,977	-	245,977
Management and general	6,651,033	-	6,651,033
Total expenses	7,991,634		7,991,634
CHANGE IN NET ASSETS FROM OPERATIONS	(1,597,301)	-	(1,597,301)
OTHER INCOME (EXPENSES)			
Development support	(18,469)	-	(18,469)
Contributions of cash and other financial assets	8,079	2,579	10,659
Miscellaneous	49,633	-	49,633
Earnings on non-exchange contracts	590,655	-	590,655
Investment income, net	3,812,326	-	3,812,326
Net assets released from restrictions	2,580	(9,346)	(6,766)
Total other income (expenses)	4,444,804	(6,767)	4,438,038
Increase (decrease) in net assets	2,847,503	(6,767)	2,840,736
Net assets, beginning of period, as previously reported	33,661,802	6,823	33,668,625
Prior period adjustment	(527,476)	-	(527,476)
Net assets, beginning of period, as restated	33,134,326	6,823	33,141,149
NET ASSETS, END OF PERIOD	$ 35,981,829	$ 56	$ 35,981,885

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR THE BLIND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	PROGRAM ACTIVITIES		SUPPORTING ACTIVITIES	
	Selling Program	Low Vision Program	Management and General	Total Expenses
Advertising Expense	$ -	$ -	$ 57,878	$ 57,878
Audit and Accounting Expense	-	-	156,177	156,177
Board and Other Meeting Expense	-	-	89	89
Commissions	608,752	-	-	608,752
Consulting Expense	-	-	84,183	84,183
Contract Labor	-	-	79,731	79,731
Contributions	-	-	1,688	1,688
Credit Card Fees	156,780	-	-	156,780
Depreciation	-	-	308,831	308,831
Dues and Subscriptions	-	-	459,113	459,113
Employee Benefits	-	-	73,435	73,435
Employee Testing	-	-	3,387	3,387
Freight	-	-	1,002	1,002
Gifts and Entertainment	-	-	9,476	9,476
Insurance, General	-	-	349,390	349,390
Insurance, Group Health	-	-	530,547	530,547
Insurance, Workers Comp	-	-	110,141	110,141
Legal Fees	-	-	14,758	14,758
Low Vision Supportive Services	-	198,853	-	198,853
Miscellaneous	9,615	-	7,108	16,723
Office Supplies	-	-	66,409	66,409
Postage	-	-	2,199	2,199
Rental Expense	-	-	31,080	31,080
Repairs and Maintenance	-	-	99,146	99,146
Retirement	-	-	95,908	95,908
Salaries - administrative and other	-	-	2,391,829	2,391,829
Security	-	-	5,214	5,214
Special Events	-	-	41,822	41,822
Supplies	-	-	41,864	41,864
Taxes	-	-	190,562	190,562
Telephone	-	-	169,622	169,622
Tools and Small Equipment	-	-	280,379	280,379
Travel	-	-	142,680	142,680
Truck and Auto	-	-	7,974	7,974
Utilities	-	-	39,786	39,786
Total expenses	$ 775,147	$ 198,853	$ 5,853,408	$ 6,827,408

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR THE BLIND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM ACTIVITIES		SUPPORTING ACTIVITIES	
	Selling Program	Low Vision Program	Management and General	Total Expenses
Advertising Expense	$ -	$ -	$ 319,631	$ 319,631
Audit and Accounting Expense	-	-	50,050	50,050
Board and Other Meeting Expense	-	-	2,356	2,356
Commissions	807,196	-	-	807,196
Consulting Expense	-	-	25,230	25,230
Contract Labor	-	-	212,778	212,778
Contributions	-	-	11,000	11,000
Credit Card Fees	215,622	-	-	215,622
Depreciation	-	-	260,507	260,507
Dues and Subscriptions	-	-	416,270	416,270
Employee Benefits	-	-	149,319	149,319
Employee Testing	-	-	2,728	2,728
Freight	-	-	629	629
Gifts and Entertainment	-	-	6,224	6,224
Insurance, General	-	-	422,364	422,364
Insurance, Group Health	-	-	519,755	519,755
Insurance, Workers Comp	-	-	68,203	68,203
Interest	-	-	81	81
Legal Fees	-	-	15,412	15,412
Low Vision Supportive Services	-	245,977	-	245,977
Miscellaneous	71,806	-	66,440	138,246
Office Supplies	-	-	76,205	76,205
Postage	-	-	2,326	2,326
Rental Expense	-	-	124,619	124,619
Repairs and Maintenance	-	-	41,610	41,610
Retirement	-	-	91,758	91,758
Salaries - administrative and other	-	-	2,692,066	2,692,066
Security	-	-	4,310	4,310
Special Events	-	-	87,711	87,711
Supplies	-	-	54,297	54,297
Taxes	-	-	209,612	209,612
Telephone	-	-	224,826	224,826
Tools and Small Equipment	-	-	268,036	268,036
Travel	-	-	179,208	179,208
Truck and Auto	-	-	6,156	6,156
Utilities	-	-	39,316	39,316
Total expenses	$ 1,094,624	$ 245,977	$ 6,651,033	$ 7,991,634

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR THE BLIND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,445,808	$ 2,313,261
Adjustments to reconcile change in net assets		
to net cash (used in) provided by operating activities:		
Depreciation	675,158	693,545
Unrealized depreciation (appreciation) of investments	125,445	(3,195,622)
Realized gain on sale of marketable securities	(2,680,130)	(239,250)
Decreases (increases) in operating assets:		
Accounts receivable, net	(1,173,097)	1,676,798
Inventories	120,972	(751,314)
Prepaid expenses and other current assets	26,181	(68,596)
Increases (decreases) in operating liabilities:		
Accounts payable	261,039	263,441
Accrued liabilities	(211,065)	(43,270)
Contract liabilities	(42,296)	(438,834)
Net cash (used in) provided by operating activities	(451,985)	210,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,833,145)	(1,336,233)
Investment in construction in progress	(3,677,183)	-
Proceeds from sales of investment securities	9,655,134	1,445,231
Purchases of investment securities	(6,789,115)	(3,517,897)
Net cash used in investing activities	(2,644,309)	(3,408,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	2,098,031	-
Principal payments on finance lease liability	(78,667)	-
Net cash provided by financing activities	2,019,364	-
Net decrease in cash	(1,076,930)	(3,198,740)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,755,756	4,954,496
End of year	$ 678,826	$ 1,755,756
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 56,810	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Payments on finance lease obligations	$ 140,076	$ 32,295
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 31,080	$ 31,080
Operating cash flows used in finance leases	$ 56,479	$ 12,726
Finance cash flows used in finance leases	$ 83,597	$ (12,726)
Right-of-use assets obtained in exchange for lease liabilities:		
Finance leases	$ 244,465	$ 325,841

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

NATURE OF BUSINESS

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

BASIS OF ACCOUNTING

The Association's financial records are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

FINANCIAL STATEMENT PRESENTATION

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 Not-for-Profit Entities in preparing the financial statements. Under the provisions of this standard, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein, are classified and reported as follows:

<u>Net assets without donor restrictions</u>: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

<u>Net assets with donor restrictions:</u> Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restricted-contributions (i.e. when the donor-stipulated purposes have been fulfilled and/or when the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. At December 31, 2025 and 2024 there are no donor-imposed restrictions on net assets.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, cash includes cash in bank accounts and interest-bearing deposits with original maturities of 90 days or less which are not held for investment purposes. Investments are excluded from cash regardless of maturity, as management does not intend to use such funds within 90 days. At times, the Association maintains balances in excess of federally insured limits. The stability of the financial institution is closely monitored by the Association, and it is the opinion of the Association that the solvency of the financial institution is not a concern at this time.

INVESTMENTS

The Association has adopted FASB ASC 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair values are computed based on quoted market values as provided by the Association's financial advisors.

Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

INVENTORIES

Inventory consists primarily of paper and paper-related office products, abrasives, safety walk materials, and base service store items and is stated at the lower of cost or net realizable value. Cost is determined on an average cost basis.

ACCOUNTS RECEIVABLE

Accounts receivable is presented in the accompanying financial statements net of any allowance for credit losses. The allowance for credit losses is measured in accordance with the current expected credit loss (CECL) model under ASC 326, which requires consideration of historical loss experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Management periodically reviews past due accounts to determine if circumstances indicate that all or a portion of a customer's account will not be collectible. Based on this assessment, management reserves that portion of the receivable deemed to be uncollectible. The allowance for credit losses was $0 at December 31, 2025 and 2024.

PROPERTY, EQUIPMENT AND DEPRECIATION

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

Construction in progress consists of costs incurred for the construction and renovation of the Association's facilities, including contractor billings and other direct costs associated with the projects. Amounts are capitalized as incurred and transferred to the appropriate fixed asset category upon completion, at which time depreciation commences. Under the terms of its construction contracts, the Association retains a portion of amounts otherwise due to its contractor (generally 10%) as retainage, which is recorded as a liability and included in retainage payable until released upon substantial completion and satisfaction of contractual closeout requirements.

LEASES

The Association accounts for leases in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842, *Leases*. The Association determines if an arrangement is a lease at inception. For leases with a lease term greater than one year, the Association recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. Operating leases are included in lease right-of-use ("ROU") assets and lease liabilities in the statement of financial position. Finance leases are included in property and equipment and finance lease liabilities in the statement of financial position.

Lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the implicit rate in the lease, when available, or, when the implicit rate is not available, the Association's incremental borrowing rate based on the information available at commencement date. The right-of-use operating lease assets also include any lease prepayments made and include lease incentives received or receivable. Lease incentives are amortized through the lease asset as reductions of expense over the lease term. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

ACCRUED LIABILITIES

Accrued liabilities consist of accrued wages, accrued vacation and other payroll related liabilities, as well as accrued interest on the line of credit and sales taxes payable.

REVENUE RECOGNITION

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

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

REVENUE RECOGNITION - CONTINUED

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

Contributions restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income is recognized.

Contributed Nonfinancial Assets – The Association accounts for contributions of nonfinancial assets in accordance with ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Association reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Association's policy is to use contributed nonfinancial assets for general and administrative activities unless otherwise stipulated by explicit donor restrictions.

Conditional Contributions, Grants and Non-exchange Contracts – ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* provides guidance on identifying conditions that would preclude the recognition of a contribution as revenue or affect the timing thereof. A condition represents a criterion the Association must achieve before becoming entitled to the transferred asset.

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

Contracts with Customers – The Association accounts for revenue in accordance with ASU 2014-09 – *Revenue from Contracts with Customers (Topic 606),* as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and to account for certain contract costs and revenues as contract assets or contract liabilities.

Performance Obligations

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

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

Contract Assets and Liabilities

The Association records contract assets and liabilities related to contracts with customers. Contract assets consist of the Association's right to payment from customers for goods or services that have been provided to those customers, with the right to collection conditional on something other than the passage of time.

Contract liabilities consist of the Association's obligation to transfer goods or services to customers for which the Association has received consideration from customers, including advance payments received from customers for future goods and services.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Sales Taxes

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

Shipping and Handling

The Association treats shipping and handling activities as a part of the underlying promise to transfer goods to customers instead of as a separate performance obligation. Thus, no portion of revenue received from customers is allocated to shipping and handling activities. All shipping and handling costs are classified as fulfillment costs.

Timing & Economic Factors

The timing of revenue recognition, billings, and cash collections from the Association's contract with customers can vary based on the payment terms and conditions in the customer contracts. The Association does not have any significant financing components as payment is received shortly after point of sale.

Various economic factors affect revenues and cash flows. The majority of the Association's sales are to agencies of the United States Government or to third-party commercial enterprises, which then resell the products to agencies of the United States Government. As such, collections will be delayed at times when the government shuts down for a period of time.

Refund Assets and Liabilities

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

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

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

Management has reviewed the refund historical experience and determined the refund asset and refund liability are immaterial at December 31, 2025 and 2024; thus, none have been reported in these financial statements.

Warranties

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

INCOME TAXES

Tax Status of the Association

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

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

INCOME TAXES - CONTINUED

Tax Status of the Charitable Trust

The Louisiana Association for the Blind Charitable Trust is also classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, the trust is subject to federal and state income taxes on income that is unrelated to its exempt purpose. For the years ended December 31, 2025 and 2024, the trust did not incur any significant unrelated business taxable income.

Both the Association and the Charitable Trust are required to separately file U.S. federal Form 990 for informational purposes. The federal income tax filings for the years ended 2022 and beyond remain subject to examination by the Internal Revenue Service.

USE OF ESTIMATES

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

ADVERTISING

The Association expenses advertising as it is incurred. The Association expended $57,878 and $319,631, respectively, in the years ended December 31, 2025 and 2024, for advertising.

FUNCTIONAL EXPENSES

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

Expense	Method of Allocation
Employee benefits	Time and effort
Insurance, group health	Time and effort
Insurance, workman’s compensation	Time and effort
Payroll taxes	Time and effort
Retirement	Time and effort
Salaries	Time and effort
Utilities	Square footage

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to current year’s presentations. These changes had no impact on increase in net assets or net assets.

NOTE 2 - INVENTORIES

Inventories at December 31, 2025 and 2024 consist of the following:

	2025	2024
Raw materials	$ 2,432,100	$ 2,835,806
Finished goods	1,707,279	1,463,798
Manufacturing inventories	4,139,379	4,299,604
Base Service Store Inventories	1,324,792	1,285,539
Total	$ 5,464,171	$ 5,585,143

NOTE 3 - PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following:

	2025	2024
Depreciable assets:		
Buildings	$ 9,458,682	$ 7,947,705
Machinery & equipment	7,017,768	6,821,472
Autos	1,155,991	894,188
Furniture & fixtures	462,213	456,959
Less: accumulated depreciation	(9,880,494)	(9,197,552)
Total	8,214,160	6,922,772
Non-depreciable assets:		
Land & land improvements	703,362	592,298
Construction in progress	4,044,908	-
Net property and equipment	$ 12,962,430	$ 7,515,070

Depreciation expense related to property and equipment for the year ended December 31, 2025 and 2024, totaled $675,158 and $693,545, respectively.

Construction in progress relates to the construction and renovation of facilities. The Company's construction contracts generally provide for retainage of 10% of amounts billed, which is withheld pending substantial completion of the project. As of December 31, 2025, retainage payable of $367,725 has been accrued on the statement of financial position.

The Fort Polk Installation Commander allows the Association use of the Fort Polk facility rent free to operate the base service center. Additionally, the Installation Commander of the Barksdale Air Force Base, Louisiana, provides the Association a building rent free to operate the base service center. Management has not evaluated the benefit of this rent-free arrangement and has not recorded any revenue from contributed nonfinancial assets therefrom.

NOTE 4 – INVESTMENTS

The Board of Directors of the Association has full responsibility for governance of the Charitable Trust Fund (Trust). Income earned by the Trust is available for use in connection with any activity, which directly benefits the blind, primarily educational, charitable, or literary purposes. Principal of the Trust is available for use only to the extent the original donor has so provided. At December 31, 2025 and 2024, no assets of the Charitable Trust Fund were restricted by donors.

Investments, carried at fair value based on quoted prices in active markets (Note 5), at December 31, 2025 and 2024 consist of the following:

Short-Term Investments

	December 31, 2025		December 31, 2024	
	Cost	Fair Value	Cost	Fair Value
Money market	$ 249,063	$ 249,063	$ 2,360,464	$ 2,360,464
Mutual funds	-	-	-	-
Equity securities:				
Common stock - Domestic	910,974	1,401,407	1,018,950	1,599,047
Common Stock - Non-US	-	-	30,677	25,806
Government obligations & corporate bonds	5,175,611	5,301,356	5,139,422	5,074,082
Asset-backed securities	-	-	-	-
Total assets at fair value	$ 6,335,648	$ 6,951,826	$ 8,549,513	$ 9,059,399

NOTE 4 – INVESTMENTS - CONTINUED

Long-Term Investments

	December 31, 2025		December 31, 2024	
	Cost	Fair Value	Cost	Fair Value
Money market	$ 307,192	$ 307,192	$ 459,889	$ 459,889
Mutual funds	1,131,529	1,131,923	377,158	365,229
Equity securities:				
Common stock - Domestic	3,184,401	5,639,189	3,039,209	5,873,869
Common Stock - Non-US	347,121	317,648	-	-
Government obligations & corporate bonds	4,870,885	4,770,942	3,877,526	3,637,189
Asset-backed securities	738,960	623,245	809,135	657,724
Total assets at fair value	$ 10,580,088	$ 12,790,139	$ 8,562,917	$ 10,993,900

Investment income is reported net of related investment expenses in the statement of activities. The amount of expenses netted with revenues was $82,598 and $90,206 for the years ended December 31, 2025 and 2024, respectively.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1 - where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume).

Level 2 - where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Association-specific data. These unobservable assumptions reflect the Association's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2025 and 2024, are as follows:

	Fair Value Measurements at December 31, 2025			
	Level I	Level II	Level III	Total
Money market	$ 556,256	$ -	$ -	$ 556,256
Mutual funds	1,131,922	-	-	1,131,922
Equity securities:				
Common stock - Domestic	7,040,596	-	-	7,040,596
Common Stock - Non-US	317,648	-	-	317,648
Government obligations & corporate bonds	-	10,072,298	-	10,072,298
Asset-backed securities	-	623,245	-	623,245
Total assets at fair value	$ 9,046,422	$10,695,543	$ -	$ 19,741,965

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS – CONTINUED

	Fair Value Measurements at December 31, 2024			
	Level I	Level II	Level III	Total
Money market	$ 2,820,353	$ -	$ -	$ 2,820,353
Mutual funds	365,229	-	-	365,229
Equity securities:				
Common stock - Domestic	7,472,915	-	-	7,472,915
Common Stock - Non-US	25,806	-	-	25,806
Government obligations & corporate bonds	-	8,611,981	-	8,611,981
Asset-backed securities	-	757,015	-	757,015
Total assets at fair value	$10,684,303	$ 9,368,996	$ -	$ 20,053,299

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Association monitors its liquidity so that it can meet its operating needs and other contractual commitments as they come due while maximizing the investment of its excess operating cash. The Association believes it has sufficient financial assets available for general operations. The following reflects the Association's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	2025	2024
Financial assets at year end	$ 24,339,129	$ 24,554,296
Less those available for general operations within on year due to:		
Restrictions by donor	-	(56)
Total financial assets available to meet cash needs for general expenditures within on year	$ 24,339,129	$ 24,554,240

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

	2025	2024
Cash and cash equivalents	$ 678,826	$ 1,755,756
Short-term investments	6,951,826	9,059,399
Accounts receivable	3,918,338	2,745,241
Long-term investments	12,790,139	10,993,900
Total financial assets	$ 24,339,129	$ 24,554,296

NOTE 7 – ACCOUNTS RECEIVABLE

Accounts receivable are comprised of the following:

	2025	2024	2023
Trade accounts receivable, net	$ 3,669,428	$ 2,536,201	$ 4,144,647 *
State appropriations receivable	248,910	209,040	277,392 *
	$ 3,918,338	$ 2,745,241	$ 4,422,039

* Balance is as of September 30, 2023. The Association changed its fiscal year to December 31 beginning in 2024.

NOTE 8 – LEASES

The Association leases vehicles and equipment for some of its activities. These leases did not meet the criteria to be classified as finance leases and therefore are accounted for as operating leases. The right of use asset represents the Association's right to use the underlying assets for the lease term, and the lease liabilities represent the Association's obligation to make lease payments arising from the leases. The ROU asset and liabilities were calculated based on the present value of future lease payments over the lease terms. The Association has elected to use the risk free rate plus one basis point in lieu of incremental borrowing rates to discount the future lease payments when the interest rate implicit in the lease was not readily determinable.

The following is a summary of the line items in the statement of financial position which include amounts for operating and finance leases as of December 31, 2025 and 2024.

	2025	2024
Assets		
Operating lease assets	$ 81,656	$ 109,588
Finance lease assets, net	518,114	308,503
Total lease assets	$ 599,770	$ 418,091
Liabilities		
Current		
Operating lease liabilities	$ 28,853	$ 27,932
Finance lease liabilities	101,838	83,597
Noncurrent		
Operating lease liabilities	52,803	81,656
Finance lease liabilities	372,463	224,906
Total lease liabilities	$ 555,957	$ 418,091

Amortization of lease assets included in depreciation as of December 31, 2025 and 2024 amounted to $101,840 and $23,693, respectively.

The following is a summary of the weighted average remaining lease term and discount rate as of December 31, 2025.

Weighted-average remaining lease term (in years):	
Finance leases	4.03 years
Operating leases	2.75 years
Weighted-average discount rate:	
Finance leases	13.55%
Operating leases	3.25%

NOTE 8 – LEASES – CONTINUED

The maturities of lease liabilities as of December 31, 2025 were as follows:

Year ended December 31,	Operating Leases	Finance Leases
2026	$ 31,080	$ 157,076
2027	31,080	157,076
2028	23,310	157,076
2029	-	124,781
2030	-	17,000
Total lease payments	85,470	613,008
Less: Imputed interest	(3,814)	(138,707)
Present value of lease liabilities	$ 81,656	$ 474,301

The Association also has certain leases for small office equipment with terms less than 12 months and additional storage space leased on a month-to-month basis which the Association has elected to recognize in management and general expense on a straight line basis. Expense recognized for these leases amounted $12,824 and $0 for the years ended December 31, 2025 and 2024, respectively.

NOTE 9 – LINE OF CREDIT

The Association maintains a securities-based line of credit (the "SBL" or "Facility") with Raymond James Bank, collateralized by marketable securities held in the Association's investment account. Under the terms of the Facility, the Association may borrow up to a maximum amount determined by the collateral value of the pledged securities, subject to advance rates set by the lender. As of December 31, 2025, the Association had a maximum available borrowing capacity of approximately $5,000,000, of which $2,098,031 was outstanding at December 31, 2025. No amount was outstanding at December 31, 2024.

Borrowings under the Facility bear interest at a variable rate which was effectively 6.017% as of December 31, 2025. Interest expense related to the Facility for the year ended 2025 was $74,062, and is included in interest expense and accrued liabilities in the accompanying financial statements.

The Facility has no scheduled maturity date and is due on demand. Advances are collateralized by securities held in the Association's brokerage account with a fair value of approximately $15,060,201 as of December 31, 2025. The lender has the right to require additional collateral or repayment if the value of the pledged securities declines below levels specified in the loan agreement (a "maintenance call"), and may liquidate pledged securities without prior notice to satisfy such requirements. The carrying value of the outstanding borrowing approximates fair value due to its variable interest rate and demand nature.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Scholarships	$ 56	$ 316
Children's program	(56)	(260)
Net assets with donor restrictions	$ -	$ 56

NOTE 11 – DISAGGREGATION OF REVENUES

The Association's revenue is recognized at a point in time. Manufactured goods and retail merchandise are recognized when control of the goods transfers to the customer at the time goods are shipped or picked up. Revenue from low vision services is recognized at a point in time when the service is provided to the customer.

NOTE 11 – DISAGGREGATION OF REVENUES - CONTINUED

Revenue recognized from contracts with customers at a point in time is disaggregated as follows:

	2025	2024
Manufacturing sales	$ 20,431,868	$ 25,207,057
Retail sales	5,041,845	7,090,442
Low vision services	505,785	638,092
Total revenue recognized at a point in time	$ 25,979,498	$ 32,935,591

NOTE 12 – CONTRACT LIABILITIES

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

	2025	2024	2023
Contract liabilities, beginning of period	$ 128,128	$ 566,962	$ 733,105
Revenue recognized that was in contract liabilities at the beginning of the year:	(128,128)	(566,962)	(733,105)
Increase in contract liabilities due to cash received during the year	85,832	128,128	566,962
Contract liabilities, end of period	$ 85,832	$ 128,128	$ 566,962 *

* Balance is as of September 30, 2023. The Association

NOTE 13 – RETIREMENT PLAN

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

The total of the discretionary contributions, matching contributions and employee contributions may not exceed the maximum as allowed by law for each employee. Matching contributions charged against operations amounted to $95,908 and $91,758 for the years ended December 31, 2025 and 2024, respectively.

NOTE 14 – RELATED PARTY TRANSACTIONS

The Association has an agreement with the National Industries for the Blind ("NIB"), under which NIB acts as a prime contractor and central nonprofit agency for the Association to obtain governmental contracts under the Ability One, formerly Javits-Wagner-O'Day (JWOD), Program. The Association pays commissions of 3.6% to 3.9% to NIB on all Ability One sales for which either the Association or NIB act as the prime contractor. Commissions paid to NIB for Ability One sales were $608,752 and $807,196 for the years ended December 31, 2025 and 2024, respectively. Amounts due to NIB at December 31, 2025 and 2024, were $41,597 and $41,901, respectively.

NOTE 15 – CONCENTRATIONS

Major Customers

The majority of the Association's sales are to agencies of the United States Government or to third-party commercial enterprises, which then resell the products to agencies of the United States Government. Sales to agencies of the United States Government and such commercial enterprises accounted for approximately 83% and 88% of total sales for the years ended December 31, 2025 and 2024, respectively. Related accounts receivable accounted for approximately 81% and 63% of total accounts receivable at December 31, 2025 and 2024, respectively.

Major Vendors

Three vendors in 2025 and two vendors in 2024 accounted for approximately 46% and 44% of purchases, for the years ended December 31, 2025 and 2024, respectively.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

In November 2025, the Association entered into various contracts for the renovation of the existing headquarters building and a new exterior entry. At December 31, 2025, construction in progress is recorded on the statement of financial position related to these projects. Remaining commitments under these contracts as of December 31, 2025 were as follows:

	Contract Price	Amount Paid	Remaining
Hand Construction	$ 5,382,865	$ 5,040,842	$ 342,023
Newman Marchive	288,602	282,180	6,422
	$ 5,671,467	$ 5,323,022	$ 348,445

The projects are expected to be completed within the next fiscal year and the commitments will be fulfilled with available cash and investments.

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

NOTE 17 – STATE OF LOUISIANA CONTRACT

For the years ended December 31, 2025 and 2024, the Association recognized revenue totaling $539,871 and $590,655, respectively from the State of Louisiana under a cooperative endeavor agreement meeting the definition of a non-exchange contract. The funds were expended in providing certain services and procuring certain equipment based on an annual budget request submitted to the State of Louisiana. Such budget items included acquisitions (or major repair) of property and equipment, advertising costs, staff salaries and professional services. Included in accounts receivable at December 31, 2024 is $208,476 related to this revenue. In 2025, the Association was not able to bill the state for these expenses until after year end; therefore the accrual of $248,910 is included in accrued expenses at December 31, 2025.

NOTE 18 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2024, the Association identified an omitted bonus accrual which decreased the previously reported beginning net assets by $527,476.

NOTE 19 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through July 30, 2026, the date on which the financial statements were available to be issued and has determined there are no subsequent events that require disclosure.

SUPPLEMENTARY INFORMATION

LOUISIANA ASSOCIATION FOR THE BLIND
SCHEDULE OF SALES AND COST OF SALES
DECEMBER 31, 2025 AND 2024

	2025	2024
SALES		
General Service Administration	$ 845,834	$ 1,350,896
MAS and Ability One	17,303,142	22,845,395
Commercial / Non-NIB	7,199,732	7,821,534
Waste	53,250	121,674
Other	577,540	796,092
Total sales	25,979,498	32,935,591
COST OF SALES		
Beginning inventoy	5,585,143	4,833,829
Add: Purchase / transfer from other departments	12,896,279	17,892,250
Less: Ending inventory	(5,464,171)	(5,585,143)
Raw materials consumed	13,017,251	17,140,936
Manufacturing costs	7,161,881	9,400,322
Total cost of sales	20,179,132	26,541,258
GROSS PROFIT (LOSS)	$ 5,800,366	$ 6,394,333
GROSS PROFIT AS A PERCENT OF SALES	22.3%	19.4%

Note: Certain amounts in the 2024 schedule have been reclassified to conform to the current year presentation. Primarily, MAS and Ability One sales were mis-classified as General Service Administration sales in 2024.

LOUISIANA ASSOCIATION FOR THE BLIND
SCHEDULE OF STATE CONTRACTS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

Year Ended December 31, 2025

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2025 Appropriaions	$ 500,000	$ 500,000	$ 500,000
2026 Appropriations	500,000	248,910	248,910
Total		$ 748,910	$ 748,910

Year Ended December 31, 2024

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2024 Appropriaions	$ 500,000	$ 500,000	$ 500,000
2025 Appropriations	500,000	205,084	205,084
Total		$ 705,084	$ 705,084

LOUISIANA ASSOCIATION FOR THE BLIND
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Louisiana Association for the Blind is not required to report the total compensation, reimbursements, and benefits paid to Mr. Brian Patchett, the Association's President and Chief Executive Officer during the period ended December 31, 2025, as none of those payments were made from public funds.

HENRY & PETERS
CERTIFIED PUBLIC ACCOUNTANTS | EST. 1929

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Association for the Blind (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, 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 July 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Association for the Blind's internal control over financial reporting (internal control) as a basis for designing 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-2 that we consider to be a material weakness.

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 determination of the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* which is described in the accompanying schedule of findings and responses as item 2025-1.

Louisiana Association's for the Blind's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Louisiana Association for the Blind's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Louisiana Association for the Blind's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry & Peters, PC

July 30, 2026

LOUISIANA ASSOCIATION FOR THE BLIND
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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?	X Yes	___ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X No

Louisiana Association for the Blind was not subject to a Federal or State Single Audit for the year ending December 31, 2025.

Section II - Findings Required to be Reported by *Government Auditing Standards*

FINDING 2025-1 **Late Filing of Audit Report**

Criteria: Louisiana Revised Statute 24:513 requires audit reports of local governments and quasi-public entities to be completed and submitted to the Louisiana Legislative Auditor within six months of the close of the entity's fiscal year.

Condition: The Association's audit report for the fiscal year ended December 31, 2025 was not submitted within 180 days of the fiscal year end.

Context: Failure to file the audit report timely places the Association out of compliance with state law and may result in delayed payments from the state.

Cause: The Association engaged a new independent auditor for the year ended December 31, 2025. Due to unforeseen circumstances related to staffing at the CPA firm while the audit was in process, coupled with ordinary additional audit time incurred in a first year audit and lingering effects of a software conversion in the prior year, the CPA was unable to complete the audit timely and in accordance with state statute.

Recommendation: It is recommended that the Association plan a mutually agreeable timeline with the CPA that starts earlier and allows adequate time for completion and unexpected circumstances.

Management's Response: See Management's Corrective Action Plan on page 32.

Section II - Findings Required to be Reported by *Government Auditing Standards* (Continued)

FINDING 2025-2	**Material Weakness in Internal Controls over Financial Reporting**
Criteria:	Material Weakness in Internal Control Related to Financial Reporting
Condition:	Internal controls over financial reporting are necessary to ensure errors or fraud are detected and corrected on a timely basis in order to accurately report financial results.
Context:	Audit procedures detected material adjustments required to properly report the financial position and results.
Cause:	Internal controls over monitoring financial reporting were not operating effectively to detect the misstatements that were primarily the result of an accounting system conversion. In addition, certain accruals that were out of the ordinary for the organization went undetected such as accrued interest on long-term debt and the accrual of retainage payable on construction projects
Recommendation:	Formalize a year-end detailed review of the financial results by management to include the specific review of new accounts and new elements of a transaction class.
Management's Response:	See Management's Corrective Action Plan on page 32.

LOUISIANA ASSOCIATION FOR THE BLIND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDING 2024-001	The audit report was not submitted to the Legislative Auditor within 180 days of the close of the entity's fiscal year as required by state statute.

LOUISIANA ASSOCIATION FOR THE BLIND
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDING 2025-001

In an effort to mitigate prior year late filings, the Association engaged a new CPA firm to complete the audited financial statements for the year ended December 31, 2025. Due to unforeseen circumstances related to staffing at the CPA firm, coupled with ordinary additional audit time incurred in a first year audit, the CPA was unable to submit audited financials timely in accordance with state statute. The CPA and management will work together to ensure timely filing of the audited financial statements going forward.

FINDING 2025-002

Management acknowledges the auditor's comments regarding adjustments recorded during the 2025 audit. The majority of the adjustments resulted from the implementation of new ERP, the conversion from an October 1–September 30 fiscal year to a calendar year, and related one-time transition activities. These circumstances required additional review of opening balances and accounting processes during the first full year after conversion.

Management has already implemented corrective actions to strengthen the year-end financial reporting process and reduce the likelihood of similar adjustments in future periods. These actions include:

- Completing a comprehensive reconciliation of all opening balances following the ERP conversion and documenting reconciliation procedures for future periods.

- Developing documented procedures for complex accounting areas, including inventory costing and significant year-end estimates.

- Requiring management review and approval of all significant journal entries, account reconciliations, and financial statement schedules before completion of the annual audit.

Management believes these procedures significantly strengthen the Association's internal control environment and address the conditions identified during this first-year audit following the ERP implementation.

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

To the Governing Board of Louisiana Association for the Blind
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's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2025 through December 31, 2025. Louisiana Association for the Blind's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Association for the Blind has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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.

      No exceptions noted.

   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.

      No exceptions noted.

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

      No exceptions noted.

   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).

      No exceptions noted.

   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.

      No exceptions noted.

   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.

      No exceptions noted.

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

No exceptions noted.

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).

No exceptions noted.

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.

Not applicable to this nonprofit entity

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

Not applicable to this nonprofit entity

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.

No exceptions noted.

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.

Not applicable to this nonprofit entity

Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public fund if those public funds comprised more than 10% of the entity's collections during the fiscal period.

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

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

Not applicable to this nonprofit entity

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

No exceptions noted

Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions noted

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

No exceptions noted

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted

Collections (excluding electronic funds transfers)

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

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions noted

ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions noted

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions noted

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions noted

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Statewide agreed-upon procedures for Credit Cards/Debit Cards/Fuel Cards/P-Cards were not considered necessary since no public funds were used for such transactions.

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

Statewide agreed-upon procedures for Travel and Travel-Related Expense Reimbursements (excluding card transactions) were not considered necessary since no public funds were used for such transactions.

Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

   i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law[1] (e.g., solicited quotes or bids, advertised), if required by law;

   Not applicable. No contracts within the scope of the procedures were subject to the Louisiana Public Bid Law.

   ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

   No exceptions noted

   iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

   Not applicable. No contracts within the scope of the procedures were amended.

   iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

   No exceptions noted

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 #9A 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);

   No exceptions noted

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

   No exceptions noted

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

   No exceptions noted

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

   No exceptions noted

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.

No exceptions noted

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) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted

Ethics

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

Debt Service

Statewide agree-upon procedures for Ethics were not considered necessary since the control and compliance criteria does not apply to this nonprofit entity.

Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Not applicable. Management represented there were no known misappropriations of public funds during the fiscal period.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted

Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267 . The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

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

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

We are required to be independent of Louisiana Association for the Blind 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.

Henry & Peters, PC

Longview, Texas
July 30, 2026