

THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

TMCE, LLP

Certified Public Accountants and Consultants

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Betty and Leonard Phillips
Deaf Action Center of Louisiana, Inc.
Shreveport, Louisiana

Opinion

We have audited the accompanying financial statements of The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc. (the "Center") (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 Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc., 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc., 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 opinions.

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 Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and 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 the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The information required in with Louisiana Revised Statute 24:513(A)(3) on page 14 is presented for purposes of additional analysis and is not a required part of the basic 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. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements or the basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with, *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the Center'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 that 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 the Center's internal control over financial reporting and compliance.

TMCE, LLP

TMCE, LLP
Shreveport, Louisiana
June 26, 2026

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.**
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

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	2025	2024
Assets		
Cash and cash equivalents	\$ 424,438	\$ 234,053
Accounts receivable, net of allowance	123,439	34,285
Other assets	14,898	13,460
Property and equipment, net	513,132	536,605
Total Assets	\$ 1,075,907	\$ 818,403
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 20,778	\$ 4,399
Accrued salaries and wages	9,122	7,638
Payroll taxes payable	1,520	1,266
Compensated absences	10,111	8,815
Total Liabilities	41,531	22,118
Net Assets		
Without donor restrictions	1,034,376	796,285
Total Net Assets	1,034,376	796,285
Total Liabilities and Net Assets	\$ 1,075,907	\$ 818,403

The accompanying notes are an integral part of these financial statements

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.**
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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	2025	2024
Support and revenue		
Public Support:		
Contributions	\$ 528,158	\$ 43,477
Grants	33,416	27,500
Other Revenue:		
Fees	449,414	471,653
Interest	5,315	5,946
Other	6,821	84,138
Total support and revenue	1,023,124	632,714
Expenses		
Program services		
Interpreting	279,576	274,574
Life skills	94,887	91,859
Education	175,785	171,433
Support Services		
Management and general	78,660	77,174
Fundraising	156,125	10,028
Total Expenses	785,033	625,068
 Change in net assets	 238,091	 7,646
Net assets at beginning of year	796,285	788,639
Net assets at end of year	\$ 1,034,376	\$ 796,285

The accompanying notes are an integral part of these financial statements

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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	Support Services		Program Services			
	Management and General	Fundraising	Interpreting	Life Skills	Education	Total
Salaries and benefits	\$ 71,248	\$ -	\$ 213,745	\$ 71,248	\$ 118,747	\$ 474,988
Activities and education	-	-	-	1,398	4,258	5,656
Professional fees	1,579	-	14,206	4,735	11,049	31,569
Insurance	612	-	5,513	1,838	4,287	12,250
Utilities	506	-	4,553	1,518	3,542	10,119
Office expense	887	-	7,098	2,662	7,099	17,746
Maintenance	550	-	4,955	1,652	3,854	11,011
Miscellaneous Expense	1,675	-	15,078	5,026	11,727	33,506
Depreciation	1,603	-	14,428	4,810	11,222	32,063
Fundraising expense	-	156,125	-	-	-	156,125
Total functional expenses	\$ 78,660	\$ 156,125	\$ 279,576	\$ 94,887	\$ 175,785	\$ 785,033

The accompanying notes are an integral part of these financial statements

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

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	Support Services		Program Services			
	Management and General	Fundraising	Interpreting	Life Skills	Education	Total
Salaries and benefits	\$ 69,830	\$ -	\$ 209,490	\$ 69,830	\$ 116,383	\$ 465,533
Activities and education	-	-	-	-	2,640	2,640
Professional fees	1,806	-	16,260	5,420	12,647	36,133
Insurance	546	-	4,911	1,637	3,820	10,914
Utilities	453	-	4,074	1,358	3,168	9,053
Office expense	1,007	-	8,053	3,020	8,053	20,133
Maintenance	430	-	3,874	1,291	3,013	8,608
Miscellaneous Expense	1,448	-	13,027	4,342	10,132	28,949
Depreciation	1,654	-	14,885	4,961	11,577	33,077
Fundraising expense	-	10,028	-	-	-	10,028
Total functional expenses	\$ 77,174	\$ 10,028	\$ 274,574	\$ 91,859	\$ 171,433	\$ 625,068

The accompanying notes are an integral part of these financial statements

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.**
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 238,091	\$ 7,646
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	32,063	33,077
(Increase) decrease in:		
Accounts receivable	(89,154)	62,244
Other assets	(1,438)	(4,693)
Increase (decrease) in:		
Accounts payable	16,379	(26,774)
Accrued salaries and wages	1,484	(2,975)
Payroll taxes payable	254	(493)
Accrued compensated absences	1,296	(518)
Net cash provided by operating activities	198,975	67,514
Cash flows from investing activities		
Capital expenditures	(8,590)	(82,785)
Net cash (used) by investing activities	(8,590)	(82,785)
Cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	190,385	(15,271)
Cash and cash equivalents at beginning of year	234,053	249,324
Cash and cash equivalents at end of year	\$ 424,438	\$ 234,053

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc. (the Center), is a not-for-profit corporation organized under the laws of the State of Louisiana. The Center's purpose is to provide comprehensive services to deaf, hearing-impaired, and multiple handicapped individuals and their families, and to promote public awareness of this disability.

Basis of Accounting

The Center prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Contributed Services

The Center recognizes contribution revenue for certain services received at the fair value of those services, provided those services created or enhanced nonfinancial assets or required specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During 2025 and 2024, volunteers contributed approximately 9,850 and 1,600 hours; however, these services do not meet the requirements of ASC Topic 958, NPO Entities, therefore, no revenue for these services has been recognized.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. There were no donor-imposed restrictions on contributions in 2025 and 2024. Certain grant contributions received in prior years, were used for the purchase of equipment. The net book value of such equipment is shown as net assets with donor restrictions on the statement of financial position.

Fees

All fees are derived primarily from interpretive services as well as workshops and training classes.

Cash and Cash Equivalents

The Center's policy is to report all highly-liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded net of an allowance for uncollectibles. Management conducts a detailed review of receivable balances at year-end, and those receivables considered potentially uncollectible are set up as an allowance for uncollectible accounts. The allowance for doubtful accounts was \$-0- as of December 31, 2025 and 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Center capitalizes individual items with a costs of \$1,000 or more. Assets purchased are recorded at cost and donated assets are recorded at fair market value. Buildings and building improvements are depreciated using straight-line method over the estimated useful lives of the respective assets. Beginning in 2011, all assets are depreciated using the straight-line method.

Compensated Absences

The Center's policy allows full-time employees to accrue up to a maximum of thirty-five days of vacation. The accrued compensated absences for the years ended December 31, 2025 and 2024 totaled \$10,111 and \$8,815.

Income Taxes

The Center is a not-for-profit corporation that is exempt from income taxes 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. Therefore, the Center files U.S. federal Form 990 for informational purposes. The Center 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 Center does not expect its tax position to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Center's accounting records.

Public Support

The Center receives contributions from the public through membership drives during the course of the year. In addition, in every odd year, the Center hosts the Las Vegas Night fundraiser. During 2025 and 2024, approximately \$480,785 and \$2,500 in contributions were made by donors at this event. Las Vegas Night revenue is included in Public support – contributions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted 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, the disclosure of contingent assets, and the reported amounts of revenue and expenses. Actual results could vary from the estimates that were used.

Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Expense by function have been allocated between programs and supporting services classifications on the basis of time records and on estimates made by the Center's management.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Date of Management Review

The Center has evaluated all events or transactions that occurred after December 31, 2025 through June 26, 2026, which is the financial statement issuance date. During this period there were no material subsequent events requiring disclosure.

NOTE 2 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, at cost less accumulated depreciation at December 31, 2025 and 2024:

	2025	2024
Buildings	\$ 105,155	\$ 105,155
Building improvements	424,249	416,699
Furniture and fixtures	29,942	29,942
Office equipment	1,257,176	1,256,136
Land-non depreciable	81,477	81,477
	1,897,999	1,889,409
Less accumulated depreciation	(1,384,867)	(1,352,804)
Property and equipment, net	\$ 513,132	\$ 536,605

Depreciation expense for the years ended December 31, 2025 and 2024 was \$32,063 and \$33,077.

NOTE 3 – RETIREMENT PLAN

The Center provides a retirement plan for its employees. The plan is a 403(b) Tax-Sheltered Annuity Plan in which all contributions are made by employees. The plan is available to all eligible full-time employees. Employees are fully vested in the plan immediately upon participation. The Center made no payments related to the 403(b) plan for the years ended December 31, 2025 and 2024. During 2011, the Center began providing a Simple IRA Plan. The plan is available to all eligible full-time employees. The Center matches up to 3% of employee contributions, and made payments totaling \$1,969 and \$1,860 to the plan for the years ended December 31, 2025 and 2024, respectively.

NOTE 4 – FUNDRAISING COSTS

During the years ended December 31, 2025 and 2024, the Center incurred fundraising costs of \$156,125 and \$10,028.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Center's financial assets as December 31, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year. Amounts available do not include donor restricted amounts that are available for general expenditure in the following year as the net assets with restrictions was included in Property and Equipment.

	2025	2024
Financial assets, at year-end:		
Cash and cash equivalents	\$ 424,438	\$ 234,053
Accounts receivable	123,439	34,285
Financial assets available to meet cash needs for general expenditures within one year	\$ 547,877	\$ 268,338

SUPPLEMENTARY INFORMATION

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.**
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

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Agency Head: Wendi Coker

Salary	\$	65,619
Benefits-retirement	\$	1,969
Benefits-life insurance	\$	174
Benefits-dental	\$	1,253

The accompanying notes are an integral part of these financial statements

OTHER REPORTS



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

The Betty and Leonard Phillips
Deaf Action Center of Louisiana, Inc.
Shreveport, Louisiana

We have audited, 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, the financial statements of The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc. (the "Center") (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 ended, and the related notes to the financial statements, have issued our report thereon dated June 26, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TMCE, LLP

TMCE, LLP
Shreveport, Louisiana
June 26, 2026

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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I. Summary of Audit Results

1. The auditors' report expressed an unmodified opinion on the basic financial statements of The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements were noted.
3. No instances of noncompliance material to the financial statements of the The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc. were disclosed during the audit.
4. The Betty and Leonard Phillips Deaf Action Center of Louisiana, Inc. is not subject to a Federal Single Audit for 2025.

II. Findings – Financial Statement Audit

No matters were reported.

III. Findings and Questioned Costs– Major Federal Award Programs

Not applicable.

**THE BETTY AND LEONARD PHILLIPS
DEAF ACTION CENTER OF LOUISIANA, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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There were no findings for the year ended December 31, 2024.