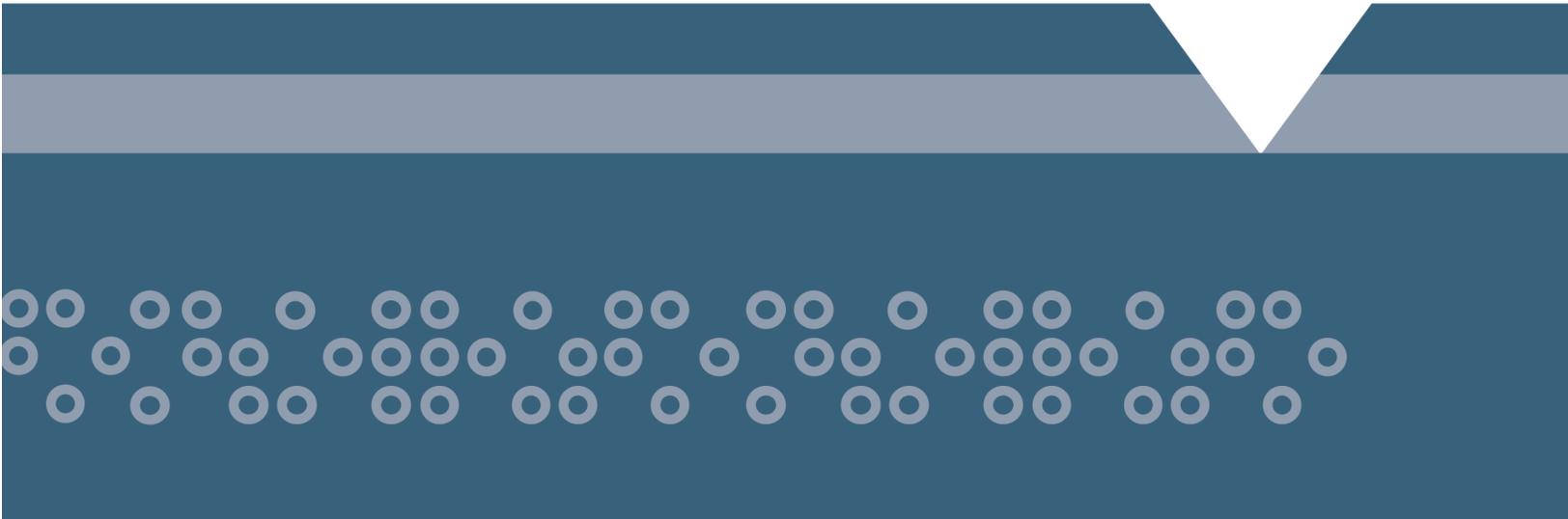


**Louisiana Association for the Blind**

Financial Statements  
Period Ended December 31, 2024



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## **Independent Auditor's Report**

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, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the fifteen month period then ended, and summary of significant accounting policies and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association for the Blind as of December 31, 2024, and the changes in its net assets and cash flows for the period then ended, in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

As discussed in Note 19 to the financial statements, the 2023 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to these matters.

#### **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 Louisiana Association for the Blind and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental 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 *Governmental 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 an opinion on the basic financial statements as a whole. The 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 are not a required part of the basic financial statements.

The schedules of sales and cost of sales, state contracts, and compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of sales and cost of sales, state contracts, and compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of the 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 that report is solely to describe the scope of our testing of Internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Louisiana Association for the Blind's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Association for the Blind's reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana  
November 20, 2025

# Louisiana Association for the Blind

## Statement of Financial Position

December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,755,700	\$ 56	\$ 1,755,756
Short-term investments	9,059,399	-	9,059,399
Accounts receivable, less allowance for credit losses	2,745,241	-	2,745,241
Inventories	5,585,143	-	5,585,143
Prepaid expenses and other	176,383	-	176,383
<b>Total current assets</b>	<b>19,321,866</b>	<b>56</b>	<b>19,321,922</b>
<b>Long-term investments</b>	<b>10,993,900</b>	<b>-</b>	<b>10,993,900</b>
<b>Property and equipment, net</b>	<b>7,206,567</b>	<b>-</b>	<b>7,206,567</b>
<b>Right-of-use asset, net</b>	<b>584,756</b>	<b>-</b>	<b>584,756</b>
<b>Total Assets</b>	<b>38,107,089</b>	<b>56</b>	<b>38,107,145</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Accounts payable	1,136,616	-	1,136,616
Accrued payroll and related expenses	275,760	-	275,760
Contract liabilities	128,128	-	128,128
Right-of-use lease liability	123,086	-	123,086
<b>Total current liabilities</b>	<b>1,663,590</b>	<b>-</b>	<b>1,663,590</b>
<b>Noncurrent liabilities</b>			
Right-of-use lease liability	461,670	-	461,670
<b>Total liabilities</b>	<b>2,125,260</b>	<b>-</b>	<b>2,125,260</b>
<b>Net Assets</b>			
Without donor restrictions	35,981,829	-	35,981,829
With donor restrictions	-	56	56
<b>Total net assets</b>	<b>35,981,829</b>	<b>56</b>	<b>35,981,885</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 38,107,089</b>	<b>\$ 56</b>	<b>\$ 38,107,145</b>

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

# Louisiana Association for the Blind

## Statement of Activities

*Period Ended December 31, 2024*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Sales</b>	\$ 32,935,591	\$ -	\$ 32,935,591
<b>Cost of Sales</b>	26,541,258	-	26,541,258
<b>Gross Profit</b>	6,394,333	-	6,394,333
<b>Expenses</b>			
Selling program	1,094,624	-	1,094,624
Low vision program	245,977	-	245,977
Management and general	6,651,033	-	6,651,033
<b>Total Expenses</b>	7,991,634	-	7,991,634
<b>(Decrease) in net assets from operations</b>	(1,597,301)	-	(1,597,301)
<b>Other income (expenses)</b>			
Development Support	(18,469)	-	(18,469)
Contributions of cash and other financial assets	8,079	2,580	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)
<b>Total other income (expenses)</b>	4,444,804	(6,766)	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)
<b>Net assets, beginning of period, as restated</b>	33,134,326	6,823	33,141,149
<b>Net assets, end of period</b>	\$ 35,981,829	\$ 56	\$ 35,981,885

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

# Louisiana Association for the Blind

## Statement of Functional Expenses

<i>Period Ended</i>	<b>December 31, 2024</b>			
	<b>Program Activities</b>		<b>Supporting Activities</b>	
	<b>Selling Program Expenses</b>	<b>Low Vision Program Expenses</b>	<b>Management and General</b>	<b>Total Expenses</b>
<b>Expenses</b>				
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
Taxes	-	-	209,612	209,612
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
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
<b>Total Expenses</b>	<b>\$ 1,094,624</b>	<b>\$ 245,977</b>	<b>\$ 6,651,033</b>	<b>\$ 7,991,634</b>

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

# Louisiana Association for the Blind

## Statement of Cash Flows

<i>Period Ended</i>	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Cash Flows from Operating Activities:</b>			
Increase (decrease) in net assets	\$ 2,320,028	\$ (6,767)	\$ 2,313,261
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization	693,545	-	693,545
Realized (gain) on sale of investments	(239,250)	-	(239,250)
Unrealized (gain) on investments	(3,195,622)	-	(3,195,622)
Change in operating assets and liabilities:			
Accounts receivable	1,676,798	-	1,676,798
Inventories	(751,314)	-	(751,314)
Prepaid expenses	(68,596)	-	(68,596)
Accounts payable	263,441	-	263,441
Accrued payroll and related expenses	(43,270)	-	(43,270)
Contract liabilities	(438,834)	-	(438,834)
Lease asset and liability	13,948	-	13,948
<b>Net cash provided by (used in) operating activities</b>	<b>230,874</b>	<b>(6,767)</b>	<b>224,107</b>
<b>Cash Flows from Investing Activities:</b>			
Additions to plant and equipment	(1,350,181)	-	(1,350,181)
Proceeds from sale of securities	1,445,231	-	1,445,231
Purchases of marketable securities	(3,517,897)	-	(3,517,897)
<b>Net cash (used in) investing activities</b>	<b>(3,422,847)</b>	<b>-</b>	<b>(3,422,847)</b>
Net (decrease) in cash and cash equivalents	(3,191,973)	(6,767)	(3,198,740)
Cash and cash equivalents at beginning of year	4,947,673	6,823	4,954,496
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,755,700</b>	<b>\$ 56</b>	<b>\$ 1,755,756</b>

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

### Summary of Accounting Policies

This summary of accounting policies of Louisiana Association for the Blind (the "Association") is presented to assist in understanding the Association's financial statements. The financial statements and notes are representations of the Association's management, which is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

### Nature of Business

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

### Change in Fiscal Year End

Effective September 27, 2024, the Association changed its fiscal year end from September 30 to December 31. As a result, these financial statements cover the fifteen-month period ending December 31, 2024, rather than a fiscal year. The change to move to a calendar year end was made to reduce the fluctuations of the federal government spending patterns and to improve consistency between periods so the Association doesn't have a fiscal year with two large government spending sprees, depending on incoming orders.

### Change in Accounting Software

During the period ending December 31, 2024, the Association implemented a new accounting software system to enhance the efficiency and accuracy of its financial reporting processes. The implementation did not result in any changes to the Associations accounting policies, estimates, or the presentation of its financial statements. The Association has evaluated the impact of the new system and determined that it did not have a material effect on its internal controls over financial reporting or on the amounts reported in these financial statements.

### Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### Financial Statement Presentation

The Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Summary of Accounting Policies – (Continued)

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Net assets without donor restrictions – The part of net assets that are not restricted by donor/ grantor-imposed stipulations.

Net assets with donor restrictions – The part of net assets that are restricted by donor/ grantor-imposed stipulations.

Expenses are generally reported as decreases in net assets without donor restriction. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

### Revenue Recognition

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

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

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 adopted 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* – The Association adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides guidance on identifying conditions that would preclude the recognition of a contribution as revenue or affect the timing thereof. A condition represents a criterion the Association must achieve before becoming entitled to the transferred asset. The Association adopted the new standard effective October 1, 2020 using the full retrospective method.

**Summary of Accounting Policies – (Continued)**

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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 adopted ASU 2014-09 – *Revenue from Contracts with Customers (Topic 606)* as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and to account for certain contract costs and revenues as contract assets or contract liabilities. The Association adopted the new standard effective October 1, 2020 using the full retrospective method.

*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.

*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.

*Contract Assets and Liabilities*

The Association records contract assets and liabilities related to contracts with customers. Contract assets consist of the Association’s right to payment from customers for goods or services that have been provided to those customers, with the right to collection conditional on something other than the passage of time. Contract assets were \$0 for the period ended December 31, 2024.

Summary of Accounting Policies – (Continued)

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Contract liabilities consist of the Association’s obligation to transfer goods or services to customers for which the Association has received consideration from customers, including advance payments received from customers for future goods and services. Contract liabilities were \$128,128 for the period ended December 31, 2024.

*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.

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

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

Management has reviewed the refund historical experience and determined the refund asset and refund liability are immaterial at December 31, 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.

**Accounts Receivable**

Accounts receivable is presented in the accompanying financial statement 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, 2024.

### Refundable Advances

The Association records refundable advances related to contributions, grants, or non-exchange contracts with donor-imposed conditions where the condition has not been substantially met or explicitly waived. Refundable advances were \$0 at December 31, 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.

### Cash

For purposes of the statements of cash flows, cash includes cash in bank accounts and interest-bearing deposits with original maturities of 90 days or less which are not held for investment purposes. Investments are excluded from cash regardless of maturity, as management does not intend to use such funds within 90 days. At December 31, 2024, \$1,179,700 in cash and cash equivalents (collected bank balances) were not insured with the FDIC. The Association has adopted Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The Association considers cash and cash equivalents with donor restrictions as restricted cash.

### 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.

#### *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 period ended December 31, 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 period. Actual results could differ from those estimates. Significant estimates made by management include the value of investments; the collectability of recorded accounts receivable; inventory valuation; amounts accrued as a refund liability and refund asset; and the life of fixed assets.

### **Inventories**

Inventories, consisting primarily of paper and paper related office products, abrasives, safety walk, and base service store materials, are valued at the lower of cost or net realizable value. Cost is determined on an average cost basis.

### **Investments**

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

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

### **Leases**

The Association determines if an arrangement is a lease at inception. Operating leases are included in lease right-of-use ("ROU") assets and lease liabilities in the statement of financial position. Finance leases are included in property and equipment lease liabilities in the statement of financial position.

ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the implicit rate in the lease, when available, or, when the implicit rate is not available, the Association's incremental borrowing rate based on the information available at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

# Louisiana Association for the Blind

## Summary of Accounting Policies - (Concluded)

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### Advertising

The Association expenses advertising as it is incurred. The Association expended \$319,631 in the period ended December 31, 2024, for advertising.

### Functional Expenses

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

<b>Expense</b>	<b>Method of Allocation</b>
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

**1. Inventories**

Inventories are summarized as follows:

	<b>2024</b>
Raw Materials	\$ 2,835,806
Finished Goods	1,463,798
Manufacturing Inventories	4,299,604
Base Service Store Inventories	1,285,539
<b>Total</b>	<b>\$ 5,585,143</b>

**2. Property and Equipment**

Major classes of property and equipment consist of the following:

	<b>2024</b>
Buildings	\$ 7,938,205
Machinery	2,757,786
Xerox paper equipment	1,610,612
Abrasive / deck equipment	1,305,420
Padding equipment	964,726
Land	592,298
Furniture and fixtures	456,959
Automobiles and trucks	508,303
Machinery - Base Service Store	156,588
Automobiles and trucks - Ft. Polk	48,044
Automobiles and trucks - Base Service Store	29,338
Machinery - Ft. Polk	26,340
Leasehold Improvements - Base Service Store	9,500
<b>Total</b>	<b>16,404,119</b>
Less accumulated depreciation and amortization	(9,197,552)
<b>Net property and equipment</b>	<b>\$ 7,206,567</b>

Depreciation expense related to property and equipment for the period ended December 31, 2024 totaled \$693,545.

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

**3. 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, 2024, no assets of the Charitable Trust Fund were restricted by donors.

**4. Fair Value of Financial Instruments**

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

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume)
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Association-specific data. These unobservable assumptions reflect the Association's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

# Louisiana Association for the Blind

## Notes to Financial Statements – (Continued)

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

	Asset at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$ 2,820,353	\$ -	\$ -	\$ 2,820,353
Mutual Funds:				
Bond Funds	95,795	-	-	95,795
Exchange Traded Funds	269,434	-	-	269,434
Total Mutual Funds	365,229	-	-	365,229
Government Obligations and Corporate Bonds	-	8,611,981	-	8,611,981
Equity Securities:				
Common Stocks - Domestic	7,472,915	-	-	7,472,915
Common Stocks - Nondomestic	25,806	-	-	25,806
Total Equity Securities	7,498,721	-	-	7,498,721
Asset-backed Securities	-	757,015	-	757,015
Total	\$ 10,684,303	\$ 9,368,996	\$ -	\$ 20,053,299

## 5. Operating Leases

The Association leases 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 (ROU) 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 used the risk free rate plus one basis point in lieu of incremental borrowing rates to discount the future lease payments. The weighted average discount rate applied to calculate lease liabilities as of December 31, 2024 was 3.87%. As of December 31, 2024, the weighted average remaining lease term for the operating leases was 4.49 years. The expense incurred related to rental lease payments was \$82,485 for the period ended December 31, 2024.

Cash paid for operating leases for period ended December 31, 2024 was \$70,055.

Future maturities of lease liabilities for the next five years and in the aggregate are as follows:

Year	Operating Lease Payments
2025	\$ 143,049
2026	143,049
2027	143,049
2028	135,279
2029	71,434
Thereafter	-
Total undiscounted cash flows	635,860
Less: present value discount	(51,104)
Total lease liabilities	\$ 584,756

**6. Major Customer**

The majority of the Association's sales are to agencies of the United States Government or to third-party commercial enterprises, which then 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 88% of total sales for the period ended December 31, 2024. Related accounts receivable accounted for approximately 63% of total accounts receivable at December 31, 2024.

**7. Net Assets with Donor Restrictions**

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

<i>Period ended December 31,</i>	<i>2024</i>
Scholarships	\$316
Children's Programs	(260)
Net assets with donor restrictions	\$56

**8. 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 period 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 \$94,031 for the period ended December 31, 2024.

**9. Major Vendors**

Two vendors accounted for 44% of purchases for the period ended December 31, 2024.

**10. State of Louisiana Contract**

For the period ended December 31, 2024, the Association received revenue totaling \$590,655 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 as of December 31, 2024 is \$208,476, related to this revenue.

**11. Subsequent Events**

In accordance with FASB Accounting Standards Codification topic 855 “Subsequent Events,” the Association evaluated events and transactions that occurred after the statement of financial position date but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Association evaluated such events through November 20, 2025, the date the financial statements were available to be issued, and noted no subsequent events that required provision for or disclosure in the financial statements, except for those noted below.

As of November 20, 2025, the Association had entered various contracts for the renovation of existing headquarters building and new exterior entry. The remaining commitments under these contracts are as follows:

	<b>Contract Price</b>	<b>Amount Paid</b>	<b>Remaining</b>
Hand Construction	\$4,514,000	\$2,106,095	\$2,407,905
Newman Marchive	<u>288,602</u>	<u>237,775</u>	<u>50,827</u>
	<u>\$4,802,602</u>	<u>\$2,343,870</u>	<u>\$2,458,732</u>

The Association expects to fulfill these commitments over the next 4-5 months using existing cash resources and future operating cash flows. These commitments are not reflected in the accompanying balance sheet.

In September 2025, the Association purchased a warehouse facility located in Shreveport, Louisiana, for a total purchase price of \$1,598,031. The acquisition was financed through an already existing line of credit agreement with the Association’s investment company, the Poljak Group. The purchase and related financing occurred after the balance sheet date of December 31, 2024, and therefore is not reflected in the accompanying financial statements. Management does not expect the purchase to have a material adverse effect on the Company’s liquidity or operations.

**12. 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 \$807,196 for the period ended December 31, 2024. Amounts due to NIB at December 31, 2024 were \$41,901.

**13. Accounts Receivable**

Accounts receivable comprise the following:

	2024	2023
Trade accounts receivable	\$ 2,536,765	\$ 4,146,080
State appropriations receivable	<u>208,476</u>	<u>275,959</u>
	<u>\$ 2,745,241</u>	<u>\$ 4,422,039</u>

**14. 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.

	2024
Financial assets at year end	\$ 24,554,296
Less those unavailable for general operations within one year due to:	
Restricted by donor with time or purpose restrictions	56
Total financial assets available to meet cash needs for general expenditures within one year	\$ 24,554,240

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

	2024
Cash and cash equivalents	\$ 1,755,756
Short-term investments	9,059,399
Accounts receivable	2,745,241
Long-term investments	10,993,900
Total financial assets	\$ 24,554,296

**15. Disaggregation of Revenues**

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

<i>Period ended December 31,</i>	2024
Revenue recognized based on goods and services transferred to customers at a point in time:	
Manufacturing Sales	\$16,667,650
Retail Sales	15,629,849
Low Vision Services	638,092
Total revenue recognized at a point in time	\$32,935,591

**16. Contract Liabilities (Deferred Revenues)**

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

<i>Period ended December 31,</i>	<i>2024</i>
Contract liabilities, beginning of period:	\$ 566,962
Revenue recognized that was in contract liabilities at the beginning of the year:	(566,962)
Increases in contract liabilities due to cash received during the year	128,128
Contract liabilities, end of period	\$ 128,128

**17. Commitments and Contingencies**

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

**18. Restatement**

The Association identified an omitted bonus accrual which decreased the previously reported beginning net assets by \$527,476.

## **Supplementary Information**

# Louisiana Association for the Blind

## Schedule of Sales and Cost of Sales

*Period Ended December 31, 2024*

	Total
<b>Sales:</b>	
General Service Administration	\$ 10,641,470
MAS and Ability One	13,042,455
Commercial / Non-NIB	2,092,328
Waste	121,674
Base Service Stores	6,574,226
Other	463,438
	<hr/>
	32,935,591
<b>Cost of Sales:</b>	
Beginning inventory	4,833,829
Add: Purchase / transfer from other departments	19,016,709
Less: Ending inventory	(5,585,143)
	<hr/>
Raw materials consumed	18,265,395
Manufacturing costs	8,275,863
	<hr/>
Cost of Sales	26,541,258
	<hr/>
Gross profit (loss)	\$ 6,394,333
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Gross profit as a percent of sales	19.4%

**Louisiana Association for the Blind**

**Schedule of State Contracts**

*Period Ended December 31, 2024*

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2024 Appropriation	\$500,000	\$382,524	\$188,862
2025 Appropriation	\$500,000	208,131	57,115
Total		\$590,655	\$245,977

# Louisiana Association for the Blind

## Schedule of Compensation, Benefits and Other Payments to Agency Head

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*Period Ended December 31, 2024*

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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, 2024, as none of those payments were made from public funds.



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

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

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, 2024, and the related statements of activities, cash flows, functional expenses, and summary of accounting policies and notes to financial statements and have issued our report thereon dated November 20, 2025.

**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 the 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 Louisiana Association for the Blind’s internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Association for the Blind’s internal control.

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

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 in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Association for the Blind's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as item 2024-01.

## Purpose of 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 Louisiana Association for the Blind's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Association for the Blind's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana  
November 20, 2025

*Period Ended December 31, 2024*

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1. The auditor's report expresses an unmodified opinion on the financial statements of the Louisiana Association for the Blind.
2. One instance of noncompliance material to the financial statements of the Louisiana Association for the Blind was reported in the independent auditor's report on compliance.
3. No material weaknesses relating to the audit of the financial statements are reported.
4. Louisiana Association for the Blind was not subject to a Federal Single Audit for the period ending December 31, 2024.

**Louisiana Association for the Blind**

**Schedule of Findings and Questioned Costs**

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*Period Ended December 31, 2024*

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2024-01: Late Filing of Audit Report

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

## Schedule of Prior Year Audit Findings

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*Period Ended December 31, 2023*

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2023-01: Late Filing of Audit Report

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.

*Period Ended December 31, 2024*

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2024-01: Late Filing of Audit Report

Due to two recent and significant organizational events, a change in fiscal year-end and a concurrent system conversion, the Association experienced significant delays in the preparation and availability of necessary information for the financial statement audit. These circumstances resulted in unavoidable scheduling challenges for both the Associations' staff and for the auditors. Despite best efforts and ongoing collaboration with the audit team, the Association was unable to meet the original filing deadline and requested an extension from the Louisiana Legislative Auditor. The LLA approved the extension until December 1, 2025, and removed the Association from the non-compliance list on September 26, 2025.