

**Louisiana Association
for the Blind
Financial Statements
Years Ended September 30, 2022 and 2021**

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Independent Auditor's Report

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

Opinion

I have audited the accompanying financial statements of Louisiana Association for the Blind, which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and summary of significant accounting policies and the related notes to financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association for the Blind as of September 30, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Louisiana Association for the Blind and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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

My 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 my 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*, I:

- 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 my 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.

I am 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 I identified during the audit.

Report on Supplementary Information

My 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, sales and cost of sales - base service centers, 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, Sales and Cost of Sales - Base Service Centers, 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 my opinion, the schedules of sales and cost of sales, sales and cost of sales - base service centers, 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.

Emphasis of Matter

As discussed in Note 24 to the financial statements, the Louisiana Association for the Blind made a correction of an accounting error and resulting in an adjustment for the year ended September 30, 2021. As discussed in Note 25 to the financial statements, the Louisiana Association for the Blind adopted a new accounting pronouncement. My opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 15, 2023, on my consideration of the Louisiana Association for the Blinds 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 my 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.



Certified Public Accountant

Shreveport, Louisiana
March 15, 2023



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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

I 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 statements of financial position as of September 30, 2022, and the related statement of activities, cash flows, functional expenses, summary of accounting policies and notes to financial statements and have issued my report thereon dated March 15, 2023.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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, I 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 my audit, and accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of Report

The purpose of this report is solely to describe the scope of my 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.



Certified Public Accountant

Shreveport, Louisiana
March 15, 2023

Louisiana Association for the Blind

Statements of Financial Position

	September 30, 2022			September 30, 2021 Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,856,808	\$12,013	\$ 4,868,821	\$ 5,394,690	\$14,341	\$ 5,409,031
Short-term investments (Notes 3 and 4)	5,754,359	-	5,754,359	6,106,753	-	6,106,753
Accounts receivable (Notes 8, 13 and 16)	3,939,492	-	3,939,492	3,147,645	-	3,147,645
Inventories (Note 1)	4,467,991	-	4,467,991	3,260,704	-	3,260,704
Prepaid expenses and other	93,315	-	93,315	161,390	-	161,390
Total current assets	19,111,965	12,013	19,123,978	18,071,182	14,341	18,085,523
Long-term investments (Notes 3 and 4)	7,642,878	-	7,642,878	9,005,399	-	9,005,399
Property and equipment, net (Notes 2 and 24)	6,610,809	-	6,610,809	7,003,157	-	7,003,157
Capital lease asset, net (Note 7)	-	-	-	27,999	-	27,999
Goodwill, net (Note 21)	-	-	-	247,490	-	247,490
Total Assets	\$33,365,652	\$12,013	\$33,377,665	\$34,355,227	\$14,341	\$34,369,568
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	\$ 591,251	\$ -	\$ 591,251	\$ 645,714	\$ -	\$ 645,714
Accrued payroll and related expenses	726,855	-	726,855	795,710	-	795,710
Deferred revenue	733,105	-	733,105	178,131	-	178,131
Capital lease liability (Note 6)	-	-	-	32,303	-	32,303
Total current liabilities	2,051,211	-	2,051,211	1,651,858	-	1,651,858
Noncurrent liabilities:						
Capital lease liability (Note 6)	-	-	-	-	-	-
Total liabilities	2,051,211	-	2,051,211	1,651,858	-	1,651,858
Net assets:						
Without donor restrictions (Note 24)	31,314,441	-	31,314,441	32,703,369	-	32,703,369
With donor restrictions (Note 9)	-	12,013	12,013	-	14,341	14,341
Total net assets (Note 24)	31,314,441	12,013	31,326,454	32,703,369	14,341	32,717,710
Total Liabilities and Net Assets	\$33,365,652	\$12,013	\$33,377,665	\$34,355,227	\$14,341	\$34,369,568

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

Louisiana Association for the Blind

Statements of Activities

<i>Years Ended</i>	September 30, 2022			September 30, 2021 Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Sales (Note 18 and 23)	\$ 22,648,914	\$ -	\$ 22,648,914	\$ 22,416,105	\$ -	\$ 22,416,105
Cost of sales	(18,390,220)	-	(18,390,220)	(17,487,349)	-	(17,487,349)
Gross profit	4,258,694	-	4,258,694	4,928,756	-	4,928,756
Expenses:						
Selling	752,444	-	752,444	695,159	-	695,159
Low vision program expenses	(276,184)	-	(276,184)	(261,185)	-	(261,185)
General and administrative	3,147,728	-	3,147,728	3,256,432	-	3,256,432
Total expenses	4,176,356	-	4,176,356	4,212,776	-	4,212,776
Increase in net assets from operations	82,338	-	82,338	715,980	-	715,980
Other income (expense):						
Earning on non-exchange contracts (Note 13)	539,203	-	539,203	487,296	-	487,296
Contributions of cash and other financial assets	48,576	1,000	49,576	71,500	-	71,500
Other	27,378	-	27,378	139,654	-	139,654
Investment income (loss), net	(1,711,423)	-	(1,711,423)	743,005	-	743,005
Loss from discontinued operations (Note 23)	(378,328)	-	(378,328)	-	-	-
PPP Loan forgiveness (Note 22)	-	-	-	961,508	-	961,508
Loss on disposition of assets	-	-	-	(926,683)	-	(926,683)
Net assets released from restrictions	3,328	(3,328)	-	4,233	(4,233)	-
Total non-operating income (expenses)	(1,471,266)	(2,328)	(1,473,594)	1,480,753	(4,233)	1,476,340
Increase (decrease) in net assets	(1,388,928)	(2,328)	(1,391,256)	2,196,553	(4,233)	2,192,320
Net assets, beginning of year (Note 24)	32,703,369	14,341	32,717,710	30,506,816	18,574	30,525,390
Net assets, end of year (Note 24)	\$ 31,314,441	\$ 12,013	\$ 31,326,454	\$ 32,703,369	\$ 14,341	\$ 32,717,710

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

*Years ended*September 30, 2022

	<u>Program Activities</u>		<u>Supporting</u>	<u>Total</u>
	<u>Selling</u>	<u>Low Vision</u>	<u>Management</u>	
<u>Expenses</u>	<u>Program</u>	<u>Program</u>	<u>and General</u>	<u>Expenses</u>
	<u>Expenses</u>	<u>Expenses</u>	<u>Program</u>	
Expenses				
Advertising Expense	\$ -	\$ 217	\$ 39,438	\$ 39,655
Audit and Accounting Expense	-	-	36,635	36,635
Board and Other Meeting Expense	-	-	57	57
Commissions and selling expenses	752,444	-	-	752,444
Consulting Expense	-	-	93,115	93,115
Contract Labor	204,619	-	-	204,619
Depreciation and Amortization	231,173	-	141,903	373,076
Dues and Subscriptions	-	-	164,601	164,601
Employee Benefits	383,574	-	153,317	536,891
Freight	745,645	-	259	745,904
Fundraising	-	-	-	-
Gifts and Entertainment	-	-	5,086	5,086
Insurance, General	-	-	224,496	224,496
Insurance, Group Health	434,459	-	271,365	705,824
Insurance, Workman's Compensation	55,586	-	15,947	71,533
Interest	-	-	220	220
Legal Fees	-	-	8,369	8,369
Low Vision Supportive Services	43,804	273,216	-	317,020
Merchandise for Resale	3,756,780	-	-	3,756,780
Miscellaneous	5,162	2,751	104,719	112,632
Office Supplies	-	-	21,159	21,159
Payroll Taxes	179,570	-	113,248	292,818
Postage	-	-	2,887	2,887
Raw Materials	9,289,363	-	-	9,289,363
Rental and Lease Expense	989	-	53,708	54,697
Repairs and Maintenance	190,379	-	108,682	299,061
Retirement	96,782	-	41,228	138,010
Salaries - Administrative	1,779,340	-	1,340,458	3,119,798
Salaries - Direct Labor	797,577	-	-	797,577
Security	-	-	10,879	10,879
Special Events	-	-	9,672	9,672
Supplies	26,842	-	24,604	51,446
Telephone	-	-	66,840	66,840
Tools and Small Equipment	2,223	-	16,563	18,786
Travel	9,186	-	41,064	50,250
Truck and Auto	52,696	-	11,140	63,836
Utilities	104,471	-	26,069	130,540
Total Expenses	\$19,142,664	\$276,184	\$3,147,728	\$22,566,576

Louisiana Association for the Blind

Statements of Functional Expenses

September 30, 2021

Program Activities		Supporting Activities	Total
Selling Program Expenses	Low Vision Program Expenses	Management and General Program	Expenses
\$ -	\$ -	\$ 35,533	\$ 35,533
-	-	44,500	44,500
-	-	-	-
695,159	-	-	695,159
-	-	61,284	61,284
141,361	-	200	141,561
300,538	-	219,795	520,333
-	-	203,185	203,185
453,281	-	188,721	642,002
281,067	-	2,549	283,616
-	186	-	186
-	-	5,178	5,178
-	-	178,397	178,397
438,817	-	273,637	712,454
32,163	-	6,219	38,382
4,786	-	93	4,879
-	-	6,629	6,629
65,122	258,335	-	323,457
4,592,890	-	-	4,592,890
7,431	2,604	9,629	19,664
-	-	29,403	29,403
167,790	-	113,069	280,859
-	-	2,983	2,983
7,795,434	-	-	7,795,434
105,671	-	57,266	162,937
231,089	-	90,600	321,689
84,540	-	50,772	135,312
1,561,414	-	1,507,292	3,068,706
1,061,947	-	-	1,061,947
-	-	4,620	4,620
-	-	6,860	6,860
33,686	-	38,919	72,605
-	-	66,827	66,827
3,989	-	12,498	16,487
2,327	-	9,176	11,503
28,676	-	5,169	33,845
93,330	-	25,429	118,759
\$18,182,508	\$261,125	\$3,256,432	\$21,700,065

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

Louisiana Association for the Blind

Statements of Cash Flows

<i>Years Ended</i>	September 30, 2022			September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:						
Increase (decrease) in net assets	\$ (1,388,928)	\$(2,328)	\$(1,391,256)	\$ 2,196,553	\$(4,233)	\$ 2,192,320
Adjustments to reconcile increase in net assets to net cash provided by operating activities:						
Depreciation and amortization	772,237	-	772,237	698,028	-	698,028
Loss on disposition of assets	-	-	-	926,683	-	926,683
Realized gain on sale of investments	(263,251)	-	(263,251)	(102,275)	-	(102,275)
Unrealized loss (gain) on investments	2,197,565	-	2,197,565	(175,238)	-	(175,238)
Non-cash Gain from loan forgiveness	-	-	-	(961,508)	-	(961,508)
Change in operating assets and liabilities:						
Accounts receivable	(791,847)	-	(791,847)	(549,983)	-	(549,983)
Inventories	(1,207,287)	-	(1,207,287)	(658,839)	-	(658,839)
Prepaid expenses and other	68,075	-	68,075	(12,933)	-	(12,933)
Accounts payable	(54,463)	-	(54,463)	50,953	-	50,953
Accrued payroll and related expenses	(68,855)	-	(68,855)	525,689	-	525,689
Deferred revenue	554,974	-	554,974	(190,187)	-	(190,187)
Net cash provided by (used in) operating activities	(181,780)	(2,328)	(184,108)	1,746,943	(4,233)	1,742,710
Cash Flows from Investing Activities:						
Additions to plant and equipment	(104,400)	-	(104,400)	(491,118)	-	(491,118)
Proceeds from sale of assets	-	-	-	21,000	-	21,000
Purchases of marketable securities	(10,899,958)	-	(10,899,958)	(25,023,052)	-	(25,023,052)
Proceeds from sale of securities	10,680,559	-	10,680,559	22,964,285	-	22,964,285
Net cash used in investing activities	(323,799)	-	(323,799)	(2,528,885)	-	(2,528,885)
Cash Flows from Financing Activities:						
Payment of lease liability	(32,303)	-	(32,303)	(125,451)	-	(125,451)
Net cash used in financing activities	(32,303)	-	(32,303)	(125,451)	-	(125,451)
Net decrease in cash and cash equivalents	(537,882)	(2,328)	(540,210)	(907,393)	(4,233)	(911,626)
Cash and cash equivalents at beginning of year	5,394,690	14,341	5,409,031	6,302,083	18,574	6,320,657
Cash and cash equivalents at end of year	\$ 4,856,808	\$12,013	\$ 4,868,821	\$ 5,394,690	\$14,341	\$ 5,409,031

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. Printing operations were discontinued in the year ended September 30, 2022 (Note 23).

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: assets with donor restrictions and assets without donor restrictions.

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

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 as 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.

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.

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 restrictions exist 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

Retail Sales – Revenue from retail sales of merchandise 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. 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.

Manufactured Goods Sales – Revenue from the sale of manufactured goods 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. 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.

Printing and Reproduction Services – Revenue from 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 or services and assumes the risks and rewards of ownership. Printing operations were discontinued in the year ended September 30, 2022 (Note 23).

Low Vision Services – 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 and to not treat them 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 and \$0 for the years ended September 30, 2022 and 2021, respectively.

Contract Assets and Liabilities (continued)

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 \$733,105 and \$178,131 for the years ended September 30, 2022 and 2021, respectively.

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 for the years ended September 30, 2022 and 2021; 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 are presented in the accompanying financial statement net of any allowance for doubtful accounts. 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 bad debt was \$0 and \$0 for the years ended September 30, 2022 and 2021, respectively.

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 and \$0 for the years ended September 30, 2022 and 2021 respectively.

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 September 30, 2022, \$4,653,507 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

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.

The Association is required to file U.S. federal Form 990 for informational purposes. Its federal income tax filings for the years ended 2020 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.

Goodwill

The Association has elected to implement Financial Accounting Standard Board's Accounting Standards Update (ASU) No. 2019-06 "Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities." As provided in the ASU, management has elected the accounting alternative to amortize goodwill over 10 years on the straight-line basis. Additionally, management has elected to test goodwill for impairment at the entity level. As described in Note 21, management determined unamortized goodwill related to the discontinued printing and reproduction services division was fully impaired during the year ended September 30, 2022.

Louisiana Association for the Blind

Summary of Accounting Policies - (Concluded)

Advertising

The Association expenses advertising as it is incurred. The Association expended \$39,655 and \$35,533 in the years ended September 30, 2022 and 2021, respectively, 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:

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

Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform with current year presentations. These reclassifications had no effect on reported results of operation.

Louisiana Association for the Blind

Notes to Financial Statements

1. Inventories

Inventories are summarized as follows:

<i>Year ended September 30,</i>	2022	2021
Raw materials	\$2,179,108	\$1,390,834
Finished goods	1,051,451	874,795
Work in process	94	6,764
Manufacturing inventories	3,230,653	2,272,393
Base Service Store inventories	1,237,338	988,311
Total	\$4,467,991	\$3,260,704

2. Property and Equipment

Major classes of property and equipment consist of the following:

<i>Year ended September 30,</i>	2022	2021 Restated
Buildings	\$ 7,521,774	\$ 7,512,192
Machinery	1,738,404	1,738,404
Xerox paper equipment	1,530,251	1,526,829
Abrasive / deck equipment	1,052,988	999,025
Padding equipment	955,127	955,127
Land	592,298	592,298
Furniture and fixtures	456,959	456,959
Automobiles and trucks	477,093	439,661
Machinery - Base Service Store	156,588	156,588
Automobiles and trucks - Fort Polk	48,044	48,044
Automobiles and trucks - Base Service Store	29,338	29,338
Machinery - Fort Polk	26,340	26,340
Leasehold improvements - Base Service Store	9,500	9,500
	14,594,704	14,490,305
Less accumulated depreciation and amortization	(7,983,895)	(7,487,148)
Net property and equipment	\$6,610,809	\$ 7,003,157

Depreciation expense related to property and equipment for the years ended September 30, 2022 and 2021 totaled \$496,748 and \$554,106, respectively.

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

2. Property and Equipment - (Continued)

In April 2021, the United States Army took possession of a building comprising leasehold improvements paid for by the Association located on Fort Polk, Louisiana. As a result, the Association incurred a net loss of \$947,683 on the disposition of the asset for the year ended September 30, 2021. The Fort commander continued to allow the Association use of the 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

Investments are stated at fair value and consist of the following:

<i>Year ended September 30, 2022</i>	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Short Term Fixed Income				
Cash and money market	\$ 455,165	\$ -	\$ -	\$ 455,165
U.S. Government securities	1,026,432	-	(43,391)	983,041
Corporate fixed income	919,252	-	(58,863)	860,389
	<u>2,400,849</u>	-	<u>(102,254)</u>	<u>2,298,595</u>
Business Development Fund:				
Cash and money market	753,821	-	-	753,821
U.S. Government securities	1,327,516	-	(98,961)	1,228,555
Corporate fixed income	835,511	-	(63,130)	772,381
Common stock	606,301	-	(17,380)	588,921
Asset-backed securities	99,832	-	(7,410)	92,422
Exchange-traded funds	19,943	-	(279)	19,664
	<u>3,642,924</u>	-	<u>(187,160)</u>	<u>3,455,764</u>
Total short-term investments	<u>\$6,043,773</u>	<u>\$ -</u>	<u>\$(289,414)</u>	<u>\$5,754,359</u>
Intermediate Term Funds:				
Cash and money market	\$ 288,626	\$ -	\$ -	\$ 288,626
Common stock	1,335,637	27,147	-	1,362,784
U.S government securities	1,362,269	-	(101,971)	1,260,298
Corporate fixed income	1,463,792	-	(227,224)	1,236,568
Asset-backed securities	982,735	-	(161,384)	821,351
Exchange traded funds	159,640	83,850	-	243,490
	<u>5,592,699</u>	<u>110,997</u>	<u>(490,579)</u>	<u>5,213,117</u>
Charitable Trust Fund:				
Cash and money market	15,654	-	-	15,654
Common stock	1,942,151	67,704	-	2,009,855
Exchange-traded funds	309,201	-	(6,344)	302,857
Mutual funds	103,149	-	(1,754)	101,395
	<u>2,370,155</u>	<u>67,704</u>	<u>(8,098)</u>	<u>2,429,761</u>
Total long-term investments	<u>\$7,962,854</u>	<u>\$178,701</u>	<u>\$(498,677)</u>	<u>\$7,642,878</u>

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

3. Investments - (Continued)

<i>Year ended September 30, 2021</i>	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Market Value
Short Term Fixed Income				
Cash and money market	\$ 24,086	\$ -	\$ -	\$ 24,086
U.S. Government securities	1,646,030	1,761	-	1,647,791
Corporate fixed income	710,492	8,803	-	719,295
	<u>2,380,608</u>	<u>10,564</u>	<u>-</u>	<u>2,391,172</u>
Business Development Fund:				
Cash and money market	771,680	-	-	771,680
Certificates of deposit	2,245,536	-	-	2,245,536
Common stock	681,140	-	(24,760)	656,380
Exchange-traded funds	43,413	-	(1,428)	41,985
	<u>3,741,769</u>	<u>-</u>	<u>(26,188)</u>	<u>3,715,581</u>
Total short-term investments	<u>\$6,122,377</u>	<u>\$ 10,564</u>	<u>\$(26,188)</u>	<u>\$6,106,753</u>
Intermediate Term Funds:				
Cash and money market	\$ 207,939	\$ -	\$ -	\$ 207,939
Common stock	1,053,151	598,794	-	1,651,945
U.S. government securities	1,424,414	-	(5,679)	1,418,735
Asset-backed securities	1,248,676	-	(21,222)	1,227,454
Corporate fixed income	1,179,162	13,109	-	1,192,271
Exchange traded funds	225,758	140,418	-	366,176
	<u>5,339,100</u>	<u>752,321</u>	<u>(26,901)</u>	<u>6,064,520</u>
Charitable Trust Fund:				
Cash and money market	115,048	-	-	115,048
Common stock	1,463,893	811,801	-	2,275,694
Exchange-traded funds	294,635	10,111	-	304,746
Mutual funds	238,577	6,814	-	245,391
	<u>2,112,153</u>	<u>828,726</u>	<u>-</u>	<u>2,940,879</u>
Total long-term investments	<u>\$7,451,253</u>	<u>\$1,581,047</u>	<u>\$(26,901)</u>	<u>\$9,005,399</u>

3. Investments - (Continued)

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. The principal of the Trust is available for use only to the extent the original donor has so provided. At September 30, 2022, 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)

4. Fair Value of Financial Instruments - (Continued)

Fair values of assets and liabilities measured on a recurring basis at September 30, 2022 and 2021 are as follows:

	Assets at Fair Value as of September 30, 2022			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$1,513,297	\$ -	\$ -	\$ 1,513,297
Mutual Funds:				
Exchange-traded Funds	546,347	-	-	546,347
Domestic Growth	101,395	-	-	101,395
Total Mutual Funds	647,742	-	-	647,742
Government Obligations and Corporate Bonds	-	6,341,232	-	6,341,232
Equity Securities:				
Equity Securities – Domestic	3,758,711	-	-	3,758,711
Equity Securities - Nondomestic	222,482	-	-	222,482
Total Equity Securities	3,981,193	-	-	3,981,193
Asset-backed Securities	-	913,773	-	913,773
Total	\$6,142,232	\$7,255,005	\$ -	\$13,397,237

	Assets at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Fair Value
Money Markets	\$1,118,753	\$ -	\$ -	\$ 1,118,753
Certificates of Deposit	2,245,536	-	-	2,245,536
Mutual Funds:				
Exchange-traded Funds	712,907	-	-	712,907
Domestic Growth	245,391	-	-	245,391
Total Mutual Funds	958,298	-	-	958,298
Government Obligations and Corporate Bonds	-	4,978,092	-	4,978,092
Equity Securities:				
Equity Securities - Domestic	4,357,341	-	-	4,357,341
Equity Securities - Nondomestic	226,678	-	-	226,678
Total Equity Securities	4,584,019	-	-	4,584,019
Asset-backed Securities	-	1,227,454	-	1,227,454
Total	\$8,906,606	\$6,205,546	\$ -	\$15,112,152

5. Operating Leases

The Association leases equipment for some of its activities under operating leases. Minimum rentals under the leases with initial or remaining terms in excess of one year are as follows at September 30, 2022:

Year	Operating Lease Payments
2023	\$ 44,868
2024 and thereafter	3,739
Total minimum operating lease payments	\$48,607

Amounts charged to operations under operating leases totaled \$90,508 and \$72,284 in 2022 and 2021, respectively.

6. Capital Lease Liability

The Association leases equipment for some of its activities under a capital leasing arrangement with an initial present value of \$578,617 with 60 monthly payments of \$10,853 including an imputed annual interest rate of 4.75% beginning January 1, 2017 with a bargain purchase of \$1 at the end of the lease term.

Future lease liability commitments under capital leases as of September 30, 2022 are as follows:

Year	Capital Lease Commitments
2023	\$ -
Total capital lease commitments	\$ -

Current and noncurrent portion of capital lease liabilities are summarized as follows:

	2022	2021
Current portion	\$ -	\$32,303
Noncurrent portion	-	-
Total lease liability	\$ -	\$32,303

Interest expense associated with capital lease liabilities was \$256 and \$4,786 for the years ended September 30, 2022 and 2021, respectively.

7. Capital Lease Assets

The Association recorded a capital lease asset corresponding to the initial present value of the underlying capital lease liabilities. Depreciation expense is recorded on a straight-line basis over the term of the lease.

<i>Year ended September 30,</i>	2022	2021
Printing equipment	\$ 578,617	\$ 578,617
Less accumulated depreciation	(578,617)	(550,618)
Capital lease assets, net	\$ -	\$ 27,999

Depreciation expense associated with capital leases was \$27,999 and \$111,990 for the years ended September 30, 2022 and 2021, respectively.

8. 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 resale the products to agencies of the United States Government. Sales to agencies of the United States Government and such commercial enterprises accounted for approximately 91% and 93% of total sales in 2022 and 2021, respectively. Related accounts receivable accounted for approximately 88% and 89% of total accounts receivable at September 30, 2022 and 2021, respectively.

9. Net Assets with Donor Restrictions

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

<i>Year ended September 30,</i>	2022	2021
Scholarships	\$ 7,236	\$ 9,085
Children's Programs	4,777	5,256
Net assets with donor restrictions	\$12,013	\$14,341

10. 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 either year.

10. Retirement Plan - (Continued)

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 \$153,871 and \$142,583 in 2022 and 2021, respectively.

11. Supplemental Cash Flows Information

Cash paid for interest totaled \$220 and \$4,879 for the years ended September 30, 2022 and 2021, respectively.

12. Major Vendors

One vendor accounted for 43% of purchases in 2022 and 25% in 2021.

13. State of Louisiana Contract

In 2022 and 2021, the Association received revenue totaling \$539,203 and \$487,296, 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 as of September 30, 2022 and 2021 are \$112,788 and \$84,060, respectively, related to this revenue.

14. 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 March 15, 2023 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.

15. 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 3.73% 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 \$570,238 and \$529,201 for the years ended September 30, 2022 and 2021, respectively. Amounts due to NIB at September 30, 2022 and 2021 were \$54,928 and \$108,161, respectively.

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

16. Accounts Receivable

Accounts receivable comprise the following:

<i>Year ended September 30,</i>	2022	2021
Trade accounts receivable	\$3,826,704	\$3,063,585
State appropriations receivable	112,788	84,060
	\$3,939,492	\$3,147,645

17. 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.

<i>Year ended September 30,</i>	2022	2021
Financial assets at year end	\$22,205,550	\$23,668,828
Less those unavailable for general operations within one year due to:		
Restricted by donor with time or purpose restriction	(12,013)	(14,341)
Total financial assets available to meet cash needs for general expenditure within one year	\$22,193,537	\$23,654,487

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

<i>Year ended September 30,</i>	2022	2021
Cash and cash equivalents	\$4,856,808	\$5,394,690
Accounts receivable and other receivable	3,939,492	3,147,645
Short-term investments	5,754,359	6,106,753
Long-term investments	7,642,878	9,005,399
Total financial assets	\$22,193,537	\$23,654,487

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

18 Disaggregation of Revenues

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

<i>Year ended September 30,</i>	2022	2021
Revenue recognized based on goods and services transferred to customers at a point in time:		
Manufacturing Sales	\$17,507,946	\$15,792,035
Retail Sales	4,632,172	5,390,117
Low Vision Services	508,796	663,791
Print and Reproduction Services	-	570,162
Total revenue recognized at a point in time	\$22,648,914	\$22,416,105

19. Contract Liabilities (Deferred Revenues)

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

<i>Year ended September 30,</i>	2022	2021
Contract liabilities, beginning of year:	\$ 178,131	\$ 368,318
Revenue recognized that was in contract liabilities at the beginning of the year:	(178,131)	(368,318)
Increases in contract liabilities due to cash received during the year	733,105	178,131
Contract liabilities, end of year	\$ 733,105	\$ 178,131

20. 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.

21. Goodwill

Goodwill amortization expense for the years ended September 30, 2022 and 2021, totaled \$21,288 and \$31,934, respectively. For the year ended September 30, 2022, goodwill impairment loss resulting from discontinued operations identified in Note 23 was \$226,202.

(Continued)

Louisiana Association for the Blind

Notes to Financial Statements - (Continued)

21 Goodwill (Continued)

The following represents the value of goodwill:

<i>Year ended September 30,</i>	2022	2021
Acquired goodwill	\$ 319,339	\$319,339
Accumulated impairment loss	(226,202)	-
Accumulated amortization expense	(93,137)	(71,849)
Goodwill, net	\$ -	\$247,490

22. PPP Loan Forgiveness

During the year ended September 30, 2020, the Association received a loan in the amount of \$961,508 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Management elected to treat the loan under the provisions of Financial Accounting Standard Board Accounting Standard Codification Topic 450-30 “Gain Contingencies.” Under this model, the earnings impact of a gain contingency is recognized when all the contingencies related to receipt of the loan have been met and the gain is realized or realizable. Management considers the significant contingencies for recognizing the gain to include expending the funds for allowable purposes and receiving an approved loan forgiveness from the lender. The Association expended all PPP loan proceeds on allowable costs and received loan forgiveness in January 2021. The forgiveness of debt is recorded as “PPP loan forgiveness” in the statement of activities for the year ended September 30, 2021.

23. Discontinued Operations

For the year ended September 30, 2022, the Association discontinued operation of its Printing Services division to focus resources on other areas of operations. In accordance with Accounting Standards Update 2014-08, income, expenses, and other costs related to this discontinued operation has been reported separately from income and expenses from operations. Loss from discontinued operations reported in the statement of activities comprise the following:

<i>Year ended September 30,</i>	2022
Sales	\$ 338,912
Cost of goods sold	(447,375)
Goodwill impairment loss	(226,202)
Depreciation and amortization	(41,479)
Loss on disposition of assets	(2,184)
Loss from discontinued operations	\$(378,328)

Louisiana Association for the Blind

Notes to Financial Statements - (Concluded)

24. Prior Period Adjustment

During the year ended September 30, 2022, management determined fixed asset accumulated depreciation was understated by \$127,020 for the year ended September 30, 2020. Management has recorded a prior period adjustment and correction of accounting error resulting in the following changes for the year ended September 30, 2021:

As of September 30, 2021	As previously reported	As restated
Statement of Financial Position		
Property and equipment	\$ 7,130,177	\$ 7,003,157
Total assets	\$34,496,588	\$34,369,568
Net assets, without donor restrictions	\$32,830,389	\$32,703,369
Total net assets	\$32,844,730	\$32,717,710
Total liabilities and net assets	\$34,496,588	\$34,369,568
Statement of Activities		
Net assets, beginning of year		
Without donor restrictions	\$30,633,836	\$30,506,816
Total net assets, beginning of year	\$30,652,410	\$30,525,390
Net assets, end of year		
Without donor restrictions	\$32,830,389	\$32,703,369
Total net assets, end of year	\$32,844,730	\$32,717,710

25. Adoption of New Accounting Pronouncements

For the year ended September 30, 2022, 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 goal of the ASU is to bring more transparency and consistency to the presentation and disclosure of contributed nonfinancial assets, also known as gifts-in-kind. The standard requires not-for-profit entities to disclose qualitative information about whether contributed nonfinancial assets were utilized or monetized. Additionally, entities must provide a description of donor-imposed restrictions (if any) and a description of valuation techniques used to arrive at a fair value measurement at initial recognition. The standard is effective for fiscal years beginning after June 15, 2021. The ASU was adopted on a retrospective basis with no material impact on the financial statements for the year ended September 30, 2021.

The Association adopted the provisions of ASC 842 “Leases” effective October 1, 2021. Under ASC 842, the Association is required to record a Right of Use asset and a corresponding lease liability for both operating and financing leases. Previously, operating leases were not required to be recognized on the balance sheet. Management adopted the ASC on a modified retrospective basis for leases in effect prior to October 1, 2021.

Supplementary Information

Years Ended

September 30, 2022

	Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
Sales:						
General Services Administration	\$ -	\$ 764,576	\$ -	\$ 5,740,262	\$ -	\$ 6,504,838
MAS and Ability One	138,888	823,479	-	7,803,232	-	8,765,599
Commercial / Non-NIB	238,883	1,607,925	-	175,676	-	2,022,484
Waste	-	-	-	113,302	-	113,302
Base Service Stores	92	-	-	93,147	-	93,239
Other	-	115	508,796	8,369	-	517,280
	377,863	3,196,095	508,796	13,933,988	-	18,016,742
Cost of Sales:						
Beginning inventory	99,353	1,038,108	57,345	1,070,236	-	2,265,042
Add: Purchase / transfer from other departments	255,068	1,513,570	248,249	8,868,591	-	10,885,478
Less: Ending inventory	(205,410)	(1,083,430)	(95,580)	(1,846,233)	-	(3,230,653)
Raw materials consumed	149,011	1,468,248	210,014	8,092,594	-	9,919,867
Manufacturing costs	504,003	795,718	1,031,690	2,138,938	-	4,470,349
Cost of sales	653,014	2,263,966	1,241,704	10,231,532	-	14,390,216
Gross profit (loss)	\$(275,151)	\$ 932,129	\$ (732,908)	\$ 3,702,456	\$ -	\$ 3,626,526
Gross profit as a percent of sales	NM	29.2%	NM	26.6%	-%	20.2%

NM - Not Meaningful

Louisiana Association for the Blind

Schedules of Sales and Cost of Sales

September 30, 2021					
Paper	Abrasives / Deck Coverings	Low-Vision	Xerox & Other	Printing Services	Total
\$ -	\$1,126,885	\$ -	\$ 3,745,152	\$ -	\$ 4,872,037
102,304	1,068,787	-	7,391,643	-	8,562,734
236,217	1,813,754	-	164,782	570,162	2,784,915
599	-	-	89,132	-	89,731
112	-	-	74,438	-	74,550
-	18	633,791	8,212	-	642,021
339,232	4,009,444	633,791	11,473,359	570,162	17,025,988
106,444	696,106	34,793	660,570	12,545	1,510,458
69,116	2,238,526	386,093	5,980,518	192,815	8,867,068
(99,353)	(1,038,108)	(57,345)	(1,070,236)	(7,351)	(2,272,393)
76,207	1,896,524	363,541	5,570,852	198,009	8,105,133
530,420	745,798	1,062,030	1,825,607	596,433	4,760,288
606,627	2,642,322	1,425,571	7,396,459	794,442	12,865,421
\$(267,395)	\$1,367,122	\$ (791,780)	\$ 4,076,900	\$ (224,280)	\$ 4,160,567
NM	34.1%	NM	35.5%	NM	24.4%

<i>Years Ended</i>	September 30, 2022			
	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
Sales	\$1,275,477	\$2,096,658	\$1,260,037	\$4,632,172
Cost of Sales:				
Beginning inventory	274,265	510,306	203,740	988,311
Add: Purchase/transfer from other departments	977,362	1,881,865	960,655	3,819,882
Less: Ending inventory	(276,962)	(749,394)	(210,982)	(1,237,338)
Raw materials consumed	974,665	1,642,777	953,413	3,570,855
Other costs	192,171	82,488	154,490	429,149
Cost of sales	1,166,836	1,725,265	1,107,903	4,000,004
Gross profit	\$ 108,641	\$ 371,393	\$ 152,134	\$ 632,168
Gross profit as a percent of sales	8.5%	17.7%	12.1%	13.6%

Louisiana Association for the Blind

Schedules of Sales and Cost of Sales - Base Service Centers

September 30, 2021				
	BAFB Base Supply	BAFB Base Equipment	Fort Polk SSSC	Total
	\$1,157,749	\$2,658,280	\$1,574,088	\$5,390,117
	211,984	664,455	214,970	1,091,409
	931,474 (274,265)	1,977,565 (510,306)	1,234,751 (203,740)	4,143,790 (988,311)
	869,193 140,179	2,131,714 90,014	1,245,981 144,847	4,246,888 375,040
	1,009,372	2,221,728	1,390,828	4,621,928
	\$ 148,377	\$ 436,552	\$ 183,260	\$ 768,189
	12.8%	16.4%	11.6%	14.3%

Louisiana Association for the Blind

Schedules of State Contracts

Year Ended September 30, 2022

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2022 Appropriation	\$500,000	\$426,415	\$426,415
2023 Appropriation	\$500,000	112,788	112,788
Total		\$539,203	\$539,203

Year Ended September 30, 2021

Description of State Contract	Appropriation	Revenue Recognized	Expenditures
2021 Appropriation	\$500,000	\$403,236	\$403,236
2022 Appropriation	\$500,000	84,060	84,060
Total		\$487,296	\$487,296

Schedule of Compensation, Benefits and Other Payments to Agency Head

Year Ended September 30, 2022

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 year ended September 30, 2022, as none of those payments were made from public funds.

Year Ended September 30, 2022

1. The independent auditor's report expressed an unqualified opinion on the financial statements of the Louisiana Association for the Blind.
2. No instances of noncompliance were reported in the independent auditor's report on compliance.
3. No material weaknesses in internal accounting control were disclosed in the independent auditor's report on internal control.
4. A separate management letter was not issued.

Louisiana Association for the Blind

Schedule of Findings and Questioned Costs

Year Ended September 30, 2022

There were no findings for the year ended September 30, 2022.

Louisiana Association for the Blind

Schedule of Prior Year Audit Findings

Year Ended September 30, 2021

There were no findings for the year ended September 30, 2021.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Louisiana Association for the Blind
and the
Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Louisiana Association for the Blind and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2021 through September 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. 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:

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

No exceptions noted.

b) ***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.

Exceptions noted. The following written Purchasing policy and procedure functions were not addressed: Controls to ensure compliance with the Public Bid Law and documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions noted.

- d) **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).

Exception noted. Policies and procedures regarding management's actions to determine the completeness of all collections for each type of revenue was not addressed.

- e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

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

Exception noted. None of the Contracting functions described above were addressed.

- g) **Credit Cards (and debit cards, fuel cards, P-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.

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

Exception noted. The dollar thresholds by category of expense were not addressed.

- i) **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.

- j) **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.

- k) **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.

Exception noted. None of the above Information Technology Disaster Recovery/Business Continuity functions were addressed.

- 1) **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

2. 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:

- a) 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.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

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.

- c) 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.

Bank Reconciliations

3. 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:

- a) 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.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Exception noted. There was no observable evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- c) 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.

Exception noted. There was no observable evidence that reconciling items that have been outstanding for more than 12 months from the statement closing date were researched.

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/payments, travel reimbursements, and petty cash purchases)

4. 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).

One payment processing location.

5. For each location selected under #4 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) 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.

- d) 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.

No exceptions noted.

6. For each location selected under #4 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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

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

No exceptions noted.

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

Contracts

7. 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. *Alternately, 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:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (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.

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

Not applicable. No contracts within the scope of the procedures required approval by the governing body/board.

- c) If the contract was amended (e.g., change order), observe 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, was approval documented).

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

- d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

8. 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.

Done without exception.

9. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #8 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

10. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not applicable. No employees received termination payments from public funds.

11. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums,

garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Done without exception.

Ethics

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

Fraud Notice

12. 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.

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

13. Observe 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.

Exception noted. The entity has not 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.

Information Technology Disaster Recovery/Business Continuity

14. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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 no written documentation, 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.

Sexual Harassment

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

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is 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.



Certified Public Accountant

Shreveport, Louisiana
March 15, 2023



HEADQUARTERS
1750 CLAIBORNE AVE.
SHREVEPORT, LA 71103
318.635.6471
FAX: 318.635.8902

WWW.LABLIND.COM

Management's Response to Agree-Upon Procedures

March 15, 2023

To the Louisiana Legislative Auditor and James K. McClelland, CPA LLC

The following comprise management's response to exceptions noted by our auditors during the performance of statewide agree-upon procedures as established by the Louisiana Legislative Auditor:

Written Policies and Procedures

Purchasing exception noted:

Written policies and procedures did not include controls to ensure compliance with the Public Bid Law and the documentation required to be maintained for all bids and price quotes.

Management's response:

Management agrees. The written policies and procedures will be revised to include controls to ensure compliance with the Public Bid Law and the documentation required to be maintained for all bids and price quotes.

Receipts/Collections exception noted:

Written policies and procedures regarding management's actions to determine the completeness of all collections for each type of revenue was not addressed.

Management's response:

Management agrees. Written policies and procedures will be revised to include management's actions to determine the completeness of all collections for each type of revenue.

Contracting exception noted:

Written policies and procedures did not address any of the functions in the Contracting category.



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Management's response:

Management agrees: Written policies and procedures will be revised to include the functions in the Contracting category.

Travel and Expense Reimbursement exception noted:

Written policies and procedures for travel and expense reimbursement did not address dollar thresholds by category of expense.

Management's response:

Management agrees. Written policy and procedures will be revised to include dollar thresholds for travel and expense reimbursements by category of expense.

Information Technology Disaster Recovery/Business Continuity exception noted:

Written policies and procedures did not address any of the functions in the Information Technology Disaster Recovery/Business Continuity category.

Management's response:

Written policies and procedures will be revised to include the functions in the Information Technology Disaster Recovery/Business Continuity category.

Bank Reconciliation

Exception noted:

There was no observable evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Management's response:

Management agrees and will implement procedures to have a member of management/board member who does not handle cash, post ledgers, or issue checks document review of each bank reconciliation.

Exception noted:

There was no observable evidence that reconciling items that have been outstanding for more than 12 months from the statement closing date were researched.

Management's response:



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Management agrees and will implement procedures to document research of reconciling items that have been outstanding for more than 12 months.

Fraud Notice

Exception noted:

The entity has not 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.

Management's response:

Management agrees and will post the require fraud notice on the premises, However, management has determined modification of the website is cost prohibitive.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Patchett", is written over a long, thin horizontal line that extends across the page.

Brian Patchett
President and CEO