

BATON ROUGE BAR FOUNDATION
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020



TWRU

CPAs & Financial Advisors

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES.....	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL SCHEDULES:	
SCHEDULE OF REVENUES AND EXPENDITURES BY GRANT.....	14
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD OR CHIEF EXECUTIVE OFFICER	15
INDEPENDENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING</i> <i>STANDARDS</i>	16
SCHEDULE OF FINDINGS AND RESPONSES.....	17



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Baton Rouge Bar Foundation
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Baton Rouge Bar Foundation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Bar Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule on page 14, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or

Chief Executive Officer is required by Louisiana Revised Statute 24:513 (A)(3) and is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021, on our consideration of Baton Rouge Bar Foundation'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 Baton Rouge Bar Foundation'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 Baton Rouge Bar Foundation's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
May 5, 2021



TWRU
CPAs & Financial Advisors

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION
(See Notes to Financial Statements)
December 31, 2020

ASSETS

UNRESTRICTED CURRENT ASSETS:

Cash and Cash Equivalents	\$ 256,998
Accounts Receivable	2,700
Certificates of Deposit	96,146
Other Current Assets	<u>3,115</u>

TOTAL UNRESTRICTED CURRENT ASSETS 358,959

RESTRICTED CURRENT ASSETS:

Cash and Cash Equivalents	<u>15,634</u>
---------------------------	---------------

TOTAL CURRENT ASSETS \$ 374,593

PROPERTY AND EQUIPMENT:

Furniture and Fixtures	99,117
Equipment	1,603
Computers	43,066
Building Improvements	63,271
Building	<u>537,634</u>

TOTAL PROPERTY AND EQUIPMENT 744,691
Less Accumulated Depreciation 454,827
289,864

Land 150,000

NET PROPERTY AND EQUIPMENT 439,864

INVESTMENTS

Marketable Securities, Unrestricted 15,989

TOTAL ASSETS \$ 830,446



LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$	122	
Due to Affiliate		2,927	
Current Portion of Long Term Debt		5,967	
Deferred Grant Revenue		15,000	
TOTAL CURRENT LIABILITIES		<u>24,016</u>	

LONG-TERM LIABILITIES:

PPP Note Payable, Net of Current Portion		<u>24,315</u>	
--	--	---------------	--

TOTAL LIABILITIES

\$ 48,331

NET ASSETS:

Without Donor Restrictions:		771,893	
With Donor Restrictions		<u>10,222</u>	

TOTAL NET ASSETS

782,115

TOTAL LIABILITIES AND NET ASSETS

\$ 830,446

TWRU

CPAs & Financial Advisors

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES
(See Notes to Financial Statements)
For the Year Ended December 31, 2020

	Net Assets		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues:			
Fundraising	\$ 11,892	\$ 5,500	\$ 17,392
Donations	74,439	-	74,439
Interest Income	2,355	-	2,355
Grant Revenue	-	177,202	177,202
Lease Income	18,529	-	18,529
Membership Dues	17,750	-	17,750
Investment Income (Loss)	1,437	-	1,437
Miscellaneous	2,225	-	2,225
Net Assets Released From Restrictions	202,462	(202,462)	-
Total Unrestricted Revenues and Other Support	331,089	(19,760)	311,329
Functional Expenses:			
Program Expenditures	183,831	-	183,831
General and Administrative	80,945	-	80,945
Fundraising	11,773	-	11,773
Total Expenses	276,549	-	276,549
Increase in Net Assets	54,540	(19,760)	34,780
Net Assets at Beginning of Year	717,353	29,982	747,335
Net Assets at End of Year	\$ 771,893	\$ 10,222	\$ 782,115



BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended December 31, 2020

	Functional Expenses			Total
	Program Expenditures	General & Administrative	Fundraising	
Bank Charges	\$ -	\$ 2,631	\$ -	\$ 2,631
City Court Costs	(200)	-	-	(200)
Computer & Technology	7,210	3,515	2,130	12,855
Depreciation	-	16,832	-	16,832
Insurance	-	15,888	-	15,888
Janitorial	-	6,217	-	6,217
Meetings & Seminars	3,212	167	2,357	5,736
Office Supplies	2,474	3,705	449	6,628
Postage	863	9	96	968
Printing	2,813	2,753	1,133	6,699
Professional Fees	2,860	14,900	-	17,760
Repairs & Maintenance	-	5,741	-	5,741
Salaries & Employee Benefits	153,100	-	5,608	158,708
Scholarships	-	4,075	-	4,075
Technology Fees	1,065	-	-	1,065
Telephone	4,751	9.00	-	4,760
Travel	4	-	-	4
Utilities	5,679	4,503	-	10,182
Total	\$ 183,831	\$ 80,945	\$ 11,773	\$ 276,549

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS
(See Notes to Financial Statements)
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 34,780	
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	16,832	
Unrealized Gain on Marketable Securities	(1,032)	
Decrease (Increase) in Assets:		
Accounts Receivable	(1,225)	
Grants Receivable	34,894	
Increase (Decrease) in Liabilities:		
Accounts Payable	122	
Due to Affiliate	176	
Deferred Grant Revenue	<u>(24,501)</u>	
 NET CASH PROVIDED BY OPERATING ACTIVITIES		 \$ 59,880
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of Marketable Securities	160	
Interest Reinvested into Certificate of Deposit	<u>(2,183)</u>	
 NET CASH USED BY INVESTING ACTIVITIES		 <u>(2,023)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from PPP Loan	<u>30,282</u>	
 NET CASH PROVIDED BY FINANCING ACTIVITIES		 <u>30,282</u>
 NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		 88,139
 BEGINNING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		 <u>184,493</u>
 ENDING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		 <u>\$ 272,632</u>

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts in the statement of cash flows.

	<u>12/31/2020</u>
Cash and Cash Equivalents	\$ 256,998
Restricted Cash in Current Assets	<u>15,634</u>
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows	<u>\$ 272,632</u>

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -1-
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Baton Rouge Bar Foundation is a voluntary not-for-profit organization which provides free legal services and education programs for the public in the greater Baton Rouge area.

Basis of Accounting - The financial statements of the Baton Rouge Bar Foundation (the Foundation) have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation - The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The Foundation has both net assets without donor restrictions and net assets with donor restrictions as of December 31, 2020.

Revenue and Revenue Recognition - Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenue With and Without Donor Restrictions - Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, 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.

Use of Estimates - Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments, both unrestricted and restricted, with a maturity of three months or less to be cash equivalents. However, cash, money funds, and other such items with a maturity greater than three months are classified as certificates of deposits in the statement of financial position and are considered investments for the purpose of the statement of cash flows.



BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -2-
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit – Certificates of Deposit represent interest bearing accounts at financial institutions with maturity terms of three months or greater. Certificate of Deposits are stated at face value plus interest when it is compounded to the account. These amounts represent face value.

Accounts Receivable – The Foundation determines past due accounts based on contractual terms and does not charge interest on the accounts. Receivables consist of amounts due from various grants and other receivables. The Foundation charges off a receivable if management considers the collection of the outstanding balance to be doubtful. Management believes that all existing receivables are collectible.

Promises to Give – The Foundation has chosen to recognize all donations when received. The Foundation has chosen not to record any receivable for promises to give. If the Foundation had chosen to recognize the promises to give, the amounts would be immaterial. During the current year, there were no promises to give.

Property and Equipment – Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Maintenance and repairs are charged against earnings when incurred. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in current period earnings. The estimated useful lives for significant property and equipment categories are as follows:

Furniture and Equipment	5 to 7 years
Buildings and improvements	15 to 39 years

Investments – Investments in equity and debt securities are recorded at fair value. Dividend, interest and other investment income including realized and unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities.

Income Taxes – The Foundation has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been made; however, if the Organization should engage in activities unrelated to the purpose for which it was created, taxable income could result. The Organization has no unrelated business income for the year ended December 31, 2020.

Membership Dues – Membership dues are paid by participating members of the Baton Rouge Bar Association and are recognized as revenue in the applicable membership period.

Concentration of Support – During 2020, the Foundation received approximately 54% of its annual revenue from six major grantors.

Concentration of Credit Risk – The Foundation maintains its cash balance at financial institutions where they are insured by the Federal Deposit Insurance Company. The balance of these accounts from time to time exceeds federally insured limits. The Foundation has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents.

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -3-
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services – No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, some Board Members and other local attorneys volunteer their time and perform a variety of tasks that assist the Foundation, but these amounts are estimated to be immaterial.

Advertising – The Foundation expenses advertising costs as they are incurred. The Foundation did not advertise during 2020.

Expense Allocation – Directly identifiable expenses are charges to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

NOTE 2: CERTIFICATES OF DEPOSIT

The Foundation holds two unrestricted certificates of deposit at Iberia Bank and one at Citizens Bank. One certificates at Iberia Bank bear interest at 0.66 % and matures in May 2021 and the other certificate bears interest at 0.70 % and matures in June 2021. The certificate at Citizens Bank bears interest at 0.50 % and matures in November 2021. The total balance of the certificates at Iberia Bank is \$43,838 as of December 31, 2020. The balance of the certificate at Citizens Bank is \$52,308 as of December 31, 2020.

NOTE 3: INVESTMENTS

Investments, which are recorded at fair value, as of December 31, 2020, were held by the Baton Rouge Area Foundation. Investments held by the Baton Rouge Area Foundation are primarily mutual funds. The investments are in pooled accounts. Investment fees at December 31, 2020 were \$564 and were coded to bank charges.

The following schedule summarizes the investment revenue and expenses and their classification in the statements of activities for the year ended December 31, 2020:

	<u>2020</u>
Interest and Dividends	\$ 405
Unrealized Gain, net	<u>1,032</u>
Total investment gain	<u>\$ 1,437</u>

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -4-
December 31, 2020

NOTE 4: DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board Accounting Standards (ASC) provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted priced for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2—Inputs are based upon quoted prices for similar instruments 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 or can be corroborated by observable market data for substantially the full term of assets or liabilities.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Pooled funds: Valued at the net asset value (NAV) of units held by the Foundation at year end.

The preceding methods described may produce fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled Funds held by Baton Rouge Area Foundation	\$ -	\$ 15,989	\$ -
Total	<u>\$ -</u>	<u>\$ 15,989</u>	<u>\$ -</u>

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -5-
December 31, 2020

NOTE 5: PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

During the year, the Foundation was granted a loan (the "Loan") in the aggregate amount of \$30,282 pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a note dated May 8, 2020, issued by the Borrower, bears interest at a rate of 1% per annum, and has a maturity date of August 23, 2023. The note may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before 24 weeks after the initial funding date. The Foundation intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The balance due as of December 31, 2020 was \$30,282.

Future maturities for this note are as follows:

Year 2021	\$ 5,967
Year 2022	15,312
Year 2023	<u>9,003</u>
	<u>\$30,282</u>

NOTE 6: RELATED PARTY TRANSACTIONS

The Baton Rouge Bar Foundation and the Baton Rouge Bar Association (the Association) are affiliated organizations through common management. The Association is not included in these financial statements. Both organizations share the same board of directors, president, and accounting personnel. The Association rents office space from the Foundation on a monthly basis. Rental income for the year ended December 31, 2020 was \$2,400.

The Foundation and the Association split the cost of some joint expenses. The types of expenses that are incurred by both organizations include insurance, office supplies, telephone, and printing. The organizations also allocate expenses based on actual costs and the estimate of usage. These types of expenses include salaries, payroll taxes, reproduction, and postage. All employees are employed by the Association and their salaries and benefits are allocated to the Foundation. During 2020, the Foundation paid a net amount of \$159,813 to the Association for joint expenses. At December 31, 2020, the Foundation owes \$2,927 to the Association for these types of expenses.

Although a portion of the Association's executive director's time and the Association's office manager's time is spent on The Foundation, management has decided not to allocate any salary expense of these two employees to the Foundation. The dollar amount that should be allocated has not been determined, and management believes it would not be significant.

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -6-
December 31, 2020

NOTE 7: NET ASSETS WITH RESTRICTIONS

Net assets with restrictions were available for the following purposes at December 31, 2020:

Flood Donations	\$ 2,200
Law Day	330
Holiday Star	5,500
Jock Scott	<u>2,192</u>
	<u>\$ 10,222</u>

Net assets released from restrictions during the year ended December 31, 2020 of \$202,462 were for program expenses as follows:

Pro Bono IOLTA Grant	\$ 72,018
Pro Bono SLLC Grant	52,000
Youth Education	23,684
Wilson Foundation	22,500
Law Day Grant	4,170
American College of Bankruptcy Grant	771
Baton Rouge Area Foundation Grant	2,083
Disaster Recovery Grant	315
Financial Literacy	5,423
LA Flood Recovery Grant	2,932
Renovation of new building	4,326
South Burbank Crime Prevention	2,213
Teen Court Federal Earmark Grant	4,971
Teen Court OYD Grant	4,748
Jock Scott Grant	<u>308</u>
	<u>\$ 202,462</u>

NOTE 8: INCOME TAXES

The Foundation follows FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. The guidance prescribes a recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2020, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. No interest and penalties were recorded during the year ended December 31, 2020. Generally, the tax years before 2017 are no longer subject to examination by federal, state, or local taxing authorities.



BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -7-
December 31, 2020

NOTE 9: OPERATING LEASE REVENUE

The Foundation entered into an operating lease for a telecommunications facility as a lessor in April 2016. The lease agreement expires March 31, 2021 and is available for renewal up to four, 5-year terms. Monthly rent income is \$1,200. As of December 31, 2020, the Foundation received \$18,529 and is stated on the Statement of Activities under lease income.

NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current Assets, excluding nonfinancial assets	<u>12/31/20</u> \$ 371,833
Less those unavailable for general expenditures within one year:	
Donor restrictions for specific purposes	<u>(10,222)</u>
Financial Assets available to meet cash needs for General expenditures within one year	<u>\$ 361,611</u>

NOTE 11: SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through May 5, 2021, the date the financial statements were available to be issued.

Subsequent to year end, the Company was granted a loan (the "Loan") in the aggregate amount of \$34,784 pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a note dated March 2, 2021, issued by the Borrower, bears interest at a rate of 1% per annum, and has a maturity date of March 2, 2026. The note may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before 24 weeks after the initial funding date. The Company intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. No determination has been made as to whether the Company will be eligible for forgiveness, in whole or in part.

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF REVENUES AND EXPENDITURES BY GRANT
(See Notes to Financial Statements)
For the Year Ended December 31, 2020

	Pro Bono IOLTA Grant	Pro Bono SLLC Grant	Youth Education Grant	Wilson Foundation Grant	Jock Scott Grant	Law Day Grant	TOTAL
GRANT REVENUE	72,018	\$ 52,000	\$ 23,684	\$ 22,500	2,500	\$ 4,500	\$ 177,202
EXPENDITURES							
City Court Costs	(200)	-	-	-	-	-	(200)
Computer Usage Fee	2,030	5,100	80	-	-	-	7,210
Meetings and Seminars	8	1,135	531	425	-	1,113	3,212
Office Supplies	775	1,048	343	-	308	-	2,474
Postage	96	660	1	89	-	17	863
Printing	400	1,952	296	67	-	98	2,813
Professional Fees	2,000	-	500	360	-	-	2,860
Salaries and Employee Benefits	59,456	36,551	32,992	24,101	-	-	153,100
Scholarships	-	-	0	-	-	-	-
Technology Fees	1,065	-	-	-	-	-	1,065
Telephone	511	2,200	2,040	-	-	-	4,751
Travel	-	4	0	-	-	-	4
Utilities	-	3,503	2,176	-	-	-	5,679
TOTAL EXPENDITURES	<u>66,141</u>	<u>52,153</u>	<u>38,959</u>	<u>25,042</u>	<u>308</u>	<u>1,228</u>	<u>183,831</u>
REVENUE IN EXCESS OF EXPENDITURES (EXPENDITURES IN EXCESS OF REVENUES)	<u>\$ 5,877</u>	<u>\$ (153)</u>	<u>\$ (15,275)</u>	<u>\$ (2,542)</u>	<u>\$ 2,192</u>	<u>\$ 3,272</u>	<u>\$ (6,629)</u>

Note: During the year ended December 31, 2020, expenses incurred and allocated to the various grant programs were in excess of the grant revenue received by the Foundation. The excess of expenses were funded by the Foundation.

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER

For the Year Ended December 31, 2020

Agency Head Name: Ann Gregorie, Executive Director

The Foundation does not pay any compensation, reimbursements, benefits or other payments to the executive director or other board members. All board members serve in a volunteer capacity. There are no reportable amounts.



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

To the Board of Directors
Baton Rouge Bar Foundation

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 Baton Rouge Bar Foundation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Baton Rouge Bar Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Baton Rouge Bar Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Baton Rouge Bar Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TWRU

CPAs and Financial Advisors
Baton Rouge, Louisiana
May 5, 2021

BATON ROUGE BAR FOUNDATION
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Baton Rouge Bar Foundation.
2. Current Year Findings – None
3. No instances of noncompliance material to the financial statements of the Baton Rouge Bar Foundation were disclosed during the audit.