

**BATON ROUGE  
BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**BATON ROUGE, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2020**

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**  
**DECEMBER 31, 2020**

TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
<b>NOTES TO FINANCIAL STATEMENTS</b>	9-17
<b>SUPPLEMENTAL INFORMATION</b>	
<b>INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION</b>	
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 <i>Government</i> <i>Auditing Standards</i>	20-21
Schedule of Findings and Questioned Costs	22
Summary Schedule of Prior Audit Findings	23

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## INDEPENDENT AUDITORS' REPORT

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The Board of Directors  
Baton Rouge Black Alcoholism Council, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Baton Rouge Black Alcoholism Council, Inc. (Metro Health) (a nonprofit 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.

### Auditors' 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 of 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 auditors' judgment, including the assessment of the risks of material misstatements 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 Black Alcoholism Council, Inc. 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021, on our consideration of Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Black Alcoholism Council, Inc.'s internal control over financial reporting and compliance.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
June 16, 2021

## **FINANCIAL STATEMENTS**

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 8,261
Grants and Contracts Receivable	165,327
Other Receivables	<u>1,312</u>
Total Current Assets	<u>174,900</u>

PROPERTY AND EQUIPMENT (NET)	<u>6,030</u>
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TOTAL ASSETS	<u>\$ 180,930</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 29,872
Technical Overdraft	1,383
Accrued Payroll and Related Liabilities	10,291
Current Portion of Copier Lease Payable	2,525
Current Portion of Notes Payable	<u>30,264</u>
Total Current Liabilities	<u>74,335</u>

**LONG-TERM LIABILITIES**

Related Party Loans	26,086
Copier Lease Payable, Less Current Portion	3,081
Notes Payable, Less Current Portion	<u>170,356</u>
Total Long-Term Liabilities	<u>199,523</u>

TOTAL LIABILITIES	<u>273,858</u>
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**NET DEFICIT**

Net Deficit Without Donor Restrictions	<u>(92,928)</u>
Total Net Deficit	<u>(92,928)</u>

TOTAL LIABILITIES AND NET DEFICIT	<u>\$ 180,930</u>
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The accompanying notes are an integral part of these statements.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**

**STATEMENT OF ACTIVITIES  
DECEMBER 31, 2020**

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenues, Gains and Public Support

Contributions	\$ 11,501
Grants and Contracts	904,950
Patient Service Revenue	14,225
Contractual Adjustments	(8,535)
Office Space Rental	5,250
Miscellaneous Income	3,473
Fundraising	<u>10,471</u>

TOTAL REVENUES, GAINS AND PUBLIC SUPPORT 941,335

**EXPENSES AND LOSSES**

Program Services:

AIDS Education and Relief 793,658

Supporting Services:

Management and General 89,281

Fundraising 3,635

Total Expenses 886,574

CHANGE IN NET ASSETS 54,761

NET DEFICIT AT BEGINNING OF YEAR (147,689)

NET DEFICIT AT END OF YEAR \$ (92,928)

The accompanying notes are an integral part of these statements.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2020**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		
	<u>AIDS EDUCATION AND RELIEF</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Compensation and Related Expenses				
Salaries	\$ 408,535	\$ 68,840	\$ -	\$ 477,375
Employee Benefits	12,225	2,820	-	15,045
Payroll Taxes	<u>30,383</u>	<u>5,264</u>	<u>-</u>	<u>35,647</u>
	451,143	76,924	-	528,067
Bank Charges	-	495	-	495
Contract Personnel	57,274	7,750	2,700	67,724
Depreciation	2,357	560	-	2,917
Donations	1,000	-	-	1,000
Dues and Subscriptions	521	-	-	521
Education/Training	141	-	-	141
Fundraisers	-	-	935	935
Incentives	1,158	-	-	1,158
Insurance	15,520	-	-	15,520
Interest Expense	-	3,000	-	3,000
Legal and Accounting	18,390	-	-	18,390
License	600	-	-	600
Meetings	479	-	-	479
Penalties	-	552	-	552
Postage	360	-	-	360
Professional	3,480	-	-	3,480
Program Expense	193,494	-	-	193,494
Rent	17,581	-	-	17,581
Repairs and Maintenance	4,402	-	-	4,402
Supplies/Materials	19,272	-	-	19,272
Travel and Seminars	154	-	-	154
Utilities and Telephone	<u>6,332</u>	<u>-</u>	<u>-</u>	<u>6,332</u>
 TOTAL	 <u>\$ 793,658</u>	 <u>\$ 89,281</u>	 <u>\$ 3,635</u>	 <u>\$ 886,574</u>

The accompanying notes are an integral part of these statements.



**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**

**STATEMENT OF CASH FLOWS  
DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in Net Assets	<u>\$ 54,761</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	2,917
Changes in Current Assets and Liabilities:	
Grants and Contracts Receivable	(86,094)
Other Receivables	(512)
Accounts Payable	(9,741)
Technical Overdraft	1,383
Accrued Payroll and Related Liabilities	<u>(38,543)</u>
Net Cash (Used In) Operating Activities	<u>(75,829)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of Capital Lease	(2,775)
Proceeds from Long-Term Debt	97,120
Repayments on Loans/Notes	<u>(16,500)</u>
Net Cash Provided By Financing Activities	<u>72,963</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (2,866)

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 11,127

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 8,261

The accompanying notes are an integral part of these statements.

## **NOTES TO FINANCIALS**

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(A) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Baton Rouge Black Alcoholism Council, Inc. (Organization) is a Louisiana voluntary health non-profit corporation, incorporated on December 12, 1988.

The mission of the Organization is to develop and implement strategies that will reduce the spread of HIV/AIDS and other sexually transmitted infections (STIs); to educate and provide risk reduction counseling and testing to individuals in institutional and community settings; to encourage early HIV testing, to motivate behavioral changes in persons with behaviors that put them at risk of getting infected with HIV/STIs; to increase the awareness of preventative services; to render support and direction to persons infected with HIV and other STIs; to offer alcohol and drug prevention and referral services; and to offer youth development programs.

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Currently, the Organization has no net assets with donor restrictions.

**Net Assets**

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2020, the Organization has \$-0- in net assets with donor restrictions.

**Public Support and Revenue**

Contributions and grants received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(A) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**Public Support and Revenue - (continued)**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Prepaid Expenses**

Material insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

**Property and Equipment**

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method.

**Income Tax**

The Organization is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code, and has been designated as an organization other than a private foundation. Accordingly, no provision has been made for income taxes in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the years prior to 2017.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(A) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Revenue Recognition**

**Grants and Contributions**

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. No amounts were received in advance under the Organization's grants in 2020.

Grants and contributions are recorded depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

**340B Program Revenue**

The Organization contracts with local retail pharmacies under the program, which results in additional revenues and discounts on outpatient prescriptions for the Organization's patients. Revenue and expenditures related to this program are recorded once the prescription drugs are transferred from the retail pharmacy to the patient. Laws and regulations surrounding the 340B drug program are complex and are subject to interpretation and change.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(A) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**Revenue Recognition – (continued)**

**Patient Service Fees**

Patient service fees represent the estimated net realizable amounts from patients, third party payers, and others for services rendered or prescriptions dispensed. Revenues are recorded during the period the health care services are provided, based upon the estimated amounts due from payers. Estimates of contractual allowances are based upon the specified payment terms.

Laws and regulations governing the Medicaid programs are complex and subject to interpretation. The estimated reimbursement amounts are made on a payer-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations, and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Due to the complexities involved in the classification and documentation of health care services authorized and provided, the estimation of revenues earned and the related reimbursement are often subject to interpretations that could result in payments that are different from the Organization's estimates.

The Organization provides discounts from gross charges to uninsured patients who do not qualify for Medicaid. These discounts are like those provided to many local managed care plans. After the discounts are applied, if the Organization is still unable to collect a significant portion of uninsured patients' accounts, it records significant provisions for doubtful accounts (based upon historical collection experience) related to uninsured patients in the period the services are provided.

The Organization receives payments for patient services from the federal government under the Medicare program, state governments under their respective Medicaid or similar programs, managed care plans, and directly from patients.

The laws and regulations governing the Organization's operations, along with the terms of participation in various government programs, regulate how the Organization does business, the services offered and its interactions with patients and the public. These laws and regulations, and their interpretations, are subject to frequent change. Changes in existing laws or regulations, or their interpretations, or the enactment of new laws or regulations could materially and adversely affect the Organization's operations and financial condition.

The Organization is subject to various routine and non-routine governmental reviews, audits and investigations. Violation of the laws governing the Organization's operations, or changes in the interpretation of those laws, could result in the imposition of fines, civil or criminal penalties, and/or termination of the Organization's rights to participate in federal and state-sponsored programs and suspension or revocation of the Organization's licenses. The Organization believes that it is in material compliance with all applicable laws and regulations.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(A) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**Fair Value Considerations**

Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

**(B) GRANTS AND CONTRACTS RECEIVABLE**

The Organization's grants and contracts receivable at year end consist of the following:

State of Louisiana	\$ 53,573
City of Baton Rouge	90,474
Contracts	<u>21,280</u>
	<u>\$ 165,327</u>

**(C) FIXED ASSETS**

A summary of fixed assets follows:

Equipment Cost	\$ 41,866
Accumulated Depreciation	<u>(35,836)</u>
Book Value	<u>\$ 6,030</u>

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(D) NOTES PAYABLE**

**State of Louisiana**

In November 2017, the Organization entered into a note payable with the State of Louisiana in the amount of \$150,000 bearing zero interest with sixty monthly payments of \$1,500 beginning on May 1, 2018. The note will mature on April 1, 2023. Absent an event of default, payment of all monthly principal payments in the amounts set forth shall be deemed to have been paid in full at maturity and the remaining \$60,000 of the note will be forgivable. In the event of default, the forgivable portion shall be due and payable. The balance due at December 31, 2020 is \$103,500.

**Paycheck Protection Program (PPP)**

In April 2020, the Organization was granted a loan from Chase Bank in the aggregate amount of \$97,120, pursuant to the Paycheck Protection Program (the "PPP"). The Loan, which was in the form of a Note dated April 8, 2020, matures on September 8, 2023, and bears interest at a rate of 0.98% per annum, payable monthly in 18 payments of \$4,088 commencing on October 8, 2021. The Note may be prepaid at any time prior to maturing with no prepayment penalties.

The Organization may be eligible for loan forgiveness of up to the full principle amount and any accrued interest owing under this Note pursuant to Section 1106 of the CARES Act and the PPP Rules.

The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it cannot be assured that actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part will not occur. The loan was forgiven by the Small Business Administration in February 2021.

Total Long-Term Notes Payable	\$ 200,620
Less: Current Maturities	<u>(30,264)</u>
Total Long-Term Debt	<u>\$ 170,356</u>

Maturities of Long-Term Debt are as follows:

2021	\$ 30,264
2022	67,057
2023	<u>103,299</u>
Total Notes Payable	<u>\$ 200,620</u>



**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(E) CAPITAL LEASES**

On January 26, 2018, the Organization entered into a lease for a copy machine through Toshiba. The lease is for 63 months at an imputed interest rate of 4.82% per annum, with monthly payments of \$212. There is an option to purchase at the end of the lease for \$1.

The following is an analysis of the leased asset included in Property and Equipment:

Equipment	\$ 14,583
Less: Accumulated Depreciation	<u>(8,553)</u>
	<u>\$ 6,030</u>

The following is a schedule by years of future minimum payments required under the lease together with its present value as of December 31:

2021	\$ 2,757
2022	2,545
2023	<u>637</u>
Total Minimum Lease Payments	5,939
Less Amount Representing Interest	<u>(333)</u>
Present Value of Minimum Lease Payments	<u>\$ 5,606</u>

**(F) SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid during the year for interest	<u>\$ 3,000</u>
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**(G) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR**

A detail of compensation, benefits, and other payments paid to the Executive Director, Shirley Lolis for the year ended December 31, 2020:

<u>Purpose</u>	<u>Amount</u>
Salary and Related Expenses	\$ 108,783
Benefits - Insurance	\$ 10,073

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**(H) RELATED PARTY**

As of December 31, 2020, the Organization has a zero interest loan with a related party of \$30,968 to cover operating expenses.

The board hired the son of the Executive Director as an Event Coordinator. As of December 31, 2020, he received compensation totaling \$27,683.

**(I) LEASE OBLIGATIONS**

The Organization leases office space in two community center locations from the City of Baton Rouge for a monthly rental of \$600 and \$800 per month, respectively. The leases have expired and the Organization leases on a month-to-month basis. Rent expense related to these leases totaled \$16,800 at December 31, 2020.

**(J) JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES**

There is no litigation or pending claims against the Organization.

**(K) REVENUE RECOGNITION**

The Organization recognizes revenue from office space rental when the performance obligation of providing the services are met (i.e., the office space, telephone and copier are made available for tenant's use). Revenue is recognized when 1) a memorandum of understanding has been signed, 2) fees are paid 3) space has been provided.

The following table presents the Organization's net revenue disaggregated based on the revenue source:

Office Space Rental	<u>\$ 5,250</u>
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**(L) BOARD OF DIRECTORS COMPENSATION**

The Board of Directors is a voluntary board, therefore, no compensation has been paid to any member.

**(M) RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No claims were made during the year.

**(N) ECONOMIC DEPENDENCY**

The Organization receives the majority of its revenues from funds provided through payments administered by the Office of Public Health and the City of Baton Rouge. If significant budget cuts are made at the federal and/or state level the amount of funds the Organization receives could be reduced significantly and have an impact on its operations.

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**  
**D/B/A METRO HEALTH**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**(O) CONTINGENCIES**

The Organization receives a portion of its revenues from governmental grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

**(P) CONCENTRATION OF CREDIT RISK**

The Organization maintains accounts with two financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2020, the Organization had no uninsured cash balances.

**(Q) ADVERTISING**

The Organization uses advertising to promote its programs among the individuals it serves. The cost of this advertising is expensed as incurred. Advertising costs totaled \$0- for the year ended December 31, 2020.

**(R) LIQUIDITY AND AVAILABILITY**

The Organization has \$174,900 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$8,261 and receivables of \$166,639. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

**(S) SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 16, 2021, which is the date the financial statements were available to be issued.

- On February 15, 2021, the Organization (“the Borrower”) was granted a loan (“the Loan”) from JPMorgan Chase Bank, N.A. (“the Lender”) in the aggregate amount of \$97,122, pursuant to the Paycheck Protection Program (the “PPP”) Round 2. The Loan, which was in the form of a note dated February 15, 2021, issued by the Lender, matures on February 15, 2026, and bears interest at a rate of 0.98% per annum, payable in 48 monthly installments commencing on March 15, 2022. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties.
- During February 2021, the note payable listed as (Note D - Notes Payable - Paycheck Protection Program) was forgiven (100%) by the Small Business Administration (SBA).

## **SUPPLEMENTAL INFORMATION**

**INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION**

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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P.O. Box 80569 • Lafayette, Louisiana 70598-0569  
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## 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*

JOHN W. WRIGHT, CPA \*

JAMES H. DUPUIS, CPA \*

JAN H. COWEN, CPA \*

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

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APA, CFF/MAFF\*

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TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

The Board of Directors  
Baton Rouge Black Alcoholism Council, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Baton Rouge Black Alcoholism Council, Inc. (a nonprofit organization), as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Baton Rouge Black Alcoholism Council, Inc.'s internal control as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Baton Rouge Black Alcoholism Council, Inc.'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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Baton Rouge Black Alcoholism Council, Inc.'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

Lafayette, Louisiana  
June 16, 2021

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

We have audited the financial statements of Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2020, and have issued our report thereon dated June 16, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2020, resulted in an unmodified opinion.

***Section I - Summary of Auditors' Reports***

***a. Report on Internal Control and Compliance Material to the Financial Statements***

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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***b. Federal Awards***

N/A

***c. Management Letter***

Was a management letter issued?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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***Section II - Financial Statement Findings***

There were no findings noted during the current year.

***Section III - Federal Awards Findings and Questioned Costs***

N/A



**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.  
D/B/A METRO HEALTH**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2020**

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>
2018-2ML	12/31/2013	Management failed to make 941 tax payments in a timely manner.	Yes, 941 tax payments are current.
2018-3ML	12/31/2012	Management failed to deposit 403B payments with the Sponsor.	Yes, issue has been resolved.