

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

**BATON ROUGE, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2021**

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.**  
**DECEMBER 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the accompanying financial statements of Baton Rouge Black Alcoholism Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Black Alcoholism Council, Inc. as of December 31, 2021, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Baton Rouge Black Alcoholism Council, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Baton Rouge Black Alcoholism Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Baton Rouge Black Alcoholism Council, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Baton Rouge Black Alcoholism Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, 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 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 Black Alcoholism Council, Inc.'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 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 20, 2022

## **FINANCIAL STATEMENTS**

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

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 79,859
Grants and Contracts Receivable	209,234
Other Receivables	<u>1,750</u>
Total Current Assets	<u>290,843</u>

**PROPERTY AND EQUIPMENT (NET)**

4,839

**TOTAL ASSETS**

\$ 295,682

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 8,735
Accrued Payroll and Related Liabilities	10,650
Current Portion of Copier Lease Payable	2,450
Current Portion of Notes Payable	<u>18,000</u>
Total Current Liabilities	<u>39,835</u>

**LONG-TERM LIABILITIES**

Related Party Loans	15,452
Copier Lease Payable, Less Current Portion	630
Notes Payable, Less Current Portion	<u>66,000</u>
Total Long-Term Liabilities	<u>82,082</u>

**TOTAL LIABILITIES**

121,917

**NET ASSETS**

Net Assets Without Donor Restrictions	<u>173,765</u>
Total Net Assets	<u>173,765</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 295,682

The accompanying notes are an integral part of these statements.

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

**STATEMENT OF ACTIVITIES  
DECEMBER 31, 2021**

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenues, Gains and Public Support	
Contributions	\$ 21,282
Grants and Contracts	944,850
PPP Loan Forgiveness	194,242
Patient Service Revenue	53,961
Contractual Adjustments	(11,480)
Office Space Rental	5,753
Miscellaneous Income	<u>25</u>
 TOTAL REVENUES, GAINS AND PUBLIC SUPPORT	 <u>1,208,633</u>
 <b>EXPENSES AND LOSSES</b>	
Program Services:	
AIDS Education and Relief	874,212
Supporting Services:	
Management and General	62,641
Fundraising	<u>5,087</u>
Total Expenses	<u>941,940</u>
 CHANGE IN NET ASSETS	 266,693
 NET DEFICIT AT BEGINNING OF YEAR	 <u>(92,928)</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 173,765</u>

The accompanying notes are an integral part of these statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2021**

	PROGRAM SERVICES	SUPPORTING SERVICES		
	EDUCATION AND RELIEF	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Compensation and Related Expenses				
Salaries	\$ 469,896	\$ 45,719	\$ -	\$ 515,615
Employee Benefits	14,646	3,637	-	18,283
Payroll Taxes	<u>37,934</u>	<u>3,498</u>	-	<u>41,432</u>
	522,476	52,854	-	575,330
Advertising	8,564	-	-	8,564
Bank Charges	-	50	-	50
Contract Personnel	96,473	7,750	2,700	106,923
Depreciation	2,368	593	-	2,961
Donations	700	-	-	700
Dues and Subscriptions	303	-	-	303
Education/Training	390	-	-	390
Fundraisers	-	-	2,387	2,387
Incentives	714	-	-	714
Insurance	13,842	-	-	13,842
Interest Expense	-	887	-	887
Legal and Accounting	15,610	-	-	15,610
Licenses	600	-	-	600
Meetings	408	-	-	408
Penalties	-	507	-	507
Postage	147	-	-	147
Professional	5,565	-	-	5,565
Program Expense	166,579	-	-	166,579
Rent	19,524	-	-	19,524
Repairs and Maintenance	2,218	-	-	2,218
Supplies/Materials	9,663	-	-	9,663
Utilities and Telephone	<u>8,068</u>	-	-	<u>8,068</u>
<b>TOTAL</b>	<u>\$ 874,212</u>	<u>\$ 62,641</u>	<u>\$ 5,087</u>	<u>\$ 941,940</u>

The accompanying notes are an integral part of these statements.

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

**STATEMENT OF CASH FLOWS  
DECEMBER 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in Net Assets	<u>\$ 266,693</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	2,961
PPP Loan Forgiveness	(194,242)
Changes in Current Assets and Liabilities:	
Grants and Contracts Receivable	(43,907)
Other Receivables	(437)
Accounts Payable	(21,140)
Accrued Payroll and Related Liabilities	<u>360</u>
Net Cash Provided By Operating Activities	<u>10,288</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	<u>(1,770)</u>
Net Cash (Used In) Investing Activities	<u>(1,770)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of Related Party Loans	(10,634)
Repayment of Capital Lease	(2,525)
Proceeds from Long-Term Debt	97,122
Repayment of Long-Term Debt	<u>(19,500)</u>
Net Cash (Used In) Financing Activities	<u>64,463</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 72,981

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 6,878

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 79,859

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, 2021**

**(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 (STI's); 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/STI's; to increase the awareness of preventative services; to render support and direction to persons infected with HIV and other STI's; 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, revenues, 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, 2021, 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, 2021**

**(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 2018.

**Advertising**

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed the first time the advertising takes place. During 2021, advertising expense was \$8,564.

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**(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 2021.

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, 2021**

**(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, 2021**

**(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	\$ 73,266
City of Baton Rouge	76,952
National Foundation for the Centers for Disease Control and Prevention, Inc.	17,730
Contracts	41,286
	<u>\$ 209,234</u>

**(C) FIXED ASSETS**

A summary of fixed assets follows:

Equipment Cost	\$ 42,205
Accumulated Depreciation	(37,366)
Book Value	<u>\$ 4,839</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**(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, 2021, is \$84,000.

**Paycheck Protection Program (PPP)**

In April 2020 and February 2021, the Organization was granted a loan from Chase Bank in the aggregate amounts of \$97,120 and \$97,122, respectively, pursuant to the Paycheck Protection Program (the "PPP").

The loans were forgiven by the Small Business Administration in February 2021 and October 2021. The forgiven amount of \$194,242 is reflected on the Statement of Activities.

**(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>(11,470)</u>
	<u>\$ 3,113</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:

2022	\$ 2,545
2023	<u>635</u>
Total Minimum Lease Payments	3,180
Less Amount Representing Interest	<u>(100)</u>
Present Value of Minimum Lease Payments	<u>\$ 3,080</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**(F) SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid during the year for interest \$ 887

**(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, 2021:

<u>Purpose</u>	<u>Amount</u>
Salary and Related Expenses	\$ 118,021
Benefits - Insurance	\$ 12,990

**(H) RELATED PARTY**

As of December 31, 2021, the Organization has a zero interest loan with a related party of \$15,452 to cover operating expenses.

The board hired the son of the Executive Director as an Event Coordinator. As of December 31, 2021, he received compensation totaling \$32,205.

A relative of the Executive Director worked on an emergency basis to ensure operations continued in the interim. As of December 31, 2021, compensation totaling \$200 was paid.

**(I) LEASE OBLIGATIONS**

The Organization leases office space in a community center location from the City of Baton Rouge for a monthly rental of \$600 per month. The lease has expired and the Organization leases on a month-to-month basis.

The Organization leases office space in a community center location from the City of Baton Rouge for a monthly rental of \$800 per month. Effective, July 1, 2021, the lease was renewed on a month-to-month basis with an increase in monthly rent from \$800 to \$1,100.

Rent expense related to these leases totaled \$18,600 at December 31, 2021. Other expenses in the rent expense account pertain to the monthly rent of \$97 for storage. Rent expense related to storage totaled \$924 at December 31, 2021.

**(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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**(K) REVENUE RECOGNITION - continued**

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

Office Space Rental	<u>\$5,753</u>
---------------------	----------------

**(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 a significant portion 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.

**(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, 2021, the Organization had no uninsured cash balances.

**(Q) COMPENSATED ABSENCES**

Employees of the Organization are entitled to paid vacation, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

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

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**(R) LIQUIDITY AND AVAILABILITY**

The Organization has \$290,843 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$79,859 and receivables of \$210,984. 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 20, 2022, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

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

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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*

LANCE E. CRAPPELL, CPA, CGMA \*

MICAH R. VIDRINE, CPA \*

TRAVIS M. BRINSKO, CPA \*

CHRISTINE R. DUNN, CPA\*\*

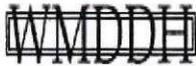
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The Board of Directors  
Baton Rouge Black Alcoholism Council, Inc.  
Baton Rouge, Louisiana

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, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2022.

### Report on 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 over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of Baton Rouge Black Alcoholism Council, Inc.'s internal control. 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

### **Report on 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 misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 20, 2022

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

We have audited the financial statements of Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2021, and have issued our report thereon dated June 20, 2022. 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, 2021, 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, 2021**

There were no prior year audit findings.

**BATON ROUGE  
BLACK ALCOHOLISM COUNCIL, INC.  
d/b/a METRO HEALTH, INC.**

Lafayette, Louisiana

Independent Accountants' Report  
on Applying Agreed-Upon Procedures

Year Ended December 31, 2021

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

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors, Management,  
and the Louisiana Legislative Auditor:  
Baton Rouge Black Alcoholism Council, Inc.  
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. Baton Rouge Black Alcoholism Council, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

The Baton Rouge Black Alcoholism Council, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating management's assertions about Baton Rouge Black Alcoholism Council, Inc.'s compliance with certain laws, regulations, and best practices. Additionally, the Legislative Auditor, State of Louisiana, has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the applicable functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- d) **Receipts**, 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.

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the functions noted above.*

- 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

*Written policies and procedures were obtained and address the functions noted above.*

- 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, and (5) monitoring card usage

*Written policies and procedures were obtained and address the applicable functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*This section is not applicable for a non-profit.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*This section is not applicable for a non-profit.*

- 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.

*Written policies and procedures were obtained and address the applicable functions noted above.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.*

***Board (or Finance Committee, if applicable)***

---

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 that 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.

*This section is not applicable for a non-profit.*

- 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.

*This section is not applicable for a non-profit.*

***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts 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);

*Exceptions noted. 4 out of 4 accounts reviewed did not have bank reconciliations performed within two months.*

- 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

*No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions noted.*

### Collections

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*No exceptions noted.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions noted.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*No exceptions noted.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exceptions noted.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*No exceptions noted.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

*Exception noted. Insurance policy does not include theft.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*Exception noted. Deposits are not made weekly.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

***Non-Payroll Disbursements (excluding card purchase/payments, travel reimbursements, and petty cash purchases)***

---

8. 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).

*No exceptions noted.*

9. For each location selected under #8 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.*

10. For each location selected under #8 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 that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

*No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*No exceptions noted.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*No exceptions noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*Exception noted. Finance charges and late fees were assessed.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*No exceptions noted.*

#### ***Travel and Expense Reimbursement***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*There were no travel and expense reimbursements in 2021, therefore, this was not tested.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*There were no travel and expense reimbursements in 2021, therefore, this was not tested.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*There were no travel and expense reimbursements in 2021, therefore, this was not tested.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*There were no travel and expense reimbursements in 2021, therefore, this was not tested.*

## ***Contracts***

---

15. 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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*This section was not applicable.*

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

*No exceptions noted.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

*No exceptions noted.*

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

*No exceptions noted.*

## ***Payroll and Personnel***

---

16. 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.

*No exceptions noted.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

18. 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 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.

*No termination payments were made in 2021.*

19. 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.

*No exceptions noted.*

#### ***Ethics (excluding nonprofits)***

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*This section is not applicable for a non-profit.*

- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*This section is not applicable for a non-profit.*

#### ***Debt Service (excluding nonprofits)***

---

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*This section is not applicable for a non-profit.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*This section is not applicable for a non-profit.*

### ***Fraud Notice***

---

23. 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.

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

24. Observe that 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.

*No exceptions noted.*

### ***Information Technology Disaster Recovery/Business Continuity***

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25. 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.
  - 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.
  - 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 procedures and discussed the results with management.*

## ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.*

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

*Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.*

We were engaged by Baton Rouge Black Alcoholism Council, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on management's financial records and compliance with applicable laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Baton Rouge Black Alcoholism Council, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Baton Rouge Black Alcoholism Council, Inc. and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

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

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

Lafayette, Louisiana  
June 20, 2022

## BOARD OF DIRECTORS

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Shirley A. Lolis, Executive Director/CEO  
Wendell James, Asst. Director

June 20, 2022

Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC  
P.O. Box 80569  
Lafayette, Louisiana 70598

The following is Management's responses to the 2021 agreed upon procedures report submitted.

### BANK RECONCILIATIONS

- 3a) Management will implement procedures to ensure bank reconciliations are performed within 2 months of the statement closing date.

### COLLECTIONS

6. Management will review its insurance coverage and determine the cost versus benefit of adding theft to the policy.
- 7d. Management will implement procedures to ensure collections are deposited within 1 business day.

### CREDIT CARDS

- 12b. Prior to these AUP's being performed, Management had taken steps to pay off credit card balances to ensure no finance or late fees were assessed.

If any additional information is needed, please contact me.

Shirley Lolis  
Executive Director  
Baton Rouge Black Alcoholism Council, Inc.