

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

BATON ROUGE, LOUISIANA

**ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019**

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
DECEMBER 31, 2019

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8-16
SUPPLEMENTAL INFORMATION	
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
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 Auditing Standards</i>	19-20
Schedule of Findings and Questioned Costs	21
Summary Schedule of Prior Audit Findings	22
Management's Corrective Action Plan	23

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

INDEPENDENT AUDITORS' REPORT

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISHBEE, CPA, MBA

JUDITH FAULK, CPA, APA

DEREK GODEAUX, CPA, MSA

SHAUN GRANTHAM, MBA, CPA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

MARY PATRICIA KEELEY, CPA

CORITA K. KUON, CPA, CVA

JOSEPH LACOMBE, CPA

ALEXANDRA LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

ROBIN G. STOCKTON, CPA

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 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, 2019, 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 consolidated 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, 2019, 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 September 22, 2020, 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
September 22, 2020

FINANCIAL STATEMENTS

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 11,127
Grants and Contracts Receivable	79,233
Other Receivables	<u>800</u>
Total Current Assets	<u>91,160</u>

PROPERTY AND EQUIPMENT (NET)

8,946

TOTAL ASSETS

\$ 100,106

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 39,611
Accrued Payroll and Related Liabilities	48,835
Copier Lease Payable	2,965
Current Portion of Note Payable, State of Louisiana (Restore Grant)	<u>18,000</u>
Total Current Liabilities	<u>109,411</u>

LONG-TERM LIABILITIES

Related Party Loans	30,968
Copier Lease Payable	5,416
Note Payable, State of Louisiana (Restore Grant)	<u>102,000</u>
Total Long-Term Liabilities	<u>138,384</u>

TOTAL LIABILITIES

247,795

NET DEFICIT

Net Deficit Without Donor Restrictions	<u>(147,689)</u>
Total Net Deficit	<u>(147,689)</u>

TOTAL LIABILITIES AND NET DEFICIT

\$ 100,106

The accompanying notes are an integral part of these statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF ACTIVITIES
DECEMBER 31, 2019**

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues, Gains and Public Support

Contributions	\$ 430
Grants and Contracts	747,407
Miscellaneous Income	2
Fundraising	<u>12,022</u>

TOTAL REVENUES, GAINS AND PUBLIC SUPPORT 759,861

EXPENSES AND LOSSES

Program Services:

AIDS Education and Relief 668,974

Supporting Services:

Management and General 101,521

Fundraising 3,063

Total Expenses 773,558

CHANGE IN NET ASSETS (13,697)

NET DEFICIT AT BEGINNING OF YEAR (133,992)

NET DEFICIT AT END OF YEAR \$ (147,689)

The accompanying notes are an integral part of these statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2019**

	<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	\$ 398,903	\$ 67,273	\$ -	\$ 466,176
Employee Benefits	2,870	8,288	-	11,158
Payroll Taxes	59,308	5,162	-	64,470
	<u>461,081</u>	<u>80,723</u>	<u>-</u>	<u>541,804</u>
Advertising	2,448	-	-	2,448
Bank Charges	-	330	-	330
Contract Personnel	41,915	12,000	-	53,915
Depreciation	2,357	560	-	2,917
Donations	265	-	-	265
Dues and Subscriptions	303	-	-	303
Equipment Leasing	2,320	-	-	2,320
Fundraisers	-	-	3,063	3,063
Incentives	1,525	-	-	1,525
Insurance	13,553	-	-	13,553
Interest Expense	-	3,707	-	3,707
Janitorial	-	2,940	-	2,940
Legal and Accounting	14,580	-	-	14,580
License	680	-	-	680
Meetings	1,538	-	-	1,538
Penalties	-	1,261	-	1,261
Postage	692	-	-	692
Professional	1,900	-	-	1,900
Program Expense	96,772	-	-	96,772
Rent	18,187	-	-	18,187
Repairs and Maintenance	125	-	-	125
Supplies/Materials	4,504	-	-	4,504
Travel and Seminars	379	-	-	379
Utilities and Telephone	3,850	-	-	3,850
	<u>3,850</u>	<u>-</u>	<u>-</u>	<u>3,850</u>
TOTAL	<u>\$ 668,974</u>	<u>\$ 101,521</u>	<u>\$ 3,063</u>	<u>\$ 773,558</u>

The accompanying notes are an integral part of these statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF CASH FLOWS
DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in Net Assets	<u>\$ (13,697)</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	(5,110)
Other Receivables	150
Accounts Payable	19,151
Accrued Payroll and Related Liabilities	<u>23,257</u>
Net Cash Provided By Operating Activities	<u>26,668</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of Related Party Loans	120
Repayment of Capital Lease	(2,843)
Repayments on Loans/Notes	<u>(16,500)</u>
Net Cash (Used In) Financing Activities	<u>(19,223)</u>
NET INCREASE IN CASH AND EQUIVALENTS	7,445
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,682</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,127</u>

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, 2019**

(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, 2019, 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, 2019**

(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.

The Organization uses the allowance method to determine uncollectible unconditional promises to give receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At year-end, there was no allowance for uncollectible accounts.

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, 2019**

(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 2019.

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, 2019

(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	\$ 46,429
City of Baton Rouge	24,760
Contracts	<u>8,044</u>
	<u>\$ 79,233</u>

(C) FIXED ASSETS

A summary of fixed assets follows:

Equipment Cost	\$ 41,866
Accumulated Depreciation	<u>(32,920)</u>
Book Value	<u>\$ 8,946</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

(D) NOTE 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, 2019 is \$120,000.

The five year maturities of Note Payable-State of Louisiana are as follows:

2020	\$ 18,000
2021	18,000
2022	18,000
2023	18,000
2024	18,000
Thereafter	<u>30,000</u>
Total Note Payable	<u>\$ 120,000</u>

(E) CAPITAL LEASES

On December 1, 2017, the Organization entered into a lease for a copy machine through Toshiba. The lease is for 24 months at an imputed interest rate of 9.04% per annum, with monthly payments of \$128. There is an option to purchase at the end of the lease for \$1.

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>(5,637)</u>
	<u>\$ 8,946</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

(E) CAPITAL LEASES (continued)

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

2020	\$ 3,354
2021	2,545
2022	2,545
2023	<u>636</u>
 Total Minimum Lease Payments	 9,080
 Less Amount Representing Interest	 <u>(699)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 8,381</u>

(F) SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for interest \$ 3,707

(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, 2019:

Purpose	Amount
Salary and Related Expenses	\$ 108,783
Benefits - Insurance	\$ 8,288

(H) RELATED PARTY

As of December 31, 2019, 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, 2019, he received compensation totaling \$27,730.

(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, 2019.

(J) JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation or pending claims against the Organization.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

(K) NEW ACCOUNTING PRONOUNCEMENTS

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenue from Contracts with Customers*, or Accounting Standards Codification Topic 606 (“ASC 606”), which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition* (“ASC 605”). This literature is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting guidance also requires additional disclosure regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts including significant judgments and changes in judgments, as well as assets recognized from costs incurred to obtain or fulfill a contract. On January 1, 2019, the Organization adopted ASC 606.

(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 Department 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, 2019, the Organization had no uninsured cash balances.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

(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 \$2,448 for the year ended December 31, 2019.

(R) LIQUIDITY AND AVAILABILITY

The Organization has \$91,160 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$11,127 and receivables of \$80,033. 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 September 22, 2020, which is the date the financial statements were available to be issued.

- In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. While the Organization does not yet know the full effect of the impact to the global economy as a whole, the effects could have an impact on the Organization's business, results of operations, liquidity, and financial condition.
- *On April 8, 2020, The Organization ("the borrower") was granted a loan ("the 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 issued by the Borrower, matures on April 8, 2022 and bears interest at a rate of 1.0% per annum, payable monthly commencing on November 8, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties.*

The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes such as payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020.

The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first six months. 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.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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 *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISHBEE, CPA, MBA

JUDITH FAULK, CPA, APA

DEREK GODEAUX, CPA, MSA

SHAUN GRANTHAM, MBA, CPA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

MARY PATRICIA KEELEY, CPA

CORITA K. KUON, CPA, CVA

JOSEPH LACOMBE, CPA

ALEXANDRA LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

ROBIN G. STOCKTON, CPA

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, 2019, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baton Rouge 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*

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

Lafayette, Louisiana
September 22, 2020

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

We have audited the financial statements of Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2019, and have issued our report thereon dated September 22, 2020. 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, 2019 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
--	------------------------------	--

b. Federal Awards

N/A

c. Management Letter

Was a management letter issued?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
---------------------------------	---	-----------------------------

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, 2019**

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>
2018-1	12/31/2012	Management failed to take all steps necessary to ensure that an effective structure of internal control was in place and functioning as designed in order to prevent, or detect and correct material misstatements on a timely basis.	Yes.
2018-2ML	12/31/2013	Management failed to make 941 tax payments in a timely manner.	Partially, the Organization has not caught up on payments, however, they are on a payment plan to rectify the issue. Repeated as a management comment, 2019-1ML. As of fiscal year 2020, the issue has been resolved.
2018-3ML	12/31/2012	Management failed to deposit 403B payments with the Sponsor.	No, repeated as management comment, 2019-2ML. As of fiscal year 2020, the issue has been resolved.

**MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2019**

Louisiana Legislative Auditor

The Baton Rouge Black Alcoholism Council, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2019.

Management Letter

2019-1 ML Timely Payments

Auditors' Comment: During our audit of payroll liabilities, we noticed a past due balance in paying 941 tax payments. This represents a compliance issue.

Auditors' Recommendation: We recommend making the payroll tax payments by the due date to avoid being out of compliance with IRS requirements and incurring late fees.

Management's Response: We are aware of this issue and as of fiscal year 2020, we have made all required payments to resolve this issue with the IRS.

2019-2 ML Timely Refunds

Auditors' Comment: The Organization has a liability on the books for retirement contributions withheld but never remitted. The 403B Plan has been discontinued, therefore these amounts should be refunded to the applicable employees from which it was originally withheld.

Auditors' Recommendation: No recommendation. The Organization provided proof of payment subsequent to year end.

Management's Response: We are aware of this issue and as of fiscal year 2020, we have remitted payments to the employees affected or to the State of Louisiana in instances where the employee could not be located.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Wendell James, Assistant Director, at 225-338-9333.

Sincerely,



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

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmdh.com

September 22, 2020

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

DEREK GODEAUX, CPA, MSA

SHAUN GRANTHAM, MBA, CPA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

MARY PATRICIA KEELEY, CPA

CORITA K. KUON, CPA, CVA

JOSEPH LACOMBE, CPA

ALEXANDRA LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

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

In planning and performing our audit of the financial statements of Baton Rouge Black Alcoholism Council, Inc., as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Council's internal control over financial reporting (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 on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of a few matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the Organization's internal control in our report dated September 22, 2020. This letter does not affect our report dated September 22, 2020, on the financial statements of Baton Rouge Black Alcoholism Council, Inc.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

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

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC

Certified Public Accountants

MANAGEMENT LETTER
For Year Ended: December 31, 2019

2019-1 ML TIMELY PAYMENTS

Criteria: The Internal Revenue Service requires that all payroll tax deposits be made in accordance with the remittance schedule based on the type of filer and the frequency and amount of the payroll.

Auditors' Comment: During our audit of payroll liabilities, we noticed a past due balance in paying 941 tax payments. This represents a compliance issue.

Cause: Unknown

Effect: The Organization did not timely remit the required amounts.

Auditors' Recommendation: We recommend making the payroll tax payments by the due date to avoid being out of compliance with IRS requirements and incurring late fees.

Management's Response: We are aware of this issue and as of fiscal year 2020, we have made all required payments to resolve this issue with the IRS.

2019-2 ML TIMELY REFUNDS

Criteria: When amounts are withheld from an employee for contributions to a retirement account, the amounts should either be remitted to the plan or refunded to the employee.

Auditors' Comment: The Organization has a liability on the books for retirement contributions withheld but never remitted. The 403B Plan has been discontinued, therefore these amounts should be refunded to the applicable employees from which it was originally withheld.

Cause: The plan was terminated, and the Organization was not aware that these amounts had not been remitted to the plan prior to termination.

Auditors' Recommendation: No recommendation. The Organization provided proof of payment subsequent to year end.

Management's Response: We are aware of this issue and as of fiscal year 2020, we have remitted payments to the employees affected or to the State of Louisiana in instances where the employee could not be located.

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

Baton Rouge, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2019

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

DEREK GODEAUX, CPA, MSA

SHAUN GRANTHAM, MBA, CPA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

MARY PATRICIA KEELEY, CPA

CORITA K. KUON, CPA, CVA

JOSEPH LACOMBE, CPA

ALEXANDRA LEONARDS, CPA, MBA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

To the Board of Directors and Management
Baton Rouge Black Alcoholism Council, Inc.
d/b/a Metro Health
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Baton Rouge Black Alcoholism Council, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Baton Rouge Black Alcoholism Council, Inc.'s compliance with certain laws, regulations and best practices during the year ended December 31, 2019. Management of Baton Rouge Black Alcoholism Council, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations).

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

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 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.

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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.

Exception noted: The written policies and procedures were not adequate for 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 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

This section is not applicable to not-for-profit entities.

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

This section is not applicable to not for profit entities.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception noted. This is not documented in the written procedures.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/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, 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 and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Not applicable.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Obtained listing of client bank accounts from management and management's representation that the listing is complete. No exceptions noted.

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

Exception noted: No documentation noting review of bank reconciliations.

- 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).

Obtained listing of cash collection location and management's representation that the listing is complete.

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 verifies the reconciliation.

No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Exception noted: Employees who have access to cash are not covered by a bond or insurance policy for 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).

Exception noted: Deposits were not made within one business day of receipt.

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

No exceptions noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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 exception 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.

Exception noted: Checks are returned to individual processing payments.

- 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 invoice/billing statement.

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), 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.

Listing of active credit cards, and name of person who maintains possession of cards and management's representation that the listing is complete was obtained.

- 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, 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.]]

Monthly statements were obtained and address the functions noted above.

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

Exception noted: There were finance charges and/or late fees assessed on two of the three credit cards selected.

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).

Exceptions noted: Three (3) of the sixteen (16) transactions sampled did not have the original itemized receipt. Six (6) of the sixteen (16) transactions sampled did not have written documentation of the business purpose.

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).

N/A – no travel expenses in 2019.

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

N/A – no travel expenses in 2019.

- 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).

N/A – no travel expenses in 2019.

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

N/A – no travel expenses in 2019.

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.

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 exception noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Not applicable.

- 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 exception noted.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Exception noted: The personnel file does not have written documentation of current pay rates.

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 exception noted.

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

No exception noted.

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

No exception noted.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

This section is not applicable.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exception 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 is not applicable to not for profit entities.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

This is not applicable to not for profit entities.

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 is not applicable to not for profit entities.

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.

This is not applicable to not for profit entities.

Other

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.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Baton Rouge Black Alcoholism Council, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

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

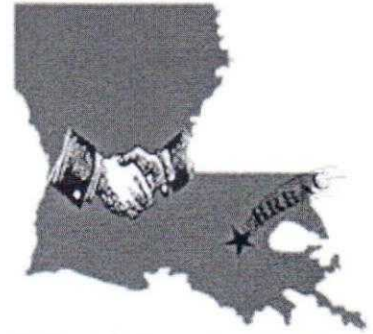
Lafayette, Louisiana
September 22, 2020

BOARD OF DIRECTORS

Evan Sheppard, President
Deatra Peoples, Vice President
Lydia Tucker, Secretary
Ruth Williams Franklin, Treasurer
Tracy Smith
Coretta Brown
Walter Dixon Jr.
Michael L. Mitchell
Aisha Thomas

METRO HEALTH

950 East Washington Street
Baton Rouge, LA 70802
Phone (225) 338- 9333 Fax (225) 338-9962



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

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

The following is Management's response to the 2019 AUP report submitted.

WRITTEN POLICIES AND PROCEDURES

1. f) **Contracting** - Management has written a policy to address the criteria noted and will adopt once the board approves.
2. k) **Disaster Recovery/Business Continuity** - Management is in the process of implementing procedures to address the noted criteria.

BANK RECONCILIATIONS

3. b) Although Management and the outside CPA firm both review the bank reconciliations on a monthly basis, we have implemented procedures to ensure that either the Executive Director and a CPA firm representative initials and dates the reconciliations. We will also store those signed documents electronically going forward.

COLLECTIONS

6. We have considered this exception. Due to the limited amount of cash received and the internal control procedures in place, we do not feel that bonding or insuring the counselors, administrative assistant and bookkeeper who are part of the cash collection process is cost effective for the agency.
7. d) Management will work toward making all deposits timely.

DISBURSEMENTS

9. d) Management feels the control they have in place mitigates the risk.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

12. b) Management will work toward implementing policies to avoid late fees and finance charges.
13. Management will work toward strengthening the procedures in place regarding credit cards/debit cards.

PAYROLL AND PERSONNEL

16. Management will ensure that all updated approved pay rates are in the personnel files.

If any additional information is needed, please contact me.

A handwritten signature in dark ink, appearing to read 'Shirley A. Lolis', is written over a horizontal line.

Executive Director