BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Table of Contents

Daigrepont & Brian
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Baton Rouge Speech and Hearing Foundation, Inc.
and Subsidiary
Baton Rouge, LA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Baton Rouge Speech and Hearing Foundation, Inc. and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Organization as of December 31, 2024, 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

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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 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 consolidated 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 consolidated 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 The Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

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

The accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head is not a required part of the financial statements, but is supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Daigrepont & Brian APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

June 17, 2025

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current Assets	
Cash and cash equivalents	$ 2,094,138
Accounts receivable - program, net	184,206
Promises to give, net, current portion	124,450
Investments	1,396,555
Other current assets	122,624
Total Current Assets	3,921,973
Property and Equipment	
Building and improvements	7,322,133
Equipment and furnishings	1,098,775
Playground equipment	474,164
Audiology equipment	213,633
Mobile testing unit	18,757
	9,127,462
Accumulated depreciation	(3,633,483)
Net Property and Equipment	5,493,979
Other Assets	
Promises to give, long-term portion, net	149,688
Investments	133,839
Operating right-of-use assets	620,303
Total Other Assets	903,830
Total Assets	$ 10,319,782

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	$ 92,601
Deferred revenue	29,993
Accrued expenses	490,358
Refundable advance	31,250
Notes payable, current	20,670
Operating lease liability, current	27,028
Financing lease liability, current	16,453
Total Current Liabilities	708,353
Long Term Liabilities	
Notes payable, net of current	262,166
Operating lease liability, net of current	600,096
Financing lease liability, net of current	21,262
Total Long Term Liabilities	883,524
Total Liabilities	1,591,877
Net Assets	
Without donor restrictions	8,242,451
With donor restrictions:	
Specified purpose or time-restricted	390,004
Donor restricted endowment	95,450
Total Net Assets	8,727,905
Total Liabilities and Net Assets	$ 10,319,782

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Program revenue	$ 5,869,633	$ -	$ 5,869,633
Interest and dividends	53,201	-	53,201
Realized loss on investments	18,092	-	18,092
Unrealized gain on investments	64,311	-	64,311
Passive income	340,262	-	340,262
Total Revenue	6,345,499	-	6,345,499
SUPPORT			
Capital Area United Way	156,170	-	156,170
In-kind revenue	93,828	-	93,828
Pledge income	-	156,787	156,787
Contributions	114,108	230,000	344,108
Grant income	26,000	316,100	342,100
Special fund raising events	825,114	-	825,114
Net assets released from restriction	798,858	(798,858)	-
Total Support	2,014,078	(95,971)	1,918,107
Total Revenue and Support	8,359,577	(95,971)	8,263,606
EXPENSES			
Program:			
Therapy services:	6,765,233	-	6,765,233
Supporting services:			
Management and general	604,162	-	604,162
Fundraising	879,466	-	879,466
Distributions to Emerge School	847	-	847
Total Expenses	8,249,708	-	8,249,708
CHANGE IN NET ASSETS	109,869	(95,971)	13,898
Net assets - beginning of year	8,132,582	581,425	8,714,007
Net assets - end of year	$ 8,242,451	$ 485,454	$ 8,727,905

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Management & General	Fundraising	Total
Administrative	$ 70,119	$ 29,333	$ 10,049	$ 109,501
Bad debt	-	-	6,515	6,515
Depreciation & amortization	329,260	25,467	2,082	356,809
Distributions to Emerge School	-	-	847	847
Fundraising activities	-	-	288,708	288,708
In-kind expenses	-	-	93,828	93,828
Interest expense	-	21,747	-	21,747
Lease expense	40,867	1,487	512	42,866
Occupancy	174,804	7,075	4,972	186,851
Payroll expenses	4,689,459	439,315	382,398	5,511,172
Payroll taxes and benefits	320,587	41,829	57,672	420,088
Professional fees	106,611	29,904	32,729	169,244
Program - third party billing	537,139	-	-	537,139
Program expenses	239,531	-	-	239,531
Repairs and maintenance	68,066	-	-	68,066
Supplies	70,998	1,058	-	72,056
Telecommunications	117,792	6,947	-	124,739
	$ 6,765,233	$ 604,162	$ 880,312	$ 8,249,707

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	$ 13,898
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation/amortization	356,809
Bad debt	6,515
Unrealized gain on investments	(64,311)
Change in discount on promises to give	3,124
Change in allowance & reserves	14,530
Change in operating leases	5,561
Decreases in promises to give	69,440
Decrease in accounts receivable - program	137,885
Increase in other current assets	(27,038)
Decrease in accounts payable	(29,474)
Decrease in deferred revenue	(33,274)
Increase in accrued expenses	48,118
Decrease in refundable advance	(31,250)
Total adjustments	456,635
Net cash provided by operating activities	470,533
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash payments for property & equipment	(421,807)
Assets acquired through financing leases	(14,188)
Net purchases of investments	(65,240)
Net cash used in investing activities	(501,235)
CASH FLOWS FROM FINANCING ACTIVITES	
Principal payments on notes payable	(23,713)
Financing lease liability acquired through right of use assets	28,980
Principal payments on financing lease liabilities	(27,228)
Net cash used in financing activities	(21,961)
DECREASE IN CASH AND CASH EQUIVALENTS	(52,663)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,146,801
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,094,138
SUPPLEMENTAL DISCLOSURE	
Cash paid for interest during the year	$ 21,747

See accompanying notes and independent auditors' report.

1. Nature of Operations and Summary of Significant Accounting Policies

(a) Nature of Operations

Baton Rouge Speech and Hearing Foundation, Inc. (operating as Emerge Center) is a nonprofit organization which provides therapeutic services for rehabilitation of speech, hearing, language, and learning deficiencies. The sources of income to Emerge Center include donations (public support) and fees charged for professional services rendered. Therapeutic and testing services are billed at an hourly rate less a discount, or charity allowance, which is computed based on family size and income. For qualifying families, services are also reimbursed by third parties, such as Medicaid and private insurance. Emerge Center entered into a professional services agreement with the East Baton Rouge Parish School Board (for The Emerge School for Autism, Inc.) to provide therapeutic services in the school.

In May 2012, The Emerge Center, Inc. (operating as Emerge Foundation) was incorporated for the purpose of supporting Emerge Center. During 2017, the articles of incorporation were amended/restated and reflected the purpose of Emerge Foundation to support the charitable and educational purposes of Emerge Center and The Emerge School for Autism, Inc. (Emerge School).

(b) Principles of Consolidation

These consolidated financial statements include the accounts of the Baton Rouge Speech and Hearing Foundation, Inc. and its wholly-owned subsidiary, The Emerge Center, Inc. (collectively, the Organizations). All significant intercompany transactions have been eliminated in consolidation.

(c) Basis of Accounting and Presentation

The Organizations prepare their financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Organizations are required to report information regarding their financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes there in are classified and reported as follows:

Net Assets Without Donor Restrictions : Net assets available for use in general operations and not subject to donor restrictions. These net assets may be used at the discretion of the Organizations' management and board of directors.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, and those restrictions will be met by the passage of time or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

(d) Revenue Recognition

Program and Therapy Revenue
In accordance with ASC Topic 606, revenue is recognized in the period in which the performance obligations are satisfied by the transferring of promised goods or services to the customers. The transaction price is allocated to the distinct goods or services and reflects the consideration to which Emerge Center is entitled in exchange for providing the goods or services to a customer. The goods or services provided during each therapy session represent a single performance obligation.

Because all of its performance obligations relate to contracts with a duration of less than one year, Emerge Center has elected to apply the optional exemption provided by ASC Topic 606 and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period.

The transaction price is based on gross charges for the goods or services provided, reduced by estimates for contractual and non-contractual revenue adjustments. Contractual revenue adjustments are recorded for the difference between Emerge Center's standard rates and the contractual rates to be realized from patients, third party payors and others for services provided. Non-contractual revenue adjustments are recorded based on the historical collection experience, aged accounts receivable and current economic conditions. Amounts due from third-party payors, primarily health insurers, include variable consideration for retro active revenue adjustments due to settlements of audits and payment reviews. Subsequent changes to the estimate of the transaction price are recorded as adjustments to net program and therapy revenue in the period of change. Revenue is recorded at amounts estimated to be realizable for goods or services provided.

The program and therapy revenues recognized at a point in time (when the goods or services are provided) by Emerge Center are approximately 96% of the total consolidated program revenue.

Emerge Center also recognizes revenue from student tuition and fees during the year in which the related services are provided to students. The performance obligation of delivering the services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. All amounts received prior to the commencement of the academic year are deferred to the applicable period.

Support
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

(d) Revenue Recognition (Continued)

Emerge Center has agreements with third-party payors that provide for payments to Emerge Center at the applicable contractual rates. Net program and therapy revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for service rendered, including estimated adjustments under reimbursement agreements with third-party payors, certain of which are subject to audit by administering agencies. These adjustments are accrued on an estimated basis and are adjusted as needed in future periods.

(e) Income Taxes

The Organizations are exempt from income taxes under the applicable sections of the Internal Revenue Code Section 501(c)(3) for Emerge Center and Section 501(c)(3) and Section 509(a)(3) for Emerge Foundation.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Organizations may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2024.

The Organizations file income tax returns in the U.S. federal jurisdiction. With few exceptions, the Organizations are no longer subject to federal income tax examinations by tax authorities for years before 2021. Any interest and penalties assessed by income tax authorities are not significant and are included in general and administrative expenses in these financial statements as applicable.

(f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences maybe material.

(g) In-Kind Contributions - Goods and Services

The Organizations' in-kind contributions are reported at their estimated fair value at the date of receipt and reported as expenses when utilized. The fair value of contributed services is recognized if such services create or enhance nonfinancial assets or require specialized skills that would typically need to be purchased if not contributed.

During the year ended December 31, 2024, the Organizations benefited from various in-kind donations relating to their fund raising activities, including advertising of $27,521, supplies & awards for fundraising events of $54,080, and $13,227 for various other donations. These amounts have been reported as both in-kind contribution revenue and the corresponding expense on the Consolidated Statement of Activities.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

(h) Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis by natural classification in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on direct expenses incurred; others are allocated based on the number of full time equivalent employees, the salaries expense (time and effort) or the square footage/occupancy, as estimated by management.

(i) Cash and Cash Equivalents

The Organizations consider all money market funds and certificates of deposit to be cash equivalents, unless held as part of the investment portfolio and invested for long-term purposes.

(j) Investments

Investments in all debt and equity securities with readily determinable fair value are reported at their fair value. Investments in certificates of deposit are reported at surrender value which approximates fair value. Investments in exchange traded funds (ETFs) and mutual funds are reported at fair value. All other investments are reported at historical costs, if purchased, or if contributed, at fair value at the date of contribution. Realized and unrealized gains and losses (net of investment expenses), along with interest and dividends, are reflected in the Consolidated Statement of Activities.

(k) Accounts Receivable - Program

Receivables from contracts with customers (patients) are reported as accounts receivable-program and are stated at the net realizable value. Management evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding, major payor sources of revenue, historical collection experience, and other economic factors. Emerge Center provides an allowance for amounts contractually due from third-party payors and an allowance for uncollectible accounts. These adjustments are accrued on an estimated basis and are adjusted as needed in future periods.

(l) Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Promises to give are written off when deemed uncollectable. Conditional promises to give are not included as support until the conditions are substantially met.

(m) Property and Equipment

Property and equipment are recorded in the accounts of the Organizations at cost. Maintenance and repairs are charged to operations and additions and improvements are capitalized. The cost of property sold or other wise disposed of and the accumulated depreciation there on are eliminated from the property and related accumulated depreciation accounts, and any gain or loss is credited or charged to income.

Depreciation is provided by the straight-line method over the estimated useful lives of fifteen (15) to thirty (30) years on buildings and improvements and five (5) to ten (10) years on furniture, fixtures and equipment.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

(n) Leases

The Organizations determine if an arrangement contains a lease at inception. Leases are then classified as either operating or finance leases depending on the characteristics of the lease. Right-of-use (ROU) assets represent the Organizations' right to control the use of a specified asset for the lease term, and lease liabilities represent the Organizations' obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organizations use the risk-free rate when the discount rate is not implicit in the lease. The lease term is the non-cancelable period of the lease, including any options to extend, purchase, or terminate the lease depending on whether the Organizations are reasonably certain to exercise those options.

The costs associated with operating leases are recognized on a straight-line basis, within functional expenses, over the period of the leases. The finance lease ROU assets are amortized on a straight-line basis over the shorter of their estimated useful lives or the lease terms, and interest expense incurred on the lease liabilities is included in interest expense. If the lease transfers ownership to the Organizations or the Organizations are reasonably certain to exercise an option to purchase the underlying asset, the ROU asset is amortized to the end of the useful life of the underlying asset. Assumptions made by the Organizations at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification when that modification is not accounted for as a separate contract.

The Organizations do not recognize ROU assets and lease liabilities on short term leases but recognize lease expense for these leases on a straight-line basis over the lease terms and any variable lease payments in the period in which the obligation for those payments is incurred.

(o) Subsequent Events

The Organizations evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 17, 2025, the date which the financial statements were available to be issued.

2. Concentrations

Credit
The Organizations maintain cash accounts with financial institutions, the balances of which may periodically exceed the federally insured amount. Management monitors the financial condition of the financial institutions on a regular basis, along with the cash balances, to minimize potential risk.

Support and Revenue
Emerge Center provides services to patients under contractual payment arrangements with Medicaid and various other health provider organizations. Services provided under these arrangements are paid at predetermined rates and/or reimbursable costs, as defined. Reported costs and/or services provided under certain of the arrangements are subject to audit by the administering agencies. Changes in Medicaid and other health provider programs and reduction of funding levels could have a material adverse effect on the future amounts recognized as net program and therapy revenue.

3. Liquidity and Availability

The following reflects the Organizations' financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date. The Organizations' goal is to maintain liquid financial assets to meet 90 days of operating expenses. Emerge Center also has a $400,000 line of credit available to meet cash flow needs. There was no balance on the line of credit at December 31, 2024.

Financial assets at year end:		
Cash and Cash Equivalents	$	2,094,138
Accounts Receivable-Program (Net of Allowances)		184,206
Promises to Give Receivable (Net)-Current Portion		124,450
Investments		1,396,555
		3,799,349
Less amounts not available for general expenditures within one year, due to:		
Cash Pledged to Secure Long-Term Debt		(269,558)
Net Assets with Donor Restrictions		(390,004)
Endowment Net Assets Restricted by Donor		(95,450)
Financial Assets available to meet cash needs for general expenditures within one year	$	3,044,337

4. Receivables

At December 31, 2024, the Consolidated Statement of Financial Position reflects $274,138 of unconditional promises to give as a result of the unconditional pledges received and consists of the giving societies pledges for general use. The total uncollected promises to give of $301,250 is reduced by a discount of $23,507 and allowance of $3,605. The long-term portion of the promises to give totaling $176,800 is expected to be collected with five years.

At December 31, 2024, patient receivables of $184,206 is represented at the net realizable value. Management provides for probable uncollectible amounts through a provision for credit losses and a contractual adjustment expense to a valuation allowance based on its assessment of the current status of individual accounts. At December 31, 2024, the balance of the allowance for credit losses is $59,712 and the balance of the contractual adjustment allowance is $274,573. The net realizable value of the patient receivables was $336,621 at January 1, 2024.

5. Other Current Assets

The details of other current assets as of December 31, 2024 are as follows:

Other Receivables	$	50,252
Prepaid Expenses		72,372
	$	122,624

6. Fair Value Measurements

The fair value measurement accounting literature provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets inactive markets that the Organizations have the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets inactive or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the asset. The Organizations have no Level 3 inputs.

The Organizations use appropriate evaluation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The investments in common stocks, ETFs, and mutual funds are valued at the quoted market price in the active market on which the individual securities are traded.

The investments at BRAF represents a pool of funds held by BRAF for the benefit of Emerge Center and other non-profit organizations. These funds are valued at the fair value of the underlying securities which are primarily determined from closing prices reported in the active market.

The Organizations' investments are reported at fair value in the accompanying consolidated statement of financial position. The methods used to measure fair value may produce a fair value calculation that may not be indicative of the realizable value or reflective of future fair values. Furthermore, although the Organizations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organizations' investments at fair value measured on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Total
Baton Rouge Speech and Hearing Foundation Inc			
Current Investments			
Investment - Common Stock - Financial (Asset Management)	$ 21,288	$ -	$ 21,288
Exchange Traded Funds	559,952	-	559,952
Mutual Funds	815,315	-	815,315
Total Current Investments	1,396,555	-	1,396,555
Other Investments:			
Investment - BRAF	-	133,839	133,839
Total Investments	$ 1,396,555	$ 133,839	$ 1,530,394

7. Investments

The investment in a publicly traded common stock is recorded at fair value of $21,288 with an unrealized loss for the year of $346. The original cost of the common stock was $7,788.

The investments in exchange traded funds (ETFs) and mutual funds are reflected at the fair value of $1,375,267 with unrealized gain for the year of $123,347. The original cost of the investments was $1,204,649.

The investments at Baton Rouge Area Foundation (BRAF) are reflected at the fair value of $133,839 with unrealized gain of $6,550 during the year. The original cost of the investments was $111,054.

8. Debt

Note Payable
Baton Rouge Speech and Hearing Foundation, Inc. has a note payable to a bank with interest at 3.95%. The note is payable in 3 monthly payments of interest only and then 83 monthly principal and interest payments of $2,815 beginning January 2021. A balloon payment of the remaining balance is due at maturity in December 2027. The loan is secured by a deposit account held at the bank and the guaranty of The Emerge Center, Inc. The future maturities are as follows:

December 31, 2025	$	20,670
December 31, 2026		23,447
December 31, 2027		238,719
	$	282,836

Line of Credit
At December 31, 2024, Baton Rouge Speech and Hearing Foundation, Inc. (Emerge Center) had a $400,000 revolving line of credit with a financial institution which will expire in November of 2025. The line of credit is secured by the assets of Emerge Center and the continuing guaranty of Emerge Foundation. There was no balance on the line of credit at December 31, 2024.

9. Pension Plan

Emerge Center maintains a defined contribution pension plan covering all employees of Emerge Center, Emerge Foundation and Emerge School who qualify as to age and length of service. All participants are immediately and fully vested in the plan. An employee qualifying for the plan may contribute a percentage of his annual salary to the plan subject to certain limitations. Emerge Center agrees to match all employee contributions up to 4%. For the year ended December 31, 2024, total contributions are $117,304 which are included in payroll taxes and benefits expense.

10. Leases

Emerge Center leases the land for the site of its facilities under three lease agreements with LSU. The lease terms are for 30 years with two separate and successive renewal options for a period of 20 additional and subsequent years each. Since the renewal options are not reasonably certain to be exercised, the ROU assets and lease liabilities have been recorded based on the remaining years of the 30 year lease terms. The ROU assets for these operating leases totaled $620,303 at December 31, 2024 as reflected in the Consolidated Statement of Financial Position.

10. Leases (Continued)

Emerge Center also leases computers and office equipment under long-term lease agreements (with terms of three to five years) which may also contain purchase options reasonably certain of exercise. The ROU assets for these finance leases are included in Property and Equipment in the Consolidated Statement of Financial Position and had a net book value of $27,718 at December 31, 2024.

The following table provides details of the lease contracts as of and for the year ended December 31, 2024.

Lease Expense:	
Operating Lease Expense	$ 41,246
Finance Lease Expense:	
Amortization of ROU Assets	37,771
Interest on Lease Liabilities	8,861
	$ 87,878

Maturity Analysis:	Operating	Finance
December 31, 2025	$ 39,319	$ 19,904
December 31, 2026	39,319	16,693
December 31, 2027	39,906	5,300
December 31, 2028	40,498	-
December 31, 2029	40,498	-
Thereafter	549,709	-
Total Undiscounted Cash Flows	749,249	41,897
Less: Present Value Discount	(122,125)	(4,182)
Total Lease Liabilities	$ 627,124	$ 37,715

The following information contains the weighted average remaining lease terms in years and the weighted average discount rate for the financing and operating leases of the Organizations as of December 31, 2024.

	Discount Rate	Years
Operating	2.01%	17.00
Financing	9.00%	2.21

11. Transactions with Subsidiary and Affiliate

In accordance with its purpose to support the charitable and educational purposes of Emerge Center, distributions were made by Emerge Foundation to Emerge Center in the amount of $916,310, which are recorded as contribution income for Emerge Center and distribution expense by Emerge Foundation and are eliminated in the consolidated financial statements.

Emerge Center and Emerge Foundation share certain office and facility expenses which are allocated by Emerge Center to Emerge Foundation based upon an agreed upon method.

11. Transactions with Subsidiary and Affiliate (Continued)

Emerge Center and the Emerge School entered into a shared services agreement for certain administrative services or other services, as outlined in the agreement, to be provided by Emerge Center to Emerge School. This agreement will automatically renew for successive one-year terms, unless terminated in accordance with the provisions of the agreement. These services are paid monthly by Emerge School to Emerge Center and totaled $335,720 for the year ended December 31, 2024. These amounts are included in passive income by Emerge Center in the consolidated financial statements.

Emerge Center and the East Baton Rouge Parish School Board have entered into a contract for therapeutic services to be provided to Emerge School. For the year ended December 31, 2024, Emerge Center received $271,345 for services provided to Emerge School in accordance with this contract. These amounts are included in program revenue in the consolidated financial statements.

During the year ended December 31, 2024, Emerge Foundation made distributions of $847 to Emerge School, which is included in the Consolidated Statement of Functional Expenses.

12. Restrictions/Releases of Net Assets

Specified Purpose or Time-restricted Net Assets

The net assets with donor restrictions for specified purposes or time restrictions at December 31, 2024 are as follows:

Time-restricted:		
Pledges-Giving Societies	$	274,138
Specified Purpose:		
Special Events and Gifts		60,866
Educational Assistance		55,000
	$	390,004

Net Assets Released from Donor Restrictions

Time-restricted:		
Pledges-Giving Societies	$	235,865
Specified Purpose:		
Educational Assistance		75,000
Special Events and Gifts		487,993
	$	798,858

Contributions made by Emerge Center and on behalf of Emerge Center are held in an endowment fund with the Baton Rouge Area Foundation (BRAF). BRAF makes quarterly distributions of a portion or the income generated by the fund, which is available to Emerge Center for its operations. The donor restricted endowment net assets reflected on the Consolidated Statement of Financial Position are $95,450 at December 31, 2024.

12. Restrictions/Releases of Net Assets (Continued)

The Board of Directors has interpreted the Louisiana Uniform Prudent Management of Institutional Funds Act (referred to as UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Emerge Center classifies as donor restricted endowment net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time that the accumulation is added to the fund. The remaining portion of the classified as net assets with donor restrictions for specified purpose or time-restriction until those amounts are appropriated for expenditure by Emerge Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the following factors are considered by Emerge Center in making a determination to appropriate accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Emerge Center and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of Emerge Center
7. The investment policies of Emerge Center

As a participant in BRAF's investment pools, Emerge Center follows BRAF's investment policies and objectives of maximum returns without exposure to undue risk, long-term appreciation of the assets, and consistency of total return on the portfolio. Emerge Center and its Board of Directors have determined that the interest income from the endowment funds is undesignated and available for use in the operations of Emerge Center.

The changes in endowment net assets for the year ended December 31, 2024 are as follows:

	Donor Restricted Endowment	Without Donor Restrictions	Total Net Endowment Asset
Endowment net assets at December 31, 2023	$ 95,450	$ 14,604	$ 110,054
Net appreciation	-	12,277	12,277
Amounts appropriated for operations	-	(6,070)	(6,070)
Endowment net assets at December 31, 2024	$ 95,450	$ 20,811	$ 116,261

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
AND SUBSIDARY
SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Baton Rouge Speech and Hearing Foundation, Inc.	The Emerge Center, Inc.	Eliminations	Total
ASSETS				
Current Assets				
Cash	$ 629,269	$ 1,464,869	$ -	$ 2,094,138
Accounts receivable - program, net	184,206	-	-	184,206
Promises to give receivable - current	-	124,450	-	124,450
Investments	1,396,555	-	-	1,396,555
Other current assets	112,694	18,775	(8,845)	122,624
Total Current Assets	2,322,724	1,608,094	(8,845)	3,921,973
Property and Equipment				
Buildings and improvements	7,315,241	6,892	-	7,322,133
Equipment and furnishings	1,091,275	7,500	-	1,098,775
Playground equipment	474,164	-	-	474,164
Audiology equipment	213,633	-	-	213,633
Mobile testing unit	18,757	-	-	18,757
	9,113,070	14,392	-	9,127,462
Accumulated depreciation	(3,626,823)	(6,660)	-	(3,633,483)
Total Property and Equipment	5,486,247	7,732	-	5,493,979
Other Assets				
Investment in subsidiary	615,672	-	(615,672)	-
Promises to give receivable, long term, net	-	149,688	-	149,688
Intercompany receivables	1,105,691	-	(1,105,691)	-
Investments	133,839	-	-	133,839
ROU - operating leases	620,303	-	-	620,303
Total Other Assets	2,475,505	149,688	(1,721,363)	903,830
Total Assets	$ 10,284,476	$ 1,765,514	$ (1,730,208)	$ 10,319,782

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
AND SUBSIDARY
SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Baton Rouge Speech and Hearing Foundation, Inc.	The Emerge Center, Inc.	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	$ 94,739	$ 6,707	$ (8,845)	$ 92,601
Deferred revenue	29,993	-	-	29,993
Intercompany payables	-	1,105,691	(1,105,691)	-
Accrued expenses	452,914	37,444	-	490,358
Refundable advance	31,250	-	-	31,250
Notes payable, current	20,670	-	-	20,670
Operating lease liability, current	27,028	-	-	27,028
Financing lease liability, current	16,453	-	-	16,453
Total Current Liabilities	673,047	1,149,842	(1,114,536)	708,353
Long Term Liabilities				
Notes payable, net of current	262,166	-	-	262,166
Operating lease liability, net of current	600,096	-	-	600,096
Financing lease liability, net of current	21,262	-	-	21,262
Total Long Term Liabilities	883,524	-	-	883,524
Total Liabilities	1,556,571	1,149,842	(1,114,536)	1,591,877
Net Assets				
Without donor restrictions	8,574,984	285,643	(285,643)	8,574,984
With donor restrictions:				
Specific purpose or time-restricted	57,471	330,029	(330,029)	57,471
Donor restricted endowment	95,450	-	-	95,450
Total Net Assets	8,727,905	615,672	(615,672)	8,727,905
Total Liabilities and Net Assets	$ 10,284,476	$ 1,765,514	$ (1,730,208)	$ 10,319,782

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
AND SUBSIDARY
SCHEDULE II - CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Baton Rouge Speech and Hearing Foundation, Inc.	The Emerge Center, Inc.	Eliminations	Total
REVENUE				
Program revenue	$ 5,869,633	$ -	$ -	$ 5,869,633
Interest and dividends	47,547	5,654	-	53,201
Realized loss on investments	18,092	-	-	18,092
Unrealized gain on investments	64,311	-	-	64,311
Passive income	340,262	-	-	340,262
Earnings (losses) from subsidiaries	(265,712)	-	265,712	-
Total Revenue	6,074,133	5,654	265,712	6,345,499
SUPPORT				
Capital Area United Way	156,170	-	-	156,170
In-kind revenue	-	93,828	-	93,828
Pledge income	-	156,787	-	156,787
Contributions	919,310	341,108	(916,310)	344,108
Grant income	253,600	88,500	-	342,100
Special fund raising events	-	825,114	-	825,114
Total Support	1,329,080	1,505,337	(916,310)	1,918,107
Total Revenue and Support	7,403,213	1,510,991	(650,598)	8,263,606
EXPENSES				
Program:				
Therapy services:	6,765,233	-	-	6,765,233
Supporting services:				
Management and general	574,196	29,966	-	604,162
Fundraising	49,886	829,580	-	879,466
Distributions to BRSHF	-	916,310	(916,310)	-
Distributions to Emerge School	-	847	-	847
Total Expenses	7,389,315	1,776,703	(916,310)	8,249,708
CHANGE IN NET ASSETS	13,898	(265,712)	265,712	13,898
Net assets - beginning of year	8,714,007	881,384	(881,384)	8,714,007
Net assets - end of year	$ 8,727,905	$ 615,672	$ (615,672)	$ 8,727,905

See accompanying notes and independent auditors' report.

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
AND SUBSIDARY
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head: Deanna Whittle

No compensation paid from public funds.

Daigrepont & Brian
Certified Public Accountants

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

To the Board of Directors
Baton Rouge Speech and Hearing Foundation, Inc.
and Subsidiary
Baton Rouge, LA

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 Speech and Hearing Foundation, Inc. and Subsidiary (the Organization), (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 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.

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements.

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However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Daigrepont & Brian APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

June 17, 2025

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
AND SUBSIDARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024

We have audited the consolidated financial statements of Baton Rouge Speech and Hearing Foundation, Inc. and Subsidiary as of December 31, 2024, and for the year then ended, and have issued our report thereon dated June 17, 2025. 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 consolidated financial statements as of December 31, 2024, resulted in an unmodified opinion.

Summary of Auditors' Reports

Material Weaknesses	Yes		No	X
Significant Deficiencies	Yes		No	X
Compliance with Provisions of Laws, Regulation, Contracts or Grant Agreements	Yes		No	X

Findings - Consolidated Financial Statement Audit

There are no findings for the year ended December 31, 2024.

Questioned Costs

There are no questioned costs for the year ended December 31, 2024.

See accompanying notes and independent auditors' report.