
BATON ROUGE SPEECH AND HEARING FOUNDATION, INC

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022



Postlethwaite & Netterville

A Professional Accounting Corporation

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Baton Rouge Speech and Hearing Foundation, Inc.
Baton Rouge, Louisiana

Management is responsible for the accompanying consolidated financial statements of the Baton Rouge Speech and Hearing Foundation, Inc. (BRSHF), a not for profit organization, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statement of activities, consolidated statement of functional expenses and consolidated statement of cash flows for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

As discussed in Note 1 to the consolidated financial statements, the 2022 financial statements have been restated to correct a misstatement.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the consolidated financial statements, they might influence the user's conclusions about BRSHF's financial position, changes in net assets and cash flows. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

The accompanying supplementary information on pages 7-10 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to the Baton Rouge Speech and Hearing Foundation, Inc.

Postlethwaite & Netterville

Baton Rouge, Louisiana
July 7, 2023

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(SEE ACCOUNTANTS' COMPILATION REPORT)

	(restated)
<u>CURRENT ASSETS</u>	
Cash and cash equivalents	\$ 1,222,162
Restricted cash and cash equivalents	762,333
Cash and cash equivalents	<u>1,984,495</u>
Investments	1,151,692
Accounts receivable, net	415,258
Grant receivable	5,000
Promises to give receivable - current	207,900
Prepaid expenses	47,232
Total current assets	<u>3,811,577</u>
<u>OTHER ASSETS</u>	
Promises to give receivable - long term	318,880
Investments	122,159
Property and equipment - net	5,561,432
Right-of-use asset operating lease	676,612
Total other assets	<u>6,679,083</u>
Total assets	<u>\$ 10,490,660</u>
<u>CURRENT LIABILITIES</u>	
Finance lease liability - current	\$ 17,048
Long-term debt - current	19,052
Accounts payable - trade	69,154
Unearned tuition revenue	28,870
Accrued expenses	347,030
Refundable advance	46,569
Total current liabilities	<u>527,723</u>
<u>OTHER LIABILITIES</u>	
Operating lease liability - long-term	640,258
Finance lease liability - long-term	35,601
Long-term debt - net	309,215
Total long term liabilities	<u>985,074</u>
Total liabilities	<u>1,512,797</u>
<u>NET ASSETS</u>	
Without donor restrictions	8,211,823
With donor restrictions	766,040
Total net assets	<u>8,977,863</u>
Total liabilities and net assets	<u>\$ 10,490,660</u>

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Without Donor Restrictions	With Donor Restrictions	(restated) Total
<u>REVENUE AND SUPPORT</u>			
Program revenue	\$ 5,030,282	\$ -	\$ 5,030,282
Interest and dividends	37,128	-	37,128
Unrealized gain (loss) on investments	(231,736)	-	(231,736)
Passive income	43,405	-	43,405
Total revenue	4,902,711	-	4,902,711
<u>SUPPORT</u>			
Capital Area United Way	176,409	-	176,409
Pledge income	-	74,263	74,263
Contributions	414,872	10,500	425,372
Grant income	193,965	132,000	325,965
In-Kind Donations	64,959	-	64,959
Special fund raising events	516,959	-	516,959
Employee retention credits	177,639	-	177,639
Total support	1,544,803	216,763	1,761,566
Net assets released from restriction	418,225	(418,225)	-
Total revenue and support	6,865,739	(201,462)	6,664,277
<u>EXPENSES</u>			
Program - therapy services	6,023,134	-	6,023,134
Supporting services:			
Management and general	628,668	-	628,668
Fundraising	666,826	-	666,826
Total expenses	7,318,628	-	7,318,628
Change in net assets	(452,889)	(201,462)	(654,351)
Net assets at beginning of year	8,664,712	967,502	9,632,214
Net assets at end of year	\$ 8,211,823	\$ 766,040	\$ 8,977,863

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>Therapy Services</u>	Supporting Services		(restated)
		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll expense	\$ 4,208,704	\$ 348,408	\$ 328,119	\$ 4,885,231
Payroll taxes and benefits	239,010	19,649	16,516	275,175
Administrative	153,464	45,701	8,950	208,115
Distributions to Emerge School for Autism	62,290	-	-	62,290
Fundraising activities	-	-	266,147	266,147
Interest expense	-	18,286	-	18,286
Lease Expense	39,183	2,062	-	41,245
Occupancy	291,852	98,139	8,862	398,853
Professional fees	76,604	81,922	31,684	190,210
Program expenses	656,700	-	-	656,700
Bad debt (recoveries)	226	-	5,482	5,708
Total expenses before depreciation	5,728,033	614,167	665,760	7,007,960
Depreciation/amortization	295,101	14,501	1,066	310,668
Total expenses	\$ 6,023,134	\$ 628,668	\$ 666,826	\$ 7,318,628

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(SEE ACCOUNTANTS' COMPILATION REPORT)

	(restated)
Cash flows from operating activities:	
Decrease in net assets	\$ (654,351)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Amortization - Right-of-Use Assets - Operating Leases	41,245
Depreciation and amortization	310,668
Realized (gains) losses on investments	(23,632)
Unrealized (gains) losses on investments	231,736
Bad debt expense (recoveries)	5,708
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	152,208
(Increase) decrease in grant receivable	80,000
(Increase) decrease in promises to give	168,522
(Increase) decrease in prepaid expenses	41,067
Increase (decrease) in accounts payable	18,966
Increase (decrease) in unearned tuition	339
Increase (decrease) in unearned revenue	(3,000)
Increase (decrease) in accrued expenses	14,002
Increase (decrease) in refundable advance	46,569
Increase (decrease) in operating lease liabilities	(77,599)
Net cash provided by operating activities	<u>352,448</u>
 Cash flows from investing activities:	
Net (purchases) sales of investments	(38,523)
Purchases of equipment and building improvements	(35,278)
Net cash used in investing activities	<u>(73,801)</u>
 Cash flows from financing activities:	
Principal payments on finance lease liabilities	(15,434)
Payments of long-term debt	(20,183)
Net cash used in financing activities	<u>(35,617)</u>
 Net increase in cash and cash equivalents	243,030
Cash and cash equivalents - beginning of year	1,741,465
Cash and cash equivalents - end of year	<u>\$ 1,984,495</u>
 Supplemental Disclosures of Cash Flow Information:	
Cash Payments for Interest	<u>\$ 18,286</u>
 Supplemental Disclosures of Non-Cash Investing and Financing Activities:	
Equipment Acquired through Finance Leases	<u>\$ 29,266</u>

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

Notes to the Consolidated Financial Statements
December 31, 2022

1. Restatement and Reclassification

Effective January 1, 2022, the BRSHF adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), and all related amendments retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. During the year ended December 31, 2022, BRSHF re-evaluated the initial accounting policy elections and adjusted the calculations and financial statement presentation. Accordingly, the right of use asset and the lease liabilities for finance and the operating leases were adjusted on the consolidated statement of financial position. Accordingly, adjustments were made to amortization expense, interest expense and rent expense in the consolidated statement of activities.

Management also identified certain errors resulting in the understatement of amounts previously reported for accounts receivables, revenues, payables, and expenses as of and for the year ended December 31, 2022. Accordingly, these accounts have been restated in the 2022 consolidated financial statements now presented, and an adjustment has been made to net assets as of December 31, 2022, to correct the errors.

See the summary of changes in net assets as a result of the restatements as discussed above:

Change in net assets, as previously reported	\$	(641,560)
Adjustments to revenue and support:		
Program revenue		(8,530)
Interest and dividends		3,543
Contributions		(828)
Total correction of revenue and support		(5,815)
Reclassification of revenue and support		
Contributions		(2,500)
Grant income		75,000
Special fund raising events		(72,500)
		-
Adjustments to expenses:		
Payroll taxes and benefits		1,166
Administrative		(7,816)
Interest expense		(19,965)
Lease expense		41,243
Depreciation/amortization expense		(7,652)
Total correction of expenses		6,976
Total corrections of errors		(12,791)
Change in net assets, (as restated)	\$	(654,351)

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Baton Rouge Speech and Hearing Foundation, Inc.	The Emerge Center, Inc.	Eliminations	(restated) Consolidated
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 499,566	\$ 722,596	\$ -	\$ 1,222,162
Restricted cash and cash equivalents	57,000	705,333	-	762,333
Cash and cash equivalents	556,566	1,427,929	-	1,984,495
Investments	1,151,692	-	-	1,151,692
Accounts receivable - net	406,788	8,470	-	415,258
Grant receivable	5,000	-	-	5,000
Promises to give receivable - current	-	207,900	-	207,900
Prepaid expenses	25,925	21,307	-	47,232
Total current assets	2,145,971	1,665,606	-	3,811,577
<u>OTHER ASSETS</u>				
Investment in subsidiaries	916,438	-	(916,438)	-
Promises to give receivable - long term	-	318,880	-	318,880
Due from subsidiaries	1,042,641	-	(1,042,641)	-
Investments	122,159	-	-	122,159
Property and equipment - net	5,557,682	3,750	-	5,561,432
Right-of-use asset operating lease	676,612	-	-	676,612
Total other assets	8,315,532	322,630	(1,959,079)	6,679,083
Total assets	\$ 10,461,503	1,988,236	\$ (1,959,079)	\$ 10,490,660
<u>CURRENT LIABILITIES</u>				
Finance lease liability - current	\$ 17,048	\$ -	\$ -	\$ 17,048
Long-term debt - current	19,052	-	-	19,052
Accounts payable - trade	64,258	4,896	-	69,154
Unearned tuition revenue	28,870	-	-	28,870
Accrued expenses	322,769	24,261	-	347,030
Refundable advance	46,569	-	-	46,569
Total current liabilities	498,566	29,157	-	527,723
<u>OTHER LIABILITIES</u>				
Operating lease liability - long-term	640,258	-	-	640,258
Finance lease liability - long-term	35,601	-	-	35,601
Long-term debt - net	309,215	-	-	309,215
Due to subsidiaries	-	1,042,641	(1,042,641)	-
Total long term liabilities	985,074	1,042,641	(1,042,641)	985,074
Total liabilities	1,483,640	1,071,798	(1,042,641)	1,512,797
<u>NET ASSETS</u>				
Without donor restrictions	8,825,413	302,848	(916,438)	8,211,823
With donor restrictions	152,450	613,590	-	766,040
Total net assets	8,977,863	916,438	(916,438)	8,977,863
Total liabilities and net assets	\$ 10,461,503	1,988,236	\$ (1,959,079)	\$ 10,490,660

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Baton Rouge Speech and Hearing Foundation, Inc.	The Emerge Center, Inc.	Eliminations	(restated) Consolidated
<u>REVENUE</u>				
Program revenue	\$ 5,030,282	\$ -	\$ -	\$ 5,030,282
Interest and dividends	36,449	679	-	37,128
Realized gain (loss) on investments	23,632	-	-	23,632
Unrealized gain (loss) on investments	(231,736)	-	-	(231,736)
Passive income	43,405	-	-	43,405
Earnings (losses) from subsidiaries	(25,091)	-	25,091	-
Total revenue	<u>4,876,941</u>	<u>679</u>	<u>25,091</u>	<u>4,902,711</u>
<u>SUPPORT</u>				
Capital Area United Way	176,409	-	-	176,409
Pledge income	-	74,263	-	74,263
Contributions	575,725	425,272	(575,625)	425,372
Grant income	198,915	127,050	-	325,965
In-Kind donations	5,905	59,054	-	64,959
Special fund raising events	-	516,959	-	516,959
Employee retention credits	177,639	-	-	177,639
Total support	<u>1,134,593</u>	<u>1,202,598</u>	<u>(575,625)</u>	<u>1,761,566</u>
Total revenue and support	6,011,534	1,203,277	(550,534)	6,664,277
<u>EXPENSES</u>				
Program:				
Therapy services	5,960,844	-	-	5,960,844
Distributions to Emerge School for Autism	62,290	-	-	62,290
Supporting services:				
Management and general	593,074	35,594	-	628,668
Fundraising	49,677	617,149	-	666,826
Distributions to Emerge School for Autism	-	-	-	-
Distributions to BRSHF	-	575,625	(575,625)	-
Total expenses	<u>6,665,885</u>	<u>1,228,368</u>	<u>(575,625)</u>	<u>7,318,628</u>
Change in net assets	(654,351)	(25,091)	25,091	(654,351)
Net assets at beginning of year	9,632,214	941,529	(941,529)	9,632,214
Net assets at end of year	<u>\$ 8,977,863</u>	<u>\$ 916,438</u>	<u>\$ (916,438)</u>	<u>\$ 8,977,863</u>

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.
BATON ROUGE, LOUISIANA

STATEMENT OF ACTIVITIES -
2022 BUDGET TO ACTUAL
(SEE ACCOUNTANTS' COMPILATION REPORT)

	(restated) Twelve Months Ended December 31, 2022		(restated)
	Actual	Budget	Variance to Budget
<u>REVENUE</u>			
Therapy Services			
ABA	\$ 2,576,896	\$ 2,798,751	\$ (221,855)
Speech	1,244,377	1,327,567	(83,190)
Occupational	629,294	763,259	(133,965)
Behavioral health	177,274	187,500	(10,226)
Audiology	339,387	301,300	38,087
Misc-Program (M&G)	764	-	764
Contract Services - Aligned Research	9,741	9,741	-
Total revenue	<u>4,977,733</u>	<u>5,388,118</u>	<u>(410,385)</u>
<u>SUPPORT</u>			
Capital Area United Way	176,409	155,000	21,409
Pledge income	74,263	275,000	(200,737)
Contributions	425,372	334,630	90,742
Grant income	325,965	356,000	(30,035)
In-kind donations	64,959	-	64,959
Special fund raising events	516,959	601,450	(84,491)
Employee retention credits	177,639	-	177,639
Total support	<u>1,761,566</u>	<u>1,722,080</u>	<u>39,486</u>
Total revenue and support	<u>6,739,299</u>	<u>7,110,198</u>	<u>(370,899)</u>
<u>EXPENSES</u>			
Personnel	5,160,406	5,682,367	(521,961)
Administrative	208,115	170,243	37,872
Occupancy	398,853	279,618	119,235
Fundraising	206,593	222,936	(16,343)
Professional fees	190,210	182,713	7,497
Program expenses	651,295	607,911	43,384
Total expenses	<u>6,815,472</u>	<u>7,145,788</u>	<u>(330,316)</u>
Net revenue over (under) expenses before Other income (expense)	<u>\$ (76,173)</u>	<u>\$ (35,590)</u>	<u>\$ (40,583)</u>
<u>OTHER INCOME (EXPENSE)</u>			
Program Income - Special Education Contract Services	62,290	-	62,290
Distributions to Emerge School for Autism - Special Education Contract Services	(62,290)	-	(62,290)
Distributions to Emerge School for Autism	-	(27,500)	27,500
Bad debt expense	(5,708)	-	(5,708)
Interest expense	(18,286)	(17,639)	(647)
In-kind donations	(64,959)	-	(64,959)
Other income (expense)	(137,312)	45,709	(183,021)
Rent expense	(41,245)	(38,830)	(2,415)
Depreciation/amortization	(310,668)	(302,187)	(8,481)
Total other income (expense)	<u>(578,178)</u>	<u>(340,447)</u>	<u>(237,731)</u>
Increase (decrease) in net assets	<u>\$ (654,351)</u>	<u>\$ (376,037)</u>	<u>\$ (278,314)</u>

BATON ROUGE SPEECH AND HEARING FOUNDATION, INC
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2022

Chief Executive Officer: Deanna Whittle

Purpose	Amount
Salary, including incentive and bonus	\$ -
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-
Total	\$ -

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

This organization is not required to report the total compensation, reimbursements, and benefits paid to the chief executive officer as these costs are supported by private funds.