

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

BATON ROUGE, LOUISIANA

**ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017**

**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
DECEMBER 31, 2017**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Baton Rouge Black Alcoholism Council, Inc. (Metro Health) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, 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 audits. We conducted our audits 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting and compliance.

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

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC

Certified Public Accountants

Lafayette, Louisiana
June 29, 2018

FINANCIAL STATEMENTS

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 95,767
Grants and Contracts Receivable	<u>79,117</u>
Total Current Assets	<u>174,884</u>

PROPERTY AND EQUIPMENT (NET)

-

TOTAL ASSETS

\$ 174,884

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 15,135
Accrued Payroll and Related Liabilities	53,550
Current Portion of Note Payable, State of Louisiana (Restore Grant)	<u>12,000</u>
Total Current Liabilities	<u>80,685</u>

LONG-TERM LIABILITIES

Related Party Loans	37,876
Note Payable, State of Louisiana (Restore Grant)	<u>138,000</u>
Total Long-Term Liabilities	175,876

TOTAL LIABILITIES

256,561

NET DEFICIT

Unrestricted Net Deficit	<u>(81,677)</u>
Total Net Deficit	<u>(81,677)</u>

TOTAL LIABILITIES AND NET DEFICIT

\$ 174,884

The accompanying notes are an integral part of these statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF ACTIVITIES
DECEMBER 31, 2017**

UNRESTRICTED NET ASSETS

Unrestricted Revenues and Gains

Contributions	\$ 12,215
Grants and Contracts	463,212
Miscellaneous Income	1,159
Fundraising	<u>10,773</u>

TOTAL PUBLIC SUPPORT AND REVENUES 487,359

EXPENSES AND LOSSES

Program Services:

HIV/AIDS/STD Prevention 328,077

Supporting Services:

Management and General 205,111

Fundraising 21,183

Total Expenses 554,371

DECREASE IN UNRESTRICTED NET ASSETS (67,011)

NET DEFICIT AT BEGINNING OF YEAR (28,532)

PRIOR PERIOD ADJUSTMENT 13,866

NET DEFICIT AT BEGINNING OF YEAR, RESTATED (14,666)

NET DEFICIT AT END OF YEAR \$ (81,677)

The accompanying notes are an integral part of these statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2017**

	<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	\$ 180,141	\$ 178,356	\$ -	\$ 358,497
Employee Benefits	5,341	11,725	-	17,066
Payroll Taxes	17,787	12,278	-	30,065
	<u>203,269</u>	<u>202,359</u>	-	<u>405,628</u>
Advertising	449	-	-	449
Bank Charges	-	450	-	450
Contract Personnel	18,748	-	19,661	38,409
Donations	4,274	-	-	4,274
Dues and Subscriptions	132	-	-	132
Education/Training	75	-	-	75
Equipment Leasing	5,015	-	-	5,015
Fundraisers	-	-	1,522	1,522
Incentives	820	-	-	820
Insurance	9,160	-	-	9,160
Interest Expense	-	2,302	-	2,302
Legal and Accounting	13,373	-	-	13,373
License	600	-	-	600
Meetings	932	-	-	932
Postage	544	-	-	544
Professional	2,882	-	-	2,882
Program Expense	39,665	-	-	39,665
Rent	17,840	-	-	17,840
Repairs and Maintenance	315	-	-	315
Supplies/Materials	4,580	-	-	4,580
Travel and Seminars	499	-	-	499
Utilities and Telephone	4,903	-	-	4,903
	<u>328,077</u>	<u>205,111</u>	<u>21,183</u>	<u>554,371</u>
TOTAL	\$ 328,077	\$ 205,111	\$ 21,183	\$ 554,371

The accompanying notes are an integral part of these statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

**STATEMENT OF CASH FLOWS
DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in Net Assets	<u>\$ (67,011)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Changes in Current Assets and Liabilities:	
Grants and Contracts Receivable	(3,798)
Technical Overdraft	(11,450)
Accounts Payable	(9,718)
Accrued Payroll and Related Liabilities	<u>21,074</u>
Net Cash Used In Operating Activities	<u>(70,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds on Note Payable	150,000
Related Party	<u>16,084</u>
Net Cash Provided By Financing Activities	<u>166,084</u>
NET INCREASE IN CASH AND EQUIVALENTS	95,181
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>586</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 95,767</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, 2017**

(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 diseases (STDs); 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/STDs; to increase the awareness of preventive services; to render support and directions to persons infected with HIV and other STD's; to offer alcohol and drug prevention and referral services basic education, and connect individuals with alcohol or drug problems to counseling and treatment services; to offer educational services on health issues.

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently, the Organization has no temporarily or permanently restricted net assets.

Public Support and Revenue

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants received with donor-imposed restrictions that are met in the same year in which the contributions or grants are received are classified as unrestricted contributions and grants.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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

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 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 temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 2014.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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

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.

(B) GRANTS RECEIVABLE

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

State of Louisiana	\$ 44,699
City of Baton Rouge	<u>34,418</u>
	<u>\$ 79,117</u>

(C) FIXED ASSETS

A summary of fixed asset follows:

Equipment Cost	\$ 33,004
Accumulated Depreciation	<u>(33,004)</u>
Book Value	<u>\$ -</u>

(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 paid in full at maturity. 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, 2017 is \$150,000.

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

2018	\$ 12,000
2019	18,000
2020	18,000
2021	18,000
2022	18,000
Thereafter	<u>66,000</u>
Total Note Payable	<u>\$150,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

(E) 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, 2017:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 82,500
Benefits - Insurance	\$ 11,725

(F) RELATED PARTY

As of December 31, 2017, the Organization has a zero interest loan with a related parties of \$37,876 to cover operating expenses.

At December 31, 2017, the Organization owed a related party \$18,358, which is included in accounts payable.

The board hired the son of the Executive Director as an Event Coordinator. As of December 31, 2017, he received compensation totaling \$19,661.

(G) 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 \$17,840 at December 31, 2017.

(H) JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation or pending claims against the Organization.

(I) BOARD OF DIRECTORS COMPENSATION

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

(J) 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

(K) 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.

(L) 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.

(M) 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, 2017 the Organization had no uninsured cash balances.

(N) 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 \$449 for the year ended December 31, 2017.

(O) PRIOR PERIOD ADJUSTMENT

The Organization's net deficit at the beginning of 2017 has been adjusted for misapplied payments recorded as expenses rather than offset against accrued liabilities in the prior year. The correction has no effect on the results of the current year's activities, however, the cumulative effect decreases the beginning unrestricted net deficit for 2017 by \$13,866. Had the error not occurred, the change in unrestricted net assets for 2016 would have been increased by \$13,866. Previously issued financial statements have been restated to correct this error.

(P) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 29, 2018, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Baton Rouge Black Alcoholism Council, Inc. (a nonprofit organization), as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2018.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

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 a misstatement 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness, 2017-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baton Rouge Black Alcoholism Council, Inc.'s financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Baton Rouge Black Alcoholism Council, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Baton Rouge Black Alcoholism Council, Inc.'s response and, accordingly, we express no opinion on it.

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 intended for the information and use of management and the Board of Directors of Baton Rouge Black Alcoholism Council, Inc., and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. 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. However, this report is a matter of public record and its distribution is not limited.

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

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC

Certified Public Accountants

Lafayette, Louisiana
June 29, 2018

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

We have audited the financial statements of Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2017, and have issued our report thereon dated June 29, 2018. 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, 2017 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Compliance

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

N/A

c. *Management Letter*

Was a management letter issued?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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**BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
D/B/A METRO HEALTH**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED DECEMBER 31, 2017**

Section II - Financial Statement Findings

2017-1 Material Misstatements

Statement of Condition:

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.

Criteria:

Government Auditing Standards require that an adequate system of internal control be in place in order to safeguard assets and assure proper recording of transactions.

Effect of Condition:

The condition resulted in the auditors proposing numerous and material audit adjusting journal entries.

Cause of Condition:

Management did not establish an effective structure of internal control and did not maintain effective oversight to assure that the controls were in place and functioning as designed.

Recommendation:

Management should continue to implement procedures to insure that an adequate structure of internal control is in place and functioning as designed.

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, 2017**

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>
2017-1	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.	Partially, repeated as finding 2016-1. The entity hired an in-house Bookkeeper/Accounting Clerk who is working with the outsourced CPA to ensure proper adjustments are recorded. The entity has also purchased software to assist in this process.
2017-1ML	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, 2017-1ML.

**MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

Louisiana Legislative Auditor

The Baton Rouge Black Alcoholism Council, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2017.

2017-1 Material Misstatements

Statement of Condition:

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.

Recommendation:

Management should continue to implement procedures to insure that an adequate structure of internal control is in place and functioning as designed.

Management's Response:

Since the previous audit, we have been in the process of revamping our internal control process in order to minimize the number of material adjustments necessary.

Management Letter

2017-2 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 we are working with the IRS to remit all tax payments.

2017-3 ML TIMELY REFUNDS

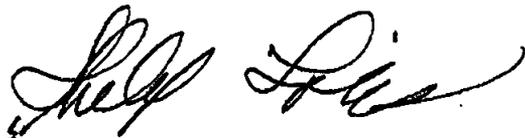
Auditors' Comment: The Organization has a liability on the books for retirement contributions withheld but never remitted. The 403B Plan has been discontinued, therefore these amounts should be refunded to the applicable employees from which it was originally withheld.

Auditors' Recommendation: We recommend the Organization refund this money immediately.

Management's Response: We are aware of this issue and we are working to refund the money.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Shirley Lois".

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