

**Bayou Council Behavioral Health
Services, Inc.**

Financial Statements
and Independent Auditor's Report
June 30, 2014

Bayou Council Behavioral Health Services, Inc.

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bayou Council Behavioral Health Services, Inc.
Thibodaux, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Bayou Council Behavioral Health Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, including the assessment of the risks of material misstatement 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 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.

Board of Directors
Bayou Council Behavioral Health Services, Inc.
Thibodaux, Louisiana

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 Bayou Council Behavioral Health Services, Inc. as of June 30, 2014, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014, on our consideration of Bayou Council Behavioral Health Services 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 the Organization's internal control over financial reporting and compliance.



Houma, Louisiana
December 23, 2014

FINANCIAL STATEMENTS

Bayou Council Behavioral Health Services, Inc.

Statement of Financial Position
June 30, 2014

ASSETS

Current Assets:

Cash and cash equivalents	\$ 30,900
Unconditional promises to give:	
United Way	22,071
Governmental grants	4,575
Accounts receivable	1,000
Other receivable	1,462
Prepaid expenses	<u>2,349</u>

TOTAL CURRENT ASSETS 62,357

Property and equipment, net of accumulated depreciation of \$25,458	<u>40,423</u>
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TOTAL ASSETS \$ 102,780

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 808
Payroll liabilities	3,195
Deferred revenue	<u>9,900</u>

TOTAL LIABILITIES 13,903

Net Assets:

Unrestricted	66,806
Temporarily restricted	<u>22,071</u>

TOTAL NET ASSETS 88,877

TOTAL LIABILITIES AND NET ASSETS \$ 102,780

The accompanying notes are an integral part of these financial statements.

Bayou Council Behavioral Health Services, Inc.

Statement of Activities
Year Ended June 30, 2014

UNRESTRICTED NET ASSETS

SUPPORT AND RECLASSIFICATIONS

Support	
Program service fees	\$ 114,625
Governmental grants	104,740
Other contributions	5,527
Miscellaneous income	67
TOTAL UNRESTRICTED SUPPORT	<u>224,959</u>
Reclassifications	
United Way Services funding for the year released from restriction	<u>47,286</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATIONS	<u>272,245</u>

EXPENSES

Program services	265,120
Management and general	22,251
TOTAL EXPENSES	<u>287,371</u>

DECREASE IN UNRESTRICTED NET ASSETS (15,126)

TEMPORARILY RESTRICTED NET ASSETS

United Way Services grant	42,000
Net assets released from restrictions:	
Expiration of time restrictions on United Way Services funding	<u>(47,286)</u>

**DECREASE IN TEMPORARILY RESTRICTED
NET ASSETS** (5,286)

DECREASE IN NET ASSETS (20,412)

NET ASSETS AT BEGINNING OF YEAR 109,289

NET ASSETS AT END OF YEAR \$ 88,877

The accompanying notes are an integral part of these financial statements.

Bayou Council Behavioral Health Services, Inc.

Statement of Functional Expenses
Year Ended June 30, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 142,528	\$ 10,728	\$ 153,256
Contract services	26,483	1,993	28,476
Rent	17,902	1,347	19,249
Insurance	15,091	1,136	16,227
Accounting and audit	13,345	1,004	14,349
Payroll taxes	11,940	899	12,839
Publications	6,651	501	7,152
Utilities	5,509	415	5,924
Supplies	5,373	404	5,777
Rental equipment	4,714	355	5,069
Telephone	3,980	300	4,280
Consulting fees	3,136	236	3,372
Coalition award	2,632	198	2,830
Miscellaneous	1,809	136	1,945
Mileage	1,426	107	1,533
Postage	1,066	80	1,146
Janitorial service	595	45	640
Dues and subscriptions	301	23	324
Food and lodging	280	21	301
Service and repairs	182	14	196
Taxes and licenses	177	13	190
Total expenses before depreciation	265,120	19,955	285,075
Depreciation	-	2,296	2,296
Total expenses	<u>\$ 265,120</u>	<u>\$ 22,251</u>	<u>\$ 287,371</u>

The accompanying notes are an integral part of these financial statements.

Bayou Council Behavioral Health Services, Inc.

Statement of Cash Flows
Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (20,412)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	2,296
Decrease in operating assets:	
Unconditional promises to give	4,586
Other receivable	3,016
Prepaid expenses	2,538
Decrease in operating liabilities:	
Accounts payable	(252)
Payroll liabilities	(2,460)
Deferred revenue	<u>(2,700)</u>

**NET CASH USED IN OPERATING
ACTIVITIES/NET DECREASE IN
CASH AND CASH EQUIVALENTS** (13,388)

BEGINNING CASH AND CASH EQUIVALENTS 44,288

ENDING CASH AND CASH EQUIVALENTS \$ 30,900

The accompanying notes are an integral part of these financial statements.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF THE ORGANIZATION

Bayou Council Behavioral Health Services, Inc. (BCBHS), a Louisiana not-for-profit, voluntary health and welfare agency, provides prevention programs and education services to reduce the risk factors associated with alcohol and substance abuse. Services are available to Lafourche Parish and surrounding areas.

B. BASIS OF PRESENTATION

The financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

C. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, BCBHS considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

D. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are 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 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.

E. BAD DEBTS

The financial statements of BCBHS contain no allowance for uncollectible promises to give. Uncollectible accounts are recognized as an expense at the time information becomes available that indicates the amounts are uncollectible. While accounting principles generally accepted in the United States of America require that bad debts be recorded utilizing the allowance method, the difference between the two methods is immaterial to the Organization, as management considers all promises to give to be fully collectible.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. PROPERTY AND EQUIPMENT

Property and equipment acquired by the Organization are considered to be owned by the Organization except for certain equipment acquired with grant funds. Title for such property may revert to the State at the completion of the grant period at the discretion of the State. Property and equipment are stated at cost. Depreciation is computed utilizing the straight-line method over the estimated useful lives of five to fifteen years. Depreciation expense for the year ended June 30, 2014 was \$2,296. Property and equipment acquisitions are capitalized if the purchase price exceeds \$300 and the asset has a useful life of greater than one year.

G. NET ASSETS

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of BCBHS and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

H. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. INCOME TAXES

BCBHS is a not-for-profit, voluntary health and welfare agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors.

NOTE 2 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, unconditional promises to give, accounts receivable, line of credit and accounts payable. Management estimates that the fair value of all financial instruments as of June 30, 2014 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains one bank account which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization did not exceed federally insured limits at any time during the year ended June 30, 2014.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of promises to give due from the State of Louisiana and the United Way for South Louisiana. Because these receivables are passed through support from the federal or state governments or local donors the Organization requires no collateral for these amounts.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

NOTE 4 – PROMISES TO GIVE

As of June 30, 2014, unconditional promises to give consist of the following:

<u>Other</u>		
United Way for South Louisiana	\$	22,071
<u>Governmental</u>		
State of Louisiana:		
Department of Health and Hospitals/ Office for Addictive Disorders		<u>4,575</u>
Total unconditional promises to give	\$	<u>26,646</u>

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amount due from United Way for South Louisiana represents the Organization's allocation for the remainder of calendar year 2014 which is temporarily restricted as to the passage of time. All other unconditional promises to give are unrestricted.

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment follows:

	Balance			Balance
	July 1, 2013	Additions	Dispositions	June 30, 2014
Land	\$ 33,000	\$ -	\$ -	\$ 33,000
Fixtures and equipment	<u>32,881</u>	<u>-</u>	<u>-</u>	<u>32,881</u>
	65,881	-	-	65,881
Accumulated depreciation	<u>(23,162)</u>	<u>(2,296)</u>	<u>-</u>	<u>(25,458)</u>
	<u>\$ 42,719</u>	<u>\$ (2,296)</u>	<u>\$ -</u>	<u>\$ 40,423</u>

NOTE 6 – LINE OF CREDIT

To aid in cash flow management, the Organization maintains a revolving line of credit agreement with a local bank. This agreement, which is unsecured and due on demand, includes a maximum borrowing limit of \$50,000, an interest rate of Wall Street Journal prime plus 3% (6.25% as of June 30, 2014), and requires monthly payments of three percent of the outstanding principal balance plus accrued interest. As of June 30, 2014, the Organization has no outstanding balance under this agreement.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

NOTE 7 – RESTRICTIONS ON NET ASSETS

The restrictions on net assets as of June 30, 2014 relate to the United Way for South Louisiana grant which is restricted until the passage of time.

NOTE 8 – FUNDING POLICIES

BCBHS receives local funding from the United Way for South Louisiana. These monies are received by BCBHS in monthly installments.

BCBHS receives funding on a cost reimbursement basis and fee-for-service basis from the Louisiana State Department of Health and Hospitals/Office for Addictive Disorders as pass through agent for federal funding from the United States Department of Health and Human Services.

NOTE 9 – GOVERNMENTAL AND OTHER GRANTS

During the year ended June 30, 2014, the Organization received unconditional promises to give in the form of grants from the following governmental and local grantors:

Governmental Grants

State of Louisiana/Department of Health and Hospitals/Office for Addictive Disorders/Prevention Services	\$ 94,740
State of Louisiana/Department of Health and Hospitals/Office for Addictive Disorders/SYNAR Prevention Services	<u>10,000</u>
	\$ 104,740

Other Grants

United Way for South Louisiana	<u>\$ 42,000</u>
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NOTE 10 – OPERATING LEASES

The Organization leases the building from which it operates from an unrelated third party under a lease agreement dated November 1, 2011. The lease expires on June 30, 2016. The lease requires monthly payments of \$1,600 through June 30, 2014. Monthly rent shall increase on each yearly anniversary by \$50. At the end of the original term of the lease, the Organization has the option to renew the lease for an additional term of five years. Rent expense incurred under this lease was \$19,200 for the year ended June 30, 2014.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

NOTE 10 – OPERATING LEASES (Cont.)

Future minimum lease payments on the above leases are as follows:

<u>June 30,</u>	
2015	\$ 19,800
2016	<u>20,400</u>
	<u>\$ 40,200</u>

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization is considered a partner agency with the United Way for South Louisiana. United Way for South Louisiana has allocated \$42,000 to BCBHS for 2014. As of June 30, 2014, \$22,071 of that amount is receivable.

NOTE 12 – UNCERTAIN INCOME TAXES

The Organization's 2012 tax returns were filed appropriately. As of December 2014, the Organization had not filed their 2013 tax return as the filing due date had been extended to February 15, 2015. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Organization's tax filings are subject to audit by various taxing authorities. The Organization's open audit period is 2010 to 2012. Management has evaluated the Organization's tax position and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 23, 2014, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in this financial statement.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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
Bayou Council Behavioral Health Services, Inc.
Thibodaux, 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 statement of Bayou Council Behavioral Health Services, Inc. (a nonprofit organization), which comprise the statement of financial position as June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bayou Council Behavioral Health Services, Inc.'s internal control over financial reporting (internal control) to determine the 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 Bayou Council Behavioral Health Services, Inc.'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 than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these

Board of Directors
Bayou Council Behavioral Health Services, Inc.
Thibodaux, Louisiana

limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 14-01 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

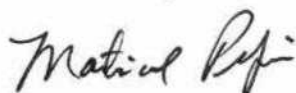
As part of obtaining reasonable assurance about whether Bayou Council Behavioral Health Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Auditee's Response to Findings

Bayou Council Behavioral Health Services, Inc.'s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Such response was not subjected to the auditing procedures applied in the audit of the financial statements 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 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. This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Houma, Louisiana
December 23, 2014

OTHER INFORMATION

Bayou Council Behavioral Health Services, Inc.

Schedule of Findings and Responses As of and For the Year Ended June 30, 2014

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of BCBHS.
2. One significant control deficiency (see finding 14-01) was noted during the audit of the financial statements. This significant control deficiency was not considered to be a material weakness.
3. No instances of noncompliance or other matters material to the financial statements of BCBHS, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the financial statements of BCBHS were noted during the audit.

Section III – Internal Control Findings

14-01

Statement of Condition: A significant deficiency in the Organization's internal control.

Criteria: In our consideration of internal control, we noted that the size of BCBHS's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of BCBHS and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Bayou Council Behavioral Health Services, Inc.

Schedule of Findings and Responses
As of and For the Year Ended
June 30, 2014

Recommendation: The Board of Directors of BCBHS should closely monitor the activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost-beneficial to employ an adequate system of internal controls.

Response: The management of BCBHS agrees with this finding.

Questioned Costs: \$ -0-

Section IV – Findings and Responses – Major Federal Award Program Audit

This section is not applicable.

Bayou Council Behavioral Health Services, Inc.

Management's Corrective Action
Plan for Current Year Findings
As of and For the Year Ended
June 30, 2014

The contact person for all corrective actions noted below is Ms. Jackie Myers, Executive Director.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of Bayou Council Behavioral Health Services, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Bayou Council Behavioral Health Services, Inc.

Schedule of Prior Findings and Resolution Matters
As of and For the Year Ended
June 30, 2014

Note: All prior findings relate to the June 30, 2013 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A significant deficiency in the internal control related to the lack of segregation of duties.

Recommendation: The Board of Directors of the Organization should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point of where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

Status: Ongoing. The Organization has implemented the recommendation; however, the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.