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BATON ROUGE BLACK ALCOHOLISM COUNCIL
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/6/08

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Certified Public Accountant



Donald C. DeVille

Member
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INDEPENDENT AUDITOR'S REPORT

June 17, 2008

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

I have audited the accompanying statement of financial position of the Baton Rouge Black Alcoholism Council, Inc. (a non-profit organization) as of December 31, 2007, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Baton Rouge Black Alcoholism Council, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Baton Rouge Black Alcoholism Council, Inc. as of December 31, 2007, and in the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 17, 2008, on our consideration of Baton Rouge Black Alcoholism Council's internal control over financial reporting and my tests of its compliance with laws and regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Donald E. Helville

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS

Cash	\$174
Grants Receivable	49,717
Equipment, Net	7,569
	<hr/>
TOTAL ASSETS	57,460
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

LIABILITIES

Bank Overdraft	\$1,533
Accounts Payable	6,753
Payroll Taxes	325
Lease Payable	3,337
	<hr/>
TOTAL LIABILITIES	11,948
	<hr/>

NET ASSETS

Net Assets	
Unrestricted	45,512
	<hr/>
TOTAL NET ASSETS	45,512
	<hr/>

TOTAL LIABILITIES AND NET ASSETS	57,460
	<hr/> <hr/>

See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

REVENUE AND OTHER SUPPORT:	
Grants	\$573,734
TOTAL REVENUE & OTHER SUPPORT	<u>573,734</u>
EXPENSES:	
Program Services	546,385
Management	57,252
Total Expenses	<u>603,637</u>
INCREASE (DECREASE) IN NET ASSETS	(29,903)
NET ASSETS, Beginning of Year	<u>75,415</u>
NET ASSETS, End of Year	<u><u>45,512</u></u>

See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2007

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u>	<u>TOTAL</u>
Salaries	\$336,133	\$51,000	\$387,133
Payroll Taxes	25,019	4,764	29,783
Accounting	7,815	1,488	9,303
Advertising	9,530	-0-	9,530
Bank Charges	221	-0-	221
Conferences	1,429	-0-	1,429
Depreciation	2,569	-0-	2,569
Donations	2,580	-0-	2,580
Dues & Subscriptions	185	-0-	185
Employee Benefits	10,951	-0-	10,951
Insurance	18,420	-0-	18,420
Incentives	6,718	-0-	6,718
Miscellaneous	7,153	-0-	7,153
Postage	1,131	-0-	1,131
Printing	1,726	-0-	1,726
Rent	9,399	-0-	9,399
Repairs & Maintenance	405	-0-	405
Supplies	83,613	-0-	83,613
Telephone	5,834	-0-	5,834
Meetings	60	-0-	60
Travel	15,494	-0-	15,494
	<hr/>	<hr/>	<hr/>
Total Expenses	546,385	57,252	603,637
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) In Net Assets	\$(29,903)
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	2,569
(Increase) Decrease In Operating Assets:	
Grants Receivable	10,977
Increase (Decrease) In Operating Liabilities:	
Accounts Payable	5,125
Employment Benefits	325
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>(10,907)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Equipment	<u>(5,721)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Increases in Lease Payables	<u>3,337</u>
Total Cash Flows From Financing Activities	<u>3,337</u>

NET INCREASES (DECREASE) IN CASH AND CASH EQUIVALENT (13,291)

CASH AND CASH EQUIVALENTS, Beginning of Year 11,932

CASH AND CASH EQUIVALENTS, End of Year (1,359)

SUPPLEMENTAL DATA:

Interest paid	<u><u>-0-</u></u>
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See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE #1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Baton Rouge Black Alcoholism Council, Inc. (Council) is a Louisiana non-profit corporation, which was incorporated on December 12, 1988.

The mission of the Council 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 STDs; 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 women's health issues).

CONTRIBUTED SERVICES

During the year, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Council at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

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.

PROPERTY AND EQUIPMENT

It is the Council's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

PROPERTY AND EQUIPMENT (Continued)

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 Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method.

FINANCIAL STATEMENT PRESENTATION

The Council 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.

CONTRIBUTIONS

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

INCOME TAXES

The Council is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private Foundation.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the Council considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as prepaid.

RECEIVABLES

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Baton Rouge Black Alcoholism Council, Inc. maintains two bank accounts at two financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

At December 31, 2007, the Council had cash and cash equivalent (book balances) totaling \$(1,359). These deposits are stated at cost, which approximates market. At December 31, 2007, Baton Rouge Black Alcoholism Council had \$9,832 in deposits (collected bank balances) which was secured by FDIC insurance.

NOTE #3. GRANTS RECEIVABLE

Grants receivable at year-end consist of reimbursements for expenses incurred under the following programs:

Louisiana Office of Public Health	\$29,116
HAART	15,947
T I V	4,654
	<hr/>
Total	49,717
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Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

NOTE #4. FIXED ASSETS

A summary of plant assets follows:

Equipment	\$22,381
Less: Accumulated Depreciation	(14,812)
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Total Equipment	7,569
	<hr/> <hr/>

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE #5. LEASE PAYABLE

The Council leased a copier during 2006. The future minimum lease payments are as follows:

2008	\$1,907
2009	1,430
	<hr/>
Total	3,337
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NOTE #6. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation or pending claims against the Council.

NOTE #7. BOARD OF DIRECTORS' COMPENSATION

For the year ended **December 31, 2007**, the Board of Directors were a voluntary board; therefore, no compensation has been paid to any member.

NOTE #8. RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the Council carries commercial insurance, except for equipment. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

NOTE #9. ECONOMIC DEPENDENCY

The Council receives the majority of its revenues from funds provided through payments administered by the Department of Public Health. If significant budget cuts are made at the federal/state level the amount of funds the Council receives could be reduced significantly and have a impact on its operations. Management is not aware of any actions that will adversely effect the amount of funds the Council will receive in the next fiscal year.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE #10. CONTINGENCIES

The Council receives a substantial portion of its revenue from government grants, which are subject to audit by various federal and state agencies. The ultimate determination of amounts received under these grants generally is based upon allowable costs reported to and audited by the governments or their designees. The liabilities, if any, arising from such compliance audits cannot be determined at this time. In the opinion of management, adjustments resulting from such audits, if any, will not have a significant effect on the financial position of the Council.

SUPPLEMENTAL INFORMATION

Certified Public Accountant



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**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**

June 17, 2008

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

I have audited the financial statements of the Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2007, and have issued my report thereon dated June 17, 2008. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Baton Rouge Black Alcoholism's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A control deficiency exist 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 misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

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 misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Donald C. DeWille

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2007

<u>REF</u> <u>NO.</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u> <u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u> <u>(YES, NO, PARTIALLY)</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
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None

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
SCHEDULE OF CURRENT YEARS AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2007

NONE

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2007

NOT APPLICABLE