

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2021

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

# LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Auditor's Report

Board of Directors  
Louisiana Association on Compulsive Gambling  
Bossier City, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Louisiana Association on Compulsive Gambling (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, 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**

My responsibility is to express an opinion on 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 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 Association's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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**Opinion**

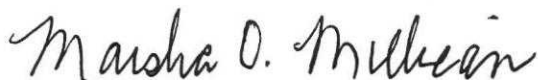
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association on Compulsive Gambling as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Information****Supplemental Information**

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of state contracts and schedule of compensation, benefits, and other payments to agency head listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of managements and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated November 1, 2021 on my consideration of Louisiana Association on Compulsive Gambling's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract 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 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 Louisiana Association on Compulsive Gambling's internal control over financial reporting and compliance.



Certified Public Accountant  
November 1, 2021

## LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

## Statement of Financial Position

June 30, 2021

## ASSETS

## CURRENT ASSETS

Cash and Cash Equivalents	\$ 329,832
Grants and Contracts Receivable	<u>215,468</u>
Total Current Assets	545,300

## PROPERTY AND EQUIPMENT (NET)

409,746

## OTHER ASSETS

Deposits	<u>6,111</u>
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Total Assets	<u><u>\$ 961,157</u></u>
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## LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 18,341
Compensated Absences Payable	<u>9,292</u>

Total Current Liabilities	<u>27,633</u>
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Total Liabilities	<u>27,633</u>
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## Net Assets:

With Donor Restrictions	-
Without Donor Restrictions	<u>933,524</u>

Total Net Assets	<u>933,524</u>
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Total Liabilities and Net Assets	<u><u>\$ 961,157</u></u>
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The accompanying notes are an integral part of this statement.

## LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

## Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support:			
Contributions	\$ 18,115	\$ -	\$ 18,115
Total Support	18,115	-	18,115
Revenues:			
Program Service Fees	1,658,117	-	1,658,117
Miscellaneous	34,460	-	34,460
Total Revenues	1,692,577	-	1,692,577
Total Support and Revenue	1,710,692	-	1,710,692
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	-	-	-
Total Support and Revenues	1,710,692	-	1,710,692
EXPENSES			
Program Expenses	1,337,208	-	1,337,208
Management and General	257,875	-	257,875
Total Expenses	1,595,083	-	1,595,083
Change in Net Assets	115,609	-	115,609
Net assets, beginning of year	817,915	-	817,915
Net assets, end of year	\$ 933,524	\$ -	\$ 933,524

The accompanying notes are an integral part of this statement.

## LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

## Statement of Functional Expenses

For the Year Ended June 30, 2021

	CORE	Help Line Center	Intensive Outpatient Program	Management and General	Total
Salaries and Benefits	\$ 251,909	\$ 558,265	\$ 91,172	\$ 124,259	\$ 1,025,605
Education and Awareness	631	15,161	-	50	15,842
Occupancy	61,807	64,938	13,432	10,813	150,990
Professional Services	23,962	43,101	13,285	28,114	108,462
Printing	987	-	1,784	895	3,666
Supplies	33,552	13,669	8,502	3,177	58,900
Information Technologies	7,053	32,954	3,642	2,341	45,990
Travel	22	-	-	-	22
Depreciation	21,651	13,133	915	2,171	37,870
Interest	1	3	1	1	6
Other	9,523	48,507	3,646	86,054	147,730
Total Expenditures	<u>\$ 411,098</u>	<u>\$ 789,731</u>	<u>\$ 136,379</u>	<u>\$ 257,875</u>	<u>\$ 1,595,083</u>

The accompanying notes are an integral part of this statement.

## LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

## Statement of Cash Flows

For the Year Ended June 30, 2021

## CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 115,609
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	37,870
Changes in net assets and liabilities:	
Increase in grants and contracts receivable	(75,845)
Decrease in accounts payable and accrued expenses	(15,491)
Increase in compensated absences payable	1,000
Decrease in deferred revenue	<u>(3,961)</u>
Net cash provided by operating activities	<u>59,182</u>

## CASH FLOWS USED BY FINANCING ACTIVITIES

Principal payments on notes payable	-
Purchase of fixed assets	<u>(54,433)</u>
Net cash used by financing activities	<u>(54,433)</u>

Net increase in cash	4,749
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>325,083</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 329,832</u></u>
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The accompanying notes are an integral part of this statement.



# LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

## Notes to Financial Statements

June 30, 2021

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. General:

Louisiana Association on Compulsive Gambling (the Association) is a nonprofit organization exempt from Federal income tax purposes under IRS Code Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes. The purpose of the Association is to provide assistance through treatment and helpline services to individuals and families who may be affected by problem gambling, substance use, or suicide.

#### B. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### C. Basis of Presentation:

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Association's management and board of directors.

**Net assets with donor restrictions:** These assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

#### D. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Association's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

E. Cash and Cash Equivalents:

For the purpose of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to ten years.

G. Contributions:

All contributions received are considered available for use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as donor restricted support that increases net assets with donor restrictions. When a donor restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

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

I. Functional expenses:

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and Effort
Education and awareness	Time and Effort
Occupancy	Square Footage
Professional services	Full Time Equivalent
Printing	Full Time Equivalent
Supplies	Time and Effort
Information technologies	Full Time Equivalent
Travel	Time and Effort
Depreciation	Square Footage
Interest	Full Time Equivalent
Other	Time and Effort

J. New accounting pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The Association has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

2. GRANTS AND CONTRACTS RECEIVABLE:

Grants and contracts receivable are June 30, 2021 are as follows:

Department of Health and Hospitals	\$ 189,305
Other Receivables	<u>26,163</u>
Total receivables	<u>\$ 215,468</u>

3. AVAILABILITY AND LIQUIDITY

The following represents the Association's financial assets at June 30, 2021:

Financial assets at year end:	
Cash and equivalents	\$ 329,832
Grants and contracts receivable	<u>215,468</u>
Total financial assets	\$ 545,300
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Less net assets with purpose restriction to be met in less than a year	<u>-</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 545,300</u>

The Association's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in interest-bearing accounts.

4. FIXED ASSETS:

Fixed assets at June 30, 2021 consisted of the following:

Building	\$ 379,290
Leasehold Improvements	209,795
Furniture and Fixtures	128,221
Equipment and Vehicles	<u>364,398</u>
Total Costs	1,081,704
Less Accumulated Depreciation	<u>(671,958)</u>
Property and Equipment - Net	<u>\$ 409,746</u>

5. NET ASSETS

Net assets with donor restrictions were as follows for the year ended June 30, 2021:

Specific Purpose	<u>\$ -</u>
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Net assets without donor restriction for the year ended June 30, 2021 are as follows:

Undesignated	<u>\$ 933,524</u>
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Net assets released from net assets with donor restrictions are as follows:

	<u>2021</u>
Satisfaction of Purpose Restrictions	
CORE Program	\$ -
Help Line	-
IOP Program	<u>-</u>
Total	<u>\$ -</u>

6. DONATED MATERIAL AND SERVICES:

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services, inasmuch as no objective basis is available to measure the value of such services; and the donated services do not create a nonfinancial asset.

7. CONCENTRATION OF CREDIT RISKS:

Cash deposits at banks totaled \$348,572 at June 30, 2021. Deposits of \$250,000 were secured by FDIC insurance. Deposits of \$98,572 were unsecured and subject to risk.

8. LINE OF CREDIT:

The Association has an unsecured promissory note to a bank dated August 20, 2020 bearing interest at 5.5%, due on August 20, 2021. The balance on this note as of June 30, 2021 was \$-0-. No draws or payments were made on the line of credit for the year ended June 30, 2021.

9. OPERATING LEASES:

The Association rents the space it occupies under an operating lease agreement. The lease is due in monthly payments of \$6,111 through December, 2023. Future minimum lease payments are as follows: 2022- \$73,332; 2023 - \$36,666.

10. SUBSEQUENT EVENTS:

On March 13, 2020, a national emergency was declared relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing. It is anticipated that there impacts will continue for some time. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

## LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

## Schedule of State Contracts

For the Year Ended June 30, 2021

<u>PROGRAM TITLE</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
Gambling Outpatient	\$ 7,266	\$ 6,945	\$ 6,945
Education and Public Awareness	110,165	105,099	105,099
Core Treatment Center	366,279	366,279	366,279
Help Line	383,700	378,814	378,814
Substance Abuse Line	140,000	140,000	140,000
Recovery Support Warm Line	187,929	187,929	187,929
Intensive Outpatient Treatment	<u>140,000</u>	<u>125,773</u>	<u>125,773</u>
Total - All State Contracts	<u>\$1,335,339</u>	<u>\$ 1,310,839</u>	<u>\$ 1,310,839</u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of Compensation, Reimbursements, Benefits, and Other Payments  
to Agency Head

For the Year Ended June 30, 2021

Agency Head: Janet Miller, Executive Director

Salary	<u>\$ 83,800</u>
Payroll Taxes	<u>\$ 6,529</u>
Insurance	<u>\$ 9,860</u>
Reimbursements	<u>\$ 65</u>
Travel	<u>\$ -</u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2021

There were no findings for the year ended June 30, 2020.





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## 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

Board of Directors  
Louisiana Association on Compulsive Gambling  
Bossier City, Louisiana

I 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 Louisiana Association on Compulsive Gambling, as of and for the year ended June 30, 2021, and related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued my report thereon dated November 1, 2021.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Louisiana Association on Compulsive Gambling's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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 Association's internal control. Accordingly, I do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation 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 Association's financial statements will not be prevented, or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Association on Compulsive Gambling'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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#### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, reading "Marsha O. Melician". The signature is written in a cursive, flowing style.

Certified Public Accountant  
November 1, 2021

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of Findings

For the Year Ended June 30, 2021

Summary of Audit Results

1. The auditor's report expressed an unqualified opinion on the financial statements.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit.

There were no findings for the year ended June 30, 2021.