

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2020

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

Board of Directors
Council on Alcoholism and Drug Abuse of Northwest Louisiana
Shreveport, Louisiana

Report on Financial Statements

I have audited the accompanying financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, 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 accounting principles 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. These 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 presentation 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 Council'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.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council on Alcoholism and Drug Abuse of Northwest Louisiana as of June 30, 2020, and the changes in the 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 Matters

My audit was made for the purpose of forming an opinion on the financial statements as a whole. The Schedule of State Contracts and Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative, Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the 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 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 stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 8, 2021 on my consideration of Council on Alcoholism and Drug Abuse of Northwest Louisiana'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 solely 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. The report is an integral part of an audit performance with *Government Auditing Standards* in considering Council on Alcoholism and Drug Abuse of Northwest Louisiana's internal control over internal control over financial reporting and compliance.



Certified Public Accountant

June 8, 2021

EXHIBIT A

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Financial Position

June 30, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 637,953
Grants and Contracts Receivable	545,880
Pledges Receivable	13,867
Prepaid Expenses	79,653
Other	<u>717</u>

Total Current Assets 1,278,070

PROPERTY AND EQUIPMENT

1,593,284

OTHER ASSETS

Cash Designated to Capital Acquisition	1,000,000
Investment	<u>7,671</u>

Total Other Assets 1,007,671

Total Assets \$ 3,879,025

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 155,365
Compensated Absences Payable	<u>62,428</u>

Total Current Liabilities 217,793

NET ASSETS (Note 7)

With donor restrictions	-
Without donor restrictions	<u>3,661,232</u>

Total Net Assets 3,661,232

Total Liabilities and Net Assets \$ 3,879,025

The accompanying notes are an integral part of these statements.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Activities

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support			
Contributions	\$ 105,346	\$ -	\$ 105,346
Total Support	105,346	-	105,346
Revenues:			
Client Fees	55,521	70,255	125,776
Program Service Fees	148,392	4,767,320	4,915,712
Rental Revenue	49,272	-	49,272
Miscellaneous	109,096	-	109,096
Total Revenues	362,281	4,837,575	5,199,856
Total Support and Revenue	467,627	4,837,575	5,305,202
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	4,837,575	(4,837,575)	-
Total Support and Revenue	5,305,202	-	5,305,202
EXPENSES			
Program Expenses	5,013,606	-	5,013,606
Management and General	900,686	-	900,686
Total Expenses	5,914,292	-	5,914,292
Change in Net Assets from Operations	(609,090)	-	(609,090)
OTHER INCOME			
Contribution - Payroll Protection Loan	720,465	-	720,465
Change in Net Assets	111,375	-	111,375
Net assets, beginning of year	3,549,857	-	3,549,857
Net assets, end of year	\$ 3,661,232	\$ -	\$ 3,661,232

The accompanying notes are an integral part of these statements.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Functional Expenses

For the Year Ended June 30, 2020

	<u>Buckhalter Program</u>	<u>Employee Assistance Program</u>	<u>Biedenharn Center</u>	<u>Cavanaugh Center</u>	<u>Veterans Recovery Center</u>
Salaries	\$ 361,451	\$ 81,669	\$ 350,902	\$ 739,448	\$ 150,584
Payroll Taxes	36,579	9,081	35,793	74,841	15,753
Building Rent	1,068	-	1,068	-	44,715
Equipment Rent/Lease	7,609	1,359	7,609	6,770	1,424
Fundraising Expense	-	-	-	-	-
Utilities & Telephone	23,341	6,240	22,976	42,361	8,368
Auto Expense	3,845	36	3,806	15,182	2,415
Insurance	37,733	10,779	36,920	55,444	24,148
Training & Travel	730	128	730	2,482	129
Food	55,617	-	55,610	58,756	49,858
Maintenance & Repair	15,597	602	15,453	28,604	733
Supplies	23,203	870	23,541	32,803	8,861
Printing & Literature	62	57	62	77	57
Depreciation	72,108	-	4,182	31,591	5,332
Professional Services	35,767	762	16,096	144,341	818
Advertising/Promotion	10,309	5,154	10,309	15,463	5,154
Bad Debts	8,897	-	-	29,610	-
Miscellaneous	4,890	1,680	4,732	10,221	2,335
Total	<u>\$ 698,806</u>	<u>\$ 118,417</u>	<u>\$ 589,789</u>	<u>\$ 1,287,994</u>	<u>\$ 320,684</u>

The accompanying notes are an integral part of these statements.

<u>3.5 High Intensity Adult</u>	<u>Medically Assisted Detox</u>	<u>LaSOR Mobile Crisis</u>	<u>Management and General</u>	<u>Total</u>
\$ 560,091	\$ 506,229	\$ 91,029	\$ 396,287	\$ 3,237,690
55,924	51,792	8,517	37,847	326,127
1,068	1,068	-	-	48,987
7,621	7,597	-	5,302	45,291
-	-	-	3,746	3,746
26,418	22,801	2,812	32,133	187,450
3,846	3,810	1,492	4,499	38,931
54,072	49,402	14,858	52,669	336,025
669	730	5,218	24,296	35,112
55,689	55,531	-	-	331,061
15,967	15,430	2,369	24,056	118,811
25,167	24,079	3,194	33,516	175,234
63	62	500	545	1,485
-	-	-	45,977	159,190
109,322	66,996	35,650	88,854	498,606
15,463	10,309	656	65,565	138,382
58,998	6,750	-	42,579	146,834
5,668	4,860	8,129	42,815	85,330
<u>\$ 996,046</u>	<u>\$ 827,446</u>	<u>\$ 174,424</u>	<u>\$ 900,686</u>	<u>\$ 5,914,292</u>

EXHIBIT D

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Cash Flows

For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 111,375
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	159,190
Changes in Assets and Liabilities:	
Increase in Grants and Contracts Receivable	(30,577)
Decrease in Pledges Receivable	200,578
Decrease in Other Assets	1
Increase in Prepaid Expenses	(11,471)
Decrease in Accounts and Accrued Expenses	(72,213)
Decrease in Compensated Absences Payable	<u>(10,379)</u>
Net cash provided by operating activities	<u>346,504</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Distribution from Investment	-
Purchase of Fixed Assets	<u>(177,075)</u>
Net cash used by investing activities	<u>(177,075)</u>
Net increase in cash	169,429

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

(including \$1,000,000 designated to capital acquisition) 1,468,524

CASH AND CASH EQUIVALENTS, END OF YEAR

(including \$1,000,000 designated to capital acquisition) 1,637,953

Supplemental disclosures of cash flow information:

Cash paid during the year for interest expense \$ -

The accompanying notes are an integral part of these statements.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Council on Alcoholism and Drug Abuse of Northwest Louisiana (the Council) is 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.

B. Basis of Accounting:

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

C. Basis of Presentation:

The financial statements of the Council have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"). Which require the Council 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 Council'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 Council 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 Council'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 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. Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Council provides for losses on accounts receivable using the allowance method. The allowance is based on experience. It is the Council's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

J. 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	Time and Effort
Payroll Taxes	Time and Effort
Building Rent	Square Footage
Equipment Rent/Lease	Full Time Equivalent
Fundraising Expense	Time and Effort
Utilities & Telephone	Time and Effort
Auto Expense	Time and Effort
Insurance	Time and Effort
Training & Travel	Time and Effort
Food	Full Time Equivalent
Maintenance & Repair	Time and Effort
Supplies	Full Time Equivalent
Printing & Literature	Full Time Equivalent
Depreciation	Square Footage
Professional Services	Full Time Equivalent
Advertising/Promotion	Time and Effort
Bad Debts	Full Time Equivalent
Miscellaneous	Time and Effort

K. New Accounting Pronouncement::

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) determining whether a contributions is conditional. During the fiscal year 2020, the Council adopted the guidance from the ASU regarding contributions received. The effect of the adoption of ASU 2018-08 had no effect on net assets or the change in net assets.

2. CASH:

At June 30, 2020, the carrying amount of the Council's deposits was \$1,637,953, while bank balances totaled \$1,709,805. The difference is due to outstanding checks at year end. Deposits of \$850,889 were insured by FDIC insurance and deposits of \$859,006 were collateralized by securities held by the bank in the Council's name.

3. AVAILABILITY AND LIQUIDITY:

The following represents the Council's financial assets at June 30, 2020:

Financial assets at year end	
Cash and equivalents	\$ 637,953
Grants and contracts receivable	545,880
Pledges receivable	<u>13,867</u>
Total financial assets	\$ 1,197,700
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>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,197,700</u>

The Council'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. GRANTS AND CONTRACTS RECEIVABLE:

Grants and contracts receivable at June 30, 2020 are as follows:

Department of Health and Hospitals	\$ 84,688
Insurance Receivable	715,341
Veterans Administration	12,944
Other	<u>67,416</u>
Total Receivables	880,389
Less: Allowance for Doubtful Accounts	<u>(334,509)</u>
Net Receivables	<u>\$ 545,880</u>

Management periodically reviews the collectability of grants and contracts receivable in light of historical experience, the nature and type of account, adverse situations that may affect the payer's ability to repay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes readily available. Receivables deemed uncollectible are charged to an allowance for doubtful accounts. The balance in the allowance account at June 30, 2020 was \$334,509.

5. UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give at June 30, 2020 consisted of the following:

Receivable in less than one year	\$ 13,867
Receivable in one to four years	<u>-</u>
Total unconditional promises to give	13,867
Less discounts to present value of 1.5%	-
Less allowance for uncollectible pledges	<u>-</u>
Net unconditional promises to give at June 30, 2020	13,867
Due within one year	<u>(13,867)</u>
Unconditional promises to give - long-term	<u><u>\$ -</u></u>

6. FIXED ASSETS:

Fixed assets at June 30, 2020 consisted of the following:

Building	\$ 1,336,953
Leasehold Improvements	1,313,599
Furniture and Fixtures	62,760
Equipment and Vehicles	<u>1,223,689</u>
Total Costs	3,937,001
Less Accumulated Depreciation	<u>(2,343,717)</u>
Property and Equipment - Net	<u><u>\$ 1,593,284</u></u>

7. NET ASSETS:

Net assets with donor restrictions for the year ended June 30, 2020, were as follows:

Specific purpose	<u><u>\$ -</u></u>
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Net assets without donor restrictions for the year ended June 30, 2020, were as follows:

Board designations for capital acquisitions	\$ 1,000,000
Undesignated	<u>2,661,232</u>
Total net assets without donor restrictions	<u><u>\$ 3,661,232</u></u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2020</u>
Satisfaction of Purpose Restrictions	
Buckhalter Program	\$ 443,131
Employee Assistance Program	50,605
Biedenharn Center	267,672
Cavanaugh Center	1,053,129
Veterans Recovery Center	240,128
3.5 High Intensity Adult	2,371,777
Medically Assisted Detox	236,709
LaSOR Mobile Crisis	<u>174,424</u>
Total	<u>\$ 4,837,575</u>

8. 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.

9. LINE OF CREDIT:

The Council has available an unsecured line of credit bearing interest at a rate of 5.75%. Total available credit was \$300,000. No draws or payments were made on the line of credit for the year ended June 30, 2020.

10. RENTAL EXPENSE:

The Council leases space for its programs on month to month leases. Rental expense for the year ended June 30, 2020 was \$48,987. The Council has entered into two operating leases for equipment. The following is a schedule by years of future rental payments required under operating leases having remaining noncancelable lease terms in excess of one year as of June 30, 2020: 2021- \$18,009; 2022 - \$18,009; 2023 - \$16,158; 2024 - \$10,180.

11. ADVERTISING:

The Council follows the policy of charging the costs of advertising to expense as incurred. Costs charged to expense for advertising for the year ended June 30, 2020 totaled \$138,382.

12. RELATED PARTY TRANSACTIONS:

The Council owns a 95% interest in the Buckhalter Limited Partnership valued at \$7,671. The Partnership is the owner of the Buckhalter Hotel which is an integral part of the Buckhalter Program administered by the Council.

13. CONCENTRATION OF CREDIT RISKS:

Financial instruments that are exposed to concentration of credit risk consist of grants and accounts receivable. As of June 30, 2020, 91% of accounts receivable were due from and 84% of total revenue was provided by two funding sources.

14. INCOME TAX STATUS:

The Council, as a nonprofit organization, is required to file Form 990 with the Internal Revenue Service on an annual basis. Returns for years ended June 30, 2017 and later are subject to review by the Internal Revenue Service. The Council is not aware of any uncertain tax positions that could cause future tax liabilities.

15. PAYCHECK PROTECTION PROGRAM GRANT:

On April 13, 2020, the Council received a forgivable loan in the amount of \$720,465 pursuant to the Payroll Protection Program (the PPP) under Division A, Title 1 of the Cares Act, which was enacted on March 7, 2020. The loan was in the form of a Note dated April 13, 2020, and bears interest of 1.00% per annum. The PPP loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. Monthly principal and interest payments on the loan commence on the date the SBA remits the borrower's loan forgiveness amount to the lender or, if the borrower does not apply for loan forgiveness 10 months after the end of the borrower's loan forgiveness covered period through the loan maturity date of April, 2022.

The Council believes it has met all the PPP's eligibility criteria, and therefore, has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. As a result, the Council has accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution. The Council initially recorded the amount received as a refundable advance followed by a reduction in the advance and recognition of revenue as the aforementioned conditions are substantially met. During the year ended June 30, 2020, the Council has used the entire proceeds for purposes consistent with the PPP, resulting in recognition of the entire PPP loan amount as contribution revenue in the accompanying financial statements.

The Council is in the process of preparing the SBA's forgiveness application. Further, loans issued under \$2 million may be subject to audit by the SBA. The Council may be required to return a portion of the loan proceeds at the conclusion of any such SBA audit. Any proceeds required to be returned will be repaid under the statutory terms of the PPP Program, including interest at 1%.

16. SUBSEQUENT EVENTS:

In December 2019, an outbreak of novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020 the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U. S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Council's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the residents' ability to pay monthly rent. Operating functions may be changed and may increase operating costs. The future effects of these issues are unknown.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

<u>FEDERAL GRANTOR/ PROGRAM TITLE*</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U. S. Department of Health and Human Services Passed through the Louisiana Department of Health and Hospitals</u>				
<u>Block Grants for Prevention and Treatment of Substance Abuse</u>				
LaSOR - Mobile Crisis*	93.959	\$ 266,681	\$ 174,424	\$ 174,424
Halfway House* Buckhalter Hotel	93.959	29,970	11,674	11,674
High Intensity Residential* Cavanaugh Center	93.959	382,173	292,955	292,955
High Intensity Residential* Adult 3.5	93.959	126,990	71,637	71,637
Medically Assisted Detox* Adult 3.7d	93.959	66,250	11,949	11,949
Subtotal CFDA #93.959		<u>\$ 872,064</u>	<u>\$ 562,639</u>	<u>\$ 562,639</u>
Halfway House Family Success Institute	93.958	<u>285,691</u>	<u>266,568</u>	<u>266,568</u>
Total - U.S. Dept of Health and Human Services		<u>\$1,157,755</u>	<u>\$ 829,207</u>	<u>\$ 829,207</u>
Total - All Federal Awards		<u>\$1,157,755</u>	<u>\$ 829,207</u>	<u>\$ 829,207</u>

* Indicates Major Program

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal spending of Council on Alcoholism and Drug Abuse of Northwest Louisiana (the Council) and is presented on the accrual basis of accounting. This information is presented in accordance with the requirements of *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

The Council did not pass through any of its federal awards to a subrecipient during the fiscal year, nor did it expend any federal awards in the form of noncash assistance.

The Council had elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA

Schedule of State Contracts

For the Year Ended June 30, 2020

<u>FEDERAL GRANTOR/ PROGRAM TITLE</u>	<u>CONTRACT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U. S. Department of Health and</u>				
<u>Human Services Passed</u>				
<u>through the Louisiana Department</u>				
<u>of Health and Hospitals</u>				
Office of Behavioral Health				
Outpatient Services		\$ 48,500	\$ 48,495	\$ 48,495
LaSOR - Mobile Crisis		266,681	174,424	174,424
Halfway House Buckhalter Hotel		29,970	11,674	11,674
Halfway House* Family Success Institute		285,691	266,568	266,568
High Intensity Residential Cavanaugh Center		382,173	292,955	292,955
High Intensity Residential Adult 3.5		126,990	71,637	71,637
Medically Assisted Detox Adult 3.7d		66,250	11,949	11,949
Total Office of Addictive Disorders		<u>\$1,206,255</u>	<u>\$ 877,702</u>	<u>\$ 877,702</u>
Total - All State Contracts		<u>\$1,206,255</u>	<u>\$ 877,702</u>	<u>\$ 877,702</u>

COUNCIL ON ALCOHOL AND DRUG ABUSE OF NORTHWEST LOUISIANA

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

For the Year Ended June 30, 2020

Agency Head: Bill Rose, Executive Director

Salary	\$	<u>107,392</u>
Payroll Taxes	\$	<u>8,216</u>
Insurance	\$	<u>7,508</u>
Seminars	\$	<u>2,696</u>
Reimbursements	\$	<u>-</u>



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
Council on Alcoholism and Drug Abuse of Northwest Louisiana
Shreveport, 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 Council on Alcoholism and Drug Abuse of Northwest Louisiana as of and for the year ended June 30, 2020, and related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated June 8, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Council on Alcohol and Drug Abuse of Northwest Louisiana'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 District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 Council'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.

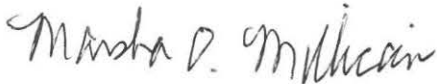
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during 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 Council on Alcoholism and Drug Abuse of Northwest Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and 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*.

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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant
June 8, 2021



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors
Council on Alcoholism and Drug Abuse of Northwest Louisiana
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

I have audited Council on Alcoholism and Drug Abuse of Northwest Louisiana's (the Council's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2020. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Council's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. Code of *Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as I considered necessary to the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In my opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marsha D. Mahan

Certified Public Accountant

June 8, 2021

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANACO

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana (the Council).
2. No material weaknesses relating to the audit of the basic financial statements of the Council are reported.
3. No instances of noncompliance material to the basic financial statements of the Council were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major fe federal award programs for the Council expresses an unmodified opinion.
6. There are no audit findings relative to the major federal award programs for the Council.
7. The programs tested as major programs included:

<u>CFDA</u> <u>Number</u>	<u>Federal Program or Cluster</u>
93.959	Block Grants for Prevention and Treatment of Substance Abuse

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Council on Alcoholism and Drug Abuse was not determined to be a low risk auditee.

B - Findings - Financial Statement Audit

None.

C- Findings and Questioned Costs - Major Federal Programs

None.

COUNCIL ON ALOCHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2020

There were no findings for the year ended June 30, 2019.