

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2024

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 the Audit of the Financial Statements

Opinion

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, 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.

Basis for Opinion

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Council on Alcoholism and Drug Abuse of Northwest Louisiana and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Council on Alcoholism and Drug Abuse of Northwest Louisiana's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council on Alcoholism and Drug Abuse of Northwest Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Council on Alcoholism and Drug Abuse of Northwest Louisiana's ability to continue as a going concern for a reasonable period of time.

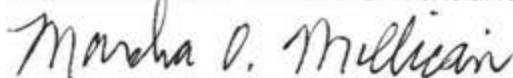
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of State Contracts on page 15 and the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head on page 16 are presented for purposes of additional analysis and are 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 the 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 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 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 December 16, 2024, 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 law, 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 Council on Alcoholism and Drug Abuse of Northwest Louisiana's internal control over financial reporting and compliance.



Certified Public Accountant
December 16, 2024

EXHIBIT A

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Financial Position

June 30, 2024

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 377,089
Grants and Contracts Receivable	628,567
Prepaid Expenses	84,122
Other	718
Total Current Assets	<u>1,090,496</u>

PROPERTY AND EQUIPMENT

1,807,790

OTHER ASSETS

Operating lease right to use assets, net	40,945
Investment	7,671
Total Other Assets	<u>48,616</u>
Total Assets	<u><u>\$ 2,946,902</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Bank Overdraft	\$ 216,916
Accounts Payable and Accrued Expenses	138,782
Current Portion of Operating Lease Liabilities	11,724
Compensated Absences Payable	94,581
Unearned Revenu	25,625
Notes Payable - Due Within One Year	28,065
Total Current Liabilities	<u>515,693</u>

LONG-TERM LIABILITIES

Operating Lease Liabilities - Less Current Portion	29,222
Notes Payable - Due After One Year	22,314
Total Liabilities	<u>567,229</u>

NET ASSETS (Note 7)

With donor restrictions	25,625
Without donor restrictions	2,354,048
Total Net Assets	<u>2,379,673</u>
Total Liabilities and Net Assets	<u><u>\$ 2,946,902</u></u>

The accompanying notes are an integral part of these statements.

EXHIBIT B

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support			
Contributions	\$ 375,938	\$ 25,625	\$ 401,563
Total Support	375,938	25,625	401,563
Revenues:			
Client Fees	55,163	-	55,163
Program Service Fees	3,640,181	1,191,471	4,831,652
Rental Revenue	27,004	-	27,004
Miscellaneous	97,195	-	97,195
Total Revenues	3,819,543	1,191,471	5,011,014
Total Support and Revenue	4,195,481	1,217,096	5,412,577
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	1,191,471	(1,191,471)	-
Total Support and Revenue	5,386,952	25,625	5,412,577
EXPENSES			
Program Expenses	5,043,824	-	5,043,824
Management and General	533,316	-	533,316
Total Expenses	5,577,140	-	5,577,140
Change in Net Assets	(190,188)	25,625	(164,563)
Net assets, beginning of year	2,544,236	-	2,544,236
Net assets, end of year	<u>\$ 2,354,048</u>	<u>\$ 25,625</u>	<u>\$ 2,379,673</u>

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, 2024

	Addition Recovery Clinic	Cavanaugh Adolescent	Adult Low Intensity	3.5 High Intensity Adult	Recovery Living Transition Stipend	Many Addiction Recovery
Salaries	\$ 454,405	\$ 153,287	\$ 209,201	\$ 1,866,861	\$ -	\$ 168,640
Payroll Taxes	41,167	21,839	20,019	176,393	-	15,903
Contract Services	-	-	-	-	144,503	-
Equipment Rent/Lease	6,671	3,102	6,802	20,912	70	3,353
Fundraising Expense	-	-	-	-	-	-
Utilities & Telephone	88,879	25,456	36,158	143,456	1,256	13,879
Auto Expense	3,821	1,545	8,517	26,083	5,551	4,553
Insurance	79,755	31,052	22,710	168,241	-	10,949
Training & Travel	5,784	374	1,417	5,802	-	1,500
Food	3,644	8,978	48,535	149,722	14	129
Maintenance & Repair	12,949	5,069	23,183	78,289	263	2,785
Supplies	10,942	2,429	24,030	74,044	294	2,044
Printing & Literature	456	230	227	470	-	205
Depreciation	-	22,908	28,422	3,514	-	-
Professional Services	16,866	19,117	20,420	76,961	72	4,996
Advertising/Promotion	19,902	5,802	3,682	28,152	263	4,405
Interest	4,317	-	320	1,999	-	160
Bad Debts	-	-	-	-	-	-
Miscellaneous	6,542	3,403	3,341	16,179	19	2,360
Total	<u>\$ 756,100</u>	<u>\$ 304,591</u>	<u>\$ 456,984</u>	<u>\$ 2,837,078</u>	<u>\$ 152,305</u>	<u>\$ 235,861</u>

The accompanying notes are an integral part of these statements.

Start Up TANF Program	Crisis Mobile Response Services	LaSOR Mobile Crisis	Management and General	Total
\$ -	\$ -	\$ 172,212	\$ 74,867	\$ 3,099,473
-	-	15,432	9,310	300,063
-	-	-	2,813	147,316
-	337	450	4,963	46,660
-	-	-	3,387	3,387
-	3,604	11,067	51,952	375,707
-	600	1,092	12,872	64,634
32	-	18,313	32,900	363,952
-	-	4,656	14,335	33,868
-	60	140	2,591	213,813
1,773	119	956	39,578	164,964
2,723	591	1,645	4,181	122,923
-	-	32	265	1,885
4,314	3,259	-	68,207	130,624
192	287	51,621	37,945	228,477
-	213	3,631	11,021	77,071
-	-	240	4,397	11,433
-	-	-	50,490	50,490
-	-	1,314	107,242	140,400
<u>\$ 9,034</u>	<u>\$ 9,070</u>	<u>\$ 282,801</u>	<u>\$ 533,316</u>	<u>\$ 5,577,140</u>

EXHIBIT D

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Statement of Cash Flows

For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (164,563)
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	130,624
Amortization of right to use asset	8,345
Changes in Assets and Liabilities:	
Increase in Grants and Contracts Receivable	(380,548)
Decrease in Prepaid Expenses	28,718
Increase in Bank Overdraft	216,916
Decrease in Accounts and Accrued Expenses	(34,684)
Decrease in Compensated Absences Payable	(38,449)
Decrease in Operating Lease Liabilities	(8,345)
Increase in Unearned Revenue	25,625
Net cash used by operating activities	<u>(216,361)</u>

CASH FLOWS PROVIDED BY CAPITAL ACTIVITIES:

Payments on debt	<u>(30,307)</u>
Net cash used by capital activities	<u>(30,307)</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Purchase of Fixed Assets	<u>(456,424)</u>
Net cash used by investing activities	<u>(456,424)</u>
Net decrease in cash	(703,092)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

(including \$1,000,000 designated to capital acquisition)	<u>1,080,181</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR

(including \$-0- designated to capital acquisition)	<u>\$ 377,089</u>
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Supplemental disclosures of cash flow information:

Cash paid during the year for interest expense	<u>\$ 11,433</u>
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Schedule of Noncash Transactions

Operating Lease Liabilities Arising from Obtaining Right to Use Assets	<u>\$ 49,291</u>
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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, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Council on Alcoholism and Drug Abuse of Northwest Louisiana (the Council) is a nonprofit organization whose mission is to heighten public awareness that alcohol and drug addictions are preventable and treatable diseases, and to provide programs for long-term treatment for adults and teens.

B. Basis of Accounting:

The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Board (FASB) and related Accounting Updates (ASUs).

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:

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

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. Revenue Recognition

Revenue from program service fees and payments under certain contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets with donor restrictions and 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. Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for credit losses. 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. Leases

The Council leases equipment and determines if an arrangement is a lease at inception. Operating leases are included as right-of-use (ROU) assets for operating leases and lease liabilities for operating leases on the statement of financial position.

ROU assets represent the Council's right to use an underlying asset for the related lease term and lease liabilities represent the Council's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease terms. As most of these leases do not provide an implicit rate, the Council uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain the Council will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease terms.

The lease agreements do not contain any material residual value guarantee or material restrictive covenants.

K. Functional Expense

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

Expense	Method of Allocation
Printing & Literature	Full Time Equivalent
Depreciation	Square Footage
Professional Services	Full Time Equivalent
Advertising/Promotion	Time and Effort
Bad Debts	Full Time Equivalent
Interest	Full Time Equivalent
Miscellaneous	Time and Effort

L. CHANGES IN ACCOUNTING STANDARD

On January 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and all related subsequent amendments thereto. This ASU replaced the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) method. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For the Council, the ASU applies to the measurement of its accounts receivable and contract assets. Accounts receivable and contract assets are now presented by using an allowance for credit losses to reduce the receivables and contract asset balances to the net amount expected to be collected over the lives of the receivables and contract assets. The Council adopted the new standard using the modified retrospective approach. For the Council, there was no transition adjustment related to the adoption of CECL.

2. REVENUE RECOGNITION:

In accordance with Topic 606, the Council recognizes revenue at a point in time for program fees from certain treatment services paid by clients and third-party payers such as Medicaid and other insurers. As of June 30, 2024, the Council had no outstanding performance obligations related to program service fees.

The remaining revenues from contributions, grants, contracts, and other sources are recognized in accordance with FASB ASC Topic 958, *Not-for-Profit Entities*.

Disaggregated Revenue

Approximately 70% of revenue is earned at a point in time, consisting of program service revenue. The remaining revenue is recognized under Topic 958.

Topic 606 revenue	\$3,792,062
Topic 958 revenue	<u>1,620,515</u>
	<u><u>\$5,412,577</u></u>

There were no contract assets or liabilities at the beginning of the year or at June 30, 2024.

Program service fees are collected from clients seeking treatment at the time the services are rendered. Accordingly, there are no contract assets or contract liabilities associated with these services.

3. CASH:

At June 30, 2024, the carrying amount of the Council's deposits was \$377,089, including cash of hand of \$1,250, while bank balances totaled \$375,741. The difference is due to outstanding checks and deposits at year end. All deposits were insured by FDIC insurance.

4. AVAILABILITY AND LIQUIDITY:

The following represents the Council's financial assets at June 30, 2024:

Financial assets at year end	
Cash and equivalents	\$ 377,089
Grants and contracts receivable	<u>628,567</u>
Total financial assets	\$ 1,005,656
Less amounts not available to be used within one year:	
Net assets with donor restrictions	25,625
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>\$ 980,031</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.

5. GRANTS AND CONTRACTS RECEIVABLE:

Grants and contracts receivable at June 30, 2024 are as follows:

Department of Health and Hospitals	\$ 141,673
State of Louisiana	313,227
Insurance Receivable	<u>971,853</u>
Total Receivables	1,426,753
Less: Allowance for Credit Losses	<u>(798,186)</u>
Net Receivables	<u>\$ 628,567</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 credit losses. The balance in the allowance account at June 30, 2024 was \$798,186.

6. FIXED ASSETS:

Fixed assets at June 30, 2024 consisted of the following:

Building	\$ 1,636,390
Leasehold Improvements	1,408,350
Work in Progress	355,531
Furniture and Fixtures	62,760
Equipment and Vehicles	<u>1,318,600</u>
Total Costs	4,781,631
Less Accumulated Depreciation	<u>(2,973,841)</u>
Property and Equipment - Net	<u>\$ 1,807,790</u>

7. NET ASSETS:

Net assets with donor restrictions for the year ended June 30, 2024, were as follows:

Specific purpose	<u>\$ 25,625</u>
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Net assets without donor restrictions for the year ended June 30, 2024, were as follows:

Undesignated	<u>\$ 2,354,048</u>
Total net assets without donor restrictions	<u>\$ 2,354,048</u>

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

	<u>2024</u>
Satisfaction of Purpose Restrictions	
Outpatient Services	\$ 46,564
EAP Contract	30,315
HPBA Contract	58,250
Start Up TANF Program	378,104
Cavanaugh Adolescent	32,646
Adult High Intensity	176,524
Recovery Living Transition Stipend	225,605
Crisis Mobile Response Services	<u>243,463</u>
Total	<u>\$ 1,191,471</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 9.5%. Total available credit was \$300,000. No draws or payments were made on the line of credit for the year ended June 30, 2024.

10. 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, 2024 totaled \$77,071.

11. RELATED PARTY TRANSACTIONS:

The Council owns a 95% interest in the Buckhalter Limited Partnership valued at \$7,671.

12. CONCENTRATION OF CREDIT RISKS:

Financial instruments that are exposed to concentration of credit risk consist of grants and accounts receivable. As of June 30, 2024, 68% of accounts receivable were due from one funding sources; (65)% of revenue was provided by one funding sources.

13. 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, 2022 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.

14. NOTES PAYABLE:

Notes payable at June 30, 2024 consisted of the following:

Note to a bank dated January 26, 2021 in the original amount of \$100,000, due in monthly payments of \$1,826 through January 26, 2026. The note bears interest at 3.6% and is collateralized by a money market account at a bank in the amount of \$105,980. The balance of the note at June 30, 2024 was \$31,710.

Note to a bank dated August 18, 2021 in the original amount of \$40,929, due in monthly payments of \$746 through August 18, 2026. The note bears interest at 3.5% and is collateralized by a vehicle. The balance of the note at June 30, 2024 is \$18,669.

Maturities of notes payable, including interest of \$1,199 are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 28,065	\$ 653	\$ 28,718
2026	17,965	403	18,368
2027	4,348	143	4,491
Total	<u>\$ 50,378</u>	<u>\$ 1,199</u>	<u>\$ 51,577</u>

15. LEASES:

The Organization has operating leases for equipment. The leases have remaining lease terms of three to five years. As of June 30, 2024, assets recorded under operating leases was \$40,945.

Operating lease expense	\$9,633
Cash paid for amounts included in the measurement of lease and liabilities	
Operating leases	\$9,633
Weighted average remaining term (in years) Operating leases	4.50
Weighted average discount rate Operating leases	4.30%

Future minimum lease payments under non-cancellable leases for the year ended June 30, 2024 are as follows:

<u>Year Ended June 30</u>	<u>Total</u>
2025	\$ 13,212
2026	13,212
2027	7,156
2028	7,156
2029	3,578
Total	<u>44,314</u>
Less: Present Discount Value	<u>(3,368)</u>
Present Value of Lease Liabilities	<u>\$ 40,946</u>

16. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through December 16, 2024, the date the financial statements were available to be issued, and have determined no additional disclosures are warranted.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Schedule of State Contracts

For the Year Ended June 30, 2024

FEDERAL GRANTOR/ PROGRAM TITLE	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	EXPENDITURES
<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	\$ 46,564	\$ 46,564
LaSOR - Mobile Crisis	268,181	243,463	243,463
Rent Stipend Program	249,989	225,605	225,605
High Intensity Residential Cavanaugh Center	324,186	32,646	32,646
High Intensity Residential Adult 3.5	<u>176,990</u>	<u>176,524</u>	<u>176,524</u>
Total Office of Addictive Disorders	1,067,846	724,802	724,802
State of Louisiana General Fund TANF Start Up Program	<u>600,000</u>	<u>378,104</u>	<u>378,104</u>
Total - All State Contracts	<u><u>\$ 1,667,846</u></u>	<u><u>\$ 1,102,906</u></u>	<u><u>\$ 1,102,906</u></u>

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

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

For the Year Ended June 30, 2024

<u>Date as Agency Head</u>	<u>3/3/2024-6/30/2024</u>	<u>7/1/2023-12/1/2023</u>
Agency Head: Executive Director	Janet Miller	Bill Rose
Salary	\$ 39,803	\$ 84,609
Payroll Taxes	\$ 3,044	\$ 6,473
Insurance	\$ 3,975	\$ 5,241
Seminars	\$ -	\$ 560
Reimbursements	\$ 1,137	\$ 241



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, 2024, and related notes to financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated December 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Council on Alcoholism 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 Council's internal control. Accordingly, I do not express an opinion on the effectiveness of the Council'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 or significant deficiencies may exist that have not been identified.

Report on 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 grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 compliance or other matters that is 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

December 16, 2024

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2024

A. Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses: | None Noted |
| c. Noncompliance material to the financial statements noted? | No |

Financial Statements Findings:

There were no findings for the year ended June 30, 2024.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2024

Finding #2023-1: The Council did not file its financial statements with the Louisiana Legislative Auditor within the time frame required by state law.

Status: Resolved.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPS) for the fiscal period July 1, 2023 through June 30, 2024. Management of Council on Alcoholism and Drug Abuse of Northwest Louisiana (the Council) is responsible for those C/C areas identified in the SAUPS.

The Board of Directors of the Council has agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPS for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedure performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. I obtained and inspected the entity's written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibition as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from a network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results - No exceptions noted.

2) Board or Finance Committee

- A. I obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. I observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, I observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, I observed that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, I obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, I observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. I observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Results - No exceptions were noted.

3) Bank Reconciliations

- A. I obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. I selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within a month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results - No exceptions were noted.

(4 Collections (excluding electronic funds transfers))

- A. I obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. I selected 1 deposit site (there is only 1).
- B. For each deposit site selected, I obtained a listing of collection locations and management's representation that the listing is complete. I selected one collection location for each deposit site (i.e., 1 collection locations for 1 deposit site), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. I obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. I observed that the bond or insurance policy for theft was in force during the fiscal period.
- D. I randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* I obtained supporting documentation for each of the 10 deposits and:

- I. I observed that receipts are sequentially pre-numbered.
- ii. I traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. I traced the deposit slip total to the actual deposit per the bank statement.
- iv. I observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. I traced the actual deposit per the bank statement to the general ledger.

Procedure Results - No exceptions were noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. I obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. I selected 1 location (there is only 1).
- B. For each location selected under procedure #5A above, I obtained a listing of those employees involved with non-payroll purchasing and payment functions. I obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employees/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5 above, I obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. I randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and
- i. I observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. I observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, I randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. [Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.]

Procedure Results - No exceptions were noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement). I obtained supporting documentation, and:
- i. I observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported]; and
 - ii. I observed that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, I randomly selected 10 transactions (or all transactions if less than 10) from each statement and obtained supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, I observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observed whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results - No exceptions were noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. I obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. I randomly selected 5 reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, I observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. I observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii) and
 - iv. I observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results - No exceptions were noted.

8) Contracts

- A. I obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* I obtained management's representation that the listing is complete. I selected 1 contract (there is only 1) from the listing, excluding the practitioner's contract, and:

- i. I observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. I observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- iii. If the contract was amended (e.g., change order), I observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).
- iv. I randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results - No exceptions were noted.

9) Payroll and Personnel

- A. I obtained a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. I randomly selected 5 employees or officials, obtained related salaries and personnel files, and agreed paid salaries to authorized salaries/ pay rates in the personnel files.
- B. I randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, I obtained attendance records and leave documentation for the pay period, and
 - i. I observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. I observed whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. I observed that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records; and
 - iv. I observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. I obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. I randomly selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments.

I agreed the hours to the employees' or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee's or official's personnel files, and agreed the termination payment to entity policy.

- D. I obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed by the required deadlines.

Procedure Results - No exceptions were noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A I obtained ethics documentation from management, and:
- i. Observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observed whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. I inquired and/or observed whether the entity has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results - This procedure is not applicable to the Council as a non-profit entity.

11) Debt Service

- A. I obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. I selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. I obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. I randomly selected one bond/note, inspect debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results - No exceptions were noted.

12) Fraud Notice

- A. I obtained a listing of misappropriation of public funds and assets during the fiscal period and management's representation that the listing is complete. I selected all misappropriations on the listing, obtained supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and to the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. I observed the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results - No exceptions were noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. I performed the following procedures, **verbally discuss the results with management, and reported, "I performed the procedure and discussed the results with management."**
 - i. I obtained and inspected the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. I obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. I obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. I randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. I randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. I observed evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, I obtained cybersecurity training documentation from management, and observed the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S.42:1267. The requirements are as follows:

- * Hired before June 9, 2020 - completed the training; and
- * Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

I performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, I obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. I observed that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. I obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the entity who have completed the training requirements.;
 - ii. Number of sexual harassment complaints received by the entity;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Procedure Results - This procedure is not applicable to the Council as a non-profit entity.

I was engaged by the Council to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Council and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in black ink, reading "Marsha D. Mellican". The signature is written in a cursive style with a large, stylized 'M' and 'D'.

Certified Public Accountant
December 16, 2024