

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

BOSSIER CITY, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2020

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of Louisiana Association on Compulsive Gambling (a nonprofit organization) which comprise the statement of financial position as of June 30, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association on Compulsive Gambling as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

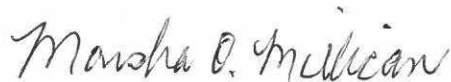
Other Information

Supplemental Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 15, 2020 on my consideration of Louisiana Association on Compulsive Gambling's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Association on Compulsive Gambling's internal control over financial reporting and compliance.



Certified Public Accountant
December 15, 2020

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Financial Position

June 30, 2020

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 325,083
Grants and Contracts Receivable	<u>139,623</u>
Total Current Assets	464,706
PROPERTY AND EQUIPMENT (NET)	393,182
OTHER ASSETS	
Deposits	<u>6,111</u>
Total Assets	<u><u>\$ 863,999</u></u>
LIABILITIES AND NET ASSETS	
Accounts Payable and Accrued Expenses	\$ 33,832
Compensated Absences Payable	8,291
Deferred Revenue	<u>3,961</u>
Total Current Liabilities	<u>46,084</u>
Total Liabilities	<u>46,084</u>
Net Assets:	
With Donor Restrictions	-
Without Donor Restrictions	<u>817,915</u>
Total Net Assets	<u>817,915</u>
Total Liabilities and Net Assets	<u><u>\$ 863,999</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support:			
Contributions	\$ 70,821	\$ -	\$ 70,821
Total Support	70,821	-	70,821
Revenues:			
Program Service Fees	1,490,854	-	1,490,854
Miscellaneous	39,205	-	39,205
Total Revenues	1,530,059	-	1,530,059
Total Support and Revenue	1,600,880	-	1,600,880
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	-	-	-
Total Support and Revenues	1,600,880	-	1,600,880
EXPENSES			
Program Expenses	1,318,340	-	1,318,340
Management and General	211,956	-	211,956
Total Expenses	1,530,296	-	1,530,296
Change in Net Assets	70,584	-	70,584
Net assets, beginning of year	747,331	-	747,331
Net assets, end of year	\$ 817,915	\$ -	\$ 817,915

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Functional Expenses

For the Year Ended June 30, 2020

	CORE	Help Line Center	Intensive Outpatient Program	Management and General	Total
Salaries and Benefits	\$ 244,490	\$ 565,369	\$ 100,862	\$ 155,499	\$ 1,066,220
Education and Awareness	350	3,220	-	362	3,932
Occupancy	96,117	46,455	13,031	8,211	163,814
Professional Services	25,828	36,574	12,901	11,431	86,734
Printing	501	78	-	270	849
Supplies	40,338	24,707	2,416	6,334	73,795
Information Technologies	7,575	27,499	4,130	2,850	42,054
Travel	3,272	941	-	6,298	10,511
Depreciation	19,186	9,490	820	1,418	30,914
Interest	1	2	1	1	5
Other	11,964	17,462	2,760	19,282	51,468
Total Expenditures	<u>\$ 449,622</u>	<u>\$ 731,797</u>	<u>\$ 136,921</u>	<u>\$ 211,956</u>	<u>\$ 1,530,296</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Cash Flows

For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 70,584
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	30,914
Changes in net assets and liabilities:	
Decrease in contracts receivable	227,694
Increase in accounts payable and accrued expenses	3,126
Increase in compensated absences payable	2,977
Decrease in deferred revenue	<u>(1,539)</u>
Net cash provided by operating activities	<u>333,756</u>
CASH FLOWS USED BY FINANCING ACTIVITIES	
Principal payments on notes payable	-
Purchase of fixed assets	<u>(37,957)</u>
Net cash used by financing activities	<u>(37,957)</u>
Net increase in cash	295,799
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>29,284</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 325,083</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

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

B. Basis of Accounting:

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

C. Basis of Presentation:

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

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

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

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

D. Measure of Operations

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

E. Cash and Cash Equivalents:

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

F. Property and Equipment

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

G. Contributions:

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

H. Estimates:

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

I. Functional expenses:

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

The expenses that are allocated include the following:

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

J. New accounting pronouncement:

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

2. GRANTS AND CONTRACTS RECEIVABLE:

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

Department of Health and Hospitals	\$ 114,438
Other Receivables	<u>25,185</u>
Total receivables	<u>\$ 139,623</u>

3. AVAILABILITY AND LIQUIDITY

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

Financial assets at year end:	
Cash and equivalents	\$ 325,083
Grants and contracts receivable	<u>139,623</u>
Total financial assets	\$ 464,706
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Less net assets with purpose restriction to be met in less than a year	<u>-</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 464,706</u>

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

4. FIXED ASSETS:

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

Building	\$ 379,290
Leasehold Improvements	209,795
Furniture and Fixtures	119,630
Equipment and Vehicles	<u>318,555</u>
Total Costs	1,027,270
Less Accumulated Depreciation	<u>(634,088)</u>
Property and Equipment - Net	<u><u>\$ 393,182</u></u>

5. NET ASSETS

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

Specific Purpose	<u><u>\$ -</u></u>
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Net assets without donor restriction for the year ended June 30, 2020 are as follows:

Undesignated	<u><u>\$ 817,915</u></u>
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Net assets released from net assets with donor restrictions are as follows:

	<u>2020</u>
Satisfaction of Purpose Restrictions	
CORE Program	\$ -
Help Line	-
IOP Program	-
	<u>-</u>
Total	<u><u>\$ -</u></u>

6. DONATED MATERIAL AND SERVICES:

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

7. CONCENTRATION OF CREDIT RISKS:

Cash deposits at banks totaled \$342,058 at June 30, 2020. Deposits of \$250,000 were secured by FDIC insurance. Deposits of \$92,058 were unsecured and subject to risk.

8. OPERATING LEASES:

Beginning December 12, 2018, the Association entered into a 63 month operating lease for new office space with monthly payments of \$-0- for the first three months and \$6,111 for the next 60 months. Future minimum lease payments are as follows: 2020 - \$73,332; 2021 - \$73,332; 2022- \$73,332; 2023 - \$73,332; 2024 - \$54,000.

9. SUBSEQUENT EVENTS:

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

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of State Contracts

For the Year Ended June 30, 2020

<u>PROGRAM TITLE</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
Gambling Outpatient	\$ 12,470	\$ 11,693	\$ 11,693
Education and Public Awareness	40,065	39,800	39,800
Core Treatment Center	370,525	360,525	360,525
Help Line	480,000	479,939	479,939
Substance Abuse Line	140,000	139,998	139,998
Recovery Support Warm Line	16,000	10,833	10,833
Intensive Outpatient Treatment	<u>125,350</u>	<u>125,283</u>	<u>125,283</u>
Total - All State Contracts	<u>\$1,184,410</u>	<u>\$ 1,168,071</u>	<u>\$ 1,168,071</u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

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

For the Year Ended June 30, 2020

Agency Head: Janet Miller, Executive Director

Salary	\$	<u>80,692</u>
Payroll Taxes	\$	<u>6,173</u>
Insurance	\$	<u>9,115</u>
Reimbursements	\$	<u>675</u>
Travel	\$	<u>2,698</u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

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.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Association on Compulsive Gambling, as of and for the year ended June 30, 2020, and related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued my report thereon dated December 15, 2020.

Internal Control Over Financial Reporting

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

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

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

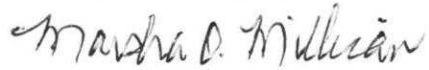
Compliance and Other Matters

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

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Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant
December 15, 2020

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of Findings

For the Year Ended June 30, 2020

Summary of Audit Results

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

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