ODYSSEY HOUSE LOUISIANA, INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

Postlethwaite & Netterville
A Professional Accounting Corporation
pncpa.com

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Postlethwaite & Netterville

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A Professional Accounting Corporation

Independent Auditors' Report

To the Board of Directors of
Odyssey House Louisiana, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Odyssey House Louisiana, Inc. (a nonprofit organization) ("the Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 entity's internal control. Accordingly, we 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, the Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer, on page 20 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of the testing and not to provide an opinion in the 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 the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
December 20, 2021

ODYSSEY HOUSE LOUISIANA, INC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Current assets:		
Cash and cash equivalents	$	978,550
Restricted cash		165
Patient receivables		1,550,053
Grants and program receivables		1,185,040
Inventory		24,561
Prepaid expenses and deposits		118,256
Total current assets		3,856,625
Property, buildings, and equipment:		
Buildings and improvements		7,041,092
Furniture, fixtures and equipment		2,950,380
Land and improvements		635,309
		10,626,781
Less: accumulated depreciation		(4,798,381)
Construction in progress		3,871,575
Total property, buildings and equipment		9,699,975
Other assets:		
Investments		242,402
Investment in 2700 Bohn Motor, LLC		325,405
Total other assets		567,807
Total assets	$	14,124,407

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	$	2,045,389
Refundable advances		38,217
Line of credit		493,651
Current maturity of long-term debt		217,888
Total current liabilities		2,795,145
Long-term debt, net of current maturities		1,938,997
Total liabilities		4,734,142
Net assets:		
Without donor restrictions		9,384,188
With donor restrictions		6,077
Total net assets		9,390,265
Total liabilities and net assets	$	14,124,407

The accompanying notes are an integral part of this financial statement.

ODYSSEY HOUSE LOUISIANA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
United Way grant revenue	$ 533	$ -	$ 533
Contributions	41,565	-	41,565
Program revenue - cost reimbursement	6,099,911	-	6,099,911
Program revenue - fee for service	2,145,830	-	2,145,830
Patient revenue - Medicaid claims	13,268,194	-	13,268,194
Investment return	19,151	-	19,151
Rental income	68,384	-	68,384
Proceeds - business interruption insurance	514,188	-	514,188
Provider relief funds	232,053	-	232,053
Gain on forgiveness of PPP loan	1,654,712	-	1,654,712
Other	395,857	-	395,857
Total revenues and other support	24,440,378	-	24,440,378
EXPENSES			
Program services:			
Residential/detox services	13,270,109	-	13,270,109
Outpatient/medical services	5,000,406	-	5,000,406
Community and supporting services	1,536,176	-	1,536,176
Prevention	451,971	-	451,971
Supporting activities:			
Management and general	2,628,032	-	2,628,032
Fundraising	83,244	-	83,244
Total expenses	22,969,938	-	22,969,938
Change in net assets	1,470,440	-	1,470,440
Net assets, beginning of year	7,913,748	6,077	7,919,825
Net assets, end of year	$ 9,384,188	$ 6,077	$ 9,390,265

The accompanying notes are an integral part of this financial statement.

ODYSSEY HOUSE LOUISIANA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services		
	Residential/ Detox	Outpatient/ Medical	Community and Supporting Services	Prevention	Management and General	Fundraising	Total
EXPENSES							
Compensation	$ 8,015,207	$ 2,603,533	$ 655,437	$ 294,136	$ 1,867,587	$ 82,022	$ 13,517,922
Occupancy	919,779	353,361	88,719	12,052	71,752	957	1,446,620
Equipment	61,912	26,744	9,794	634	3,472	-	102,556
Copying and printing	48,104	30,293	511	1,264	6,852	-	87,024
Insurance	237,810	86,058	32,799	12,043	51,574	-	420,284
Kitchen	841,476	297,097	340	1,102	717	-	1,140,732
Development	5,588	12,800	169	3,880	20,874	-	43,311
Shipping and postage	407	30	47	9	3,298	-	3,791
Repairs and maintenance	138,252	6,833	12,493	44	8,969	-	166,591
Supplies	441,983	255,497	13,333	54,825	46,489	-	812,127
Staff training and other	83,046	92,880	2,026	1,890	120,411	265	300,518
Staff travel	15,544	2,252	232	1,725	7,193	-	26,946
Client specific assistance	114,708	51,034	595,191	-	-	-	760,933
Vehicles	14,570	5,329	9,062	303	7,337	-	36,601
Contractual	1,878,066	1,042,104	28,453	64,465	353,642	-	3,366,730
Miscellaneous	28,135	7,569	1,710	191	42,480	-	80,085
Interest	71,833	8,190	-	-	8,467	-	88,490
Subtotal	12,916,420	4,881,604	1,450,316	448,563	2,621,114	83,244	22,401,261
Depreciation expense	353,689	118,802	85,860	3,408	6,918	-	568,677
Total expenses	$ 13,270,109	$ 5,000,406	$ 1,536,176	$ 451,971	$ 2,628,032	$ 83,244	$ 22,969,938

The accompanying notes are an integral part of this financial statement.

ODYSSEY HOUSE LOUISIANA, INC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	1,470,440
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation expense		568,677
Bad debt expense		24,746
Unrealized gain on investments		(3,493)
Gain on forgiveness of PPP loan		(1,654,712)
Changes in operating assets and liabilities:		
Receivables		1,540,995
Prepaid expenses and deposits		(25,591)
Accounts payable and accrued expenses		593,388
Refundable advances		(37,683)
Net cash provided by operating activities		2,476,767
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, buildings and equipment		(2,884,106)
Net cash used in investing activities		(2,884,106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit		375,000
Payments on line of credit		(381,349)
Proceeds from note payable		57,822
Payments on note payable		(583,861)
Net cash used in financing activities		(532,388)
Net change in cash, cash equivalents, and restricted cash		(939,727)
Cash, cash equivalents, and restricted cash, beginning of year		1,918,442
Cash, cash equivalents, and restricted cash, end of year	$	978,715
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$	87,844
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$	978,550
Restricted cash		165
	$	978,715

The accompanying notes are an integral part of this financial statement.

1. Summary of Significant Accounting Policies

Organization

Odyssey House Louisiana, Inc. ("OHL" or the "Organization") is a nonprofit corporation organized under the laws of the State of Louisiana. OHL was established in 1973 as a non-profit residential substance abuse treatment facility with the mission of empowering people to conquer addiction in Louisiana. OHL offers a professional, structured, and caring therapeutic community with comprehensive services and effective support systems that enable individuals to chart new lives and return to their communities as contributing members. OHL's primary source of revenue is from state and federal contracts and grant programs.

Principles of consolidation

The consolidated financial statements include the financial information of OHL. Also included in the consolidated financial statements is OHL Bohn Building, LLC ("OHL Bohn"), a wholly-owned Louisiana limited liability company (see Note 6), as well as OHL North Tonti, LLC, a 99% owned Louisiana limited liability company (see Note 13). All significant intercompany transactions and balances have been eliminated upon consolidation.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed in the preparation of the accompanying consolidated financial statements are described below.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities and changes in net assets according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Net assets, revenues and other support and expenses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or certain grantor-imposed restrictions. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to donor or certain grantor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets with donor restrictions totaled $6,077 at June 30, 2021.

1. Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Contributions are received and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as released from restrictions.

Cash, Cash Equivalents, and Restricted Cash

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. At June 30, 2021, the Organization was holding restricted cash of $165. Its use is restricted to expenditures as specified by various grant agreements.

Receivables

Receivables consisted of amounts owed from various federal, state, and local government agencies for grants and fees for service programs. Management determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At June 30, 2021, management believes all receivables to be fully collectible; therefore, an allowance for doubtful accounts has not been established. For the year ended June 30, 2021, the bad debt expense was $24,746. Receivables from contracts with customers are reported as grants and programs receivable in the accompanying statement of financial position.

Inventory

Inventory consisted of food purchased in connection with the long-term care provided to clients and is accounted for at lower of cost or net realizable value on the first-in first-out (FIFO) basis.

Property, Buildings, and Equipment

Property, buildings, and equipment are recorded at cost. Donations of assets are recorded at estimated fair market value on the date of donation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line basis over three to thirty years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities.

It is the policy of the Organization to capitalize all property, buildings, and equipment that are acquired as a result of a bulk purchase with an aggregate cost that exceeds $5,000. Other property, buildings, and equipment not acquired by bulk purchase are capitalized when the acquisition cost is in excess of $5,000. Costs incurred for repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed as incurred.

1. Summary of Significant Accounting Policies (continued)

Property, Buildings, and Equipment (continued)

We review the carrying values of property, buildings, and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the assets. There were no indicators of impairment of property, buildings, and equipment at June 30, 2021.

The Organization's construction in progress at June 30, 2021 related to renovations and new construction at the Organization's facilities.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Certificates of deposit are reported at cost which approximates fair value. For the year ended June 30, 2021, unrealized gain (loss) on investments is included in the change in net assets in the statement of activities.

Compensated Absences

Full time employees are allowed to accrue paid time off based on employment level as follows: staff up to 80 hours, managers up to 100 hours, and CEO up to 160 hours. The liability associated with compensated absences was $318,025 as of June 30, 2021. Compensated absences are included in accounts payable and accrued expenses in the statement of financial position.

Revenue and Revenue Recognition

Grants and Other Program Revenue

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Grant revenue is recognized as it is earned in accordance with approved contracts. Grants for fee income are recorded as net assets without donor restrictions in the statement of activities. Grantor-restricted support is reported as an increase in net assets without donor restrictions in the statements of activities if the grantor restrictions expire or are met in the same reporting period in which the revenue is recognized.

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition (continued)

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2021, the Organization has been awarded cost –reimbursable grants of approximately $5,400,000 which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Of this amount, the conditional grant commitments that are not recognized in the June 30, 2021 consolidated financial statements consisted of conditional cost-reimbursement grants awarded by government agencies of approximately $2,000,000.

Fee for service program revenue represents the estimated net realizable amounts due from third party payors for services rendered. Revenues are recorded during the period the services are provided based upon the estimated amounts due from payors and in accordance with third party contracts. Receivables are recorded at estimated net realizable value, based on stated contract rates with third party payors. Accounts receivable are due in full when billed. Interest is not charged on past due accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed or when the accounts reach approximately 90 days old. Management has determined that there was no allowance for uncollectible accounts related to these fee for service programs at June 30, 2021.

Patient Service Revenue

Patient service revenue represents the estimated net realizable amounts due from third party payors (primarily Medicaid) for services rendered based on estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data for each payor. Revenues are recorded during the period the services are provided based upon the estimated amounts due from payors and in accordance with third party contracts. Receivables are recorded at estimated net realizable value, based on stated contract rates with third party payors. Accounts receivable are due in full when billed. Interest is not charged on past due accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed or when the accounts reach approximately 90 days old. The Organization has no contract assets at June 30, 2021.

The Organization reports revenues from patient services at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are primarily due from patients and governmental programs. Revenue is recognized as the performance obligations are satisfied.

1. Summary of Significant Accounting Policies (continued)

Patient Service Revenue (continued)

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on daily per diem rates or other agreed-upon rates allowed by third party payor contracts. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient care. The Organization measures the performance obligation from admission into the Organization, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services which is generally less than one day. The Organization does not have performance obligations that are unsatisfied or partially unsatisfied at June 30, 2021.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from third party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the third party payor pays for that service will be one year or less.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period (if any). The unsatisfied or partially unsatisfied performance obligations referred to previously are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days of the end of the reporting period.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. The estimated reimbursement amounts are made on a payor-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in commercial contractual terms resulting from contract renegotiations and renewals. Due to the complexities involved in the classification and documentation of patient care services authorized and provided, the estimation of revenues earned and the related reimbursement are often subject to interpretations that could result in payments that are different from the Organization's estimates.

In-Kind Contributions

A variety of noncash items, such as clothing, toys, books, building supplies and event tickets for auction were donated to the Organization throughout the year ended June 30, 2021. These items are recorded as contributions based on their fair value as of the date of the contribution. There were no in-kind contributions reported in the statement of activities for the year ended June 30, 2021.

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The expenses of providing the programs and other activities have been summarized on a functional basis between program services and supporting activities in the statements of functional expenses by nature and class. Accordingly, certain costs have been allocated among program services and supporting activities benefitted. Such allocations are determined by management on an equitable basis.

Income Taxes

The Organization is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5).

The Organization applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits or liabilities that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. The Organization has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with more than a 50% likelihood of being sustained upon examination by the taxing authorities.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

On July 1, 2020, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, and all related amendments, which provides guidance for revenue recognition. The ASU was developed to update revenue recognition standards to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The adoption of ASU 2014-09 was accomplished using a full retrospective method of application. The Organization recognizes patient revenues in the period in which it satisfies the performance obligations under contracts by transferring services to patients. Revenues are recognized in the amounts to which the Organization expects to collect from third-party payors, which are the transaction prices allocated to the distinct services. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue and receivables have been enhanced in accordance with the standard.

1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Issued But Not Yet Effective

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations, and enhances disclosures with respect to these contributions. The amendments in this ASU will be applied on a retrospective basis and are effective for the Organization's fiscal year ending June 30, 2022.

In February 2016, the FASB issued ASU No. 2016-02, Leases. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than twelve months on the statements of financial position as well as additional disclosures. The implementation of this standard was delayed by FASB upon issuance of ASU 2020-05 in June 2020. This standard will be effective for the Organization's fiscal year ending June 30, 2023.

The Organization is currently assessing the impact of these pronouncements on its consolidated financial statements.

Paycheck Protection Program Loan

In accounting for the terms of the notes payable recorded in connection with the Paycheck Protection Program (PPP), the Organization used guidance on FASB ASC 470 *Debt*, and ASC 450-30 *Gain Contingency*. Accordingly, it recorded the proceeds of the PPP loan as debt, and derecognizes the liability when the loan is paid off or it believes forgiveness is reasonably certain. The Organization believes that the possibility of loan forgiveness is to be regarded as a contingent gain and therefore will not recognize the gain (and derecognize the loan) until all uncertainty is removed. During 2021, the Organization's loan was forgiven and accordingly, a gain on forgiveness of the PPP loan is recognized in the accompanying statement of activities.

2. Availability and Liquidity

The following represents the Organization's financial assets available for general expenditures within one year of the date of the statement of financial position include:

Cash and cash equivalents	$	978,550
Restricted cash		165
Patient receivables		1,550,053
Grant and program receivables		1,185,040
Investments		242,402
Investment in 2700 Bohn Motor, LLC		325,405
Total financial assets		4,281,615
Less amounts not available to be used in one year:		
Restricted cash		165
Net assets with donor restrictions		6,077
Investment in 2700 Bohn Motor, LLC		325,405
Board designated funds for future use		238,671
Financial assets available to meet general expenditures over the next twelve months	$	3,711,297

2. Availability and Liquidity (continued)

The Organization'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 short-term investments including certificates of deposit. The Organization has a line of credit available to meet cash needs (see Note 8).

3. Board of Directors Compensation

The board of directors is a voluntary board and, therefore, no compensation was paid to any board member during the year ended June 30, 2021.

4. Patient Receivables

The Organization's patient receivables at June 30, 2021 relate to third party reimbursements expected to be received from the Medicaid program.

5. Receivables from Government Grants and Programs

The Organization had the following grants receivable as of June 30, 2021:

Health Resources & Services Administration	$	207,245
Louisiana Clinical Services		581,402
Substance Abuse & Mental Health Services Administration		71,295
State of Louisiana		180,397
Unity of Greater New Orleans		115,700
Other		29,001
Total	$	1,185,040

6. Investments

At June 30, 2021, investments consisted of certificates of deposit, a mutual fund, and an equity investment in a Louisiana limited liability company accounted for under the equity method.

At June 30, 2021, the certificates of deposit have a cost and fair value of $225,000, respectively.

At June 30, 2021, the mutual fund has a cost of $6,077 and a fair value of $17,402. The mutual fund was created with an initial investment of $6,077 into an endowment fund administered by the Greater New Orleans Foundation (GNOF). Annually, GNOF distributes a portion of the earnings to the Organization while maintaining the integrity of the corpus. At June 30, 2021, $6,077 and $11,325 of the mutual fund's balance is reported as with donor restrictions and without donor restrictions, respectively.

In August 2017, the Organization became a member of OHL Bohn Building LLC ("OHL Bohn"), a Louisiana limited liability company. The Organization is the sole member of OHL Bohn. Also, in August 2017 OHL Bohn became a partner in 2700 Bohn Motor, LLC ("Bohn Motor"), a Louisiana limited liability company. OHL Bohn has a 0.50% interest in Bohn Motor. Bohn Motor's purpose is to acquire real property located at 2700 S Broad Street in New Orleans, Louisiana and to obtain financing for its redevelopment. OHL Bohn's capital balance in Bohn Motor as of June 30, 2021 is $325,405, which is reported as investments on the statement of financial position. There were no indicators of impairment on this investment during the year ended June 30, 2021.

7. Fair Value of Investments

FASB ASC 820 establishes a fair value hierarchy which prioritizes inputs to valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. These levels include Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as the quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of the unobservable inputs.

Certificates of deposit are valued at cost which approximates fair value.

The value of the Organization's investments in the Greater New Orleans Foundation pooled assets are based on information provided by the Greater New Orleans Foundation using net asset value (NAV) as the primary input to measure fair value.

There have been no changes in the methodology used as of June 30, 2021. The method described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a schedule of investments held by the Organization at June 30, 2021, including the fair value detailed by level of measurement.

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 225,000	$ -	$ 225,000
GNOF investment pool	-	17,402	-	17,402
Total	$ -	$ 242,402	$ -	$ 242,402

8. Line of Credit

The Organization has a $1,500,000 line of credit with JP Morgan Chase Bank. The line currently carries a variable interest rate of 6.67% at June 30, 2021 and has no stated expiration date. The line of credit is collateralized by all Organization accounts including grant receivables as well as equipment and contains various covenants. The outstanding balance at June 30, 2021 was $493,651.

9. Notes Payable

At June 30, 2021, the Organization has the following notes payable:

- Promissory note with a financial institution; interest at 4.50% per annum; collateralized by the Organization's property; payable in 59 monthly payments of $22,956 and one final payment of the remaining balance due in March 2022. The outstanding balance at June 30, 2021 was $1,396,469. In July 2021, subsequent to year end, the Organization paid this note in full and negotiated a new multiple indebtedness mortgage with another financial institution in the amount of $1,500,000.

- Promissory note with Gulf Coast Housing Partnership, Inc.; interest at 0% per annum; collateralized by the Organization's property at 4730 Washington Avenue and 2830 Bell Street; stated maturity of the earlier of December 2, 2049 or upon the sale or refinancing of specific properties (see Note 14). The outstanding balance at June 30, 2021 was $760,416.

Future maturities of notes payable are as follows:

Fiscal Year		Amount
2022	$	217,888
2023		227,898
2024		238,368
2025		249,318
2026		462,997
Thereafter		760,416
Total	$	2,156,885

10. Paycheck Protection Program Loan

In April 2020, the Organization received loan proceeds in the amount of $1,654,712 from the Small Business Association through the Paycheck Protection Program (PPP) loan program as established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March 2020. The loan bears interest at a rate of 1%. Under the terms of the loan, all or a portion can be forgiven as a grant subject to meeting certain compliance requirements.

In April 2021, the Organization received notification from the U.S. Small Business Administration indicating the loan amount was forgiven. As a result, the Organization has accounted for the PPP loan in accordance with FASB Accounting Standards Codification 450-30, *Gain Contingency*, a gain on forgiveness of the loan has been recognized for the year ended June 30, 2021.

11. Net Assets

Net assets with donor restrictions in the amount of $6,077 were for the Organization's substance abuse programs as of June 30, 2021.

Net assets without donor restrictions of $9,384,188 included $238,671 of board designated funds for future use as of June 30, 2021.

12. Retirement Plan

The Organization has a 401(k) profit sharing plan that provides for discretionary matching contributions determined by the employer covering all full-time employees at least twenty-one years of age with one year of eligible experience. For the year ended June 30, 2021, contributions to the plan were $211,488.

13. Related Party Transaction

In December of 2017 the Organization became a partner in OHL North Tonti, LLC, a Louisiana limited liability company (taxed as a partnership). OHL North Tonti, LLC has two members, the Organization at 99% and Edward Carlson, the Organization's CEO (a related party), at 1%. On December 28, 2017 the Organization signed a ground lease agreement with OHL North Tonti, LLC for property located at 1125 N Tonti, Street and 2426, 2432 and 2434 Governor Nichols St. The ground lease is for 99 years ending on December 27, 2116 with the monthly lease amount stated to be $100.

14. Commitments

As of June 30, 2021 the Organization is undergoing multi-phase renovation of the buildings located at 1125 N Tonti Street and 2426, 2432 and 2434 Governor Nichols St. Management estimates the renovation project will take several years with an estimated cost of approximately $10 million. The Organization has been approved for funding of this project by the Louisiana Capital Outlay Program for $5.9 million, of which on October 17, 2019 $2,222,700 was immediately available. The remaining funds will be reviewed by the Louisiana Division of Administration and made available in subsequent years based on the state budget.

Due to complex compliance requirements with the state of Louisiana Capital Outlay Program and LHLBD and because of the timing of construction the Organization opened two GAP loans with Gulf Coast Housing Partnership (GCHP). On October 29, 2019 the Organization opened a $1 million loan at 6.5% interest annually and secured by all of the Organization's property. The loan's maturity is stated as of the date the Organization receives the Capital Outlay funds from the state of Louisiana or April 29, 2021 whichever is earlier - all principal and interest are due at maturity. The Organization paid a $10,000 origination fee to secure the funds. This loan was paid in full during fiscal year 2021.

The second loan with GCHP was executed on December 1, 2019 in the amount of $760,416 with a zero percent interest rate with a stated maturity of the earlier of December 2, 2049 or upon sale or refinancing of the property. This loan is also secured by all of the Organization's property. The Organization paid a $10,000 origination fee to secure the funds and is required to pay an additional $10,000 per year for four more years (maximum $50,000). As long as the Organization continues to operate as it is now, no payments are required to be made on this loan, and at the end of 49 years, the maturity will extend an additional 49 years in perpetuity.

During the fiscal year ended June 30, 2021 the Organization held a contract with Imperial Calcasieu Human Services Authority (ImCal) to operate a licensed Substance Abuse Rehabilitation Treatment Center in Lake Charles, LA. The license is provided by the Louisiana Department of Health and Human Services (DHH). The contract with ImCal was renewed July 1, 2019 and expires June 30, 2022. The DHH license includes capacity at the facility of 46 beds. The agreement provides that the Organization shall occupy the facility rent free, with ImCal responsible for major repairs and the Organization responsible for minor repairs, supplies and general upkeep.

15. Leases

On December 5, 2017 the Organization entered into a sublease agreement with GCHP for the space at 2700 S Broad Street. GCHP has a lease for the building with 2700 Bohn Motor LLC and is therefore subleasing to the Organization. The commencement date for the Organization's lease was September 1, 2019, the date the Organization first occupied the building. The term of the lease is for ten years from commencement date with the Organization holding a nine-year option to renew. Monthly rental payments are $52,181. The Organization also leases another commercial space at a rate of $6,270 per month. Future minimum lease payments for both leases are as follows: for June 30, 2022 $701,412; June 30, 2023 $701,412; June 30, 2024 $701,412; June 30, 2025 $701,412; June 30, 2026 $701,412; and thereafter $1,982,878.

16. Concentration Risk and Contingencies

The Organization maintains cash balances and certificates of deposit at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. From time to time the amounts on deposit may exceed the federally insured limits. Management believes the credit risk associated with these deposits is minimal.

The Organization receives the majority of its revenue from funds provided through state and federal contracts and grant programs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or the state level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

The Organization is involved in certain claims and legal actions arising in the normal course of activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position.

The Organization is reimbursed on a per diem basis on rates set by the Medicaid program of the State of Louisiana. If there was an overpayment due to an error in setting the rate, the State could pursue recoupment. Since the number of beds eligible for state funding exceeded those submitted for reimbursement, management does not believe a change in rate would results in any retroactive adjustment.

As part of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), the Organization received $232,053 in Provider Relief Funds. These funds are not required to be repaid provided the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using these funds to reimburse expenses or losses that other sources are obligated to reimburse. The Organization does not expect to repay funds received; thus, the amount received is recognized in grants and contracts revenue in the Statements of Activities and Changes in Net Assets for the year ended June 30, 2021.

The Organization has an open claim with its insurance provider related to business interruption related to Winter Storm Uri in February 2021. The Organization received $514,188 in business interruption claim proceeds through June 30, 2021. The Organization expects to receive additional proceeds; however, the remaining portion of the claim has not been finalized. No amounts have been recognized in the June 30, 2021 financial statements for the remaining portion of the claim.

17. Subsequent Events

As described in Note 9, the Organization negotiated a new multiple indebtedness mortgage in the amount of $1,500,000 in July 2021.

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 20, 2021, and determined that no additional events occurred that require disclosure. No events after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

ODYSSEY HOUSE LOUISIANA, INC.

Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer

Year Ended June 30, 2021

Agency Head Name: Ed Carlson

Purpose		Amount
Salary	$	329,886
Benefits-health/dental/vision insurance		12,558
Benefits-retirement		14,603
Benefits-group life insurance		2
Benefits-long/short term disability insurance		1,396
Car allowance		7,830
Reimbursements		81
Total	$	366,356

See accompanying independent auditors' report.

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INDEPENDENT AUDITORS' 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*

To the Board of Directors of
Odyssey House Louisiana, Inc.
New Orleans, Louisiana

We have audited, 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, the financial statements of the Odyssey House Louisiana, Inc. (the Organization) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 entity's consolidated financial statements will not be prevented, or detected and corrected, 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.

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
December 20, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors of
Odyssey House Louisiana, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Odyssey House of Louisiana, Inc.'s (the Organization'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 Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 we 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 Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the Organization 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, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization'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, we do not express an opinion on the effectiveness of the Organization'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 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.

Our 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2021, and have issued our report thereon dated December 20, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
December 20, 2021

ODYSSEY HOUSE LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Funds passed through Unity of Greater New Orleans, Inc.			
Continuum of Care Program	14.267	LA007316H031306, LA0086L6H031609	$ 813,562
Total Department of Housing and Urban Development			813,562
U.S. Department of Health and Human Services			
Direct Award			
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) (COVID-19)	93.224	H8CCS35101, H8DC35766, H80CS28362, H8ECS38698C4	1,665,707
Total Health Center Program Cluster			1,665,707
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP021824-02, 1H79T1082458-01, 1H79SP080326-01	847,214
Emergency Grants to Address Mental and Substance Abuse Disorders During COVID-19 (COVID-19)	93.665	None	966,112
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease (Ryan White)	93.918	P06HA33752	54,056
Total Department of Health and Human Services			3,533,089
Federal Communications Commission			
Direct Award			
Covid-19 Telehealth Program (Covid-19)	32.006	None	123,203
Total Federal Communications Commission			123,203
Total Expenditures of Federal Awards			$ 4,469,854

The accompanying notes are an integral part of this schedule.

ODYSSEY HOUSE LOUISIANA, INC.
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

June 30, 2021

1. Basis of Presentation

   The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Odyssey House Louisiana, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the Organization. The Organization's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2021.

2. Summary of Significant Accounting Policies

   Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization's consolidated financial statements for the year ended June 30, 2021. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Financial Statements

   Federal awards are included in program revenue – cost reimbursement in the consolidated statement of activities for the year ended June 30, 2021. Provider relief funds were received by the Organization during "Period 2" based on guidance in the 2021 Compliance Supplement. These revenues are recognized during the fiscal year ended June 30, 2021 in accordance with U.S. GAAP. These "Period 2" Provider Relief Funds are required to be reported on a future Schedule, based on guidance in the 2021 Compliance Supplement.

4. Relationship to Federal Financial Reports

   Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports.

5. De Minimis Cost Rate

   During the year ended June 30, 2021, the Organization did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

ODYSSEY HOUSE LOUISIANA, INC.
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

(1) Summary of Independent Auditors' Results

Financial Statements

The type of report issued on the consolidated financial statements:	Unmodified opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None noted
Noncompliance material to the consolidated financial statements noted?	No

Federal Awards

Internal controls over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None noted
Type of auditor's report issued on compliance for major programs:	Unmodified opinion
Any audit findings which are required to be reported under the Uniform Guidance?	No
Identification of major programs:	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243
Emergency Grants to Address Mental and Substance Abuse Disorders During COVID-19	93.665
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance:	Yes

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

(2) Findings Relating to the Consolidated Financial Statements Reported in Accordance with *Government Auditing Standards:*

Not Applicable.

(3) Findings and Questioned Costs Relating to Federal Awards:

Not Applicable.