

**Bayou Council Behavioral Health  
Services, Inc.**

Financial Statements  
and Independent Auditor's Report  
June 30, 2021

**Bayou Council Behavioral Health Services, Inc.**

Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2021

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Bayou Council Behavioral Health Services, Inc.  
Thibodaux, Louisiana

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

We have audited the accompanying financial statements of Bayou Council Behavioral Health Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these 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 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 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 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 financial position of Bayou Council Behavioral Health Services, 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 Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 14 is presented for purposes of additional analysis and is 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 our 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*, we have also issued our report dated December 21, 2021, on our consideration of Bayou Council Behavioral Health Services Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 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 the Organization's internal control over financial reporting and compliance.



Houma, Louisiana  
December 21, 2021

**FINANCIAL STATEMENTS**

**Bayou Council Behavioral Health Services, Inc.**

Statement of Financial Position  
June 30, 2021

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 100,144
Unconditional promises to give:	
United Way	16,500
Governmental grants	5,203
Prepaid expenses	<u>2,348</u>

**TOTAL CURRENT ASSETS** 124,195

Property and equipment, net of accumulated depreciation of \$32,745	<u>138</u>
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**TOTAL ASSETS** \$ 124,333

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable	\$ 3,742
Deferred revenue	4,875
Paycheck Protection Program loan	<u>24,568</u>

**TOTAL LIABILITIES** 33,185

Net Assets:

Without donor restrictions	74,648
With donor restrictions	<u>16,500</u>

**TOTAL NET ASSETS** 91,148

**TOTAL LIABILITIES AND NET ASSETS** \$ 124,333

See accompanying notes.

Bayou Council Behavioral Health Services, Inc.

Statement of Activities  
Year Ended June 30, 2021

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

**SUPPORT AND RECLASSIFICATIONS**

Support

Governmental grants	\$ 123,034
Program service fees	25,275
Other contributions	9,000

**TOTAL SUPPORT** 157,309

Reclassifications

United Way Services funding for the year released from restriction	<u>33,000</u>
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**TOTAL SUPPORT  
AND RECLASSIFICATIONS** 190,309

**EXPENSES**

Program services	186,717
Management and general	19,911

**TOTAL EXPENSES** 206,628

**DECREASE IN NET ASSETS WITHOUT  
DONOR RESTRICTIONS** (16,319)

**NET ASSETS WITH DONOR RESTRICTIONS**

United Way Services grant	24,750
Net assets released from restriction:	
Expiration of time restrictions on United Way Services funding	<u>(33,000)</u>

**DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS** (8,250)

**DECREASE IN NET ASSETS** (24,569)

**NET ASSETS AT BEGINNING OF YEAR** 115,717

**NET ASSETS AT END OF YEAR** \$ 91,148

See accompanying notes.

**Bayou Council Behavioral Health Services, Inc.**

Statement of Functional Expenses  
Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 82,939	\$ 9,215	\$ 92,154
Contractor fees	22,383	2,487	24,870
Lease expense	20,025	2,225	22,250
Accounting and audit	14,502	1,611	16,113
Insurance	8,836	982	9,818
Grant expense	7,533	-	7,533
Payroll taxes	6,269	697	6,966
Supplies	5,260	584	5,844
Coalition award	5,004	556	5,560
Utilities	4,771	530	5,301
Publications	3,086	343	3,429
Rental expense	2,867	319	3,186
Telephone	2,563	285	2,848
Mileage	273	30	303
Dues and subscriptions	117	13	130
Property taxes	81	9	90
Food and lodging	43	5	48
Bank fees	13	3	16
	<u>186,565</u>	<u>19,894</u>	<u>206,459</u>
Depreciation	<u>152</u>	<u>17</u>	<u>169</u>
Total expenses	<u>\$ 186,717</u>	<u>\$ 19,911</u>	<u>\$ 206,628</u>

See accompanying notes.



**Bayou Council Behavioral Health Services, Inc.**

Statement of Cash Flows  
Year Ended June 30, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Decrease in net assets	\$ (24,569)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	169
Increase in operating assets:	
Unconditional promises to give	15,619
Decrease in operating liabilities:	
Accounts payable	<u>1,201</u>
Net cash flows used in operating activities	(7,580)
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:</b>	
Proceeds from paycheck protection program loan	<u>24,568</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	16,988
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>83,156</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 100,144</u></u>

See accompanying notes.

**Bayou Council Behavioral Health Services, Inc.**

Notes to the Financial Statements  
Year Ended June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. NATURE OF THE ORGANIZATION**

Bayou Council Behavioral Health Services, Inc. (BCBHS), a Louisiana not-for-profit, voluntary health and welfare agency, provides prevention programs and education services to reduce the risk factors associated with alcohol and substance abuse. Services are available to Lafourche Parish and surrounding areas.

**B. BASIS OF PRESENTATION**

The financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

**C. CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, BCBHS considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**D. PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**E. BAD DEBTS**

The financial statements of BCBHS contain no allowance for uncollectible promises to give. Uncollectible accounts are recognized as an expense at the time information becomes available that indicates the amounts are uncollectible. While accounting principles generally accepted in the United States of America require that bad debts be recorded utilizing the allowance method, the difference between the two methods is immaterial to the Organization, as management considers all promises to give to be fully collectible.

**Bayou Council Behavioral Health Services, Inc.**

Notes to the Financial Statements  
Year Ended June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**F. PROPERTY AND EQUIPMENT**

Property and equipment acquired by the Organization are considered to be owned by the Organization except for certain equipment acquired with grant funds. Title for such property may revert to the State at the completion of the grant period at the discretion of the State. Property and equipment are stated at cost. Depreciation is computed utilizing the straight-line method over the estimated useful lives of five to fifteen years. Depreciation expense for the year ended June 30, 2021 was \$169. Property and equipment acquisitions are capitalized if the purchase price exceeds \$300 and the asset has a useful life of greater than one year.

**G. NET ASSETS**

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

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Generally, the donors of assets with no restriction expiration permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**H. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Bayou Council Behavioral Health Services, Inc.**

Notes to the Financial Statements  
Year Ended June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**I. INCOME TAXES**

BCBHS is a not-for-profit, voluntary health and welfare agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors.

**J. ESTIMATES**

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

**K. RECENT PRONOUNCEMENT**

In January 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after June 15, 2021. The Organization has not determined the impact ASU 2016-02 will have on its financial statements.

**NOTE 2 – FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, unconditional promises to give, and accounts payable, and note payable. Management estimates that the fair value of all financial instruments as of June 30, 2021 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

## Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements  
Year Ended June 30, 2021

### **NOTE 3 – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains one bank account which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization did not exceed federally insured limits at any time during the year ended June 30, 2021.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of promises to give due from the State of Louisiana and the United Way for South Louisiana. Because these receivables are passed through support from the federal or state governments or local donors the Organization requires no collateral for these amounts.

### **NOTE 4 – PROMISES TO GIVE**

As of June 30, 2021, unconditional promises to give consist of the following:

<u>Corporate</u>		
United Way for South Louisiana	\$	16,500
<u>Governmental</u>		
State of Louisiana:		
Department of Health and Hospitals/ Office for Addictive Disorders		<u>5,203</u>
Total unconditional promises to give	\$	<u>21,703</u>

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amount due from United Way for South Louisiana represents the Organization's allocation for the remainder of calendar year 2021 which is restricted as to the passage of time. All other unconditional promises to give are unrestricted.

### **NOTE 5 – PROPERTY AND EQUIPMENT**

A summary of changes in property and equipment follows:

	Balance July 1, 2020	Additions	Dispositions	Balance June 30, 2021
Fixtures and equipment	\$ 32,883	\$ -	\$ -	\$ 32,883
Accumulated depreciation	<u>(32,576)</u>	<u>(169)</u>	<u>-</u>	<u>(32,745)</u>
	<u>\$ 307</u>	<u>\$ (169)</u>	<u>\$ -</u>	<u>\$ 138</u>

**Bayou Council Behavioral Health Services, Inc.**

Notes to the Financial Statements  
Year Ended June 30, 2021

**NOTE 6 – PAYCHECK PROTECTION PROGRAM**

On February 5, 2021, the Organization received a COVID-19 related \$24,568 loan from a bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). Interest on the loan is 1.0%. Management expects that this loan will be repaid by SBA within 12 months and that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP. Any amounts not forgiven would be amortized over a period of two years.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

The restrictions on net assets as of June 30, 2021 relate to the United Way for South Louisiana grant which is restricted until the passage of time.

**NOTE 8 – FUNDING POLICIES**

BCBHS receives local funding from the United Way for South Louisiana. These monies are received by BCBHS in monthly installments.

BCBHS receives funding on a cost reimbursement basis and fee-for-service basis from the Louisiana State Department of Health and Hospitals/Office for Addictive Disorders as pass through agent for federal funding from the United States Department of Health and Human Services.

**NOTE 9 – GOVERNMENTAL AND OTHER GRANTS**

During the year ended June 30, 2021, the Organization received unconditional promises to give in the form of grants from the following governmental and local grantors:

Governmental Grants

State of Louisiana/Department of Health and Hospitals/Office for Addictive Disorders/Prevention Services	\$ 96,070
State of Louisiana/Department of Health and Hospitals/Office for Addictive Disorders/SYNAR Prevention Services	14,000
State of Louisiana/Department of Health and Hospitals/Office for Addictive Disorders/LASOR	11,589
Other	<u>1,382</u>
	<u>\$123,034</u>
<u>Corporate Grants</u>	
United Way for South Louisiana	<u>\$ 24,750</u>

**Bayou Council Behavioral Health Services, Inc.**

Notes to the Financial Statements  
Year Ended June 30, 2021

**NOTE 10 – OPERATING LEASE**

The Organization leases the building from which it operates from an unrelated third party under a three-year lease agreement that requires monthly lease payments of \$1,950. The lease term is from July 1, 2019 to June 30, 2022. Rent expense incurred under this lease was \$22,250 for the year ended June 30, 2021. Future amounts due are \$23,400, in the year ended June 30, 2022.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

The Organization is considered a partner agency with the United Way for South Louisiana. United Way for South Louisiana has allocated \$33,000 to BCBHS for 2021. As of June 30, 2021, \$16,500 of that amount is receivable. The 2020 grant was reduced by \$8,250 due to COVID-19 related issues.

**NOTE 12 – UNCERTAIN INCOME TAXES**

The Organization's 2019 tax returns were filed appropriately. As of December 2021, the Organization had not filed its 2020 tax return as the filing due date had been extended to May 15, 2022. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Organization's tax filings are subject to audit by various taxing authorities. The Organization's open audit period is 2017 to 2020. Management has evaluated the Organization's tax position and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

**NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of June 30, 2021, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current assets	\$124,195
Less those unavailable for general expenditures within one year	<u>2,348</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$121,847</u>

**Bayou Council Behavioral Health Services, Inc.**

Notes to the Financial Statements  
Year Ended June 30, 2021

**NOTE 14 – SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through December 21, 2021, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in this financial statement.



**SUPPLEMENTAL INFORMATION**

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**The Haven, Inc.**  
 Schedule of Compensation, Benefits, and Other  
 Payments to the Executive Director  
 For the Year Ended June 30, 2021

**Agency Head Name:** Jennifer Tregre, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 60,008
Benefits - insurance	1,540
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance/automobile expense	399
Vehicle provided by government	-
Per diem	-
Reimbursements	1,209
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements of 24:513(A)(3).

**Martin  
and  
Pellegrin**

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**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**

To the Board of Directors  
Bayou Council Behavioral Health Services, Inc.  
Thibodaux, Louisiana

We 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 Bayou Council Behavioral Health Services, Inc. (a nonprofit organization), which comprise the statement of financial position as June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bayou Council Behavioral Health Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bayou Council Behavioral Health Services, Inc.'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 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 than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bayou Council Behavioral Health Services, Inc.'s financial statements are free of 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 determination of financial statement amounts. 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.

### **Auditee's Response to Findings**

Bayou Council Behavioral Health Services, Inc.'s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Such response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



Houma, Louisiana  
December 21, 2021

## Bayou Council Behavioral Health Services, Inc.

### Schedule of Findings and Responses As of and For the Year Ended June 30, 2021

#### **Section I – Summary of Auditor’s Results**

1. The auditor’s report expresses an unmodified opinion on the financial statements of BCBHS.
2. One significant internal control deficiency (see finding 2021-001) was noted during the audit of the financial statements. This significant control deficiency was not considered to be a material weakness.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were noted during the audit of the financial statements.
5. A management letter was not issued.

#### **Section II – Financial Statement Findings**

##### 2021-001

Statement of Condition: A significant deficiency in the Organization’s internal control.

Criteria: In our consideration of internal control, we noted that the size of BCBHS’s operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of BCBHS and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

**Bayou Council Behavioral Health Services, Inc.**

Schedule of Findings and Responses  
As of and For the Year Ended  
June 30, 2021

Recommendation: The Board of Directors of BCBHS should closely monitor the activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost-beneficial to employ an adequate system of internal controls.

Response: The management of BCBHS agrees with this finding.

Questioned Costs: \$ -0-

**Section III – Findings and Responses – Major Federal Award Program Audit**

This section is not applicable.

**REPORTS BY MANAGEMENT**



**Bayou Council Behavioral Health Services, Inc.**

Management's Corrective Action  
Plan for Current Year Findings  
As of and For the Year Ended  
June 30, 2021

The contact person for all corrective actions noted below is Mrs. Jennifer Tregre, Executive Director.

**Section I – Internal Control and Compliance Material to the Financial Statements**

Inadequate Internal Control

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of Bayou Council Behavioral Health Services, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Bayou Council Behavioral Health Services, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 2021

Note: All prior findings relate to the June 30, 2020 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**Inadequate Internal Control**

Condition: A significant deficiency in the internal control related to the lack of segregation of duties.

Recommendation: The Board of Directors of the Organization should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point of where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

Status: Ongoing. The Organization has implemented the recommendation; however, the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.