

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

Financial Statements
and Independent Auditor's Report
Year Ended June 30, 2023

Bayou Council Behavioral Health Services, Inc.
Financial Statements and Independent Auditor's Report
Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bayou Council Behavioral Health Services, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bayou Council Behavioral Health Services, Inc. as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bayou Council Behavioral Health Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bayou Council Behavioral Health Services, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bayou Council Behavioral Health Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bayou Council Behavioral Health Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

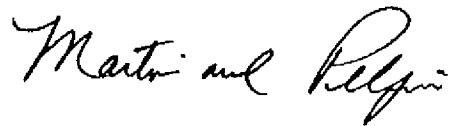
Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Bayou Council Behavioral Health Services, Inc.'s basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Executive Director is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Compensation, Benefits, and Other Payments to the Executive Director is fairly stated in all material respects in relation to the basic 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 October 17, 2023, 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 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 Bayou Council Behavioral Health Services, Inc.'s internal control over financial reporting and compliance.



Houma, Louisiana
October 17, 2023

FINANCIAL STATEMENTS

Bayou Council Behavioral Health Services, Inc.

Statement of Financial Position
June 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 143,905
Unconditional promises to give:	
United Way	12,500
Governmental grants	33,673
Prepaid expenses	<u>2,349</u>

TOTAL CURRENT ASSETS 192,427

Property and equipment, net of accumulated depreciation
of \$32,880

-

Intangible right-to-use lease asset, net 40,302

TOTAL ASSETS \$ 232,729

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 2,259
Lease liability	<u>20,151</u>

TOTAL CURRENT LIABILITIES 22,410

Lease liability 20,151

TOTAL LIABILITIES 42,561

Net Assets:

Without donor restrictions	177,668
With donor restrictions	<u>12,500</u>

TOTAL NET ASSETS 190,168

TOTAL LIABILITIES AND NET ASSETS \$ 232,729

See accompanying notes.

Bayou Council Behavioral Health Services, Inc.

Statement of Activities
Year Ended June 30, 2023

NET ASSETS WITHOUT DONOR RESTRICTIONS

SUPPORT AND RECLASSIFICATIONS

Support	
Governmental grants	\$ 240,320
Program service fees	16,550
Other	824
TOTAL SUPPORT	<u>257,694</u>
Reclassifications	
United Way Services funding for the year released from restriction	21,000
TOTAL SUPPORT AND RECLASSIFICATIONS	<u>278,694</u>

EXPENSES

Program services	197,666
Management and general	21,963
TOTAL EXPENSES	<u>219,629</u>

INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>59,065</u>
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NET ASSETS WITH DONOR RESTRICTIONS

United Way Services grant	14,000
Net assets released from restriction:	
Expiration of time restrictions on United Way Services funding	<u>(21,000)</u>

DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(7,000)</u>
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INCREASE IN NET ASSETS	52,065
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NET ASSETS AT BEGINNING OF YEAR	<u>138,103</u>
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NET ASSETS AT END OF YEAR	<u>\$ 190,168</u>
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See accompanying notes.

Bayou Council Behavioral Health Services, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 82,974	\$ 9,219	\$ 92,193
Contractor fees	37,176	4,131	41,307
Lease expense	21,690	2,410	24,100
Accounting and audit	13,883	1,543	15,426
Insurance	12,661	1,407	14,068
Payroll taxes	6,269	697	6,966
Utilities	6,195	688	6,883
Coalition award	4,779	531	5,310
Supplies	3,463	385	3,848
Telephone	2,904	323	3,227
Publications	2,160	240	2,400
Rental expense	2,066	230	2,296
Mileage	911	101	1,012
Meetings	414	46	460
Dues and subscriptions	115	11	126
Bank fees	6	1	7
	<u>6</u>	<u>1</u>	<u>7</u>
Total expenses	<u>\$ 197,666</u>	<u>\$ 21,963</u>	<u>\$ 219,629</u>

See accompanying notes.

Bayou Council Behavioral Health Services, Inc.

Statement of Cash Flows
Year Ended June 30, 2023

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:	
Increase in net assets	\$ 52,065
Decrease in operating assets:	
Unconditional promises to give	4,779
Decrease in operating liabilities:	
Accounts payable	(468)
Deferred revenue	<u>(4,875)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,501
BEGINNING CASH AND CASH EQUIVALENTS	<u>92,404</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 143,905</u></u>

See accompanying notes.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023

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. 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. LEASES

The Organization determines if an arrangement is a lease at the inception of the contract. The Organization's right-of-use assets represent their right to use the underlying assets for the lease term and the lease liabilities represent their obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. If the lease's implicit interest rate is not readily determinable, the Organization will use a risk-free rate in lieu of determining the incremental borrowing rate. The Organization has no financing leases. The Organization's operating lease is for its administrative building located in Thibodeaux, Louisiana. Operating leases with a term of twelve months or less are not recorded in the statement of financial position. Leases with a term of one month or less do not meet the definition of a short-term lease.

H. 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.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
Year Ended June 30, 2023

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

I. 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.

J. 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 charitable contributions deduction for individual donors.

K. 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.

L. 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 December 15, 2021. Management has implemented the statement, resulting in a material effect to the financial statements (see note 9).

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. Management estimates that the fair value of all financial instruments as of June 30, 2023 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, 2023

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, 2023.

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, 2023, unconditional promises to give consist of the following:

<u>Corporate</u>		
United Way for South Louisiana	\$	12,500
<u>Governmental</u>		
State of Louisiana:		
Department of Health and Hospitals/ SCLHA		<u>33,673</u>
Total unconditional promises to give	<u>\$</u>	<u>46,173</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 2023 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, 2022	Additions	Dispositions	Balance June 30, 2023
Fixtures and equipment	\$ 32,880	\$ -	\$ -	\$ 32,880
Accumulated depreciation	(32,880)	-	-	(32,880)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
Year Ended June 30, 2023

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The restrictions on net assets as of June 30, 2023 relate to the United Way for South Louisiana grant which is restricted until the passage of time.

NOTE 7 – 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 8 – GOVERNMENTAL AND OTHER GRANTS

During the year ended June 30, 2023, 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/South Central Louisiana Human Services Authority/Project Alert	\$ 138,230
State of Louisiana/Department of Health and Hospitals/South Central Louisiana Human Services Authority/Catch My Breath	46,210
State of Louisiana/Department of Health and Hospitals/South Central Louisiana Human Services Authority/Wanna Bet	23,360
State of Louisiana/Department of Health and Hospitals/South Central Louisiana Human Services Authority/SPF Coalition	14,488
State of Louisiana/Department of Health and Hospitals/South Central Louisiana Human Services Authority/SYNAR	14,000
State of Louisiana/Department of Health and Hospitals/South Central Louisiana Human Services Authority/Sticker Shock	<u>4,032</u>
	<u>\$ 240,320</u>
<u>Corporate Grants</u>	
United Way for South Louisiana	<u>\$ 14,000</u>

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements Year Ended June 30, 2023

NOTE 9 – LEASE

The Organization leases the building from which it operates from an unrelated party. The term of this written operating lease is three years. As of June 30, 2023, the value of the lease liability is \$40,302, original value of \$60,453 less accumulated amortization of \$20,151. During the year, total lease costs were \$24,000.

The future principal and interest payments related to this lease as of June 30, 2023 are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 20,151	\$ 3,849	\$ 24,000
2025	20,151	3,849	24,000
	<u>\$ 40,302</u>	<u>\$ 7,698</u>	<u>\$ 48,000</u>

NOTE 10 – RELATED PARTY TRANSACTIONS

The Organization is considered a partner agency with the United Way for South Louisiana. United Way for South Louisiana has allocated \$25,000 to BCBHS for 2023. As of June 30, 2023, \$12,500 of that amount is receivable.

NOTE 11 – UNCERTAIN INCOME TAXES

The Organization's 2021 tax returns were filed appropriately. As of September 2023, the Organization had not filed its 2022 tax return as the filing due date had been extended to May 15, 2024. 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 2019 to 2022. 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.

Bayou Council Behavioral Health Services, Inc.

Notes to the Financial Statements
Year Ended June 30, 2023

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2023, 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	\$192,427
Less those unavailable for general expenditures within one year (prepaid expenses)	<u>2,349</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$190,078</u>

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through October 17, 2023 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

Bayou Council Behavioral Health Services, Inc.
 Schedule of Compensations, Benefits, and Other
 Payments to the Executive Director
 Year Ended June 30, 2023

Agency Head Name: Jennifer Tregre, Executive Director

Purpose	Amount
Salary	\$ 60,239
Benefits - insurance	1,940
Benefits - retirement	-
Deferred compensation	-
Benefits - other	500
Car allowance/automobile expense	637
Vehicle provided by government	-
Per diem	-
Reimbursements	339
Travel	-
Registration fees	-
Conference travel	125
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	115

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

See independent auditor's report.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

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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, 2023, 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 October 17, 2023.

Report on 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 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

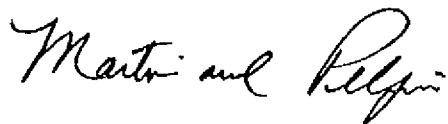
As part of obtaining reasonable assurance about whether Bayou Council Behavioral Health Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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
October 17, 2023

Bayou Council Behavioral Health Services, Inc.

Schedule of Findings and Responses
Year Ended June 30, 2023

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 2023-001) 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

2023-001

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
Year Ended June 30, 2023

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
Year Ended June 30, 2023

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
Year Ended June 30, 2023

Note: All prior findings relate to the June 30, 2022 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.