

**Keystone Substance Abuse Services
YORK COUNTY COUNCIL
ON ALCOHOL AND DRUG ABUSE**

**FINANCIAL STATEMENTS
June 30, 2020**

**Keystone Substance Abuse Services
YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE**

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Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
York County Council on Alcohol and Drug Abuse
Keystone Substance Abuse Services
Rock Hill, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows functional expenses, and functional expenses 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 York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services as of June 30, 2019, 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of Revenue and Expenses by Cost Center, Schedule of Expenditures – Budget and Actual, and Schedule of Cash and Investments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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 18, 2020, on our consideration of York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services' 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 solely 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 effectiveness of York County Council on Alcohol and Drug Abuse d/b/a/ Keystone Substance Abuse Services' 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 York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services' internal control over financial reporting and compliance.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
December 18, 2020

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash, Note 2	\$	1,336,752
Investments and certificates of deposit, Note 4		581,801
Grants receivable, Note 5		386,204
Medicaid and insurance receivables, Note 6		67,965
Prepaid expenses		61,079
TOTAL CURRENT ASSETS		2,433,801

PROPERTY, PLANT AND EQUIPMENT, Notes 2 and 8

Land and improvements		898,615
Buildings		3,466,823
Furniture and equipment		345,907
		4,711,345
Less: Accumulated depreciation		1,385,509
TOTAL PROPERTY, PLANT AND EQUIPMENT		3,325,836

TOTAL ASSETS

\$ 5,759,637

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	94,643
Accrued expenses		230,865
Client deposits		35,940
Accrued annual leave, Note 11		108,681
Accrued retirement bonus, Note 12		11,019
Deferred revenue and other liabilities		60,548
Current portion of long-term debt, Note 13		84,553
Refundable advance, Note 10		235,715
TOTAL CURRENT LIABILITIES		861,964

OTHER LIABILITIES

Long term debt, net of current portion, Note 13		313,506
TOTAL LIABILITIES		1,175,470

NET ASSETS

Net assets without donor restrictions, Note 2		
Unrestricted, undesignated		942,462
Designated as equity in property, plant and equipment, Note 9		2,927,777
Board-designated net assets, Note 9		679,833
Net assets without donor restrictions		4,550,072
Net assets with donor restrictions, Notes 2 and 7		34,095
TOTAL NET ASSETS		4,584,167

TOTAL LIABILITIES AND NET ASSETS

\$ 5,759,637

The notes to the financial statements are an integral part of this statement. See accompanying independent auditor's report.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Public Support and Revenue - Operating			
Local grants and contracts, Note 5	\$ 687,744	\$ -	\$ 687,744
Direct federal grants and contracts, Note 5	607,159	-	607,159
State and federal pass-through grants, Note 5	2,489,462	-	2,489,462
Medicaid, Note 6	958,140	-	958,140
Program fees	920,631	-	920,631
Contributions, including in-kind, Note 2	76,835	-	76,835
Grants from foundations, Note 7	84,581	34,095	118,676
Special events, net of expenses	9,017	-	9,017
Interest and unrealized gains on investments	11,714	-	11,714
Insurance refund and miscellaneous	19,660	-	19,660
TOTAL PUBLIC SUPPORT AND REVENUE	5,864,943	34,095	5,899,038
Net Assets Released from Restriction - satisfaction of restriction: for operating grants	127,110	(127,110)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	5,992,053	(93,015)	5,899,038
PROGRAM AND SUPPORTING SERVICE EXPENSES			
Expenses, Note 2			
Program service expenses			
Detoxification Program	813,182	-	813,182
Residential Program	549,224	-	549,224
Intensive Outpatient & Women of Substance Programs	985,388	-	985,388
Youth Programs / Prevention	398,472	-	398,472
Traditional Outpatient	428,991	-	428,991
Alcohol and Drug Safety Action Program (ADSAP)	77,888	-	77,888
Medication Assisted Treatment	814,929	-	814,929
TOTAL PROGRAM SERVICE EXPENSES	4,068,074	-	4,068,074
Supporting service expenses			
Fundraising	81,049	-	81,049
Management and general	1,081,733	-	1,081,733
TOTAL SUPPORTING SERVICE EXPENSES	1,162,782	-	1,162,782
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	5,230,856	-	5,230,856
INCREASE (DECREASE) IN NET ASSETS	761,197	(93,015)	668,182
NET ASSETS AT BEGINNING OF YEAR	3,788,875	127,110	3,915,985
NET ASSETS AT END OF YEAR	<u>\$ 4,550,072</u>	<u>\$ 34,095</u>	<u>\$ 4,584,167</u>

The notes to the financial statements are an integral part of this statement. See accompanying independent auditor's report.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets from operations	\$ 761,197
Decrease in net assets with donor restrictions	(93,015)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	117,193
Decrease in grants receivable	123,635
Decrease in Medicaid and commercial insurance receivable	17,394
Increase in refundable advance	235,715
Increase in prepaid expenses	(11,927)
Increase in accounts payable and accrued expenses	105,986
Decrease in client deposits	(35,411)
Decrease in accrued annual leave	(8,479)
Decrease in accrued retirement bonus	(5,841)
Increase in deferred revenue	49,098
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,255,545

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments and certificates of deposit	(143,154)
Purchase of property and equipment	(5,284)
NET CASH USED IN INVESTING ACTIVITIES	(148,438)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal repayments	(80,610)
NET CASH USED IN FINANCING ACTIVITIES	(80,610)

NET INCREASE IN CASH 1,026,497

CASH, beginning of year 310,255

CASH, end of year \$ 1,336,752

SUPPLEMENTAL DISCLOSURES:

CASH EQUIVALENT - The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INTEREST PAID - The Council paid interest of \$23,207 for the year ended June 30, 2020.

INCOME TAXES PAID - The Council paid no income taxes for the year ended June 30, 2020.

Keystone Substance Abuse Services
YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	DETOXIFICATION PROGRAM	RESIDENTIAL PROGRAM	WOMEN OF SUBSTANCE	INTENSIVE OUTPATIENT	TRADITIONAL OUTPATIENT	MEDICATION ASSISTED TREATMENT	ADSAF	YOUTH PROGRAMS/ PREVENTION	FUNDRAISING	MANAGEMENT/ GENERAL/ BUILDING	TOTAL
PERSONNEL SERVICES											
Permanent personnel	\$ 435,508	\$ 331,160	\$ 143,858	\$ 519,060	\$ 281,951	\$ 469,826	\$ 48,538	\$ 212,278	\$ 52,322	\$ 686,590	\$ 3,181,091
Temporary services	63,792	18,702	-	380	6730	285	-	15,036	-	2,661	107,586
TOTAL PERSONNEL SERVICES	499,300	349,862	143,858	519,440	288,681	470,111	48,538	227,314	52,322	689,251	3,288,677
CONTRACTUAL SERVICES											
Information technology	11,998	6,140	3,475	11,118	6,126	8,245	1,396	2,940	2,645	57,890	111,973
Medical and lab	948	-	6,280	19,870	8,470	43	1,394	2,432	-	-	39,437
Program specific	1,276	4,118	507	2,055	3,814	8,302	6,253	40,121	9	289	66,744
Printing, advertising and marketing	1,598	979	270	708	622	21	85	1,575	1,030	5,889	12,777
Building and grounds costs	6,546	3,640	104	355	226	242	35	115	28	106,716	118,007
Utilities and telephone	1,420	1,639	108	1,275	634	4,228	3,004	1,121	636	105,068	116,129
Professional fees	15,115	277	4,188	9,125	11,140	-	-	2,342	-	52,306	97,497
Management consultants and lobbyist	-	-	-	-	-	-	-	-	-	8,600	8,600
Employee hiring and training	1,405	333	204	2,156	1,679	1,329	11	5,523	178	4,501	17,319
Bank and service charges	1	-	-	-	-	-	-	-	-	11,315	11,316
TOTAL CONTRACTUAL SERVICES	40,307	17,126	15,136	46,662	32,711	22,410	12,178	56,169	4,526	352,574	599,799
SUPPLIES											
Office and printing supplies	3,328	2,369	807	2,312	1,457	760	234	1,212	436	32,287	45,202
Medical and lab	42,546	16,572	1,779	6,045	4,223	168,177	612	1,230	15	1,051	242,250
Educational / promotional	49	26	-	-	-	-	-	-	58	519	652
Postage	2,370	1,572	789	2,619	1,569	731	288	579	1,545	2,954	15,016
Food, including in-kind donor	70,197	41,924	552	2,302	329	353	50	3,043	516	1,757	121,023
Furniture & equipment under \$5,000	-	-	-	-	170	-	-	-	-	2,941	3,111
Vehicle costs	24	-	-	-	-	-	-	-	-	15	39
TOTAL SUPPLIES	118,514	62,463	3,927	13,278	7,748	170,021	1,184	6,064	2,570	41,524	427,293
FIXED CHARGES											
Rent-office equipment and storage	-	-	-	-	-	-	-	-	-	4,942	4,942
Rent - vehicles	-	8,171	150	-	-	4,624	-	3,948	-	14	16,757
Licenses, dues and memberships	-	(190)	1,659	796	144	623	250	-	-	8,642	10,415
Insurance	5,140	3,403	1,659	5,574	3,423	23,505	586	2,496	592	11,859	58,237
TOTAL FIXED CHARGES	5,140	11,384	1,809	6,370	3,567	28,752	836	6,444	592	25,457	90,351
TRAVEL											
-	-	241	27	355	154	325	203	8,489	357	3,633	13,784
EMPLOYER CONTRIBUTIONS											
Retirement	496	378	224	557	407	749	103	218	14	1,547	4,693
Social Security and Medicare tax	31,146	23,324	10,429	36,111	19,639	32,457	3,220	15,817	4,023	47,787	223,953
Workers' compensation	8,869	5,896	2,751	9,429	5,941	8,666	941	4,187	1,028	11,239	58,947
Unemployment compensation	2,378	1,753	767	3,040	1,535	3,420	323	(5,722)	320	1,818	7,652
Health insurance / employee wellness	52,542	34,459	8,756	80,501	43,372	31,722	6,380	16,489	6,245	87,470	367,936
TOTAL EMPLOYER CONTRIBUTIONS	95,431	65,810	22,927	129,638	70,894	75,034	10,967	30,989	11,630	149,861	663,181
TRANSITIONAL SERVICES											
-	-	7,371	-	-	-	-	-	-	-	-	7,371
ALLOCATED BUILDING COSTS											
29,410	19,443	9,193	48,886	19,466	24,476	3,189	44,987	4,083	(203,133)	-	-
DEPRECIATION											
20,265	11,511	2,494	14,165	5,770	23,800	793	13,117	4,425	20,853	117,193	117,193
INTEREST EXPENSE											
4,815	4,013	2,889	4,334	-	-	-	-	4,899	544	1,713	23,207
TOTAL FUNCTIONAL EXPENSES	\$ 813,182	\$ 549,224	\$ 202,460	\$ 783,128	\$ 428,991	\$ 814,929	\$ 77,888	\$ 398,472	\$ 81,049	\$ 1,081,733	\$ 5,230,856

The notes to the financial statements are an integral part of this statement. See accompanying independent auditor's report.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - KEYSTONE – NATURE OF ACTIVITIES

York County Council on Alcohol and Drug Abuse, dba Keystone (the “Council”) is a not-for-profit organization located in York County, South Carolina providing comprehensive substance abuse services, including outpatient care, detoxification, and long-term inpatient care. In addition to treatment services, Keystone provides prevention, education, and intervention services. Major sources of revenue include state and federal funds through the South Carolina Department of Alcohol and Other Drug Abuse Services (DAODAS), local funding including state alcohol tax and allocations from York County, donations from individuals, private grants from foundations, and program service fees including self-pay, insurance, and Medicaid.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles followed by the Council and methods of applying these principles which materially affect the determination of financial position and results of operations are summarized below.

BASIS OF PRESENTATION

The financial statements of The Council have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Council to report information regarding its financial position and activities according to the following net asset classifications: net assets without donor restrictions and net assets with donor restrictions. In addition, the Council is required to present a Statement of Cash Flows.

REVENUE RECOGNITION AND CLIENT DEPOSITS

As required by the authoritative guidance related to accounting for contributions received and contributions made, contributions are recognized as revenue when they are received or unconditionally pledged.

While the Council records appropriated revenues and grants, as well as Medicaid and private insurance program revenues on the accrual basis of accounting, self-pay program revenue is recorded on the cash basis. Due to the nature of the Council’s operations and clients, a substantial portion of fees billed to clients is uncollectible. In light of the uncertainty surrounding collection of these amounts, accrual basis recognition, normally required by generally accepted accounting principles, is inappropriate in this case.

The Council records a liability, client deposits, for unearned client payments that will be refunded to clients or remitted to the South Carolina State Treasurer under state unclaimed property statutes.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

The Council is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Council has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Council has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Council considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

CONCENTRATIONS OF CREDIT RISK

The Council currently maintains checking, money market, and certificate of deposit accounts at two banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of June 30, 2020, \$1,509,306 of the Council's total bank balances of \$1,850,211 were exposed to custodial credit risk as they were in excess of FDIC insurance. The Council also maintains one investments account with a balance of \$66,102, which is also not insured by the FDIC or the Securities Investor Protection Corporation. The Council does not have a formal policy for requiring collateral for bank deposits in excess of federally insured limits. The Council is not required by law to maintain collateral or full depository insurance for deposits. The Council does review the financial stability of banks where deposits are held annually.

PROPERTY AND EQUIPMENT

The Council generally capitalizes property and equipment over \$5,000 at cost. Fixed assets, net of mortgages secured by the agency's buildings, are included in net assets without donor restrictions when they are placed in service when there are no restrictions on the funds used to purchase them.

Depreciation of property and equipment is provided over the following estimated useful lives of the respective assets on the straight-line basis:

Buildings	40 years
Furniture & Fixtures	7 years
Software & Hardware	5 years

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RESTRICTED REVENUE AND SUPPORT

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), 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 restriction.

Contributions of property, in-kind donations relating to property, or cash donations stipulated for the purchase and/or improvement of property, are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as contributions with donor restrictions for the stipulated time. In the absence of time stipulations, such contributions are recorded as contributions with donor restrictions until the property is put into service, at which time the contributions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restriction.

EXPENSES

As required by the authoritative guidance to accounting for classification of the costs of a joint activity, the Council allocates expenditures relating to more than one activity to management and general, fundraising, and/or the appropriate programs, usually based on pro-rata share of personnel costs.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Keystone Substance Abuse Services
YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 1,336,752
Investments (including CDs)	581,801
Accounts receivable	454,169
Less: Assets limited to use (donor-restricted)	(34,095)
Less: Board-designated assets	<u>(679,833)</u>
	<u>\$ 1,658,794</u>

The Council has certain donor-restricted assets limited to use which are not available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included as a reduction in the qualitative information above. The Council also has board-designated assets that are designated for future capital expenditures and an operating reserve. These assets, which are more fully described in Note 9, are not available for general expenditure within the next year and are therefore shown as a reduction to the available amount in the table above. However, the board-designated amounts could be made available, if necessary.

As part of our liquidity management plan, the Council maintains a \$100,000 line of credit, as discussed in more detail in Note 13. As of June 30, 2020, \$100,000 remained available on the line of credit.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Council has determined the fair value of certain assets through application of the *Fair Value Measurement and Disclosure* topic of the FASB Accounting Standards Codification. The certificates of deposit of the Council are valued using Level 1 inputs and are based on quoted market prices of identical assets within active markets. The investments held at the Foundation for the Carolinas are valued using Level 2 inputs and reported at fair value based on observable inputs other than quoted prices for identical assets. The following reflects recorded values of investments as of June 30, 2020:

Certificates of Deposit, South State Bank	\$ 515,699
Foundation for the Carolinas	<u>66,102</u>
Total	<u>\$ 581,801</u>

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 - GOVERNMENT GRANTS & CONTRACTS

The following is a schedule of government grant and contract activity:

	BEGINNING RECEIVABLE	AMOUNT EARNED OR ALLOCATED	AMOUNT RECEIVED	ENDING RECEIVABLE
<u>LOCAL GRANTS</u>				
York County Appropriations	\$ 31,250	\$ 125,000	\$ 156,250	\$ -
Chester County Appropriations	-	5,000	5,000	-
Alcohol Tax	258,481	449,286	516,073	191,694
TOTAL LOCAL GRANTS	289,731	579,286	677,323	191,694
<u>STATE GRANTS/ FEDERAL PASS - THROUGH</u>				
PPP Loan Forgiveness Grant	-	547,723	547,723	-
COVID-19 Tax Credit Revenue	-	31,534	31,534	-
Comprehensive Consolidated Contract				
Federal - Restricted	-	248,257	248,257	-
Federal - Unrestricted	6,676	458,189	462,024	2,841
State Restricted	-	42,661	42,661	-
State Unrestricted	-	2,294	2,294	-
Total Comprehensive Consolidated Contract	6,676	751,401	755,236	2,841
SOR - State Opioid Response Grant				
SOR Client Services	13,422	313,233	278,186	48,469
SOR Peer Support Specialist	8,522	52,495	57,695	3,322
SOR Multi-Program Counselor	-	50,000	50,000	-
SOR Prevention	-	22,852	7,636	15,216
SOR Transportation	-	5,976	4,197	1,779
Total SOR - State Opioid Response Grant	21,944	444,557	397,714	68,786
Detoxification Indigent Fund	21,188	51,723	72,911	-
Block Grant	-	8,790	8,790	-
Salary Supplement	-	194,092	194,092	-
Partners in Achieving Independence through				
Recovery & Self Sufficiency Strategies (PAIRS)	47,678	170,040	185,296	32,422
HOP Proviso	-	58,155	58,155	-
SYNAR/STEP	-	2,345	2,345	-
Prevention Mini Project	-	15,875	15,875	-
Gambling	760	240	760	240
Assessment Block Grant	15,097	117,840	124,137	8,800
Medicated Assisted Treatment	60,500	263,470	311,833	12,137
Medicated Assisted Treatment - Alcohol	-	5,422	4,907	515
Medicated Assisted Treatment - State Drug Court	15,726	208,294	186,357	37,664
Medicated Assisted Treatment - Federal Jail Diversion (OJP-30)	26,422	193,090	196,083	23,429
Step Up Project	-	2,890	2,890	-
GPRA Incentive Grant	-	480	465	15
Telephone Grant	-	760	639	121
STOP Grant	-	1,860	-	1,860
TOTAL STATE GRANTS/ FEDERAL PASS - THROUGH	215,991	3,070,582	3,097,743	188,830
<u>OTHER CONTRACTED SERVICES</u>				
U.S. Courts - Pretrial and Probation	4,672	26,328	29,345	1,655
Drug Court - 16th Circuit Solicitor's Office	(3,000)	6,000	-	3,000
York County - Designated Examiner	750	8,625	8,700	675
York County All On Board	1,546	4,559	6,105	-
York County School Districts: Life Skills program	-	79,196	79,196	-
Clover High School Drug Screens	-	8,550	8,550	-
Other Contracted Drug and TB Screens	149	1,527	1,326	350
OTHER CONTRACTED SERVICES	4,117	134,785	133,222	5,680
TOTAL GOVERNMENT GRANTS & CONTRACTS	\$ 509,839	\$ 3,784,653	\$ 3,908,288	\$ 386,204

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - MEDICAID AND MEDICAID MATCH

The Council records Medicaid revenue for services rendered in its outpatient and inpatient programs to Medicaid-eligible beneficiaries. Beneficiaries include persons insured under one of South Carolina's Medicaid Managed Care Organizations (MCO) or with the fee-for-service South Carolina Medicaid program.

Pursuant to South Carolina Department of Health and Human Services (SCDHHS) policy, the Council does not report per-unit service costs for Medicaid services and will not receive cost settlements for years beyond the year ended June 30, 2010. The remittance of required state matching funds is made by the SCDHHS.

Beginning Medicaid receivable	\$ 70,384
Medicaid revenue earned	958,140
Less: Medicaid received	<u>(976,375)</u>
Ending Medicaid receivable	<u>\$ 52,149</u>

In addition to the ending receivable for outstanding Medicaid and MCO claims, the Council has recorded receivables equal to \$15,816 for claims outstanding from commercial insurance companies. The total recorded on the Statement of Financial Position for Medicaid and insurance receivables is \$67,965.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 7 - GRANTS FROM FOUNDATIONS & NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions on the Statement of Financial Position includes gifts received from foundations and other donors that, due to time or purpose restrictions, have not been earned by the Council before the end of a fiscal year. As the donors' restrictions are satisfied, the funds are released from restriction and transferred to unrestricted net assets.

The following summarizes net assets with donor restrictions during the year ended June 30, 2020:

<u>FUNDING SOURCE</u>	<u>GRANT PERIOD</u>	<u>BEGINNING BALANCE</u>	<u>GIFTS RECEIVED</u>	<u>GIFTS EARNED</u>	<u>ENDING BALANCE</u>
809 Foundation	Fiscal Year 2020 & 2021	\$ 5,350	-	5,350	\$ -
Chester Healthcare Foundation	Fiscal Year 2020 & 2021	5,000	10,000	15,000	-
Comporium Foundation	Fiscal Year 2020 & 2021	5,000	5,000	5,000	5,000
Dabo's All In Team Foundation	Fiscal Year 2020 & 2021	1,797	3,000	3,452	1,345
Duke Endowment	Fiscal Year 2020	55,000	-	55,000	-
Eat Smart Move More South Carolina	Fiscal Year 2020	-	4,426	4,426	-
Family Trust Federal Credit Union	Fiscal Year 2020 & 2021	-	1,500	-	1,500
Grace Lutheran	Fiscal Year 2020	-	1,000	1,000	-
Hanley Family Foundation	Fiscal Year 2020 & 2021	7,213	-	7,213	-
J. Marion Sims Foundation	Fiscal Year 2020 & 2021	-	45,000	33,750	11,250
Sisters of Mercy Foundation of North Carolina	Fiscal Year 2020 & 2021	24,000	-	24,000	-
Springs-Close Foundation	Fiscal Year 2020 & 2021	12,500	20,000	22,500	10,000
Tenet Healthcare Foundation	Fiscal Year 2020 & 2021	6,250	18,750	25,000	-
York Electric Trust	Fiscal Year 2020 & 2021	<u>5,000</u>	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>
		<u>\$ 127,110</u>	<u>\$ 118,676</u>	<u>\$ 211,691</u>	<u>\$ 34,095</u>

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - BUILDING USE ALLOWANCE

The Council's buildings are completely financed without state or federal grant revenues due to restrictions prohibiting the use of such funds for capital additions. A use allowance equaling the amount of depreciation allowed under generally accepted accounting principles as set forth in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is allocated to programs based on approximate floor space and/or frequency of program usage and is included in depreciation expense.

NOTE 9 – DESIGNATIONS OF NET ASSETS WITHOUT DONOR RESTRICTION

From time to time, the Board of Directors designates specific uses for net assets without donor restrictions. The total unused board designations as of June 30, 2020 of \$679,833 for capital replacement needs and operating reserves of \$245,137 and \$434,696, respectively – is classified as net assets without donor restrictions due to the absence of donor restrictions on the assets.

A designation of the Council's net assets without donor restrictions invested in equity in fixed assets as of June 30, 2020 is calculated as the Council's undepreciated fixed assets that have been placed in service, less outstanding mortgage balances that are secured by the Council's buildings.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Leases - The Council has cancelable leases through the State of South Carolina's State Fleet Management Office for vehicles used for treatment programs. The terms of the leases include a base rate plus a per-mile charge. Rental expense for leases for the year totaled \$16,757. The Council has other cancelable lease commitments for office equipment and offsite storage. The expense for these leases totaled \$4,942.

Federal Funding –The Council receives federal funds such as DAODAS block grants and Medicaid that are subject to compliance audits. The amount of program reimbursement that may be disallowed in the event of a compliance audit cannot be determined at this time, although Keystone expects such amounts, if any, would be immaterial.

Paycheck Protection Program Loan (Refundable Advance) –On April 21, 2020, the Council received a Paycheck Protection Program loan in the amount of \$781,438. As of June 30, 2020, \$545,723 of the loan proceeds had been used for eligible expenditures, and this amount is included in Direct federal grants and contracts on the Statement of Activities and is included in the listing of grants and contracts on Note 5. This leaves, as of June 30, 2020, a balance of \$ 235,715 outstanding, which is represented on the Statement of Financial Position as a refundable advance. As of December 7, 2020, the Paycheck Protection Program forgiveness request for the full amount of the loan has been approved by South State Bank and the Small Business Administration.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 - ACCRUED ANNUAL AND SICK LEAVE

Employees can earn annual vacation leave at the rate of 13 to 18 days per year, based on years of service, with a maximum accumulation of 45 days. There is no requirement that the annual leave be taken by employees in the year it is earned. At termination, eligible employees are paid for accumulated annual vacation leave up to a maximum of 120 hours. The balance of the accrued unpaid vacation for eligible employees at June 30, 2020 was \$108,681.

Employees earn sick leave at the rate of 13 days per year with a maximum accumulation of 90 days. Any unused accumulated sick leave is lost upon termination; therefore, sick pay is not recorded as expenditure until paid.

NOTE 12 – EMPLOYEE RETIREMENT BENEFITS

The Council has a qualified defined-contribution retirement plan covering substantially all employees with over one year of service. Contributions are discretionary and are determined by the Council, and allocated to the participants based on the participants' earnings. For the majority of the year ended June 30, 2020 there was no discretionary contribution made, however, it was re-instated in June 2020. Retirement contribution expense for the year ended June 30, 2020 was \$4,693.

Employees with ten continuous years of full time service, and/or five years continuous years of full time employment if employee has reached the age of 60, are eligible to receive up to 200 hours of accrued unused vacation leave. The balance of the accrued unpaid retirement bonus for current eligible employees as of June 30, 2020 was \$11,019.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 13 – BANK LOANS

In the year ended June 30, 2011, the Council opened a fixed-rate mortgage with an initial balance of \$805,674 with South State Bank bearing an annual interest rate of 5.99%. In June of 2018, the mortgage balance of \$409,603 -- secured by the Council's Herlong Avenue buildings -- was refinanced by South State Bank with an annual interest rate of 4.80%, monthly principal and interest payments of \$6,354, with a final payment due in October of 2024 at which time the mortgage will be paid in full. As of June 30, 2020, the carrying value of land, buildings, and land improvements related to the Council's Herlong Avenue location is \$1,269,689.

In the year ended June 30, 2011, the Council opened a fixed rate mortgage with an initial balance of \$272,989 with South State Bank bearing an annual interest rate of 5.99%. In June of 2018, the mortgage balance of \$138,932 -- secured by the Council's Ebenezer Road building -- was refinanced by South State Bank with an annual interest rate of 4.80%, monthly principal and interest payments of \$2,155, and a final payment due in October 2024 at which time the mortgage will be paid in full. As of June 30, 2020, the carrying value of land, buildings, and land improvements related to the Council's Ebenezer Road location is \$463,899.

As of June 30, 2020, maturities of long-term debt were as follows:

<u>Year ended June 30,</u>	<u>Herlong Ave</u>	<u>Ebenezer</u>
2021	\$ 62,747	\$ 21,806
2022	65,826	22,876
2023	69,056	23,998
2024	72,445	25,176
2025	<u>21,858</u>	<u>12,271</u>
Total	<u>\$ 291,932</u>	<u>\$ 106,127</u>

In September of 2010, the Council opened a \$100,000 line of credit with South State Bank, secured by the Council's accounts receivable and equipment. This line of credit, which is renewed annually, bears a variable interest rate equal to the bank's prime rate not to exceed 8.50%. Monthly payments are equal to accrued interest only. As of June 30, 2020, the Council has not borrowed any funds on this line of credit.

NOTE 14 - SUBSEQUENT EVENTS

The Council has evaluated subsequent events through December 18, 2020, which is the date the financial statements were available to be issued. The Council is not aware of any material subsequent events.



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
York County Council on Alcohol and Drug Abuse
Keystone Substance Abuse Services
Rock Hill, South Carolina

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 York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services (a nonprofit organization) ("Keystone"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Keystone'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 Keystone's internal control. Accordingly, we do not express an opinion on the effectiveness of Keystone'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Keystone's 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 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*.

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.

A handwritten signature in black ink that reads "Greene Finney, LLP". The script is cursive and fluid, with the letters "G", "F", and "L" being particularly prominent.

Greene Finney, LLP
Mauldin, South Carolina
December 18, 2020



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
York County Council on Alcohol and Drug Abuse
Keystone Substance Abuse Services
Rock Hill, South Carolina

Report on Compliance for Each Major Federal Program

We have audited York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services' ("Keystone") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Keystone's major federal programs for the year ended June 30, 2020. Keystone's major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Keystone'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 Keystone'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 Keystone's compliance.

Opinion on Each Major Federal Program

In our opinion, York County Council on Alcohol and Drug Abuse d/b/a Keystone Substance Abuse Services 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, 2020.

Report on Internal Control Over Compliance

Management of Keystone 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 Keystone'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 Keystone'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Greene Finney, LLP
Mauldin, South Carolina
December 18, 2020

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Federal or State ID Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Passed-Through SC Department of Alcohol and Other Drug Abuse Services:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	YOR-BG-19	\$ 825,006	\$ 2,957
Block Grants for Prevention and Treatment of Substance Abuse	93.959	YOR-BG-20	22,551	-
Total Block Grants for Prevention and Treatment of Substance Abuse			847,557	2,957
Temporary Assistance for Needy Families:				
Temporary Assistance for Needy Families	93.558	YOR-PAIRS-19	92,112	-
Temporary Assistance for Needy Families	93.558	YOR-PAIRS-20	107,885	-
Total Temporary Assistance for Needy Families			199,997	-
State Targeted Response to the Opioid Crisis Grants				
State Targeted Response to the Opioid Crisis Grants	93.788	YOR-STR-SUP	61,200	-
State Targeted Response to the Opioid Crisis Grants	93.788	YOR-STR-19	229,231	-
State Targeted Response to the Opioid Crisis Grants	93.788	YOR-STR-20	143,154	-
Total Temporary Assistance for Needy Families			433,585	-
Passed Through York County All on Board, Inc.				
Sober Truth on Preventing Underage Drinking Act Grant (STOP Act)	93.243	N/A	1,860	-
Total U.S. Department of Health and Human Services			1,482,999	2,957
U.S. Department of Justice				
Passed-Through SC Department of Alcohol and Other Drug Abuse Services:				
South Carolina Medication Assisted Treatment Court Project	16.838	YOR-MATC-19	43,274	
South Carolina Medication Assisted Treatment Court Project	16.838	YOR-MATC-20	128,009	-
Total U.S. Department of Justice			171,283	-
Total Expenditures of Federal Awards			\$ 1,654,282	\$ 2,957

Notes to the Schedule of Expenditures of Federal Awards:

NOTE 1 - BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the Council and is presented on the cash basis. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - INDIRECT COSTS

The Council elected not to use the de minimis indirect cost rate of 10%.

KEYSTONE SUBSTANCE ABUSE SERVICES
YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are no considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported

Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are no considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs:	<u> \$ </u> <u> 750,000 </u>
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Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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Section II - Findings - Current Year Financial Statement Audit

No matters to report.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

No matters to report.

KEYSTONE SUBSTANCE ABUSE SERVICES
YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020

There were no audit findings reported in the prior year.

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

SCHEDULE OF REVENUE AND EXPENSES BY COST CENTER

FOR THE YEAR ENDED JUNE 30, 2020

	YOUTH AND PREVENTION PROGRAMS					INPATIENT WITHDRAWAL MANAGEMENT		RESIDENTIAL PROGRAMS			WOMEN OF SUBSTANCE	INTENSIVE OUTPATIENT
	YAS	STEPPING STONES	UP / CFS	AET	PREVENTION	SUBTOTAL		RESIDENTIAL	PAIRS	SUBTOTAL		
REVENUE												
Public support and revenue	\$ -	\$ -	\$ -	\$ -	\$ 83,755	\$ 117,611	\$ 235,243	\$ 75,249	\$ -	\$ 75,249	\$ -	\$ -
Local grants and revenues	5,640	18,569	-	-	25,507	59,771	131,493	74,890	1,272	76,162	40,470	159,236
Federal grants and contracts	90,825	42,480	-	-	40,000	175,305	351,927	323,488	-	323,488	167,923	369,664
State grants, including Federal pass-through	21,182	7,568	-	-	-	28,750	138,520	323,488	-	323,488	74,099	157,382
Medicaid revenue	14,197	15,394	-	-	1,885	31,476	164,005	1,451	179	36,433	45,070	274,200
Program fees	208	13,564	-	-	5,350	44,482	75,107	36,254	179	36,433	861	83,833
Contributions, grants & special events	-	1,356	-	-	1,000	2,357	2,370	2,033	4	2,037	9	1,387
Insurance refund and miscellaneous	132,053	98,931	-	-	280,096	600,341	1,098,665	515,865	171,495	687,360	328,432	1,045,772
TOTAL UNRESTRICTED PUBLIC SUPPORT AND REVENUE												
FUNCTIONAL EXPENSES AND ADMINISTRATION ALLOCATION												
Personnel expenditures	20,960	66,458	-	-	98,186	227,314	499,300	278,019	71,843	349,862	143,858	519,440
Contractual services	3,732	5,644	-	-	14,282	23,658	40,307	(23,127)	2,844	17,126	15,153	46,664
Building and interdepartmental allocations	4,198	4,125	-	-	24,443	44,987	29,410	61,655	808	62,463	9,193	48,886
Supplies	1,542	3,023	-	-	1,009	6,064	118,514	8,640	2,744	11,384	1,809	13,276
Fixed charges	4,046	743	-	-	1,424	6,444	5,140	-	-	-	-	6,370
Travel	-	36	-	-	1,357	7,116	8,489	-	241	241	27	355
Employer contribution	5,566	13,070	-	-	14,060	30,989	95,431	47,663	181,477	65,810	22,927	129,638
Direct assistance to clients	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	65	-	-	7,005	13,117	20,265	10,388	7,371	11,511	2,494	14,165
Debt service - interest	-	-	-	-	1,633	4,899	4,815	4,013	-	4,013	2,889	4,334
Allocated administration	40,109	97,389	-	-	202,075	398,472	813,182	401,533	147,691	549,224	202,260	783,128
TOTAL FUNCTIONAL EXPENSES	8,913	28,432	-	-	40,813	92,067	188,664	112,600	313,755	143,975	62,489	224,246
TOTAL FUNCTIONAL EXPENSES AND ALLOCATIONS	49,022	125,821	-	-	242,888	490,539	1,001,846	514,133	179,066	693,199	264,749	1,007,374
OPERATING SURPLUS (DEFICIT)	\$ 83,031	\$ (26,890)	\$ -	\$ -	\$ 16,453	\$ 37,208	\$ 96,819	\$ 1,732	\$ (7,571)	\$ (5,839)	\$ 63,683	\$ 38,348

	MEDICATION ASSISTED TREATMENT					SUBTOTAL	ADSAP	TRADITIONAL OUTPATIENT	FUNDRAISING	MANAGEMENT AND GENERAL		GRAND TOTAL
	STR PSS	MAT	JAIL DIVERSION	MAT DRUG COURT						BUILDING	ADMIN	
REVENUE												
Public support and revenue	\$ 11,399	\$ 99,563	\$ -	\$ -	\$ -	\$ 110,962	\$ -	\$ 24,746	\$ 123,933	\$ -	\$ -	\$ 687,744
Local grants and revenues	1,824	14,660	-	-	-	16,484	12,861	95,285	15,597	-	-	607,159
Federal grants and contracts	511,153	441,376	184,492	181,453	-	858,474	-	253,020	-	-	-	2,489,462
State grants, including Federal pass-through	-	35,912	-	3,652	-	39,564	2,533	193,824	-	-	-	958,140
Medicaid revenue	-	8,673	-	1,656	-	10,329	161,886	232,214	-	-	-	920,631
Program fees	85	55,000	-	140	-	55,225	125	917	560	-	-	297,543
Contributions (including in-kind), grants & special events	-	-	-	-	-	-	11,714	-	-	-	-	11,714
Interest and unrealized gains on investments	-	-	-	-	-	-	-	-	-	-	-	19,660
Insurance refund and miscellaneous	5,661	1,168	-	-	-	6,829	3	2,916	1,752	-	-	5,992,053
TOTAL UNRESTRICTED PUBLIC SUPPORT AND REVENUE	70,122	656,352	184,492	186,881	-	1,097,847	189,122	802,922	\$ 141,642	-	-	
FUNCTIONAL EXPENSES AND ADMINISTRATION ALLOCATION												
Personnel expenditures	34,427	253,520	130,906	51,258	-	470,111	48,538	288,681	52,322	-	689,251	3,288,677
Contractual services	1,453	13,021	2,173	5,763	-	22,410	12,178	32,711	4,505	-	114,911	352,576
Building and interdepartmental allocations	1,826	21,437	-	1,213	-	24,476	3,189	19,466	4,083	-	(203,133)	599,799
Supplies	428	118,473	14,081	37,039	-	170,021	1,184	7,748	2,591	-	41,522	427,293
Fixed charges	319	6,552	16,571	5,310	-	28,752	836	3,567	592	-	25,457	90,351
Travel	55	55	191	24	-	325	203	154	357	-	3,633	13,784
Employer contribution	3,287	37,939	23,385	10,423	-	75,034	10,967	70,894	11,630	-	149,861	663,181
Direct assistance to clients (allocated)	-	-	-	-	-	-	-	-	-	-	-	7,371
Depreciation	-	17,365	2,065	4,370	-	23,800	793	5,770	4,425	-	20,853	117,193
Debt service - interest	-	-	-	-	-	-	-	-	544	-	1,713	23,207
Allocated administration	41,795	468,362	189,372	115,400	-	814,929	77,888	428,991	81,049	-	1,081,733	5,230,856
TOTAL FUNCTIONAL EXPENSES	14,950	110,310	56,798	22,822	-	204,880	21,221	550,886	22,296	-	(1,081,733)	-
TOTAL FUNCTIONAL EXPENSES AND ALLOCATIONS	56,745	578,672	246,170	138,222	-	1,019,809	99,109	550,886	103,345	-	-	5,230,856
OPERATING SURPLUS (DEFICIT)	\$ 13,377	\$ 77,680	\$ (61,677)	\$ 48,661	-	\$ 78,041	\$ 90,013	\$ 252,036	\$ 38,297	\$ -	\$ -	\$ 761,197

Keystone Substance Abuse Services

YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE

SCHEDULE OF EXPENDITURES -- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

	GAAP EXPENSES ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL, CONVERTED TO BUDGETARY BASIS	OPERATING BUDGETS TOTAL	VARIANCE FAVORABLE (UNFAVORABLE)
Traditional Outpatient	\$ 428,991	\$ (5,770)	\$ 423,221	\$ 498,994	\$ 75,773
ADSAP	77,888	(793)	77,095	73,046	(4,049)
Withdrawal Management Program	813,182	(20,265)	792,917	855,063	62,146
Youth Programs/Prevention	398,472	(13,117)	385,355	451,594	66,239
Intensive Outpatient	783,128	(14,165)	768,963	758,632	(10,331)
Residential Program & PAIRS	549,224	(11,511)	537,713	593,833	56,120
Women's Services	202,260	(2,494)	199,766	225,464	25,698
Medication Assisted Treatment	814,929	(23,800)	791,129	855,994	64,865
Fundraising	81,049	(4,425)	76,624	99,049	22,425
Management and General & Buildings	1,081,733	65,041	1,146,774	1,157,782	11,008
	<u>\$ 5,230,856</u>	<u>\$ (31,299)</u>	<u>\$ 5,199,557</u>	<u>\$ 5,569,451</u>	<u>\$ 369,894</u>

RECAP OF ADJUSTMENTS TO BUDGET

Depreciation	\$ (117,193)
Principal payments	80,610
Furniture & Technology purchases	<u>5,283</u>
	<u>\$ (31,300)</u>

Keystone Substance Abuse Services
YORK COUNTY COUNCIL ON ALCOHOL AND DRUG ABUSE
SCHEDULE OF CASH AND INVESTMENTS
FOR THE YEAR ENDED JUNE 30, 2020

DESCRIPTION	Balance at June 30, 2020	Interest and investment earnings earned for the year ended June 30, 2020
Cash – South State Bank <i>Operating Checking</i>	\$ 454,009	\$ 93
Cash – South State Bank <i>Refund Checking</i>	2,531	2
Cash – South State Bank <i>PPP Loan Funds Account</i>	781,452	15
Cash – Wells Fargo Bank <i>Advantage Interest Checking</i>	97,710	-
Cash – Petty Cash	1,050	-
CD – South State Bank <i>Operating CD</i>	145,838	3,236
CD – South State Bank <i>Reserve CD</i>	<u>369,861</u>	<u>8,215</u>
Total Cash & CD's	<u>\$ 1,852,451</u>	<u>\$ 11,561</u>
Investments: Foundation for the Carolinas	<u>\$ 66,102</u>	<u>\$ 153</u>