

ARORP Annual Audit Form

The purpose of this annual audit is to ensure compliance with ARORP requirements; to confirm appropriate progress in the opioid abatement project approved by ARORP, city and county officials, the ARORP Advisory Board, administrators of the Qualified Settlement Fund (QSF), the Association of Arkansas Counties, and the Arkansas Municipal League; and to verify proper stewardship of opioid settlement dollars.

General Information

Organization: Next Step Recovery Housing

ARORP #: ARORP22-006

Project Title: Next Step Recovery Housing

Date of Audit: 1/8/24

How many years has this project been active: 1 Year

How many years remain: 3 Years

Is this the project's final audit? NO

Attendees Present at Audit: Bruce Garrett, Jimmy McGill, Kirk Lane, Tenesha Barnes, Joy Spence

Milestone Completion

Quarter 1

Were Quarter 1 Milestones completed? YES

If "no," was the adjustment approved by ARORP? NA

Were Quarter 1 Milestones completed on time? YES

If "no," was the adjustment approved by ARORP? NA

Quarter 2

Were Quarter 2 Milestones completed? YES

If "no," was the adjustment approved by ARORP? NA

Were Quarter 2 Milestones completed on time? YES

If "no," was the adjustment approved by ARORP? NA

Quarter 3

Were Quarter 3 Milestones completed? YES

If "no," was the adjustment approved by ARORP? NA

Were Quarter 3 Milestones completed on time? YES

If "no," was the adjustment approved by ARORP? NA

Quarter 4

Were Quarter 4 Milestones completed? YES

If "no," was the adjustment approved by ARORP? NA

Were Quarter 4 Milestones completed on time? YES

If "no," was the adjustment approved by ARORP? NA

All Quarters

Based on **project milestones**, is the project currently in compliance? YES

If no, what is needed to bring the project into compliance? NA

Data Tracking

Quarter 1

Was the Quarter 1 Data Tracking Report submitted? YES

Was the Quarter 1 Data Tracking Report submitted past the deadline? NO

Are there any concerns with the project's progress based on project data submitted? NO

Have these concerns been addressed in a way that is approved by ARORP? NA

Quarter 2

Was the Quarter 2 Data Tracking Report submitted? YES

Was the Quarter 2 Data Tracking Report submitted past the deadline? NO

Are there any concerns with the project's progress based on project data submitted? YES

Have these concerns been addressed in a way that is approved by ARORP? NO

Quarter 3

Was the Quarter 3 Data Tracking Report submitted? YES

Was the Quarter 3 Data Tracking Report submitted past the deadline? NO

Are there any concerns with the project's progress based on project data submitted? YES

Have these concerns been addressed in a way that is approved by ARORP? NO

Quarter 4

Was the Quarter 4 Data Tracking Report submitted? YES

Was the Quarter 4 Data Tracking Report submitted past the deadline? YES

Are there any concerns with the project's progress based on project data submitted? YES

Have these concerns been addressed in a way that is approved by ARORP? NO

All Quarters

Based on **data submitted**, is the project currently in compliance? YES

If no, what is needed to bring project into compliance?

Notes: *Quarter 1, Quarter 2, and Quarter 3 had low numbers of participants who have an opioid nexus based on their reported participants' drugs of choice. This was a concern of ARORP's. In these reports, Next Step included a line that stated that all men had a history of opioid abuse. However, ARORP requested verification. Next Step will improve their intake surveys to provide more thorough information on the history of opioid abuse among residences. Next Step and all ARORP-funded recovery homes must give priority to participants with an opioid nexus. Next Step is still in compliance.*

Financial Audit

Please produce all receipts requested. If you are not able to produce requested receipts, ARORP will request the funding returned within three business days of the audit. If you are able to produce the receipt or invoice within one business day of the ARORP audit, the request for returned funding may be waived.

Which receipts were requested? ALL RECEIPTS

Were receipts presented? YES

If no, what receipts were not presented and for what amounts?

Note: Receipts were presented for the purchase of the house, the property insurance, and utilities. Gas payments were verified by bank statements.

Do receipts match the annotated budget? NO

If no, what receipts did not match the budget, and for what amounts?

Note: The receipt for the purchase of the house was higher than what was listed on the original fourth quarter annotated budget. Next Step covered the cost of the excess. Next Step will fix the amount listed on their fourth quarter budget.

Have any line items exceeded the allocated budget? NO

Were all budgeted items obtained? YES

Were all deviations from the original budget approved by ARORP? (Any adjustments of funding from one line item to another must be approved.) NO

Note: Next Step Recovery purchased a septic system to keep their building operational. They did not seek approval from ARORP, and they did not include it in their fourth quarterly report. The request for a budget adjustment will be sent to the ARORP board for approval or rejection.

Based on the financial audit, is the project currently in compliance? NO

If no, what must be completed to bring the project into compliance (list due date)?

Notes: Next Step Recovery has one business day to submit a request to the board for a budget adjustment allowing funds to be allocated from underspent line items towards the septic system. The request must include the invoice for the septic and a short narrative request.

- If the board denies the request, Next Step will need to return \$15,563.44 to ARORP within three business days.
- If the board approves the request, Next Step will need to return \$3,163.44 to ARORP within three business days.
- To return necessary funding, the organization will write a check made out to Arkansas Opioids Qualified Settlement Funds and mail the check to **ATTN: Tenesha Barnes, 1401 W. Capitol Ave., Suite 300, Little Rock, AR 72201.**
- Next Step must resubmit an annotated budget within three business days of the board's decision including:
 - Appropriate notes on the "spend to date" column detailing spend.
 - Next Step must make an adjustment to the purchase price of the house reflecting the true price of the house.

Compliance

Is this project in compliance with ARORP requirements? NO

If "no," what steps must be taken to regain compliance?

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- Next Step must resubmit an annotated budget within three business days of the board's decision including:
 - Appropriate notes on the "spend to date" column detailing spend.
 - Next Step must make an adjustment to the purchase price of the house reflecting the true price of the house.

Partnership

What were some successes and challenges with your project?

Notes: Some challenges included learning about issues with medications in recovery homes, issues with septic systems, issues with electrical (plumber, electrician). There should be one bathroom per six people.

Is there anything ARORP could do differently to make your partnership more successful?

Notes: Working with ARORP was easy, quick, and accessible.

Regaining Compliance

Were the steps taken to regain compliance? YES

Notes: Next Step Recovery submitted an updated annotated budget and request to the board within one business days. Their request was approved by the board. They submitted a check for \$3,163.44 to ARORP within three business days of the board's decision.

Signature of Director Kirk Lane



Date

1-26-24

Signature of Deputy Director Tenesha Barnes



Date

1/26/24