

# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Fairview Treatment Center  
St. Mary Parish, Louisiana  
1101 Southeast Blvd. 2nd Floor  
Morgan City, LA 70380

We have audited the financial statements of Fairview Treatment Center, for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996. These financial statements are the responsibility of Fairview Treatment Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards, and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of Fairview Treatment Center taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

  
ADAMS & JOHNSON  
Certified Public Accountants

Patterson, LA  
December 2, 1996

FAIRVIEW TREATMENT CENTER  
ST. MARY PARISH

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For the Year Ended June 30, 1996

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
 <u>U. S. Department of Health and Human Services</u>			
Public Health Service			
Louisiana Department of Health and Hospitals			
Office of Human Services			
Division of Alcohol and Drug Abuse			
 Alcohol and Drug Abuse and Mental Health Services Block Grant (ADMS Block Grant)			
	13.992	\$ 1,307,025 =====	\$ 1,307,025 =====

FAIRVIEW TREATMENT CENTER  
ST. MARY PARISH, LOUISIANA

Combined Balance Sheet-All Fund Types and Account Groups  
June 30, 1996

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	
<u>ASSETS</u>			
Cash	\$ 200	\$ ---	\$ 200
Accounts receivable (net of allowance for uncollectible accounts of \$ 13,724)	10,528	---	10,528
Due from State	74,601	---	74,601
Due from St. Mary Parish Council	55,059	---	55,059
Leasehold improvements	---	87,814	87,814
Vehicles	---	63,966	63,966
Equipment and furniture	---	222,389	222,389
 Total assets	 \$ 140,388 =====	 \$ 374,169 =====	 \$ 514,557 =====
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
Liabilities:			
Due to State -	\$ 19,349	\$ ---	\$ 19,349
 Total liabilities	 \$ 19,349	 \$ ---	 \$ 19,349
 Equity and other credits:			
Investment in general fixed assets	---	374,169	374,169
Fund balance	---	---	---
Unreserved, undesignated	121,039	---	121,039
Total equity and other credits	\$ 140,388 =====	\$ 374,169 =====	\$ 514,557 =====

The accompanying notes are an integral part of these financial statements.

FAIRVIEW TREATMENT CENTER  
ST. MARY PARISH, LOUISIANA

Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual  
General Fund (The Entity's Only Governmental Fund Type)  
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental revenue			
Federal grant	\$ 1,310,763	\$ 1,307,025	\$< 3,738>
Patient fees	68,646	35,524	< 33,122>
Other revenue	---	1,728	1,728
	<hr/>	<hr/>	
Total revenues	\$ 1,379,409	\$ 1,344,277	\$< 35,132>
<b>Expenditures</b>			
Current:			
Health and welfare			
Personal services	\$ 736,331	\$ 705,414	\$ 30,917
Employee benefits	160,970	159,386	1,584
Travel	4,500	4,484	16
Operating services	179,856	161,173	18,683
Supplies	72,330	85,920	< 13,590>
Professional services	205,422	202,039	3,383
Capital outlays	20,000	24,337	< 4,337>
	<hr/>	<hr/>	
Total expenditures	1,379,409	1,342,753	36,656
Excess revenues over expenditure	\$ ---	\$ 1,524	\$ 1,524
Fund balance at beginning of year	<hr/> 119,515	<hr/> 119,515	<hr/> ---
Fund balance at end of year	\$ 119,515	\$ 121,039	\$ 1,524
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

FAIRVIEW TREATMENT CENTER  
ST. MARY PARISH, LOUISIANA

Notes to the Financial Statements  
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In October of 1989, the St. Mary Parish Council passed a resolution agreeing to participate in the operation of an alcohol and drug abuse, inpatient treatment facility for the residents of Louisiana. The center initially received funding in November 1989 and began operations.

The financial statements of the Fairview Treatment Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

A) **REPORTING ENTITY**

GASB Statement No. 14, Governmental Reporting Entity, established criteria for determining which organizations should be included in a governmental financial reporting entity. The focal point for defining the financial reporting entity is the primary government. The Fairview Treatment Center is a component unit of the St. Mary Parish Council (primary government) and, as such, these financial reports may be included in the CAFR of the Council for the year ended December 31, 1996. The Fairview Treatment Center has followed GASB-14 guidance to determine that there are no financial statements of the organizations that should be combined with their statements to form a financial reporting entity. These financial statements include only the operations of the Fairview Treatment Center.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) **FUND ACCOUNTING**

The accounts of the Fairview Treatment Center are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

The Center's current operations require only the use of one fund, the general fund and one account group, the general fixed assets account group.

Governmental Fund

General Fund - The General Fund (special revenue fund at the Parish oversight level) is the primary operating fund of the Center, since at the current time no other funds are required.

Governmental Account Groups

General Fixed Assets - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets can be stated at historical cost or estimated historical cost if actual historical cost is not available. All fixed assets presented on the balance sheet as of June 30, 1996 are reflected at historical cost. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) **BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. All major revenues are susceptible to accrual.

The Center's major source of revenue is an operating grant which is recorded as revenue when the related grant requirements are met.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D) **BUDGET**

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted each year for the General Fund. Budgeted amounts are presented as originally adopted or as amended.

E) **ENCUMBRANCE ACCOUNTING**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipts of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are reappropriated in the next year. No encumbrances were outstanding at year-end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F) **ACCUMULATED VACATION, COMPENSATORY TIME AND SICK LEAVE**

Accumulated vacation, compensatory time and sick leave are recorded as an expenditure of the period in which incurred. For the year ended June 30, 1996, the Center did not have a provision for this potential liability because the amount was immaterial.

G) **MEMORANDUM ONLY - TOTAL COLUMNS**

The total column on the balance sheet is captioned Memorandum Only to indicate it is presented only to facilitate the financial analysis. Data in this column does not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - DUE FROM STATE

The Center incurred expenditures for the program in June totaling \$74,601, which are due from the State according to the grant agreement and had not been reimbursed as of June 30, 1996.

NOTE 3 - DUE FROM PARISH COUNCIL

The St. Mary Parish Council deposits all receipts and disburses all of Fairview Treatment Center's expenses out of the Parish Council's checking account. The amount due from the Parish Council is a result of the excess of Fairview Treatment Center's deposits over disbursements by \$ 55,059 as of June 30, 1996.



NOTE 4 - FIXED ASSETS

A summary of changes in general fixed assets for the period ended June 30, 1996, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Vehicles	\$ 63,966	---	---	\$ 63,966
Building Improvements	82,063	5,751	---	87,814
Equipment and Furniture	<u>203,803</u>	<u>18,586</u>	<u>---</u>	<u>222,389</u>
Total	\$ 349,832 =====	24,337 =====	--- =====	\$ 374,169 =====

NOTE 5 - DUE TO STATE

Fairview Treatment Center received a \$ 1,257,552 federal ADMS block grant administered through the State for the year ended June 30, 1995. This is a cost reimbursement grant, however the grant allowed for an advance payment of the 12.5% of the original grant in the amount of \$157,194. This advancement was to be recouped as follows, \$ 25,000 a month from January to May of 1995 and \$ 32,194 in June of 1995. In June of 1995, the State only withheld \$ 12,885 when they should have withheld \$ 32,194 thus leaving a balance owed the State of \$ 19,394. As of June 30, 1996, Fairview Treatment Center still owed \$ 19,394, since the state failed to withhold this amount from their cost reimbursement.

NOTE 6 - PENSION PLAN

Substantially all full-time employees of the Fairview Treatment Center are members of the Parochial Employees Retirement Systems of Louisiana, a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans. Plan A and Plan B, with separate assets and benefit provisions. All employees of the Fairview Treatment Center are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Fairview Treatment Center funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit,

Note 6 - PENSION PLAN (Continued)

payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Covered employees are required by the State Legislature to contribute 9.50% of their gross salary to the plan. The Center was required by the same statute to contribute 8.00% in 1995 and 7.25% in 1996 of each employee's gross salary to the plan.

The following reflects the contributions by Fairview Treatment Center and its employees into Plan A for the year ended June 30, 1996 required by GASB Codification Section P20.129:

	<u>07/31/95</u> <u>to 12/31/95</u>	<u>01/01/96</u> <u>to 06/30/96</u>	<u>Total</u>
Contribution Rates:			
Employees	9.50%	9.50%	
Employer	8.00%	7.25%	
Total current-year payroll	\$ 349,692	\$ 355,722	\$ 705,414
Total current-year covered payroll	\$ 349,692	\$ 355,722	\$ 705,414
Contributions:			
Required by Statute:			
Actual			
Employees	\$ 33,221	\$ 33,794	\$ 67,015
Employer	<u>27,975</u>	<u>25,790</u>	<u>53,765</u>
Total	\$ 61,196	\$ 59,584	\$ 120,780
	=====	=====	=====

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## SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Fairview Treatment Center  
St. Mary Parish, Louisiana  
1101 Southeast Blvd. 2nd Floor  
Morgan City, LA 70380

We have audited the financial statements of Fairview Treatment Center, a component unit of St. Mary Parish Council, for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996. We have also audited Fairview Treatment Center's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon date December 2, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-129, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether Fairview Treatment Center complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1996, we considered the Center's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Center's financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated December 2, 1996.

FINANCIAL INFORMATION SECTION



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## INDEPENDENT AUDITORS' REPORT

Fairview Treatment Center  
St. Mary Parish, Louisiana  
1101 Southeast Blvd. 2nd Floor  
Morgan City, LA 70380

We have audited the accompanying financial statements of Fairview Treatment Center, a component unit of St. Mary Parish Council, as of June 30, 1996, and for the year then ended. These financial statements are the responsibility of Fairview Treatment Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fairview Treatment Center as of June 30, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we also issued a report dated December 2, 1996 on our consideration of Fairview Treatment Center's internal control structure and a report dated December 2, 1996 on its compliance with laws and regulations.

*Adams & Johnson*  
ADAMS & JOHNSON  
Certified Public Accountants

Patterson, LA  
December 2, 1996



FEDERAL FINANCIAL ASSISTANCE, INTERNAL CONTROL  
AND COMPLIANCE SECTION

NOTE 7- RELATED PARTIES

The Center's operations are housed on the first and second floor of the building formerly utilized by Fairview Hospital. This building is owned by St. Mary Parish Hospital Service District No. 3 (District) and is being rented to the St. Mary Parish Council (Council). The District is a component entity of the Council as is the Center and therefore, all three are related parties. The Center paid the District a monthly rental of \$2,000 from July 1, 1995 to August 31, 1995 and \$4,000 from September 1, 1995 to June 30, 1996 for use of its portion of the building.

The St. Mary Parish Council also provided accounting services for a monthly fee of \$1,666 or \$20,000 for the year ended June 30, 1996. Also as described in Note 3, the Council owes Fairview Treatment Center for the Center's receipts deposited into Council's checking account in excess of the disbursements made for the benefit of Fairview Treatment Center in the amount of \$ 55,059.

NOTE 8- ECONOMIC DEPENDENCE

Fairview Treatment Center currently receives 97% of its operating revenue through its federal grant. With the loss of this revenue, which is a year-to-year grant allocation, Fairview Treatment Center would not exist.

Note 6 - PENSION PLAN (Continued)

Actuarially required	
Employees	\$ 66,923
Employer	<u>51,638</u>
Total	\$ 118,561 =====
Per cent of total actuarially required contribution of all participating employers and employees	.51

Year Ended December 31, 1995

Plan A

Retirement System	
Net Assets	\$ 647,645,108
Pension benefit obligation	<u>&lt;762,893,530&gt;</u>
Unfunded pension benefit obligation	\$<115,248,422> =====

The total payroll of all covered employees of the System for the year ended December 31, 1996, is not available. The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1995 comprehensive annual financial report. Fairview Treatment Center does not guarantee the benefits granted by the System.

The management of Fairview Treatment Center is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulation. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedure may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

#### INTERNAL ACCOUNTING CONTROLS

- General
- Cash
- Revenue and receivables - governmental
- Expenditures/expenses for goods, services, and accounts payable
- Property, equipment, and capital expenditures
- Payroll

#### FEDERAL PROGRAM ADMINISTRATIVE CONTROLS

##### General Requirements

- Political activity
- Civil rights
- Cash management
- Allowable costs/cost principles
- Drug-free Workplace Act
- Administrative requirements

##### Specific Requirements

- Types of services allowed or unallowed
- Reporting claims for advances and reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, Fairview Treatment Center expended 100% of its total federal financial assistance under its major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Center's major federal financial assistance program which is identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control policies and procedures used in administering the federal award, would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the use of the management of the Center, the Legislative Auditor of the State of Louisiana, and the Finance Committee of the St. Mary Parish Council. This restriction is not intended to limit the distribution of this report which is a matter of public record.

*Adams & Johnson*

ADAMS & JOHNSON  
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Patterson, LA  
December 2, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH LAWS AND REGULATIONS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Fairview Treatment Center  
St. Mary Parish, Louisiana  
1101 Southeast Blvd. 2nd Floor  
Morgan City, LA 70380

We have audited the financial statements of the Fairview Treatment Center, a component unit of St. Mary Parish Council, for the year ended June 30, 1996, and have issued the report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Fairview Treatment Center is the responsibility of Fairview Treatment Center's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Fairview Treatment Center's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the use of the management of the Center, the Legislative Auditor of the State of Louisiana, and the Finance Committee of St. Mary Parish Council. This restriction is not intended to limit the distribution of this report which is a matter of public record.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Fairview Treatment Center  
St. Mary Parish, Louisiana  
1101 Southeast Blvd. 2nd Floor  
Morgan City, LA 70380

We have audited the financial statements of Fairview Treatment Center, a component unit of St. Mary Parish Council, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996.

We have also audited Fairview Treatment Center's compliance with the requirements governing types of services allowed or unallowed and claims for advances and reimbursements, that are applicable to its major federal financial assistance program, which is identified in the accompanying schedule of federal financial assistance for the year ended June 30, 1996. The management of Fairview Treatment Center is responsible for Fairview Treatment Center's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Fairview Treatment Center's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, Fairview Treatment Center complied, in all material respects, with the requirements governing types of services allowed or unallowed and claims for advances and reimbursements, that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

This report is intended for the information of management, the Legislative Auditor, and the Finance Committee of the St. Mary Parish Council. This restriction is not intended to limit the distribution of this report which is a matter of public record.

*Adams & Johnson*  
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Certified Public Accountants

Patterson, LA  
December 2, 1996

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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1101 Southeast Blvd. 2nd Floor  
Morgan City, LA 70380

We have audited the financial statements of Fairview Treatment Center, a component unit of St. Mary Parish Council, for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996.

We have applied procedures to test Fairview Treatment Center's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the schedule of federal financial assistance, for the year ended June 30, 1996:

- Political activity
- Civil rights
- Cash management
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Fairview Treatment Center's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Fairview Treatment Center had not complied, in all material respects, with those requirements.



This report is intended for the information of management, the Legislative Auditor, and the Finance Committee of the St. Mary Parish Council. This restriction is not intended to limit the distribution of this report which is a matter of public record.

*Adams & Johnson*  
ADAMS & JOHNSON  
Certified Public Accountants

Patterson, LA  
December 2, 1996

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F A I R V I E W T R E A T M E N T C E N T E R  
ST. MARY PARISH  
STATE OF LOUISIANA

Annual Component Unit Financial Statements  
with Independent Auditors' Report

and

Independent Auditors' Reports on Federal Financial Assistance,  
Internal Accounting Control and Compliance

For the Year Ended June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the Office of the parish clerk of court.

Release Date FEB 5 1997

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