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# YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

4780 Lakes Avenue  
P. O. Box 5005

Shreveport, Louisiana, 71201

INDEPENDENT AUDITORS

Under provisions of state law, this report is a public document. A copy of the report has been filed with the Secretary of State, Louisiana, and 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.

Thomas P. Youngblood, CPA  
Richard H. Hodges, CPA

Board of Directors  
Council on Alcoholism & Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, LA

Release Date FEB 18 1988

We have audited the accompanying balance sheet of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of June 30, 1987, and the related statements of support, revenue and expense and changes in fund balance and cash flows for the year then ended. Their financial statements are the responsibility of the Council'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-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of June 30, 1987, and the results of its operations and changes in its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Richard H. Hodges*  
Richard H. Hodges  
A Professional Accounting Corporation

December 30, 1987

COUNCIL ON ALCOHOLISM & DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Balance Sheet

June 30, 1987

ASSETS

Current Assets:

cash on hand and in bank	\$116,317	
including \$60,565 bearing interest		
Food stamps	5,643	
Accounts receivable	213,016	
Prepaid expense	<u>12,268</u>	\$180,344

Property and equipment at cost (Note 1):

Leasehold improvements	\$111,044	
Furniture and fixtures	18,985	
Equipment	115,925	
	438,094	
Less Accumulated depreciation	<u>323,051</u>	
	114,943	
Land	<u>1,000</u>	115,943
		<u>\$230,232</u>

LIABILITIES AND FUND BALANCE

Current liabilities:

Accounts payable	\$ 42,931	
Payroll taxes payable	<u>2,051</u>	\$ 44,982

FUND BALANCE - UNRESTRICTED		221,311
		<u>\$230,232</u>

See accompanying notes to the financial statements.

COUNCIL ON ALCOHOLISM & DRUG ABUSE OF NORTHEAST LOUISIANA, INC.

Statement of Support, Revenue and Expenses

For the Year Ended June 30, 1989

	Employee Assistance Program	Information Program	Guides Bureau Center Program	Adolescent Center Program	Outpatient Program	STAFF	Total
<b>Public Support:</b>							
United Way	-	40,000	-	-	-	-	40,000
Membership	-	40,575	-	-	-	4,780	85,350
Donations	-	280	3,670	4,316	58	4,385	12,699
<b>Total public support</b>	-	80,855	3,670	4,316	58	13,445	102,344
<b>Revenue:</b>							
<b>Management:</b>							
Contracting City, state & federal government	-	183,800	183,400	603,601	188,138	33,207	1,152,146
Medical Billing & services	-	4,500	-	-	-	-	4,500
Client payments	50,101	26,370	40,183	4,135	-	3,444	124,233
Food Stamp Reimburse	-	-	23,451	38,815	-	-	62,266
Expenses	-	180,443	-	-	24,391	-	204,834
<b>NET PROFIT</b>	-	450	-	3,812	-	-	4,262
<b>Total revenue</b>	50,101	322,620	226,584	605,516	188,138	36,647	1,399,506
<b>Total public support and revenue</b>	50,101	323,475	230,154	612,778	188,196	36,647	1,401,351

See accompanying notes to the financial statements.

COUNCIL ON ALCOHOLISM & DRUG ABUSE OF NORTHEAST LOUISIANA, INC.

Statement of Support, Revenue and Expenses (Cont.)

For the Year Ended June 30, 1997

	Employee Assistance Program	Information Program	Orlando Boarder Center Program	Alcoholic Center Program	Substance Program	DEPS	Total
<b>Expenses:</b>							
<b>Program Services</b>							
Salaries	97,878	168,418	118,575	138,120	148,896	11,124	631,011
Payroll taxes	4,994	10,508	10,429	28,853	12,282	1,144	78,730
Rent	8,189	18,848	-	27,812	8,608	-	70,457
Utilities and telephone	1,495	18,328	18,000	88,428	343	18,478	148,072
Auto expenses	-	-	8,281	8,345	388	388	18,002
Insurance	1,622	15,818	8,748	44,428	6,577	4,835	82,028
Training and travel	1,889	8,744	1,889	1,889	1,418	827	18,756
Annual meeting	-	4,887	-	-	-	-	4,887
Food	-	-	85,044	88,148	1,482	11,881	187,555
Businesses & repair	1,178	4,887	8,438	15,185	682	4,698	35,068
Supplies	1,138	4,872	14,882	18,889	1,188	1,475	48,824
Printing and literature	879	1,148	481	982	-	374	3,864
Depreciation	1,689	1,889	1,188	4,485	128	11,881	11,881
Professional services	1,187	48,181	1,178	11,188	24,482	587	104,183
Other	1,472	11,181	4,122	1,822	8,887	482	28,182
<b>Total program services</b>	<b>118,188</b>	<b>318,818</b>	<b>218,125</b>	<b>318,622</b>	<b>318,181</b>	<b>11,124</b>	<b>1,308,816</b>
<b>Supporting services</b>							
General Admin.	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-
<b>Total supporting services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>118,188</b>	<b>318,818</b>	<b>218,125</b>	<b>318,622</b>	<b>318,181</b>	<b>11,124</b>	<b>1,308,816</b>
<b>Income deficiency of support and revenue over expenses</b>							
	<b>118,188</b>	<b>318,818</b>	<b>218,125</b>	<b>318,622</b>	<b>318,181</b>	<b>11,124</b>	<b>1,308,816</b>

See accompanying notes to the financial statements.

COUNCIL ON ALCOHOLISM & DRUG ABUSE OF NORTHEAST LOUISIANA, INC.

Statement of Changes in Fund Balance

For the Year ended June 30, 1987

Fund balance - June 30, 1986	\$587,421
Income of public support and revenue over expenses	<u>33,881</u>
Fund balance - June 30, 1987	<u>\$621,302</u>

See accompanying notes to the financial statements.

COUNCIL ON ALCOHOLISM & DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Statement of Cash Flows

For the Year Ended June 30, 1997

Cash Flows from Operating Activities

Excess of public support & revenue over expenses	\$ 31,800
Adjustments to reconcile excess of public support & revenue over expenses to net cash provided by operating activities	
Depreciation	95,291
Increase in food stamps	17,020
Increase in accounts receivable	(24,700)
Decrease in prepaid expense	8511
Decrease in accounts payable	(31,360)
Increase in payroll taxes payable	1,240
Net Cash Provided by Operating Activities	\$ 81,242

Cash Flows from Investing Activities

Acquisition of property and equipment	\$65,000
Net Cash Used by Investing Activities	\$(65,000)

Increase (Decrease) in Cash \$16,242

CASH - June 30, 1996 111,011

CASH - June 30, 1997 \$127,253

See accompanying notes to the financial statements.

COUNCIL ON ALCOHOLISM & DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Notes to the Financial Statements

June 30, 1997

(1) SIGNIFICANT ACCOUNTING POLICIES

Organization

The Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. is a non-profit corporation. The purpose of the Council is to continue heightening public awareness that alcoholism and drug addiction are preventable and treatable diseases, through a combined strategy of education, public policy changes and the combined strategy of education, public policy changes and the efforts of individuals, families and all elements of the community working in concert. The Council operates an information center providing a wide variety of information and referrals. The Council also operates the Cade Bonnier Center and the Adolescents Center which provide long-term residential treatment for adults and teens respectively.

Depreciation

Depreciation of equipment is provided over the estimated useful lives of the respective assets on the straight-line basis.

Provision for Income Taxes

No provision for income taxes is reflected in the statements as the Council files a tax-exempt return under IRS Section 501(c)(3).

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

### Functional Allocation of Expenses

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

### Estimates

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

### Cash

At various times during the fiscal year, the Council's cash in bank balances exceeded the Federally insured limits. At June 30, 1997 the Council's uninsured cash balances totaled \$60,565.

### (3) LEASES

The Council leases the facilities which house its Adolescent Center on a month-to-month basis. Lease payments are \$2,102 per month resulting in minimum lease rental payments of \$25,200 in the year ending June 30, 1997.

The Council leases its main office facilities on a month-to-month basis. Lease payments are \$2,378 per month resulting in minimum lease rental payments of \$28,548 in the year ending June 30, 1997. The Council leases two vehicles for use in transporting clients. Minimum lease payments for these vehicles are \$13,018 in the year ending June 30, 1998, \$13,018 in the year ending June 30, 1999 and \$13,018 in the year ending June 30, 2000. Expenses related to these leases were \$13,000 in the year ending June 30, 1997. All leases are accounted for as operating leases.



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Thomas P. Youngblood, CPA  
Randy L. Hodges, CPA

DEPT. OF REVENUE  
SHREVEPORT, LA 71201

## INDEPENDENT AUDITOR'S REPORT Additional Information

Board of Directors  
Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc.  
Shreveport, LA

We have audited the accompanying balance sheet of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of June 30, 1987, and the related statements of support, revenue and expenses and changes in fund balance and financial position for the year then ended. These financial statements are the responsibility of the Council'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, COMPTROLLER AUDITING STANDARDS, issued by the Comptroller General of the United States, and the provisions of office of Management and Budget Circular A-133, "Audits of institutions of higher education and other nonprofit institutions." Those standards and OMB Circular A-133 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 significant estimation work 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 council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of June 30, 1987, and the results of its operations and changes in its financial position for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements for the year ended June 30, 1997, of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. taken as a whole. The accompanying schedule of state contracts is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that 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.

  
Yonkeland & Hodges  
Certified Public Accountants  
A Professional Accounting Corporation

December 15, 1997

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHEAST LOUISIANA, INC.

SCHEDULE OF STATE CONTRACTS  
 AWARDED BY THE STATE OF LOUISIANA  
 OFFICE OF HUMAN SERVICES  
 FOR THE YEAR 1982- JUNE 30, 1987

Contract Number	Contract Dates	Contract Amount	Revenue Anticipated	Expenditures
08028	7/01/80-6/30/87	\$165,740	\$165,829	\$165,829
Caddo-Essinger Center				
08029	7/01/80-6/30/87	\$188,410	\$188,176	\$188,176
Adolescent Center				
08030	7/01/80-6/30/87	\$596,373	\$595,680	\$595,680
Chemical Dependency Recovery Clinic - Winn Parish Clinic				
08031	7/01/80-6/30/87	\$ 48,400	\$ 47,759	\$47,759

The Cost Report and Budget for ICF-B and other Residential Care Facilities for the Caddo Essinger Center and the Adolescent Center that were submitted to the Bureau of Health Services Financing have been audited by us and found to be allowable costs in accordance with the guidelines prescribed by the Provider Reimbursement Manual - RIM 88 and the 1986 Residential Care Rate Setting Manual.

See accompanying notes to financial statements.

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Thomas F. Hodges, CPA  
Robert S. Young, CPA

STATE AND LOCAL  
REGISTRATION NO.

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

To the Board of Directors of  
Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.

We have audited the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) for the year ended June 30, 1997, and have issued our report thereon dated December 11, 1997.

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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. for the year ended June 30, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on its internal control structure.

The management of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. 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, and 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. Because of inherent limitations in any internal control structure, errors or irregularities may

nevertheless cover and not be detected. Also, projection of any evaluation of the structure in future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

#### Accounting Controls

- Cash
- Support, Receivables and Receipts
- Expenditures for Supporting Services and Accounts Payable
- Payroll and Related Liabilities
- Property and Equipment
- Governmental Financial Assistance Programs

#### Administrative Controls

- General Requirements
  - Political activity
  - Davis-Bacon Act
  - Civil Rights
  - Cash management
  - Alcoholable areas
  - Drug-free workplace
- Specific Requirements
  - Types of services allowed
  - Eligibility

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their

assigned functions. We also noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

  
Yushko & Hodges  
Professional Accounting Corporation

December 15, 1997

# YOUNGBLOOD & HODGES

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MEMPHIS, TENNESSEE 38103

MEMPHIS, TENNESSEE 38103  
MEMPHIS, TENNESSEE 38103

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

To the Board of Directors of  
Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc.

We have audited the financial statements of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 15, 1997.

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 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 Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. is the responsibility of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements 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 indicate that, with respect to the items tested, Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. complies, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. had not complied, in all material respects, with those provisions.

This report is intended for the information of the board of directors, management, and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

*W. J. ... & ...*  
Professional Accounting Corporation

December 15, 1997



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS

To the Board of Directors  
Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.

We have audited the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 15, 1997.

We have also audited Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; and claims for reimbursements; which are applicable to each of its contracts, which are identified in the accompanying schedule of state contracts, for the period ended June 30, 1997. The management of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is responsible for the Organization'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 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-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB circular A-133 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 the Organization's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; and claims for reimbursements; that are applicable to each of its state

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Number 8, 20000, CPA

MEMPHIS AND  
BIRMINGHAM OFFICES

## SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

We have audited the financial statements of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) for the year ended June 30, 1997, and have issued our report thereon dated December 15, 1997. We have also audited the Organization's compliance with requirements applicable to major programs and have issued our report thereon dated December 15, 1997.

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-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether the Organization complied with laws and regulations, noncompliance with which would be material to a major program.

In planning and performing our audits of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. for the year ended June 30, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal awards. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated December 15, 1997.

The management of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. 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 awards are managed in compliance with laws and regulations. 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 may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate. For the purposes of this report, we have classified the significant internal control structure policies and procedures used in administering federal awards in the following categories:

#### Accounting Controls

##### Cash

- Support, Receivables and Receipts
- Expenditures for Supporting Services and Accounts Payable
- Payroll and Related Liabilities
- Property and Equipment
- Governmental Financial Assistance Programs

#### Administrative Controls

##### General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Allowable costs
- Drug-free workplace

##### Specific Requirements

- Types of services allowed
- Eligibility

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, 1997, Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. expended 1984 of its total federal awards under major programs.

We performed tests of controls, as required by GAO Circular A-133, 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 each of the Organization's major programs, which are identified in the accompanying schedule of federal awards. 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 structure would not necessarily disclose all matters in the internal control structure that might be 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 operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and State of Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

  
Cynthia E. Hodges  
Professional Accounting Corporation

December 15, 1997

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THOMAS F. YOUNGBLOOD, CPA

ROBERT B. HODGES, CPA

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS

To the Board of Directors  
Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.

We have audited the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 15, 1997.

We have also audited Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; and claims for reimbursements, which are applicable to each of its contracts, which are identified in the accompanying schedule of state contracts, for the year ended June 30, 1997. The management of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is responsible for the Organization'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 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-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 the organization's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; and claims for reimbursements, that are applicable to each of its state

costs for the year ended June 30, 1957.  
This report is intended for the information of the board of directors,  
management, and Louisiana Legislative Auditor. However, this report is a  
matter of public record, and its distribution is not limited.

*W. H. Hedges*  
Professional Accounting Corporation

December 15, 1957

# YOUNGBLOOD & HODGES

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS

To the Board of Directors of  
Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.

We have audited the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 15, 1997.

We have applied procedures to test Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s compliance with the following requirements applicable to its state contracts, which are identified in the accompanying schedule of state contracts, for the year ended June 30, 1997.

- Political activity
- Devis-Bacon Act
- Civil rights
- Cost management
- Allowable costs
- Drug-free workplace

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'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 first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Council on Alcoholism

and Drug Abuse of Northwest Louisiana, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

*Forrest & Hodges*  
Chartered Accountants  
Professional Accounting Corporation

December 18, 1957