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**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.  
WYOMING, LOUISIANA**

**FINANCIAL STATEMENTS  
AND  
ACCOUNTANT'S REPORT**

**JUNE 30, 1988**

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

Release Date SEP 9 1988

NORTHEAST LOUISIANA SUBSTANCE ABUSE INC.  
MONROE, LOUISIANA  
JUNE 30, 1998

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Northwest Louisiana Submarine Abuse, Inc.  
Wisdombo, Louisiana

We have audited the accompanying statements of financial position of Northwest Louisiana Submarine Abuse, Inc. (a Nonprofit Organization) as of June 30, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Northwest Louisiana Submarine Abuse, Inc.'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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards 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 Northwest Louisiana Submarine Abuse, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 20, 1998, on our consideration of Northwest Louisiana Submarine Abuse, Inc.'s internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Northwest Louisiana Submarine Abuse, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Marcus Robinson + Hassell*  
Harris, Robinson and Hassell  
Wisdombo, Louisiana  
August 20, 1998

**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1978**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Notes 1 & 2)	10,120
Grant Receivable	16,968
Payroll Tax Refund Receivable	____121
<b>TOTAL CURRENT ASSETS</b>	<b>27,209</b>

**FURNITURE AND EQUIPMENT, NET (Note 3)**

\_\_\_\_37

**TOTAL ASSETS**

**27,246**

**LIABILITIES AND NET ASSETS**

**NET ASSETS**

Unrestricted	
Operating	27,211
Fixed Assets	____37
<b>TOTAL NET ASSETS</b>	<b>27,248</b>

**TOTAL LIABILITIES AND NET ASSETS**

**27,248**

See Notes to Financial Statements

**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 1998**

**UNRESTRICTED NET ASSETS**

**PUBLIC SUPPORT AND REVENUES**

Grant - State of Louisiana	144,149
DOSAP Fees	17,292
Interest Income	178
Miscellaneous Income	____149

**TOTAL SUPPORT UNRESTRICTED** **159,738**

**EXPENSES**

Personnel Services	170,677
Travel	2,434
Operating Services	8,584
Supplies	3,094
Professional Services	14,400
Depreciation	305
Miscellaneous Expense	____546

**TOTAL EXPENSE** **199,243**

**CHANGES NET ASSETS** **(2,505)**

**NET ASSETS, Beginning of Year** **30,243**

**NET ASSETS, End of Year** **27,738**

See Notes to Financial Statements

**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 1998**

**OPERATING ACTIVITIES**

Change in Net Assets	0,910
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	180
Increase in Grants Receivable	(3,150)
Increase in Payroll Tax Refund Receivable	(120)
Decrease in Payroll Tax Payable	1,360

**NET DECREASE IN CASH AND CASH EQUIVALENTS** **17,000**

**BEGINNING CASH AND CASH EQUIVALENTS** **18,320**

**ENDING CASH AND CASH EQUIVALENTS** **1,320**

See Notes to Financial Statements

**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 1995**

**NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Northeast Louisiana Substance Abuse, Inc. (NELSA) was incorporated on June 28, 1978, as a non-profit corporation. The purpose of the corporation as expressed in its articles of incorporation is to provide for the establishment of a network of assistance that makes available all services meeting the range of needs of the person in trouble with substance abuse. At present this consists of providing a comprehensive drug-free outpatient treatment and related services and providing driver education courses for individuals mandated by the courts.

**Basis of Accounting**

Basis of accounting refers to when revenues and 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. The financial statements are reported on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**Bad Debt**

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

**Income Taxes**

NELSA is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

**Depreciation and Amortization**

Furniture and equipment are recorded at cost when purchased or, if donated, at fair market value at date of donation. Depreciation of furniture and equipment is provided using the straight-line method.

**Budgetary Practices**

Northeast Louisiana Substance Abuse, Inc. prepares an annual budget which is approved by the Board of Directors.

**Cash and Cash Equivalents**

Cash in checking, savings, and certificates of deposit is considered cash and cash equivalents for the purposes of the statement of cash flows.

**Grants Receivable**

The Grants receivable represents amounts due from the State of Louisiana for reimbursement of expenses incurred under the current contract.

**Income Tax Status**

NELSA has received a letter of Determination from the Internal Revenue Service advising it that it qualifies as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code, and, therefore, is not subject to income tax.

**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 1998**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Northeast Louisiana Substance Abuse, Inc. must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

At June 30, 1998, the Northeast Louisiana Substance Abuse, Inc. had cash (bank balances) totaling \$18,410. These deposits are fully secured by federal deposit insurance.

**NOTE 3 - FURNITURE AND EQUIPMENT**

A summary of furniture and equipment follows:

Furniture and Equipment	11,998
Less: Accumulated Depreciation	11,983
Net Furniture and Equipment	<u>15</u>
Current Depreciation	183

Furniture and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

**NOTE 4 - PENSION COMMITMENTS**

Employees of NELSA are covered under Social Security. No other pension plans are maintained.

**NOTE 5 - CHANGES IN ACCOUNTING PRINCIPLES**

The Corporation adopted the provisions of Statement of Financial Accounting Standards No. 115, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statements of Not-For-Profit Organizations by restating net assets as of June 30, 1998. Statement No. 115 requires the Corporation to distinguish between contributions that maintain permanently restricted net assets, and unrestricted net assets. It also requires recognition of contributions including contributed services meeting certain criteria, at fair value. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.



**NORTHEAST LOUISIANA SUBSTANCE ABUSE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED: JUNE 30, 1998**

	<b>CFDA NUMBER</b>	<b>GRANT ID NUMBER</b>	<b>AWARD PERIOD</b>	<b>EXPENDITURE</b>
<b>Substance Abuse and Treatment</b>	50.050	93-0114	5/01/97	144,349
<b>Block Grant</b>		5491-02	6/30/98	

**MARCUS, ROBINSON and HASSELL**

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**REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING**

**Board of Directors**

Northeast Louisiana Substance Abuse, Inc.

Winnifree, Louisiana

We have audited the financial statements of Northeast Louisiana Substance Abuse, Inc., as of and for the year ended June 30, 1998, and have issued our report thereon dated August 28, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Northeast Louisiana Substance Abuse, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Northeast Louisiana Substance Abuse, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Marcus, Robinson & Hassell*  
Marcus, Robinson and Hassell  
Winnifree, Louisiana  
August 28, 1998

**NORTHEAST LOUISIANA FIRESTONE ABUSE, INC.  
WINGSBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1998**

**PART I - SUMMARY OF THE AUDITOR'S RESULTS**

**Financial Statement Audit:**

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There was no instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards:**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 510(a).
- vii. There were no major federal programs for the year ended June 30, 1998.
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 520(b) was \$100,000.
- ix. The auditor does qualify as a low-risk auditor under OMB Circular No. A-133, Section 530.

**PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**NONE**