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Randall A. Pleasance, CPA

A Professional Accounting Corporation

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Board of Directors
Baton Rouge Area Alcohol and Drug Center, Inc.
(A Not for Profit Organization)
Baton Rouge, Louisiana

We have audited the accompanying balance sheet of Baton Rouge Alcohol and Drug Center, Inc. as of June 30, 1997, and the related statements of revenues and expenses, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the 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 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 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 Baton Rouge Area Alcohol and Drug Center, Inc. as of June 30, 1997 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 December 3, 1997 on our consideration of Baton Rouge Area Alcohol and Drug Center, 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 Baton Rouge Area Alcohol and Drug Center, 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.

Randall A. Pleasance, APAC

Baton Rouge, Louisiana
December 3, 1997

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A Not for Profit Organization)
BATON ROUGE, LOUISIANA

BALANCE SHEET
JUNE 30, 1997

ASSETS

CURRENT ASSETS	
Cash in bank	\$ 33,575
Accounts receivable (Note 3)	55,287
Prepaid Expenses	<u>8,721</u>
Total Current Assets	<u>101,583</u>
FURNITURE, EQUIPMENT AND VEHICLE - at cost	
Furniture and equipment (Note 3)	76,955
Vehicle	15,284
Leasehold improvements (Note 3)	15,800
Accumulated depreciation (deduction)	<u>(70,411)</u>
	<u>37,628</u>
TOTAL ASSETS	\$139,211

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES	
Accounts payable	\$ 9,954
Accrued vacation payable (Note 4)	9,214
Payroll taxes payable	<u>1,756</u>
Total Current Liabilities	<u>20,924</u>
FUND BALANCE (Note 5)	<u>118,287</u>
TOTAL LIABILITIES AND FUND BALANCE	\$139,211

The accompanying notes are an integral part of this statement.

BAYOU ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
 (A Not For Profit Organization)
BAYOU ROUGE, LOUISIANA

STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 1997

REVENUES (Note 3)	
State of Louisiana: Department of Health and Hospitals	\$298,818
City of Bayou Rouge and Parish of East Baton Rouge	194,864
United Way allocation	68,078
Client fund revenues	21,318
Other revenues	3,633
Total Revenues	<u>\$586,698</u>
EXPENSES	
Advertising	812
Auditing fee	1,875
Auto maintenance and supplies	2,569
Building maintenance (Note 3)	3,267
Client fund expense	21,045
Communications	2,666
Depreciation expense	12,435
Dues and subscriptions	-483
Food Services	73,706
Insurance:	
General	13,039
Accident and health	8,562
Workers' compensation	5,119
Laundry	11,038
License fees	108
Maintenance and repairs	7,500
Medical services	7,200
Payroll taxes	25,829
Printing and office expense	4,034
Professional services	8,651
Rent expense (Note 3)	50,333
Salaries	235,480
Supplies:	
Building and general	17,088
Food	2,342
Medical	3,433
Travel	883
Utilities and occupancy expense (Note 3)	<u>6,779</u>
Total expenses	<u>\$517,200</u>
 Excess of Revenues over Expenses	 <u>\$ 69,498</u>

The accompanying notes are an integral part of this statement.

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A Not for Profit Organization)
BATON ROUGE, LOUISIANA

STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987

Fund Balance, Beginning of Year	\$ 92,645
Excess of Revenues over Expenses	<u>19,438</u>
Fund Balance, End of Year	<u>\$112,083</u>

The accompanying notes are an integral part of this statement.

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A Non-Profit Organization)
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received - State of Louisiana	\$ 197,806
- City of Baton Rouge	150,218
- United Way	11,978
Client fund collections	19,633
Other cash receipts	3,623
Cash paid to suppliers of goods and services	(150,781)
Salaries paid	(257,850)
Payroll taxes paid	(26,325)
Net cash provided by operating activities	11,600

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures - furniture and equipment	(1,860)
NET INCREASE IN CASH	10,740
Cash at beginning of period	25,815
Cash at end of period	\$ 36,555

The accompanying notes are an integral part of this statement.

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A Not for Profit Organization)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

1. *Summary of Significant Accounting Policies*

Organization

Baton Rouge Area Alcohol and Drug Center, Inc. was incorporated on August 3, 1972. Its stated purpose is to provide services to the alcohol and drug abuse including coordination and cooperation with other agencies (both public and private) in the field. The majority of its funds come from the Department of Health and Hospitals of the State of Louisiana and the City of Baton Rouge.

Furniture, Equipment and Vehicle

Properties are stated at cost. Maintenance and repairs are charged to expense and improvements are capitalized. Gains and losses from sales or retirement are recognized in the period of disposition.

Depreciation

Depreciation of the furniture, equipment and building is computed using the straight-line method over their estimated useful lives which range from 5 to 7 years.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Income Tax

The Center is exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

Statement of Cash Flows

For purposes of the statement of cash flows, the Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates in the Preparation of Financial Statements

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

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A Not for Profit Organization)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

2. **Reconciliation of Net Income to Net Cash Provided by Operating Activities**

- a. A reconciliation of the net income to net cash provided by operating activities for the year ended June 30, 1997 is as follows:

Net income	\$ 79,428
Adjustments to reconcile net income to net cash provided by operating activities	
Cash provided by operating activities	
Depreciation	12,423
Net increase in accounts receivable	(17,424)
Net decrease in prepaid expense	1,264
Net decrease in accounts payable	(4,999)
Net decrease in accrued vacation	(2,384)
Net decrease in United Way payable	(104)
Net increase in payroll taxes payable	2,229
Net cash provided by operating activities	\$ 11,665

b. **Schedule of non-cash transactions**

The non-cash support provided by the City has not been reflected in the Statement of Cash Flows. See Note 3.

3. **Revenue, Donated Materials and Services**

The Center is funded monthly by each of its funding agencies, State of Louisiana (Department of Health and Hospitals), City of Baton Rouge and the United Way. The State contract is on a fiscal year basis (June 30, 1997) while the City and the United Way are on a calendar year basis. The state contract is a cost reimbursement type. At June 30, 1997 the Center had receivables from the State for unreimbursed cost of \$38,428, from the City of \$11,873, and from direct funds of \$1,773.

The City provides the facilities occupied by the Center free of rent. It also pays the utilities and maintenance costs associated with the facility. The rental value assigned to the use of the building was \$5.75 per square foot. Any amounts greater than this were recorded as the amount expensed by the City. A summary of the City's total support (both cash and donated materials/services) for the year ended June 30, 1997 is reflected below.

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A Not for Profit Organization)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

3. Revenues, Donated Materials and Services (continued)

Rent expense	\$ 20,730
Utilities and occupancy expense	6,770
Building maintenance	3,267
Non-cash support	10,770
Cash support	160,865
Total City Support	\$192,692

4. Accrued Vacation Payable

Accrued leave is accrued beginning with the first month of employment but is not taken until an employee has been with the Center six months. The accrued amount varies with the employee's years of service and there is a limitation on the amount of leave which can be carried over to the next year. The payable at June 30, 1987 represents accumulated leave at the employee's current rate of pay.

5. Fund Balance

The composition of the Fund Balance is as follows at June 30, 1987:

Unrestricted	\$ 78,669
Furniture, Equipment and Vehicle	32,614
	\$112,083

6. Compensation of Board of Directors

No member of the Center's Board of Directors received any compensation or per diem.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Baton Rouge Area Alcohol and Drug Center, Inc.
(A Not for Profit Organization)
Baton Rouge, Louisiana

We have audited the financial statements of Baton Rouge Area Alcohol and Drug Center, Inc. as of and for the year ended June 30, 1997 and have issued our report thereon dated December 3, 1997. 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 Baton Rouge Area Alcohol and Drug Center, 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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test 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 Baton Rouge Area Alcohol and Drug Center, Inc.'s internal control structure 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 and management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Randall A. Plaisance, CPA

Baton Rouge, Louisiana
December 3, 1997

Randall A. Plaisance, CPA

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Baton Rouge Area Alcohol and Drug Center, Inc.
(A Not for Profit Organization)
Baton Rouge, Louisiana

Compliance

We have audited the compliance of Baton Rouge Area Alcohol and Drug Center, Inc. with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. Baton Rouge Area Alcohol and Drug Center, Inc.'s major federal programs are identified on page 11, Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Baton Rouge Area Alcohol and Drug Center, Inc.'s management. Our responsibility is to express an opinion on Baton Rouge Area Alcohol and Drug Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 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 Baton Rouge Area Alcohol and Drug Center, Inc.'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. Our audit does not provide a legal determination on Baton Rouge Area Alcohol and Drug Center, Inc.'s compliance with those requirements.

In our opinion, Baton Rouge Area Alcohol and Drug Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of Baton Rouge Area Alcohol and Drug Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Baton Rouge Area Alcohol and Drug Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Baton Rouge Area Alcohol and Drug Center, Inc. as of June 30, 1997, and have issued our report thereon dated December 3, 1997. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

This report is intended for the information of the board of directors and management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Randall A. Plaisance, APAC

Baton Rouge, Louisiana
December 3, 1997

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INDEPENDENT AUDITOR'S REPORT

BATON ROUGE AREA ALCOHOL AND DRUG CENTER, INC.
(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS
JUNE 30, 1987

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 2/25/98