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**COUNCIL ON ALCOHOLISM & DRUG ABUSE
OF SOUTHWEST LOUISIANA, INC.**

FINANCIAL STATEMENTS

JUNE 30, 1988

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewed, and to all other appropriate state 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 JUN 13 1988

YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

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SHREVEPORT, LOUISIANA 71201-5008

Youngblood & Hodges, P.C.A.
Successors to Youngblood & Hodges

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of assets, liabilities and fund balance of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of June 30, 1988, and the related statements of support, revenue, expenses and changes in fund balance and cash flows 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, 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." 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. 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, 1988, and the results of its operations and changes in its cash flows for the year then ended in compliance with generally accepted accounting principles.


YOUNGBLOOD & HODGES
A PROFESSIONAL ACCOUNTING CORPORATION

December 23, 1988

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

Statement of Assets, Liabilities and Fund Balance

June 30, 1988

ASSETS

Current assets:		
Cash on hand and in bank	\$185,583	
Including \$128,909 bearing interest		
Food stamps	2,042	
Accounts receivable	201,067	
Prepaid expenses	<u>7,828</u>	\$396,520
Property and equipment at cost (Note 1):		
Leasehold improvements	\$249,496	
Furniture and fixtures	18,881	
Equipment	288,925	
	557,302	
Less accumulated depreciation	268,206	
	289,096	
Land	<u>5,828</u>	\$85,113
		<u>\$884,132</u>

LIABILITIES AND FUND BALANCE

Current liabilities:		
Accounts payable	\$ 21,878	
Payroll taxes payable	7,809	
Other-APAC fund payable	<u>1,251</u>	\$ 30,948
Fund balance - UNRESTRICTED		853,235
		<u>\$884,132</u>

See accompanying notes to the financial statements.

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

Statement of Support, Revenue, Expenses and Charges in Fund Balance

For the Year Ended June 30, 1988

	International Programs	Public Support	NONPROFIT Public Programs	Nonprofit Programs	Employee Salaries	Office Expenses	The Patrick- Ship	Total
public supports:								
United Way	40,618	-	-	-	-	-	-	40,618
Membership	33,518	-	800	-	-	8,325	-	42,643
Donations	278,153	75	-	-	-	-	-	278,228
Total public support	352,289	75	800	-	-	8,325	-	363,489
Revenue:								
Management Council & CIP, State & Federal agencies	228,348	288,750	240,000	278,264	188,800	217,870	91,738	1,483,060
Annual meeting & seminars	8,421	-	-	-	-	-	-	8,421
Office payments	24,080	22,700	4,800	-	-	1,500	-	53,080
Fund raising	-	24,000	21,404	20,014	-	-	-	65,418
Excess fund expenses	-	1,900	-	-	240	2,241	-	4,381
Interest	34	-	1,328	-	-	-	-	1,362
Total revenue	260,863	337,350	266,532	298,278	189,040	221,611	91,738	1,465,312
Total public support less revenue	878,211	248,437	834,831	284,388	328,224	128,810	91,738	2,554,639

See accompanying notes to the financial statements.

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

Statement of Support, Revenue, Expenses and Changes in Fund Balance (Cont'd.)

For the Year Ended June 30, 1988

	Information Programs	Cable Television Programs	Admission Center Programs	Rehabilitat Programs	Employee Activities Programs	Other	Total Programs	Total
Expenses:								
Program services:								
Director	201,700	138,480	101,318	508,878	87,818	85,571	64,568	618,323
Special teams	28,798	18,128	28,338	12,081	8,818	8,181	8,278	218,088
Area	28,172	85	88,488	5,488	8,418	-	88,737	88,737
Utilities and								
Telephone	18,888	18,888	24,718	2,221	2,898	18,888	2,898	88,188
Area programs	21	18,188	88,888	888	-	-	-	18,188
Materials	18,818	8,888	8,788	2,888	2,888	8,818	8,818	88,188
Training and								
Travel	18,888	8,188	4,388	8,888	2,778	2,888	288	88,178
Animal nutrition	8,588	-	-	-	-	-	-	8,588
Food	288	18,778	88,888	88,811	218	18,818	-	188,818
Insurance &								
Legal	8,888	8,288	21,188	2,888	8,888	2,888	288	88,178
Supplies	8,818	12,288	18,878	2,888	2,888	2,818	2,728	188,188
Printing and								
Illustrations	2,888	888	1,888	8	1,188	888	888	8,818
Reproduction	8,418	8,418	8,818	2,288	8,188	12,288	-	88,418
Professional								
Services	88,818	18,888	88,128	18,428	8,188	2,718	8,428	188,188
Advertising &								
Promotion	-	-	188	-	-	-	-	188
Other	18,288	4,288	2,818	2,288	1,281	2,288	488	28,188
Total program								
services	488,228	288,228	588,828	828,228	28,821	128,228	88,188	2,788,228
Supporting services:								
Fund raising	8,881	-	-	-	-	288	-	8,881
Total supporting								
services	8,881	-	-	-	-	288	-	8,881
Excess liability/								
of support and								
expense over								
expense	188,288	18,888	87,888	18,178	18,888	8,178	12,888	888,188
Fund Balance-								
June 30, 1987	188,178	88,481	181,288	288,288	12,878	88,818	28,818	888,188
Fund Balance-								
June 30, 1988	288,288	88,288	288,288	318,288	28,288	88,288	28,288	888,288

See accompanying notes to the financial statements.

STANFORD OIL ALCOHOLISM & DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Statement of Cash Flows

For the Year Ended June 30, 1998

Cash Flows from Operating Activities

Net Income	\$ 276,046
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	81,477
(Increase) decrease in accounts receivable	21,569
(Increase) decrease in food stamps	1,400
(Increase) decrease in prepaid expenses	1,908
(Increase) decrease in other assets	854
(Increase) in building from donation	(184,000)
Increase (decrease) in accounts payable	69,342
Increase (decrease) in accrued liabilities	(860)
Increase (decrease) in payroll taxes payable	1,828
Total adjustments	<u>(118,288)</u>
Net cash provided (used) by operating activities	<u>157,758</u>

Cash Flows from Investing Activities

Cash payments for the purchase of equipment	(53,846)
Cash payments for leasehold improvements	<u>(11,896)</u>
Net Cash Used by Investing Activities	<u>(65,742)</u>

Net Increase (Decrease) in Cash	92,016
Cash and equivalents - June 30, 1997	<u>136,942</u>
Cash and equivalents - June 30, 1998	<u>\$ 228,958</u>

Supplemental disclosures of cash flow information:

Cash paid during the year for:	
Interest expense	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>

See accompanying notes to the financial statements.

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

Notes to the Financial Statements

June 30, 1998

(ii) 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 Gaille Foster Center and the Adolescent Center which provides 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.

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

Notes to the Financial Statements

June 30, 1998

(1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation

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, 1998 the Council's uninsured cash balances totaled \$128,423.

(2) **LEASES**

The Council leases the facilities that house its Adolescent Center on a month-to-month basis. Lease payments are \$2,100 per month resulting in minimum lease rental payments of \$25,200 in the year ending June 30, 1998.

The Council leases its main office facilities on a month-to-month basis. Lease payments are \$3,465 per month resulting in minimum lease rental payments of \$41,580 in the year ending June 30, 1998. The Council leases the facilities that house its Child-member Center on a 10-year basis for \$1 per year beginning July 1, 1997 and ending June 30, 2007.

(3) **SUBSEQUENT EVENTS**

Subsequent to the balance sheet date, the Council received a building and parking lot as a result of a donation on October 22, 1998. The building was valued at \$633,000 and the parking lot was valued at \$69,000 per the act of donation.

Subsequent to the balance sheet date, the Council purchased a building for \$288,000 and placed a mortgage on it for \$280,000 in anticipation of remodeling.

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Thomas P. Youngblood CPA
Blaine E. Hodges CPA

MEMBER AICPA
Firm #2949974 AICPA

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 statement of assets, liabilities and fund balance of Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. (a nonprofit organization) as of June 30, 1990, and the related statements of support, revenue, expenses and changes in fund balance and cash flows 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, 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." 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An 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, 1990, and the results of its operations and cash flows 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, 1990, of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. taken as a whole. The accompanying schedule of state contracts is presented for purpose 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.


Yehuda & Hodges
A Professional Accounting Corporation

December 23, 1998

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

SCHEDULE OF STATE CONTRACTS
 AWARDED BY THE STATE OF LOUISIANA
 OFFICE OF ISSUES SERVICES
 FOR THE YEAR ENDING JUNE 30, 1998

<u>Contract Number</u>	<u>Contract Term</u>	<u>Contract Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Buckhalter Hotel				
62222	7/01/97-6/30/98	\$148,500	\$148,500	\$148,500
Caddo-Boonier Center				
62452	7/01/97-6/30/98	\$209,375	\$209,375	\$209,375
Adolescent Center				
62265	7/01/97-6/30/98	\$584,872	\$584,872	\$584,872
Chemical Dependency Recovery Clinic - Mansfield Clinic				
62267	7/01/97-6/30/98	\$ 67,200	\$ 67,200	\$ 67,200
S.T.K.P.B.				
62131	7/01/97-6/30/98	\$108,488	\$108,488	\$108,488

The cost Report and Budget for ICP-h and other Residential care facilities for the Caddo Boonier 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 - IOM 15 and the DRG Residential care Into Setting Manual.

See accompanying notes to financial statements.

YOUNGBLOOD & HODGES

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CPA No. 10000

SEC. REG. NO. 10000

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, 1988, and have issued our Report thereon dated December 23, 1988.

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, 1988, 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 the 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 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 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
 - divin-divorce act
 - Civil rights
 - Cash management
 - Allowable costs
 - 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 dissemination is not limited.


Yusef H. Haddad
A Professional Accounting Corporation

YOUNGBLOOD & HODGES

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SHREVEPORT, LOUISIANA 71225-3828

THOMAS P. YOUNGBLOOD, CPA

DAVID R. HODGES, CPA

DISP 001 12/91

FA-020900-000

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, 1994, and have issued our report thereon dated December 23, 1994.

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. complied, 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.


Professional Accounting Corporation

December 23, 1968

YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO STATE 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, 1998, and have issued our Report Thereon dated December 23, 1998.

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 these 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 contracts for the year ended June 30, 1998.

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. Keith & Sons
A Professional Accounting Corporation

December 23, 1998

YOUNGBLOOD & HODGES

A FORTSMAN ACCOUNTING CORPORATION

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Thomas F. Youngblood, CPA

Robert S. Hodges, CPA

CPA # 000-117

CA # 00045001-07

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, 1998, and have issued our report thereon dated December 23, 1998. We have also audited the Organization's compliance with requirements applicable to major programs and have issued our report thereon dated December 23, 1998.

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, 1998, 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 23, 1998.

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 purpose 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-Hamilton 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, 1999, Council on Alcoholism & Drug Abuse of Northwest Louisiana, Inc. expended 100% of its total federal awards under major programs.

We performed tests of controls, as required by SSA circular A-323, 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.


Y. J. Hodges
Principal Accountant

December 20, 1998

YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

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James F. Youngblood, CPA
Richard B. Hodges, CPA

CPA No. 127
Tax ID No. 89-031

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS

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

We have audited the financial statements of Council on Alcoholism and Drug Abuse of Northeast Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1990, and have issued our report thereon dated December 22, 1990.

We have applied procedures to test Council on Alcoholism and Drug Abuse of Northeast 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, 1989.

- political activity
- Davis-Bacon Act
- civil rights
- cash 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 Northeast 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 these 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 Northeast 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.


J. Paul & Associates
A Professional Accounting Corporation

December 31, 1988