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CONCORDIA SUBSTANCE ABUSE COUNCIL
**General Purpose Financial Statements
and Independent Auditors' Reports**
June 30, 1998

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 DEC 30 1998

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**CONCORDIA SUBSTANCE ABUSE COUNCIL
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SWITZER, HOPKINS & MANGE

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Concordia Substance Abuse Council

We have audited the accompanying statement of financial position of Concordia Substance Abuse Council (a nonprofit organization) as of June 30, 1998 and 1997, and the related statements of revenues expenditures, fund balances, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Concordia Substance Abuse Council as of June 30, 1998 and 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 1998 on our consideration of Concordia Substance Abuse Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

To the Board of Directors
Concordia Substance Abuse Council
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Our audit was performed for the purpose of forming an opinion on the basic financial statements of Concordia Substance Abuse Council 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, "Audits 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.

Ferriday, Louisiana
December 16, 1998

Switzer, Hopkins & Many

CONCORDIA SUBSTANCE ABUSE COUNCIL
Statement of Financial Position
June 30, 1998 and 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Current assets:		
Cash	\$ 450	\$ -
Grant receivable	11,550	8,062
Total current assets	<u>12,000</u>	<u>8,062</u>
Equipment (Note 3) (net of accumulated depreciation)	<u>71,231</u>	<u>53,590</u>
Total assets	<u>83,231</u>	<u>61,652</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Current liabilities:		
Bank overdraft	17,797	7,109
Accounts payable	5,925	4,021
Accrued compensated absences	240	865
Total liabilities	<u>23,962</u>	<u>11,995</u>
Net assets:		
Permanently restricted (Note 4)	<u>59,269</u>	<u>49,657</u>
Total liabilities and fund balance	<u>\$ 83,231</u>	<u>\$ 61,625</u>

The accompanying notes are an integral part of this statement.

CONCORDIA SUBSTANCE ABUSE COUNCIL
Combined Statements of Revenues, Expenses and Fund Balances
For the Year Ended June 30, 1998
With Comparative Totals for June 30, 1997

	<u>1998</u>	<u>1997</u>
REVENUES:		
Grant from governmental agency	\$ 375,426	\$ 271,266
Grant from foundations	12,000	-
Client fee income	10,464	9,730
Miscellaneous income	1,885	14,282
Total revenues	<u>399,745</u>	<u>295,278</u>
 GENERAL AND ADMINISTRATIVE EXPENSES:		
Salaries	184,096	137,257
Payroll taxes	17,207	14,534
Travel	20,593	11,847
Operating services	86,790	62,524
Supplies	60,411	35,593
Professional services	21,036	13,000
Total general and administrative expenses	<u>390,133</u>	<u>274,755</u>
 EXCESS OF REVENUES OVER EXPENSES	 9,612	 20,523
 NET ASSETS AT BEGINNING OF PERIOD	 <u>49,657</u>	 <u>29,134</u>
 NET ASSETS AT END OF PERIOD	 <u>\$ 59,269</u>	 <u>\$ 49,657</u>

The accompanying notes are an integral part of this statement.

CONCORDIA SUBSTANCE ABUSE COUNCIL
Combined Statement of Cash Flows
For the Year Ended June 30, 1998
With Comparative Totals for June 30, 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Grants received	\$ 383,938	\$ 281,770
Other revenues received	12,319	27,140
Cash paid employees	(184,096)	(137,257)
Cash paid to suppliers for goods and services	<u>(178,088)</u>	<u>(124,607)</u>
Net cash disbursed to operating activities	<u>34,073</u>	<u>47,046</u>
Cash flows from non-capital financing activities:	None	None
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(44,311)</u>	<u>(54,405)</u>
Cash flows from financing activities:	<u>None</u>	<u>None</u>
Net decrease in cash	(10,238)	(7,359)
Cash at beginning of year	<u>(7,109)</u>	<u>250</u>
Cash at end of year (overdraft)	<u>(17,347)</u>	<u>(7,109)</u>
Reconciliation of net operating income to cash provided by operating activities:		
Net income	9,612	20,523
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	26,670	17,887
(Increase) decrease in:		
Grant receivable	(3,488)	10,504
Other assets	-	3,129
Increase (decrease) in:		
Accounts payable	<u>1,279</u>	<u>(4,997)</u>
Net cash provided by operating activities	<u>\$ 34,073</u>	<u>\$ 47,046</u>

The accompanying notes are an integral part of this statement.

CONCORDIA SUBSTANCE ABUSE COUNCIL
Notes to the Financial Statements
June 30, 1998 and 1997

1. ORGANIZATION

Concordia Substance Abuse Council was organized as a nonprofit corporation without capital stock under the laws of the State of Louisiana in 1994. The organization was formed to provide substance abuse treatment to men and women for alcohol and drug abuse. The center is located on the grounds of Riverland Medical Center in Ferriday, Louisiana. The organization also operates an outreach program for alcohol and drug abuse. The council's primary revenues are from federal grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

b. Income Taxes

The Council has been granted tax exempt status as provided by Section 501 (c)(3) of the Internal Revenue Code.

c. Basis of Accounting

Revenue is recognized when grant funds are earned. Expenses are recognized when incurred.

d. Estimates

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

e. Cash and Cash Equivalents

The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statements of cash flows exclude permanently restricted cash and cash equivalents.

CONCORDIA SUBSTANCE ABUSE COUNCIL
Notes to the Financial Statements
June 30, 1998 and 1997

3. EQUIPMENT

Equipment is stated at cost. Major classes of equipment are as follows:

	<u>1998</u>	<u>1997</u>
Automobiles	\$ 60,134	\$ 42,828
Office equipment	63,698	36,693
Less: accumulated depreciation	<u>(52,601)</u>	<u>(25,931)</u>
Total equipment	<u>\$ 71,231</u>	<u>\$ 53,590</u>

4. PERMANENTLY RESTRICTED FUND BALANCE

The fund balances are restricted to providing substance abuse treatment to men and women for alcohol and drug abuse.

5. SUMMARY OF GRANTS

Concordia Substance Abuse Council was primarily funded through the following grants for the period ended June 30, 1998:

<u>Funding Source</u>	<u>CFDA/ Grant Contract Number</u>	<u>Grant Contract Period</u>	<u>Total Contract</u>	<u>Recognized Support</u>
Louisiana Department of Health and Hospitals	1H07T10046001	7/01/97- 6/30/98	\$ 140,525	\$ 140,286
Department of Health and Human Services Public Health Service Rural Health Outreach Demonstration Program	93.912	7/01/97- 6/30/98	235,104	<u>235,140</u>
Total grants				<u>\$ 375,426</u>

SUPPLEMENTAL INFORMATION

CONCORDIA SUBSTANCE ABUSE COUNCIL

COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998

	<u>DHH Office of Alcohol & Drug Abuse</u>	<u>Rural Health Outreach Demonstration Program</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 380	\$ 70	\$ 450
Grant receivable	11,550	-	11,550
Total	<u>11,930</u>	<u>70</u>	<u>12,000</u>
Plant & equipment, net of accumulated depreciation	<u>14,083</u>	<u>57,148</u>	<u>71,231</u>
Total assets	<u>26,013</u>	<u>57,218</u>	<u>83,231</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Current liabilities			
Bank overdrafts	17,797	-	17,797
Accounts payable	1,368	4,557	5,925
Accrued compensated absences	240	-	240
Total liabilities	<u>19,405</u>	<u>4,557</u>	<u>23,962</u>
Fund equity:			
Permanently restricted	<u>6,608</u>	<u>52,661</u>	<u>59,269</u>
Total liabilities and fund equity	<u>\$ 26,013</u>	<u>\$ 57,218</u>	<u>\$ 83,231</u>

The accompanying notes are an integral part of this statements.

CONCORDIA SUBSTANCE ABUSE COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENSES
AND FUND BALANCES
 YEAR ENDED JUNE 30, 1998

	<u>DHH Office of Alcohol & Drug Abuse</u>	<u>Rural Health Outreach Demonstration Program</u>	<u>Total</u>
Operating revenues:			
Grant revenue	\$ 152,286	\$ 235,000	\$ 387,426
Client fee	10,464	-	10,464
Miscellaneous	1,855	-	1,855
Total operating revenues	<u>164,605</u>	<u>235,140</u>	<u>399,745</u>
General and Administrative Expenses:			
Salaries	76,071	108,025	184,096
Payroll taxes	7,372	9,835	17,207
Travel	2,722	17,871	20,593
Operating services	54,459	32,331	86,790
Supplies	36,574	23,837	60,411
Professional services	1,511	19,525	21,036
Total general and administrative expenses	<u>178,709</u>	<u>211,424</u>	<u>390,133</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(14,104)</u>	<u>23,716</u>	<u>9,612</u>
NET ASSETS AT BEGINNING OF PERIOD	<u>20,712</u>	<u>28,945</u>	<u>49,657</u>
NET ASSETS AT END OF PERIOD	<u>\$ 6,608</u>	<u>\$ 52,661</u>	<u>\$ 59,269</u>

The accompanying notes are an integral part of this statements.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States.

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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
Concordia Substance Abuse Council

We have audited the financial statements of Concordia Substance Abuse Council (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated December 16, 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 Concordia Substance Abuse Council 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 statements 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 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 Concordia Substance Abuse Council'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

To the Board of Directors
Concordia Substance Abuse Council
Page Two

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 management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Ferriday, Louisiana
December 16, 1998

Switzer, Hopkins & Mangle

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
Concordia Substance Abuse Council

We have audited the financial statements of Concordia Substance Abuse Council (a nonprofit organization) for the year ended June 30, 1998, and have issued our report thereon dated December 16, 1998. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these basic 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Concordia Substance Abuse Council taken as a whole. The accompanying schedule of federal awards 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 basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Ferriday, Louisiana
December 16, 1998

Switzer, Hopkins & Mange

CONCORDIA SUBSTANCE ABUSE COUNCIL
SCHEDULE OF FEDERAL AWARDS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
Department Health & Human Services Public Health Service - Rural Health Outreach Demonstration Program	93.912	CSD000308-01-0	\$ <u>211,424</u>
 Questioned Costs		 NONE	