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COLUMBIA ALCOHOL & DRUG ABUSE CLINIC
A DIVISION OF ADDICTION RECOVERY RESOURCES, INC.
COLUMBIA, LOUISIANA

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 1996

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 AUG 28 1996

COLUMBIA ALCOHOL & DRUG ABUSE CLINIC
A DIVISION OF ADDICTION RECOVERY RESOURCES, INC.
COLUMBIA, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Columbia Alcohol & Drug Abuse Clinic
A Division of Addiction Recovery Resources, Inc.
Columbia, Louisiana

We have audited the accompanying general-purpose financial statements of Columbia Alcohol and Drug Abuse Clinic, Inc. (a nonprofit corporation), as of and for the year ended June 30, 1996. These general-purpose financial statements are the responsibility of Columbia Alcohol and Drug Abuse Clinic's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Columbia Alcohol and Drug Abuse Clinic, Inc., as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
August 12, 1996

COLUMBIA ALCOHOL & DRUG ABUSE CLINIC
A DIVISION OF ADDICTION RECOVERY RESOURCES, INC.
BALANCE SHEET
JUNE 30, 1996
WITH COMPARATIVE TOTALS FOR JUNE 30, 1995

	<u>Current Funds</u>		<u>Total All Funds</u>	
	<u>Restricted</u>	<u>Unrestricted</u>	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>				
Cash	-0-	16	16	16
Due from State of La	3,829	-0-	3,829	3,694
Due from State Contract Fund	<u>-0-</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
<u>TOTAL ASSETS</u>	<u>3,829</u>	<u>1,116</u>	<u>4,945</u>	<u>4,810</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>Liabilities</u>				
Accounts Payable - Overdraft	2,775	-0-	2,775	2,224
Accrued Payroll Taxes Payable	189	-0-	189	127
Notes Payable - Brian Kaufman	10	120	130	130
Due to ARR Fund	<u>1,100</u>	<u>-0-</u>	<u>1,100</u>	<u>1,100</u>
<u>TOTAL LIABILITIES</u>	4,074	120	4,194	3,581
<u>FUND BALANCE</u>				
Undesignated - Unrestricted	-0-	996	996	996
Restricted	<u>(245)</u>	<u>-0-</u>	<u>(245)</u>	<u>233</u>
<u>TOTAL FUND BALANCE</u>	<u>(245)</u>	<u>996</u>	<u>751</u>	<u>1,229</u>
<u>TOTAL LIABILITIES</u> <u>AND FUND BALANCE</u>	<u>3,829</u>	<u>1,116</u>	<u>4,945</u>	<u>4,810</u>

See Notes To Financial Statements

COLUMBIA ALCOHOL & DRUG ABUSE CLINIC
A DIVISION OF ADDICTION RECOVERY RESOURCES, INC.
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1996
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1995

	<u>Current Funds</u>		<u>Total All Funds</u>	
	<u>Restricted</u>	<u>Unrestricted</u>	<u>1996</u>	<u>1995</u>
REVENUES				
Intergovernmental	43,133	-0-	43,133	43,719
<u>TOTAL REVENUES</u>	43,133	-0-	43,133	43,719
EXPENSES				
Program Services:				
Personal Services	34,684	-0-	34,684	35,143
Travel	919	-0-	919	961
Operating Services	1,702	-0-	1,702	1,913
Supplies	693	-0-	693	1,604
Professional Services	5,613	-0-	5,613	4,155
<u>TOTAL EXPENSES</u>	43,611	-0-	43,611	43,776
EXCESS (DEFICIT) OF REVENUES				
Over Expenses	(478)	-0-	(478)	(57)
FUND BALANCE AT BEGINNING OF YEAR	233	996	1,229	1,286
FUND BALANCE AT END OF YEAR	(245)	996	751	1,229

See Notes to Financial Statements

COLUMBIA ALCOHOL & DRUG ABUSE CLINIC
A DIVISION OF ADDICTION RECOVERY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Columbia Alcohol & Drug Abuse Clinic (CADA) was incorporated on May 7, 1991, as a nonprofit 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.

ACCOUNTING METHOD

CADA accounts for all transactions on the accrual basis method of accounting for year-end reporting purposes.

FUND ACCOUNTING

The financial statements are presented in accordance with the principles of fund accounting, whereby revenues and expenses are classified into fund according to specified purposes of restrictions. The funds consist of the following:

Current Funds -

Restricted Fund - This fund accounts for all resources received from the State of Louisiana, Department of Health and Human Resources, under a contract to reimburse CADA for services provided in accordance with the contract.

Unrestricted Fund - This fund accounts for all resources over which the governing board has discretionary control to use in carrying on the general operations of the organization.

NOTE 2 - REIMBURSEMENT RECEIVABLE

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

NOTE 3 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

The due from Restricted Fund and the corresponding Due to Unrestricted Fund represents funds loaned to the restricted fund for use as operating capital.

COLUMBIA ALCOHOL & DRUG ABUSE CLINIC
A DIVISION OF ADDICTION RECOVERY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 4 - PENSION COMMITMENTS

Employees of CADA are covered under social security. The employees also participate in a SEP plan and a 403 (B) plan. In these plans 4% of the gross salary is the employee contribution. The company then matches that contribution.

NOTE 5 - INCOME TAX STATUS

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

NOTE 6 - COMPENSATED ABSENCES

The compensated absences of CADA are as follows:

- a. Annual Leave - 0-2 years service 12 days of leave per year allowed.
More than 2 years of service 15 days of leave per year allowed.
- b. Sick Leave - 6 days of sick leave per year are allowed.

None of these days can be carried forward.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE REQUIRED BY GAO AUDIT STANDARDS

To the Board of Directors of
Columbia Alcohol & Drug Abuse Clinic
A Division of Addiction Recovery Resources, Inc.
Columbia, Louisiana

We have audited the general-purpose financial statements of Columbia Alcohol and Drug Abuse Clinic, Inc. (a nonprofit corporation), as of and for the year ended June 30, 1996, and have issued our report thereon dated August 12, 1996.

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 general-purpose financial statements are free of material misstatement.

In planning and performing our audit of the general-purpose financial statements of Columbia Alcohol and Drug Abuse Clinic, Inc., for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure.

The management of Columbia Alcohol and Drug Abuse Clinic, 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 general-purpose 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

Cash Receipts

Cash Disbursements

Purchasing

Property and Equipment

General Ledger

For all of the internal control structure 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 general-purpose 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be a material weakness:

Due to limited personnel there is a lack of segregation of duties in the area of receipt of cash, deposit of cash and recording transactions in the accounting records.

In our opinion, this weakness is due to the number of personnel and, accordingly, there are no recommendations to overcome this situation.

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

Marcus, Robinson and Hassell

Marcus, Robinson and Hassell

August 12, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS
AND REGULATIONS REQUIRED BY GAO AUDIT STANDARDS

To the Board of Directors of
Columbia Alcohol & Drug Abuse Clinic
A Division of Addiction Recovery Resources, Inc.
Columbia, Louisiana

We have audited the general-purpose financial statements of Columbia Alcohol and Drug Abuse Clinic, Inc. (a nonprofit corporation), as of and for the year ended June 30, 1996, and have issued our report thereon dated August 12, 1996.

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 general-purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Columbia Alcohol and Drug Abuse Clinic, Inc. is the responsibility of Columbia Alcohol and Drug Abuse Clinic's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of Columbia Alcohol and Drug Abuse Clinic's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose 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, Columbia Alcohol and Drug Abuse Clinic, 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 Columbia Alcohol and Drug Abuse Clinic, 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 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
August 12, 1996