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**WASHINGTON STREET
HOPE CENTER, INC.**

Financial Report

Years Ended June 30, 2007 and 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 5/14/08

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Washington Street Hope Center, Inc.
Marksville, Louisiana

I have audited the accompanying statement of financial position of Washington Street Hope Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of the Washington Street Hope Center, Inc. as of June 30, 2006, which is presented for comparative purposes, were audited by other auditors whose report dated December 22, 2006 expressed an unqualified opinion.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

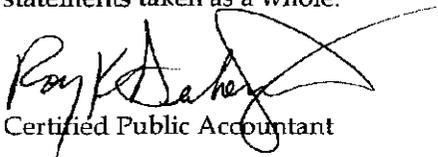
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Washington Street Hope Center, Inc., as of June 30, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 6, 2007, on my consideration of Washington Street Hope Center, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Washington Street Hope Center, Inc. has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Washington Street Hope Center, Inc.'s financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Washington Street Hope Center, Inc. The

schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Roy K. Dancy

Certified Public Accountant

Alexandria, Louisiana
December 6, 2007

FINANCIAL STATEMENTS

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Comparative Statement of Financial Position
June 30, 2007 and 2006

	2007	2006
ASSETS		
Cash	\$178,963	\$ 58,737
Receivables:		
State funds	31,050	34,542
Federal funds	10,185	11,297
Utility deposit	1,762	1,762
Property and equipment, net of accumulated depreciation	141,957	163,625
Total assets	\$363,917	\$269,963
LIABILITIES		
Payroll taxes payable	\$ 1,245	\$ 1,117
Accrued salaries	4,626	-
Accounts payable	5,533	9,209
Total liabilities	11,404	10,326
NET ASSETS		
Unrestricted net assets:		
Undesignated	73,527	96,012
Fixed assets	141,957	163,625
Total unrestricted net assets	215,484	259,637
Permanently restricted net assets	137,029	-
Total net assets	352,513	259,637
Total liabilities and net assets	\$363,917	\$269,963

The accompanying notes are an integral part of this statement.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Statement of Activities
Year Ended June 30, 2007

			Totals (Memorandum Only)	
	Unrestricted	Permanently Restricted	2007	2006
Support:				
Contributions	\$ 21,167	\$ 50,282	\$ 71,449	\$ 48,817
Revenues:				
Federal grants	-	573,731	573,731	360,680
Program service fees	37,353	-	37,353	26,518
Miscellaneous	8,905	-	8,905	11,445
Total support and revenues	67,425	624,013	691,438	447,460
Functional expenses:				
Program services -				
Hope Center	10,251	559,715	569,966	398,225
Management and general	28,596	-	28,596	22,973
Total functional expenses	38,847	559,715	598,562	421,198
Public support and other revenue over expenses	28,578	64,298	92,876	26,262
Other changes in net assets:				
Interest expense	-	-	-	(263)
Operating transfers	(72,731)	72,731	-	-
Total increase in net assets	(44,153)	137,029	92,876	25,999
Net assets, beginning	259,637	-	259,637	233,638
Net assets, ending	\$ 215,484	\$ 137,029	\$ 352,513	\$259,637

The accompanying notes are an integral part of this statement.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Statement of Activities
Year Ended June 30, 2006

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Totals (Memorandum Only)</u>	
			<u>2006</u>	<u>2005</u>
Support:				
Contributions	\$ 17,224	\$ 31,593	\$ 48,817	\$ 34,321
Revenues:				
Federal grants	-	360,680	360,680	268,761
Program service fees	26,518		26,518	24,455
Miscellaneous	11,445	-	11,445	10,847
Net assets released from restrictions				
Satisfaction of purpose restrictions	<u>63,325</u>	<u>(63,325)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>118,512</u>	<u>328,948</u>	<u>447,460</u>	<u>338,384</u>
Functional expenses:				
Program services -				
Hope Center	-	398,225	398,225	264,533
Management and general	<u>22,973</u>	<u>-</u>	<u>22,973</u>	<u>21,013</u>
Total functional expenses	<u>22,973</u>	<u>398,225</u>	<u>421,198</u>	<u>285,546</u>
Public support and other revenue over (under) expenses	95,539	(69,277)	26,262	52,838
Other changes in net assets:				
Interest expense	(263)	-	(263)	-
Operating transfers	<u>(4,965)</u>	<u>4,965</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net assets	90,311	(64,312)	25,999	52,838
Net assets, beginning	<u>169,326</u>	<u>64,312</u>	<u>233,638</u>	<u>180,800</u>
Net assets, ending	<u>\$ 259,637</u>	<u>\$ -</u>	<u>\$ 259,637</u>	<u>\$233,638</u>

The accompanying notes are an integral part of this statement.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Statement of Functional Expenses
Year Ended June 30, 2007

	<u>Program Services</u>	<u>Management</u>	<u>Totals</u>	
	Hope	and	(Memorandum Only)	
	Center	General	2007	2006
Payroll:				
Salaries	\$ 294,464	\$ -	\$ 294,464	\$196,970
Payroll taxes	18,397	-	18,397	15,194
Total payroll	<u>312,861</u>	<u>-</u>	<u>312,861</u>	<u>212,164</u>
Other:				
Contract labor	2,137	2,352	4,489	4,263
Dues and subscriptions	-	1,315	1,315	-
Utilities	25,366	-	25,366	19,856
Postage	800	68	868	409
Insurance	25,694	1,924	27,618	16,110
Telephone	5,948	-	5,948	3,877
Maintenance	10,830	5,451	16,281	12,921
Miscellaneous	1,008	1,924	2,932	3,719
Rent	62,750	-	62,750	53,000
Supplies -				
Food	51,941	-	51,941	31,868
Household	9,070	3,076	12,146	13,956
Office	5,281	-	5,281	3,157
Medical	-	259	259	1,252
Literature	4,847	6,266	11,113	9,724
Other	2,630	650	3,280	3,455
Professional -				
Accounting & auditing	5,650	-	5,650	5,050
Medical	19,873	1,176	21,049	12,207
Other	-	2,708	2,708	-
Travel	-	3,040	3,040	240
Total other	<u>233,825</u>	<u>30,209</u>	<u>264,034</u>	<u>195,064</u>
Allocation of Depreciation	<u>13,029</u>	<u>8,638</u>	<u>21,667</u>	<u>13,970</u>
Total functional expenses	<u>\$ 559,715</u>	<u>\$38,847</u>	<u>\$ 598,562</u>	<u>\$421,198</u>

The accompanying notes are an integral part of this statement.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Statement of Functional Expenses
Year Ended June 30, 2006

	<u>Program Services</u>	<u>Management</u>	<u>Totals</u>	
	<u>Hope</u> <u>Center</u>	<u>and</u> <u>General</u>	<u>(Memorandum Only)</u>	
			<u>2006</u>	<u>2005</u>
Payroll:				
Salaries	\$ 196,970	\$ -	\$196,970	\$150,544
Payroll taxes	<u>15,194</u>	<u>-</u>	<u>15,194</u>	<u>11,611</u>
Total payroll	<u>212,164</u>	<u>-</u>	<u>212,164</u>	<u>162,155</u>
Other:				
Contract labor	1,820	2,443	4,263	6,188
Dues and subscriptions	-	-	-	87
Utilities	19,834	22	19,856	18,196
Postage	370	39	409	370
Insurance	13,611	2,499	16,110	15,867
Telephone	3,824	53	3,877	2,784
Maintenance	10,433	2,488	12,921	8,270
Miscellaneous	1,494	2,225	3,719	4,012
Rent	53,000	-	53,000	3,000
Supplies -				
Food	31,538	330	31,868	26,500
Household	13,452	504	13,956	1,661
Office	3,023	134	3,157	1,679
Medical	-	1,252	1,252	469
Literature	4,542	5,182	9,724	7,960
Other	1,780	1,675	3,455	1,178
Professional -				
Accounting & auditing	5,050	-	5,050	6,150
Medical	11,638	569	12,207	7,187
Travel	<u>-</u>	<u>240</u>	<u>240</u>	<u>188</u>
Total other	<u>175,409</u>	<u>19,655</u>	<u>195,064</u>	<u>111,746</u>
Allocation of Depreciation	<u>10,652</u>	<u>3,318</u>	<u>13,970</u>	<u>11,645</u>
Total functional expenses	<u>\$ 398,225</u>	<u>\$22,973</u>	<u>\$421,198</u>	<u>\$285,546</u>

The accompanying notes are an integral part of this statement.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Comparative Statement of Cash Flows
Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Increase in net assets	\$ <u>92,876</u>	\$ <u>26,262</u>
Adjustments to reconcile increase in net assets -		
Depreciation	21,667	13,970
Changes in operating assets & liabilities:		
(Increase) decrease in grant receivable	4,604	(10,234)
Increase in salaries payable	4,626	-
Increase in accounts payable	(3,676)	6,452
Increase (decrease) in payroll taxes payable	<u>129</u>	<u>1,117</u>
Total adjustments	<u>27,350</u>	<u>11,305</u>
Net cash provided by operating activities	<u>120,226</u>	<u>37,567</u>
Cash flows from capital and related financing activities:		
Proceeds from short-term financing	-	35,000
Payments on short-term financing	-	(35,000)
Interest paid	-	(263)
Net acquisition of equipment	<u>-</u>	<u>(53,625)</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>(53,888)</u>
Net increase in cash and cash equivalents	120,226	(16,321)
Cash and cash equivalents, beginning	<u>58,737</u>	<u>75,058</u>
Cash and cash equivalents, ending	<u>\$178,963</u>	<u>\$ 58,737</u>
Supplemental data:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Washington Street Hope Center, Inc. (the Corporation) was incorporated on July 25, 1988 and is a nonprofit organization as described in IRS Code Section 501(c)(3) which was formed for the purpose of providing a 28-day program of rehabilitation from substance abuse. The Corporation is governed by a board of directors, and employees consisting of two directors, a secretary, a cook, two counselors, and several program technicians.

B. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

D. Description of Programs

Hope Center -

The Hope Center provides long-term, highly structured residential treatment programs for alcoholic and drug dependent men who are economically unable to obtain needed treatment elsewhere. Fees range from assistance provided by the State of Louisiana, Department of Health and Hospitals, Office of Human Services, Division of Alcohol and Drug Abuse to direct payments from individual patients.

E. Donated Services and Materials

Contributions of materials, facilities, and services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These donated services and facilities were recorded at market value.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Notes to Financial Statements (Continued)

F. Fixed Asset Depreciation

Expenditures for physical properties are valued at historical cost and are being depreciated on a straight-line method over the following estimated lives:

Buildings	25 years
Building improvements	10 years
Vehicles & equipment	5 years
Furniture & fixtures	5 years

G. Compensated Absences

The Corporation's policy relating to accumulated unpaid vacation, sick pay and other employee benefits indicates that each employee receives two to four weeks vacation leave each year depending on the length of employment. Employees also receive sick leave as requested each year. Accumulated absences are not accrued in these financial statements, as such amounts were considered immaterial at June 30, 2007.

H. Income Taxes

The Corporation is a nonprofit organization and is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

I. Functional Expenses

Functional expenses have been allocated between Program Services and Supporting Services based on an analysis of personal time and space utilized for the related activities.

J. Uncollectible Patient Fees

Uncollectible amounts due for patient fees are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles at June 30, 2007 was immaterial.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Notes to Financial Statements (Continued)

K. Statement of Cash Flows

The Corporation considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

L. Estimates

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.

M. Totals – Memorandum Only

Total columns on the financial statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. In this case, the federal agency restricts the purpose of the support for only the care and treatment of the patients that are assigned by that agency.

(2) Cash

At June 30, 2007, the Corporation had cash and interest-bearing deposits (book balances) totaling \$178,963. These deposits are stated at cost which approximates market. These deposits (bank balances) at June 30, 2007, totaled \$202,999, and \$170,281 is secured from risk by federal deposit insurance, while \$32,718 is not secured. This will be corrected by the end of December 2007.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Notes to Financial Statements (Continued)

(3) Receivables

The following is a summary of receivables at June 30, 2007 and 2006:

	2007	2006
Grant revenue receivable	\$ 31,050	\$ 34,542
Federal Grant Receivable	10,185	11,297
Other receivables	-	-
	\$ 41,235	\$ 45,839

(4) Fixed Assets

A summary of property and equipment at June 30, 2007 and 2006 follows:

	2007	2006
Buildings and improvements	\$ 213,083	\$ 213,083
Equipment	76,998	76,999
Vehicles	16,700	16,700
Furniture and fixtures	12,107	12,107
Land	4,000	4,000
	322,888	322,889
Less: accumulated depreciation	(180,931)	(159,264)
Net property and equipment	\$ 141,957	\$ 163,625

(5) Donated Materials, Services, and Capital Expenditures

The value of donated materials, services, and capital expenditures included in the financial statements and corresponding expenditures for the years ended June 30, 2007 and 2006 follows:

	2007	2006
Public support restricted (Contributions):		
Donated food supplies	\$ 46,555	\$ 29,813
Donated labor	687	-
Donated travel	3040	1780
Donated Training	-	-
Total public support restricted	\$ 50,282	\$ 31,593

WASHINGTON STREET HOPE CENTER, INC.
 Marksville, Louisiana

Notes to Financial Statements (Continued)

	2007	2006
Expenses:		
Hope Center -		
Food supplies	\$46,555	\$29,813
Labor	687	-
Travel	3,040	1,780
Training	-	-
Total Hope Center	\$ 50,282	\$ 31,593

(6) Related Party Transactions

- A. James Hamilton is the finance director for Washington Street Hope Center, Inc. For the year ended June 30, 2007, Washington Street Hope Center, Inc. purchased \$145 of insurance policies through an insurance company that is owned by Mr. Hamilton's son. This amount was reported as insurance expense.
- B. Jo Hamilton, also a director for Washington Street Hope Center, Inc., leases the Hope Center building personally for \$250 per month.

(7) Litigation

The Corporation was not involved in any litigation at June 30, 2007.

(8) Federal Awards

The Corporation is funded largely by reimbursements under its contractual agreement with the State of Louisiana Department of Health and Hospitals, and Office of Human Services, which consist of federal funds. These funds are subject to review and audit by the grantor. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of management, the amount of disallowance, if any, would not be significant to the financial statements.

WASHINGTON STREET HOPE CENTER, INC.
Marksville, Louisiana

Notes to Financial Statements (Continued)

(9) Fair Values of Financial Instruments

The Corporation's financial instruments, none of which are held for trading purposes, include cash and grant receivables. The Corporation estimates that the fair value of all financial instruments at June 30, 2007 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of financial position.

**COMPLIANCE
AND
INTERNAL CONTROL**

Roy K. Derbonne, JR., LLC

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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
Washington Street Hope Center, Inc.
Marksville, Louisiana

I have audited the financial statements of Washington Street Hope Center, Inc., (a nonprofit organization) as of and for the year ended June 30, 2007, and have issued my report thereon dated December 6, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 Washington Street Hope Center, Inc.'s financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Washington Street Hope Center, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington Street Hope Center, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Washington Street Hope Center, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Washington Street Hope Center, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Washington Street Hope Center, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Washington Street Hope Center, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Washington Street Hope Center, Inc.'s internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be

significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors and management, others within the organization and grant awarding agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Ray K. Barton
Certified Public Accountant

Alexandria, Louisiana
December 6, 2007

SINGLE AUDIT

Roy K. Derbonne, JR., LLC

A Professional Accounting Corporation
1101-A Bolton Avenue
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INDEPENDENT AUDITOR'S 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
Washington Street Hope Center, Inc.
Marksville, Louisiana

Compliance

I have audited the compliance of Washington Street Hope 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 its major federal programs for the year ended June 30, 2007. Washington Street Hope Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its each of its major federal program is the responsibility of Washington Street Hope Center, Inc.'s management. My responsibility is to express an opinion on Washington Street Hope Center, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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 Nonprofit Organizations*. Those standards and OMB Circular A-133 require that I 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 Washington Street Hope Center, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Washington Street Hope Center, Inc.'s compliance with those requirements.

My audit does not provide a legal determination of Washington Street Hope Center, Inc.'s compliance with those requirements.

In my opinion, Washington Street Hope 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, 2006.

Internal Control Over Compliance

The management of Washington Street Hope 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 my audit, I considered Washington Street Hope Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Washington Street Hope Center, Inc.'s internal control over compliance.

A control deficiency in Washington Street Hope Center, Inc.'s internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirements of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely effects Washington Street Hope Center, Inc.'s ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Washington Street Hope Center, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by Washington Street Hope Center, Inc.'s internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Board of Directors, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.


Certified Public Accountant

Alexandria, Louisiana
December 6, 2007

WASHINGTON STREET HOPE CENTER, INC.
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 June 30, 2007

	<u>CFDA #</u>	<u>Receipts</u>	<u>Disbursements</u>
Department of Health and Human Services:			
Passed Through Louisiana Department Of Health and Hospitals:			
Inpatient Treatment Services	93.959	\$ 378,322	\$ 378,322
 Department of Health and Human Services:			
Passed Through Louisiana Department Of Health and Hospitals:			
Access To Recovery		<u>195,409</u>	<u>191,644</u>
		<u>\$ 573,731</u>	<u>\$ 569,966</u>

Cluster is a major program.

WASHINGTON STREET HOPE CENTER, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

PART I – SUMMARY OF AUDITOR’S RESULTS

The independent auditor’s report on the financial statements for the Washington Street Hope Center, Inc. as of June 30, 2007 and for the year then ended expressed an unqualified opinion.

The report on internal control included no reportable conditions.

The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of Washington Street Hope Center, Inc.

Washington Street Hope Center, Inc. had a major program notes as Department of Health and Hospitals, Passed through Louisiana Department of Health and Hospitals, Inpatient Treatment Services and Access to Recovery.

In determining if this program was a major program, I used the threshold of \$500,000.

The results of the audit disclosed no instances of noncompliance with respect to compliance with laws, regulations, contracts, and grants applicable to its major federal program.

Also, no matters were noted involving the internal control over compliance and its operation.

PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

There were no findings for the year ended June 30, 2007.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133

There were no findings for the year ended June 30, 2007.

WASHINGTON STREET HOPE CENTER, INC.
 Marksville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
 and Corrective Action Plan
 Year Ended June 30, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
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CURRENT YEAR (6/30/07) --

There were no findings and/or comments mentioned in the June 30, 2007 audit.

PRIOR YEAR (6/30/06) --

There were no findings and/or comments mentioned in the June 30, 2005 audit.