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**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

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 2/2/05

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Member
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Council on Alcohol and Drug Abuse
for Greater New Orleans

We have audited the accompanying statements of financial position of **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** as of June 30, 2004 and 2003, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of **CADA's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 we plan and perform the audits 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 audits provide 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 Alcohol and Drug Abuse for Greater New Orleans** as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Council on Alcohol and Drug Abuse
for Greater New Orleans
Page 2

In accordance with Government Auditing Standards, we have also issued a report dated November 12, 2004 on our consideration of CADA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of CADA 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.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 12, 2004

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
<u>Assets</u>		
Cash and cash equivalents	\$146,744	\$165,250
Grants receivable	118,644	179,143
Unconditional promises to give (NOTE 9)	197,906	195,248
Prepaid expenses	2,091	2,487
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 5)	10,360	13,119
Lease deposit	3,780	3,780
Other assets	<u>1,641</u>	<u>-0-</u>
Total assets	<u>\$481,166</u>	<u>\$559,027</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 7,397	\$ 7,427
Deferred revenue (NOTE 1)	<u>-0-</u>	<u>54,692</u>
Total liabilities	<u>7,397</u>	<u>62,119</u>
 <u>Net Assets</u>		
Unrestricted	275,863	301,660
Temporarily restricted (NOTE 8)	<u>197,906</u>	<u>195,248</u>
Total net assets	<u>473,769</u>	<u>496,908</u>
Total liabilities and net assets	<u>\$481,166</u>	<u>\$559,027</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Allocations	\$ -0-	\$ 147,310	\$ 147,310
Designations	1,913	7,196	9,109
United Way-St. Charles	17,400	43,400	60,800
Contributions	80,991	-0-	80,991
Federal grants	883,305	-0-	883,305
Other grants	6,871	-0-	6,871
Program services fees	63,822	-0-	63,822
Other	2,429	-0-	2,429
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>195,248</u>	<u>(195,248)</u>	<u>-0-</u>
Total support and revenue	<u>1,251,979</u>	<u>2,658</u>	<u>1,254,637</u>
Expenses:			
Program services	1,090,858	-0-	1,090,858
Supporting services:			
Management and general	160,062	-0-	160,062
Fundraising	<u>26,856</u>	<u>-0-</u>	<u>26,856</u>
Total expenses	<u>1,277,776</u>	<u>-0-</u>	<u>1,277,776</u>
Changes in net assets	(25,797)	2,658	(23,139)
Net assets, beginning of year	<u>301,660</u>	<u>195,248</u>	<u>496,908</u>
Net assets, end of year	<u>\$ 275,863</u>	<u>\$ 197,906</u>	<u>\$ 473,769</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2003**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Allocations	\$ 69	\$ 163,553	\$ 163,622
Designations	3,640	5,695	9,335
United Way-St. Charles	-0-	26,000	26,000
Contributions	115,653	-0-	115,653
Federal grants	835,888	-0-	835,888
Other grants	907,583	-0-	907,583
Program services fees	183,733	-0-	183,733
Other	5,014	-0-	5,014
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>219,881</u>	<u>(219,881)</u>	<u>-0-</u>
Total support and revenue	<u>2,271,461</u>	<u>(24,633)</u>	<u>2,246,828</u>
Expenses:			
Program services	2,043,928	-0-	2,043,928
Supporting services:			
Management and general	206,860	-0-	206,860
Fundraising	<u>46,487</u>	<u>-0-</u>	<u>46,487</u>
	<u>2,297,275</u>	<u>-0-</u>	<u>2,297,275</u>
Changes in net assets	(25,814)	(24,633)	(50,447)
Net assets, beginning of year	<u>327,474</u>	<u>219,881</u>	<u>547,355</u>
Net assets, end of year	<u>\$ 301,660</u>	<u>\$ 195,248</u>	<u>\$ 496,908</u>

See Accompanying Notes to the Financial Statements.

COUNCIL ON ALCOHOL AND DRUG ABUSE FOR GREATER NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>Management And General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 487,480	\$105,877	\$11,147	\$ 604,504
Employee health and retirement	77,220	13,000	1,717	91,937
Payroll taxes	<u>41,270</u>	<u>8,907</u>	<u>1,551</u>	<u>51,728</u>
Total salaries and related expenses	605,970	127,784	14,415	748,169
Professional fees	305,464	1,599	515	307,578
Supplies	14,319	2,933	893	18,145
Telephone	10,038	2,056	-0-	12,094
Postage and shipping	5,231	1,072	82	6,385
Occupancy, insurance and fees	53,373	10,932	-0-	64,305
Equipment repairs and maintenance	6,989	1,431	-0-	8,420
Printing and publications	22,268	4,561	2,339	29,168
Travel	16,159	3,310	-0-	19,469
Conference and training attended	14,804	3,032	-0-	17,836
Conference and training held	29,413	-0-	8,585	37,998
Drug test programs	-0-	-0-	-0-	-0-
Dues	1,411	249	-0-	1,660
Miscellaneous	<u>241</u>	<u>43</u>	<u>27</u>	<u>311</u>
Total expenses before depreciation	1,085,680	159,002	26,856	1,271,538
Depreciation	<u>5,178</u>	<u>1,060</u>	<u>-0-</u>	<u>6,238</u>
Total expenses	<u>\$1,090,858</u>	<u>\$160,062</u>	<u>\$26,856</u>	<u>\$1,277,776</u>

See Accompanying Notes to the Financial Statements.

COUNCIL ON ALCOHOL AND DRUG ABUSE FOR GREATER NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2003

	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>Management And General</u>	<u>Fundraising</u>	
	<u>PROGRAM SERVICES</u>		
Salaries and wages	\$ 514,115	\$10,118	\$ 655,828
Employee health and retirement	69,125	1,866	88,175
Payroll taxes	<u>37,598</u>	<u>866</u>	<u>49,652</u>
Total salaries and related expenses	620,838	12,850	793,655
Professional fees	260,307	4,000	268,358
Supplies	25,038	1,692	32,989
Telephone	13,568	-0-	16,960
Postage and shipping	7,663	1,321	10,899
Occupancy, insurance and fees	58,187	-0-	72,733
Equipment repairs and maintenance	8,193	-0-	9,638
Printing and publications	25,582	4,114	32,538
Travel	16,967	234	20,195
Conference and training attended	27,546	-0-	27,546
Conference and training held	79,575	21,778	101,353
Drug test programs	113,218	-0-	113,218
Dues	2,110	-0-	2,110
Audio/visuals	5,476	-0-	5,476
Equipment purchases	1,013	-0-	1,013
ROY Agency pass-through	775,995	-0-	775,995
Miscellaneous	<u>2,652</u>	<u>498</u>	<u>3,150</u>
Total expenses before depreciation	2,043,928	46,487	2,287,826
Depreciation	<u>-0-</u>	<u>-0-</u>	<u>9,449</u>
Total expenses	<u>\$2,043,928</u>	<u>\$46,487</u>	<u>\$2,297,275</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$(23,139)	\$ (50,447)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	6,238	9,449
Other non cash item	259	2,474
(Increase) decrease in operating assets:		
Grants receivable	60,499	(49,722)
Unconditional promises to give	(2,658)	24,633
Prepaid expenses	396	(96)
Other assets	(1,641)	-0-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(30)	(5,915)
Deferred revenue	<u>(54,692)</u>	<u>(178,717)</u>
Net cash used in operating activities	<u>(14,768)</u>	<u>(248,341)</u>
Cash Flows from Investing Activities:		
Purchase of equipment	<u>(3,738)</u>	<u>(1,406)</u>
Net cash used in investing activities	<u>(3,738)</u>	<u>(1,406)</u>
Net decrease in cash and cash equivalents	(18,506)	(249,747)
Cash and cash equivalents, beginning of year	<u>165,250</u>	<u>414,997</u>
Cash and cash equivalents, end of year	<u>\$146,744</u>	<u>\$ 165,250</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies:

General

The **Committee on Alcoholism and Drug Abuse for Greater New Orleans** was created by Articles of Incorporation dated July 27, 1960, and amended April 30, 1970 and November 1, 1991, to operate exclusively for charitable, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. On May 22, 1997, the **Committee on Alcoholism and Drug Abuse for Greater New Orleans** had established its operating name as the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)**.

The mission of **CADA** is to prevent the misuse of alcohol and other drugs in order to promote and support healthy individuals and families, and safe communities. **CADA's** mission is achieved through education, collaboration, advocacy, referral and information services. **CADA** believes that in order to accomplish this mission they must:

1. Provide age-appropriate, culturally sensitive information and educational programs;
2. Provide opportunities for inter-agency collaboration and the free exchange of information and ideas;
3. Advocate for public policy changes; and
4. Provide treatment referral information to individuals and families in need of services.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CADA and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of CADA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Furniture and Equipment

Furniture and equipment are stated at cost. Additions, renewals, and betterments that add materially to productive capacity or extend the life of an asset are capitalized. Expenditures for maintenance and repairs which do not extend the life of the applicable assets are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the statement of activities.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Furniture and Equipment, Continued

Depreciation of the equipment is provided over the estimated useful lives of the assets (five to ten years) on a straight-line basis.

Income Taxes

No provision is made for income taxes, as CADA is exempt from income tax as a not-for-profit organization operated under Code Section 501(c)(3) of the Internal Revenue Code of 1986.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Statement of Cash Flows

For the purpose of the statement of cash flows, CADA considers time deposits and all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Estimates

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

Contributions and Grants

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Grants from private and governmental agencies are recorded when CADA is entitled to the funds.

Deferred Revenue

CADA reports as deferred revenue grants received earlier than the time for revenue recognition.

NOTE 2 - Pension Plan:

CADA has a defined contribution plan which covers substantially all full time employees. Annual contributions are discretionary with the Board of Directors, but may not exceed the maximum amount deductible for federal tax purposes. Contributions for the years ended June 30, 2004 and 2003 were \$22,121 and \$22,617.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Facility Lease:

CADA leases office space under an operating lease expiring during the 2004 fiscal year. For the years ended June 30, 2004 and 2003, facility lease expense amounted to \$57,012 and \$61,289.

NOTE 4 - Fair Values of Financial Instruments:

The fair values of financial instruments have been determined utilizing available market information and appropriate valuation methodologies. CADA considers the carrying amounts of cash and cash equivalents, and unconditional promises to give to approximate fair value.

NOTE 5 - Furniture and Equipment:

Furniture and equipment are stated at cost as follows:

	<u>2004</u>	<u>2003</u>
Furniture and equipment	\$ 33,696	\$ 46,411
Less: Accumulated depreciation	<u>(23,336)</u>	<u>(33,292)</u>
Net furniture and equipment	<u>\$ 10,360</u>	<u>\$ 13,119</u>

NOTE 6 - Contingencies:

Grants and contracts with funding sources often require fulfillment of certain conditions as set forth in the terms of the instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. Although, the return of funds is a possibility, the Board of Directors deems the contingency unlikely since CADA has agreed to comply with grantors provisions.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Net Assets Released from Restrictions:

At June 30, 2004 and 2003, net assets in the amounts of \$195,248 and \$219,881 were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	<u>2004</u>	<u>2003</u>
United Way for Greater New Orleans:		
Allocations	\$163,553	\$170,423
Designations	5,695	6,058
United Way-St. Charles	<u>26,000</u>	<u>43,400</u>
	<u>\$195,248</u>	<u>\$219,881</u>

NOTE 8 - Temporarily Restricted Assets:

Temporarily restricted net assets are available for operations during following fiscal years ending June 30:

<u>Funding Source</u>	<u>2005</u>	<u>2004</u>
United Way	<u>\$197,906</u>	<u>\$195,248</u>

NOTE 9 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 2004 and 2003 represent current receivables from local United Way agencies.

NOTE 10 - Concentration of Credit Risk:

CADA maintains cash balances at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

SUPPLEMENTARY INFORMATION

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Health and Human Services:			
Passed through Louisiana Department of Health and Hospitals-			
Teen Institute Region I	93.959	599642	\$ 28,500
NOCAD Unit	93.959	599834	62,773
Synar Region I	93.959	584364	10,000
STAR Program	93.243	IUDITI15651-01	133,306
PIP Positive Action	93.230	598393	70,441
SASA/Practice Research Collaborative	93.230	6UDITI12906-031	<u>283,819</u>
Total U.S. Department of Health and Human Services			<u>588,839</u>
U.S. Department of Justice:			
Direct Program:			
Drug-Free Communities Support	16.200	2000-JN-FX-0083	89,910
Passed through City of Kenner -			
Magiorre After School Program	16.579	LLEBG-LB-VX-7671	16,963
Passed through Louisiana Commission on Law Enforcement and City of Kenner-			
Kenner After School Program	16.579	B02-7-003	46,245
Passed through Louisiana Office of Alcohol and Tobacco Control-			
Enforcing the Underage Drinking Laws Block Grant	16.727	593709	<u>41,000</u>
Total U.S. Department of Justice			<u>194,118</u>

See Independent Auditors' Report on Supplementary Information
and
Note to Schedule of Expenditures of Federal Awards.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2004**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Housing and Urban Development:			
Passed through Unity for the Homeless- Unity-CADA Grant	14.235	LA48B003016	\$ <u>30,243</u>
Total U.S. Department of Housing and Urban Development			<u>30,243</u>
U.S. Department of Transportation:			
Passed through Louisiana Highway of Safety Commission - Empowering Youth to Save Lives	20.601	J8-04-01-00	<u>30,105</u>
Total U.S. Department of Transportation			<u>30,105</u>
U.S. Department of Education:			
Passed through Louisiana Governor's Office - CADA Hispanic Grant Program	84.186	601948	<u>40,000</u>
Total U.S. Department of Education			<u>40,000</u>
Total Expenditures of Federal Awards			<u>\$883,305</u>

See Independent Auditors' Report on Supplementary Information
and
Note to Schedule of Expenditures of Federal Awards.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE A - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **CADA** and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



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**INDEPENDENT AUDITORS' 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 of
**Council on Alcohol and Drug Abuse
for Greater New Orleans**

We have audited the financial statements of **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** as of and for the year ended June 30, 2004 and have issued our report thereon dated November 12, 2004. We conducted our 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 CADA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CADA'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 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 solely for the information and use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and any pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

November 12, 2004



Member
American Institute of
Certified Public Accountants
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Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

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

To the Board of Directors of
**Council on Alcohol and Drug Abuse
for Greater New Orleans**

Compliance

We have audited the compliance of **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. CADA'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 each of its major federal programs is the responsibility of CADA's management. Our responsibility is to express an opinion on CADA's compliance based on our audit.

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

(CONTINUED)

We conducted our 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 Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CADA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of CADA's compliance with those requirements.

In our opinion, CADA 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, 2004.

Internal Control Over Compliance

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

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

(CONTINUED)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 12, 2004

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

I. SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **unqualified opinion.**
- B. Reportable conditions in internal control were disclosed by the audit of the financial statements: **none reported** material weaknesses: **no.**
- C. Noncompliance which is material to the financial statements: **no.**
- D. Reportable conditions in internal control over major programs: **none reported** material weaknesses: **no.**
- E. The type of report issued on compliance for major programs: **unqualified.**
- F. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **no.**
- G. Major programs: United States Department of Health and Human Services:
SASA/Practice Research Collaborative, CFDA No. 93.230
- H. Dollar threshold used to distinguish between Type A and Type B programs:
\$300,000.
- I. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133:
yes.
- J. A management letter was issued: **no.**

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2004**

**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

No matters reported.

III. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

No matters reported.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

**A. INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS**

No prior year audit findings reported.

**B. INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS**

Not applicable.

C. MANAGEMENT LETTER

No prior year comments reported.