

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, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

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Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CADA as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

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Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

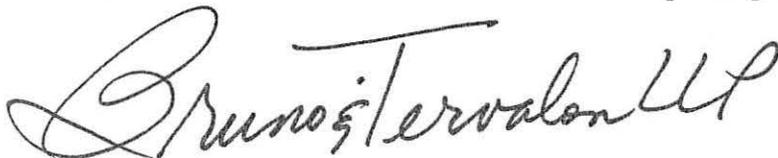
INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2019, on our consideration of CADA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CADA's internal control over financial reporting and compliance.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

September 25, 2019

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents (NOTES 1 and 14)	\$ 471,777	\$ 535,942
Grants and accounts receivable	71,803	206,654
Unconditional promises to give (NOTE 12)	230,448	108,849
Prepaid expenses	13,031	8,507
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 8)	10,690	22,986
Lease deposit	<u>1,727</u>	<u>1,728</u>
 Total assets	 <u>\$ 799,476</u>	 <u>\$ 884,666</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 63,866	\$ 70,594
Deferred revenue	<u>10,000</u>	<u>-</u>
 Total liabilities	 <u>73,866</u>	 <u>70,594</u>
Net assets:		
Without donor restrictions (NOTE 1)	495,162	705,223
With donor restrictions (NOTES 1 and 10)	<u>230,448</u>	<u>108,849</u>
 Total net assets	 <u>725,610</u>	 <u>814,072</u>
 Total liabilities and net assets	 <u>\$ 799,476</u>	 <u>\$ 884,666</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, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
United Way for Greater New Orleans Area:			
Allocation	\$ -	\$ 25,000	\$ 25,000
Designations	1,405	2,488	3,893
United Way - St. Charles	65	13,531	13,596
Contributions	10,417	-	10,417
Special event revenue, net of costs of direct benefits to donors of \$4,971	18,002	-	18,002
Federal grants	609,048	-	609,048
Other grants	164,061	189,429	353,490
Program service fees	50,435	-	50,435
Other	8,346	-	8,346
Net assets released from restrictions:			
Expiration of time restrictions	108,849	(108,849)	-
 Total revenue and support	 <u>970,628</u>	 <u>121,599</u>	 <u>1,092,227</u>
EXPENSES:			
Program services	940,183	-	940,183
Supporting services:			
Management and general	212,728	-	212,728
Fundraising	27,778	-	27,778
 Total expenses	 <u>1,180,689</u>	 <u>-</u>	 <u>1,180,689</u>
 Change in net assets	 (210,061)	 121,599	 (88,462)
 Net assets at beginning of year	 <u>705,223</u>	 <u>108,849</u>	 <u>814,072</u>
 Net assets at end of year	 <u>\$ 495,162</u>	 <u>\$ 230,448</u>	 <u>\$ 725,610</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, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
United Way for Greater New Orleans Area:			
Allocation	\$ -	\$ 25,000	\$ 25,000
Designations	-	2,318	2,318
United Way - St. Charles	-	81,531	81,531
Contributions	11,233	-	11,233
Special event revenue, net of costs of direct benefits to donors of \$6,000	28,014	-	28,014
Federal grants	915,374	-	915,374
Other grants	89,156	-	89,156
Program service fees	69,477	-	69,477
Other grants	2,688	-	2,688
Net assets released from restrictions:			
Expiration of time restrictions	109,546	(109,546)	-
Total revenue and support	<u>1,225,488</u>	<u>(697)</u>	<u>1,224,791</u>
EXPENSES:			
Program services	862,728	-	862,728
Supporting services:			
Management and general	230,061	-	230,061
Fundraising	57,515	-	57,515
Total expenses	<u>1,150,304</u>	<u>-</u>	<u>1,150,304</u>
Change in net assets	75,184	(697)	74,487
Net assets at beginning of year	<u>630,039</u>	<u>109,546</u>	<u>739,585</u>
Net assets at end of year	<u>\$ 705,223</u>	<u>\$ 108,849</u>	<u>\$ 814,072</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, 2019**

	PROGRAM SERVICES	SUPPORTING SERVICES		
		Management and General	Fundraising	Total
Salaries and wages	\$ 576,947	\$ 103,742	\$ 17,792	\$ 698,481
Employee health and retirement	103,821	14,662	-	118,483
Payroll taxes	60,961	13,278	1,919	76,158
Total salaries and related expenses	741,729	131,682	19,711	893,122
Professional fees	121,042	18,272	912	140,226
Occupancy, insurance and fees	31,177	4,718	893	36,788
Fees and penalties	-	27,455	-	27,455
Supplies	9,135	2,391	188	11,714
Software/Databases	8,156	2,297	1,188	11,641
Travel	10,195	250	270	10,715
Telephone	7,366	1,195	184	8,745
Miscellaneous	2,263	5,472	-	7,735
Conference and trainings	3,404	2,740	-	6,144
Fundraising	-	-	4,341	4,341
Printing and publications	3,758	510	59	4,327
Equipment, repairs and maintenance	1,754	1,592	26	3,372
Dues	-	1,750	-	1,750
Postage and shipping	204	108	6	318
Total expenses before depreciation	940,183	200,432	27,778	1,168,393
Depreciation	-	12,296	-	12,296
Total expenses	<u>\$ 940,183</u>	<u>\$ 212,728</u>	<u>\$ 27,778</u>	<u>\$ 1,180,689</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, 2018**

	PROGRAM SERVICES	SUPPORTING SERVICES		Total
		Management and General	Fundraising	
Salaries and wages	\$ 497,263	\$ 132,604	\$ 33,150	\$ 663,017
Employee health and retirement	78,941	21,051	5,263	105,255
Payroll taxes	54,548	14,546	3,637	72,731
Total salaries and related expenses	630,752	168,201	42,050	841,003
Professional fees	132,127	35,234	8,808	176,169
Occupancy, insurance and fees	28,546	7,612	1,903	38,061
Supplies	7,762	2,070	517	10,349
Travel	8,679	2,314	579	11,572
Telephone	6,249	1,666	417	8,332
Miscellaneous	24,488	6,530	1,633	32,651
Conference and trainings	4,693	1,251	313	6,257
Fundraising	7,368	1,965	491	9,824
Printing and publications	1,401	374	93	1,868
Equipment, repairs and maintenance	2,339	624	156	3,119
Dues	901	240	60	1,201
Postage and shipping	420	112	28	560
Total expenses before depreciation	855,725	228,193	57,048	1,140,966
Depreciation	7,003	1,868	467	9,338
Total expenses	<u>\$ 862,728</u>	<u>\$ 230,061</u>	<u>\$ 57,515</u>	<u>\$ 1,150,304</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, 2019 AND 2018**

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	\$ (88,462)	\$ 74,487
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	12,296	9,338
(Increase) Decrease in:		
Grants and accounts receivable	134,852	(120,985)
Unconditional promises to give	(121,599)	697
Prepaid expenses	4,747	2,096
Increase (Decrease) in:		
Accounts payable and accrued expenses	(15,999)	43,891
Deferred revenue	10,000	(1,442)
Net cash (used in) provided by operating activities	(64,165)	8,082
Net (decrease) increase in cash and cash equivalents	(64,165)	8,082
Cash and cash equivalents, beginning of year	535,942	527,860
Cash and cash equivalents, end of year	\$ 471,777	\$ 535,942

See Accompanying Notes to the Financial Statements.

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

NOTE 1 - Organization and Nature of Activities:

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** 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 abuse of alcohol, drugs, and other addictive substances to promote healthy and safe individuals, families, and communities throughout Greater New Orleans. Working with schools, community-based organizations, courts, employers, and others, **CADA** provides a wide range of substance abuse prevention, assessment, early intervention, and information and referral services for both youth and adults.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

CADA's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. 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 disclosure 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.

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

NOTE 2 - Summary of Significant Accounting Policies,
Continued:

Basis of Reporting

Effective April 1, 2018, **CADA** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **CADA** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **CADA** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

Revenue and Support

Grants and contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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

NOTE 2 - Summary of Significant Accounting Policies,
Continued:

Revenue and Support, continued

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Cash and Cash Equivalents

CADA considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Deferred Revenues

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

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

NOTE 2 - Summary of Significant Accounting Policies,
Continued:

Furniture and Equipment

Furniture and equipment are stated at cost, if purchased and at fair value at the date of the contribution of assets donated to **CADA**. **CADA** capitalizes furniture and equipment with a cost of over \$1,000. 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.

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

Income Taxes

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

CADA files as a tax-exempt organization. Should that status be challenged in the future, **CADA's** 2018, 2017 and 2016 tax years are open for examination by the IRS.

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.

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

NOTE 3 - 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, 2019 and 2018 were \$26,272 and \$20,366.

NOTE 4 - Functional Allocation of Expenses:

The costs of providing the various programs and 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.

NOTE 5 - Liquidity and Availability of Financial Assets:

CADA maintains adequate operating reserves. The current financial assets as of June 30, 2019, totaled \$543,580 which are available for general expenditures, that is, without donor or other restrictions limiting their use.

As part of CADA's liquidity management, CADA invest cash in excess of its daily need in money market funds.

NOTE 6 - Facility Lease:

On October 1, 2012, CADA leased office space under a noncancelable operating lease expiring on September 30, 2014. A sixth amendment to the original lease was made effective in February, 2019 to the extend the original lease through April, 2021. For the years ended June 30, 2019 and 2018, facility lease expense amounted to \$25,127 and \$25,044, respectively. Minimum future rental payments under this noncancelable lease for each of the next two (2) fiscal years and in the aggregate are:

<u>June 30,</u>	<u>Amount</u>
2020	\$ 25,630
2021	<u>21,713</u>
	<u>\$ 47,343</u>

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

NOTE 7 - Fair Value of Financial Instruments:

The fair value of financial instruments has been determined utilizing available market information and appropriate valuation methodologies. The carrying amount approximates fair value of cash and cash equivalents, and unconditional promises to give.

NOTE 8 - Furniture and Equipment:

Furniture and equipment are stated at cost as follows:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 49,266	\$ 70,027
Less: Accumulated depreciation	<u>(38,576)</u>	<u>(47,041)</u>
Net furniture and equipment	<u>\$ 10,690</u>	<u>\$ 22,986</u>

NOTE 9 - Net Assets Released from Donor Restrictions:

At June 30, 2019 and 2018, net assets in the amounts of \$108,849 and \$109,546, respectively, were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	<u>2019</u>	<u>2018</u>
United Way for Greater New Orleans:		
Allocations	\$ 25,000	\$ 25,000
Designations	2,318	3,015
United Way St. Charles	<u>81,531</u>	<u>81,531</u>
	<u>\$108,849</u>	<u>\$109,546</u>

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

NOTE 10 - Net Assets With Donor Restrictions:

Net assets with donor restrictions at year-end are available for operations during the subsequent year as follows:

<u>Funding Source</u>	<u>2019</u>	<u>2018</u>
Baptist Community Ministries	\$189,429	\$ -0-
United Way	<u>41,019</u>	<u>108,849</u>
	<u>\$230,448</u>	<u>\$108,849</u>

NOTE 11 - 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.

NOTE 12 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Unconditional promises to give before unamortized discount	\$232,444	\$108,849
Less: Unamortized discount	<u>(1,996)</u>	<u>-0-</u>
Net unconditional promises to give	<u>\$230,448</u>	<u>\$108,849</u>
Amounts due in:		
Less than one year	\$143,059	\$108,849
One to five years	<u>87,389</u>	<u>-0-</u>
Total	<u>\$230,448</u>	<u>\$108,849</u>

The discount rate was 1.92% for 2019.

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

NOTE 13 - Risk Management:

CADA is exposed to various risks of loss related to torts, theft, or damages to and destruction of assets for which CADA is insured under commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 14 - Concentration of Credit Risk:

At June 30, 2019 and 2018, CADA maintains cash and cash equivalents at financial institutions. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage on deposit accounts for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category.

NOTE 15 - New Pronouncements:

The FASB issued Accounting Standards Update No. 2016-02 affecting ASC 842, *Leases*, which provides guidance for any entity that enters into a lease (as defined in this Update), with some specified scope exemptions. The guidance in this Update supersedes ASC 840 *Leases*. The primary objective of this Update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the statement of financial position and disclosing key information about leasing arrangements. The amendments in this Update are effective for fiscal years beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020.

CADA is currently assessing the impact of this new pronouncement on its financial statements.

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

NOTE 16 - Subsequent Events:

CADA is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **CADA** performed such an evaluation through September 25, 2019, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED JUNE 30, 2019

Executive Director Name: Ms. Joyce Bracey

<u>Purpose</u>	<u>Amount</u>
Salary	\$95,000
Benefits – insurance	7,876
Benefits – retirement	4,750
Per diem for conference travel	783
Reimbursements for local and conference travel	759
Cell phone allowance	180

See Independent Auditors' Report on Supplementary Information.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS 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, in accordance with the 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, the financial statements of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **CADA's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **CADA's** internal control. Accordingly, we do not express an opinion on the effectiveness of **CADA's** internal control.

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

Internal Control over Financial Reporting, Continued

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

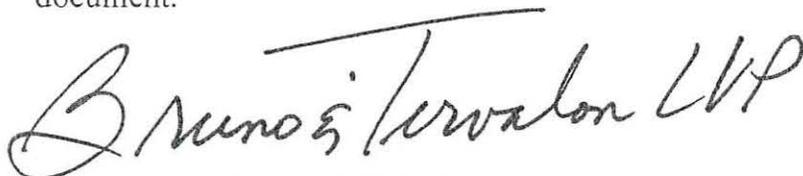
As part of obtaining reasonable assurance about whether CADA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CADA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CADA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the use of the Board of Directors, its management, grantor agencies and the Louisiana Legislative Auditor 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
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

September 25, 2019

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

We have audited the financial statements of the **Council on Alcohol and Drug Abuse for Greater New Orleans** as of and for the year ended June 30, 2019, and have issued our report thereon dated September 25, 2019. 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. Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

SECTION I - Summary of Auditors' Results

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported**; material weaknesses: **No**.
- B. Noncompliance which is material to the financial statements: **No**.
- C. Significant deficiencies in internal control over major programs: **N/A** Material weaknesses: **N/A**.
- D. The type of report issued on compliance for major programs: **N/A**.
- E. Any audit findings which are required to be reported under section 200.516 of OMB Uniform Guidance: **N/A**.
- F. Major programs: **N/A**.
- G. Dollar threshold used to distinguish between Type A and Type B programs: **N/A**.
- H. Auditee qualified as a low-risk auditee under section 200.520 of OMB Uniform Guidance: **N/A**.
- I. A management letter was issued: **No**.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II - Findings Related to the Financial Statements Required
In Accordance with Government Auditing Standards**

No matters were reported.

SECTION III - Federal Award Findings and Questioned Cost

Not applicable.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Section I - Internal Control and Compliance Material to the Financial Statements

No matters were reported.

Section II - Internal Control and Compliance Material to Federal Awards

No matters were reported.

Section III - Management Letter

No matters were reported.

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2019**



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. **CADA's** management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS

The procedures and findings related to the Statewide Agreed-Upon Procedures are as follows:

Written Policies and Procedures

1. We obtained CADA's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and CADA's operations):

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

No exceptions were noted.

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were noted.

- c) Disbursements, including processing, reviewing, and approving.

No exceptions were noted.

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cut-off procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were noted.

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

CADA's contracting policy did not address legal review.

Management's Response

CADA will update the contracting policy to include requirements for legal review.

- g) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were noted.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Ethics requirements are not applicable to this nonprofit organization.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Debt requirements are not applicable to nonprofits.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Bank Reconciliations

2. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify CADA's main operating account. We selected CADA's operating account and randomly selected one (1) month from the fiscal period. We obtained and inspected the corresponding bank statement and reconciliation for this account, and observed that:

- a) Bank reconciliations include evidence that they were prepared within two (2) months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions were noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);

No exceptions were noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were noted.

Cash Collections

3. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

No exceptions were noted.

4. For CADA's only deposit site, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one (1) location for the deposit site, obtained and inspected the written policies and procedures relating to employee job duties at the collection location, and observed that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions were noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions were noted.

- 5. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions were noted.

- 6. We randomly selected two (2) deposit dates for one (1) bank account tested for procedure #3 under "Bank Reconciliations" above. We then obtained supporting documentation for each of the two (2) deposits and:

- a) Observed that receipts are sequentially pre-numbered.

No exceptions were noted.

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were noted.

- c) Traced the deposit slip total to the actual deposit per the bank statement.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

- d) Observed that the deposit was made within one (1) business day of receipt at the collection location (within one week if the depository is more than ten (10) miles from the collection location or the deposit is less than \$100).

We noted two (2) of two (2) deposits tested were made more than one (1) business day after receipt.

Management's Response

CADA reviewed its collection and deposit procedures in 2019 and included provisions to allow for immediate deposit of large-value collections. We determined that the current size of the organization does not warrant daily deposits for smaller-value collections, as daily collections are documented and stored securely, with deposits made weekly.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

7. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

No exceptions were noted.

8. For the one (1) location identified under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were noted.

- 9. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly select five (5) disbursements for each location, obtained supporting documentation for each transaction and:

- a) Observed that the disbursement matched the related original invoice/billing statement.

No exceptions were noted.

- b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were noted.

We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

September 25, 2019