

**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, 2017 AND 2016

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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, 2017 and 2016, 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
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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, 2017 and 2016, 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

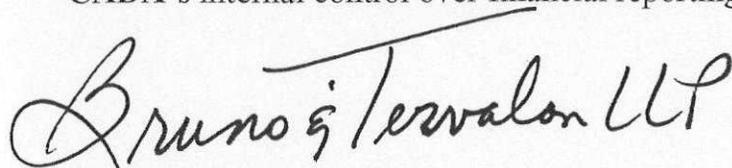
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, 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 December 29, 2017, 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

December 29, 2017

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash and cash equivalents (NOTES 1 and 10)	\$527,860	\$374,670
Grants receivable	85,669	106,005
Unconditional promises to give (NOTE 9)	109,546	116,667
Prepaid expenses	10,603	12,791
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 5)	32,324	11,293
Lease deposit	<u>1,728</u>	<u>1,728</u>
Total assets	<u>\$767,730</u>	<u>\$623,154</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 26,703	\$ 38,665
Deferred revenue	<u>1,442</u>	<u>-</u>
Total liabilities	<u>28,145</u>	<u>38,665</u>
 <u>Net Assets</u>		
Unrestricted (NOTE 1)	630,039	467,822
Temporarily restricted (NOTES 1 and 8)	<u>109,546</u>	<u>116,667</u>
Total net assets	<u>739,585</u>	<u>584,489</u>
Total liabilities and net assets	<u>\$767,730</u>	<u>\$623,154</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, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Allocations	\$ 612	\$ 25,000	\$ 25,612
Designations	-	3,015	3,015
United Way-St. Charles	-	81,531	81,531
Contributions	7,692	-	7,692
Special events revenue, net of costs of direct benefits to donors of \$17,795	22,829	-	22,829
Federal grants	796,953	-	796,953
Other grants	74,940	-	74,940
Program service fees	50,065	-	50,065
BP Oil Spill	197,024	-	197,024
Other	129	-	129
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>116,667</u>	<u>(116,667)</u>	<u>-</u>
Total support and revenue	<u>1,266,911</u>	<u>(7,121)</u>	<u>1,259,790</u>
Expenses:			
Program services	851,375	-	851,375
Supporting services:			
Management and general	192,001	-	192,001
Fundraising	<u>61,318</u>	<u>-</u>	<u>61,318</u>
Total expenses	<u>1,104,694</u>	<u>-</u>	<u>1,104,694</u>
Changes in net assets	162,217	(7,121)	155,096
Net assets, beginning of year	<u>467,822</u>	<u>116,667</u>	<u>584,489</u>
Net assets, end of year	<u>\$ 630,039</u>	<u>\$ 109,546</u>	<u>\$ 739,585</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, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Allocations	\$ 424	\$ 25,000	\$ 25,424
Designations	-	10,667	10,667
United Way-St. Charles	-	81,000	81,000
Contributions	26,655	-	26,655
Special events revenue, net of costs of direct benefits to donors of \$15,652	19,641	-	19,641
Federal grants	794,343	-	794,343
Other grants	36,000	-	36,000
Program service fees	79,414	-	79,414
Other	693	-	693
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>196,009</u>	<u>(196,009)</u>	<u>-</u>
Total support and revenue	<u>1,153,179</u>	<u>(79,342)</u>	<u>1,073,837</u>
Expenses:			
Program services	890,972	-	890,972
Supporting services:			
Management and general	182,393	-	182,393
Fundraising	<u>43,002</u>	<u>-</u>	<u>43,002</u>
Total expenses	<u>1,116,367</u>	<u>-</u>	<u>1,116,367</u>
Changes in net assets	36,812	(79,342)	(42,530)
Net assets, beginning of year	<u>431,010</u>	<u>196,009</u>	<u>627,019</u>
Net assets, end of year	<u>\$ 467,822</u>	<u>\$116,667</u>	<u>\$ 584,489</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, 2017

	PROGRAM SERVICES	SUPPORTING SERVICES		Total
		Management and General	Fundraising	
Salaries and wages	\$ 449,782	\$ 121,005	\$ 41,125	\$ 611,912
Employee health and retirement	71,729	19,297	6,558	97,584
Payroll taxes	44,783	12,048	4,095	60,926
Total salaries and related expenses	566,294	152,350	51,778	770,422
Professional fees	184,346	19,909	-	204,255
Supplies	4,829	3,040	-	7,869
Telephone	5,690	1,531	520	7,741
Postage and shipping	-	178	692	870
Occupancy, insurance and fees	25,896	6,967	2,368	35,231
Equipment repairs and maintenance	2,878	404	-	3,282
Printing and publications	12,717	1,681	1,578	15,976
Travel	10,022	773	-	10,795
Conference and training attended	12,942	-	-	12,942
Conference and training held	1,928	-	-	1,928
Dues	-	1,285	-	1,285
Equipment	8,278	-	-	8,278
Other	-	-	4,382	4,382
Miscellaneous	7,575	1,888	-	9,463
Total expenses before depreciation	843,395	190,006	61,318	1,094,719
Depreciation	7,980	1,995	-	9,975
Total expenses	<u>\$ 851,375</u>	<u>\$ 192,001</u>	<u>\$ 61,318</u>	<u>\$ 1,104,694</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, 2016

	PROGRAM SERVICES	SUPPORTING SERVICES		
		Management and General	Fundraising	Total
Salaries and wages	\$ 501,382	\$ 94,009	\$ 31,336	\$ 626,727
Employee health and retirement	79,577	14,913	4,927	99,417
Payroll taxes	45,379	8,509	2,836	56,724
Total salaries and related expenses	626,338	117,431	39,099	782,868
Professional fees	177,307	44,327	1,380	223,014
Supplies	12,330	3,083	1,516	16,929
Telephone	7,244	1,811	-	9,055
Postage and shipping	1,478	369	-	1,847
Occupancy, insurance and fees	30,501	7,625	-	38,126
Equipment repairs and maintenance	2,817	704	-	3,521
Printing and publications	3,050	762	1,007	4,819
Travel	9,540	2,385	-	11,925
Conference and training attended	9,406	-	-	9,406
Conference and training held	-	1,445	-	1,445
Dues	1,151	-	-	1,151
Miscellaneous	6,790	1,697	-	8,487
Total expenses before depreciation	887,952	181,639	43,002	1,112,593
Depreciation	3,020	754	-	3,774
Total expenses	<u>\$ 890,972</u>	<u>\$ 182,393</u>	<u>\$ 43,002</u>	<u>\$ 1,116,367</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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 155,096	\$ (42,530)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,975	3,774
Decrease (Increase) in operating assets:		
Grants receivable	20,336	(57,335)
Unconditional promises to give	7,121	(5,658)
Prepaid expenses	2,188	(4,972)
(Decrease) Increase in operating liabilities:		
Accounts payable and accrued expenses	(11,962)	14,922
Deferred revenue	<u>1,442</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>184,196</u>	<u>(91,799)</u>
Cash Flows from Investing Activities:		
Purchases of equipment	<u>(31,006)</u>	<u>(10,750)</u>
Net cash used in investing activities	<u>(31,006)</u>	<u>(10,750)</u>
Net increase (decrease) in cash and cash equivalents	153,190	(102,549)
Cash and cash equivalents, beginning of year	<u>374,670</u>	<u>477,219</u>
Cash and cash equivalents, end of year	<u>\$ 527,860</u>	<u>\$ 374,670</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** 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.

Financial Statement Presentation

For the year ended June 30, 2017, **CADA** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, in the presentation of its financial statements. Under FASB ASC Section 958-205, **CADA** is required to report, as applicable, information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. Accordingly, net assets and changes therein are classified and reported as follows:

- Unrestricted net assets - Support, revenues, and expenses for the general operation of **CADA**.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Financial Statement Presentation, Continued

- Temporarily restricted net assets - Contributions specifically authorized by the donor to be used for a certain purpose or to benefit a specific accounting period.
- Permanently restricted net assets - Contributions subject to donor imposed restrictions and that are to be held in perpetuity by **CADA**. Generally, the donors of these assets permit **CADA** to use all or part of the income derived from the investment of these contributions.

At June 30, 2017, **CADA** had no permanently restricted net assets.

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.

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

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** 2017, 2016 and 2015 tax years are open for examination by the IRS.

Functional Allocation of Expenses

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

Statements of Cash Flows

For the purpose of the statements 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 Revenues

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, 2017 and 2016 were \$15,624 and \$21,161.

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

NOTE 3 - Facility Lease:

On October 1, 2012, CADA leased office space under a noncancelable operating lease expiring on September 30, 2014. A third amendment to the original lease was made effective in January, 2017 to the extend the original lease through December 31, 2017. For the years ended June 30, 2017 and 2016, facility lease expense amounted to \$25,044 and \$27,223, respectively.

NOTE 4 - 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 5 - Furniture and Equipment:

Furniture and equipment are stated at cost as follows:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 70,027	\$ 39,021
Less: Accumulated depreciation	<u>(37,703)</u>	<u>(27,728)</u>
Net furniture and equipment	<u>\$ 32,324</u>	<u>\$ 11,293</u>

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

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.

NOTE 7 - Net Assets Released from Restrictions:

At June 30, 2017 and 2016, net assets in the amounts of \$116,667 and \$196,009 were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	<u>2017</u>	<u>2016</u>
United Way for Greater New Orleans:		
Allocations	\$ 25,000	\$ 37,930
Designations	10,667	5,079
United Way-St. Charles	<u>81,000</u>	<u>153,000</u>
	<u>\$116,667</u>	<u>\$196,009</u>

NOTE 8 - Temporarily Restricted Net Assets:

Temporarily restricted net assets at year-end are available for operations during the subsequent year as follows:

<u>Funding Source</u>	<u>2017</u>	<u>2016</u>
United Way	<u>\$109,546</u>	<u>\$116,667</u>

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

NOTE 9 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 2017 and 2016 represent current receivables from local United Way agencies.

NOTE 10 - Concentration of Credit Risk:

At June 30, 2017 and 2016, **CADA's** cash on deposit with a financial institution was fully insured by the Federal Deposit Insurance Corporation (FDIC). Also, **CADA** maintains cash and cash equivalents with investment brokers which are fully protected by the Securities Investor Protection Corporation.

NOTE 11 - 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 December 29, 2017 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.

SUPPLEMENTARY INFORMATION

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Activity</u>
<u>U.S. Department of Health and Human Services</u>		
<i><u>Direct Award</u></i>		
Substance Abuse and Mental Health Services	93.243	\$ 663,640
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA Office for Addictive Disorders,</u>		
<u>Department of Health and Hospitals</u>		
Metropolitan Human Service District	93.959	<u>133,313</u>
Total U.S. Department of Health and Human Services		<u>796,953</u>
Total Expenditures of Federal Awards		<u><u>\$ 796,953</u></u>

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of CADA under programs of the federal government for the year ended June 30, 2017 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

See Independent Auditors' Report on Supplementary Information.

**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, 2017

Executive Director Name: Ms. Joyce Bracey

<u>Purpose</u>	<u>Amount</u>
Salary	\$84,250
Benefits – insurance	6,280
Benefits – retirement	3,958
Benefits – professional license renewal	110
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	820
Travel	507
Registration fees	-0-
Conference travel	2,121
Continuing professional education fees	-0-
License fees	-0-
Unvouchered expenses	-0-
Special meals	-0-

See Independent Auditors' Report on Supplementary Information.

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 the
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, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2017.

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

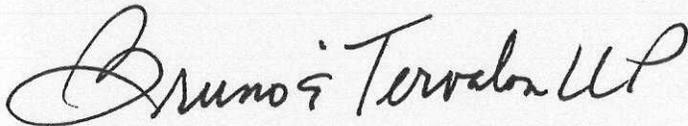
As part of obtaining reasonable assurance about whether CADA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, 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

December 29, 2017



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

Alcide J. Tervalon, Jr., CPA
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the **Council on Alcohol and Drug Abuse for Greater New Orleans' (CADA)** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on **CADA's** major federal program for the year ended June 30, 2017. **CADA's** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(CONTINUED)

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of CADA's major federal program based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide a legal determination of CADA's compliance.

Opinion on Each Major Federal Program

In our opinion, CADA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(CONTINUED)

Report on Internal Control Over Compliance

Management of CADA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CADA's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CADA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

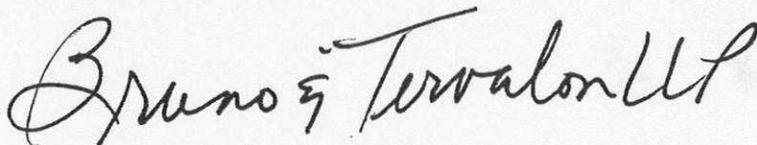
(CONTINUED)

Report on Internal Control Over Compliance, Continued

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, 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

December 29, 2017

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I. SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **Unmodified.**
- B. Significant deficiencies 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. Significant deficiencies in internal control over major programs: **None Reported.** material weaknesses: **No.**
- E. The type of report issued on compliance for major programs: **Unmodified.**
- F. Any audit findings required to be reported in accordance with Section 200.516(a) of the Uniform Guidance: **No.**
- G. Identification of Major Program:
United States Department of Health and Human Services
93.243 - Substance Abuse and Mental Health Services
- H. Dollar threshold used to distinguish between Type A and Type B programs:
\$750,000.
- I. Auditee qualified as a low-risk auditee: **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, 2017

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

No matters reported.

**SECTION 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 AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

**SECTION I - FINDINGS RELATING TO THE FINANCIAL
STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

No matters reported.

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED
TO FEDERAL AWARDS**

No matters reported.

SECTION III - MANAGEMENT LETTER

No comments 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, 2017



Member
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**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, 2016 through June 30, 2017. **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 to determine whether the policies and procedures address each of the following financial/business functions, as applicable:

- 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.

CADA's purchasing policy does not address (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.

Management's Response

CADA will update the purchasing policy to address the aforementioned processes.

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

No exceptions were noted.

- d) Receipts, including receiving, recording, and preparing deposits.

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 does not address types of services requiring written contracts, standard terms and conditions, legal review, or the approval and monitoring process.

Management's Response

CADA's policies will be revised to address types of services requiring written contracts, the standard terms and conditions of the contracts, legal requirements (if applicable) and the approval and monitoring process.

- g) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

- 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 nonprofits.

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

Debt requirements are not applicable to nonprofits.

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

Board (or Finance Committee, if applicable)

2. We obtained and reviewed the Board/Finance Committee minutes for the fiscal period to determine whether:
- a) the Board met (with a quorum) at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, or other equivalent document.

No exceptions were noted.

- b) the Board minutes referenced or included monthly budget-to-actual comparisons on CADA's funds, and if the budget-to-actual comparisons showed that management was deficit spending during the fiscal period, there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

We did not note that CADA's Board minutes referenced or included monthly budget-to-actual comparisons on CADA's funds. No deficit spending occurred during the period July 1, 2016 to June 30, 2017.

Management's Response

Every month, our Board Treasurer reviews the monthly financials, including budget to actual spending. At each board meeting, this information is discussed with the board members, and the minutes will reflect that in the future.

- c) the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions were noted.

Bank Reconciliations

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

No exceptions were noted.

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

4. From the listing provided by management, we selected all two of CADA's bank accounts and obtained bank statements and reconciliations for all months in the fiscal period to determine whether:

a) Bank reconciliations have been prepared;

No exceptions were noted.

b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) have reviewed each bank reconciliation;

No exceptions were noted.

c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

We noted the bank reconciliation for the operating account had a small number of reconciling items greater than six (6) months at the end of the fiscal period.

Management's Response

CADA's Finance Director will provide a list of outstanding checks over 90 days each month to the Executive Director, who will contact the payees, and either get them to deposit the check or have it re-issued.

Cash Collections

5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

No exceptions were noted.

6. From the listing provided by management, we selected all of CADA's cash collection locations and:

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

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) to determine whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

No exceptions were noted.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) to determine whether CADA has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

No exceptions were noted.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- 1) Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement to determine whether the deposits were made within one day of collection.

We noted that 2 of the 2 deposits collected were deposited more than one (1) day after receiving the funds.

Management's Response

Because of the size of our organization and the limited amount of cash and checks that we collect, our practice is as follows. 1. We do not accept cash. 2. We drop all checks and money orders into our on-site safe at the end of each day. (Only the Executive Assistant who makes deposits and the Executive Director have the combination.) 3. Every Friday, we make a deposit.

- 2) Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation.

No exceptions were noted.

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

7. We obtained existing written documentation (e.g. policy manual, written procedure) to determine whether CADA has a process specifically defined (identified as such by CADA) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

We noted that there is no written policy that specifically addresses how CADA determines the completeness of all cash collections.

Management's Response

CADA's cash collection policy will be updated to reflect that we do not accept cash, and to include the aforementioned points regarding reconciliation, etc.

Disbursements – General (excluding credit card purchases or payments)

8. We obtained CADA's consolidated check register for the year ended June 30, 2017 and filtered for purchases only. We obtained management's representation that the consolidated check register population was complete.

No exceptions were noted.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction to determine whether:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

We noted 17 of 25 purchases were not initiated using a purchase requisition or purchase order.

Management' Response

CADA will implement a purchase requisition process.

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

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

We noted 17 of 25 disbursements were not accompanied by a purchase order. The remaining 8 selected disbursements did not require a purchase order.

Management's Response

CADA will implement a purchase requisition process.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

We noted 17 of 25 disbursements were processed without an approved requisition or purchase order and 6 of 25 purchases were approved without a receiving report or packing slip. We noted 6 of the 25 selected disbursements were not supported by an approved invoice.

Management's Response

CADA will implement a purchase requisition process.

10. We reviewed CADA's documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the person responsible for processing payments is prohibited from adding vendors to CADA's purchasing/disbursement system.

We noted that the person responsible for processing payments is not prohibited from adding vendors to CADA's purchasing/disbursement system.

Management's Response

Due to limitations in our ability to segregate duties because of the small size of our organization, our Finance Director has to enter the vendors, however, moving forward, the Finance Director will submit an auto-generated report from our accounting software each month that lists all vendors (including newly added ones) for the Executive Director to review/approve.

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

11. We reviewed CADA's documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The executive director is an authorized check signer and is not prohibited from initiating or recording purchases.

Management's Response

Due to limitations in our ability to segregate duties because of the small size of our organization, the Executive Director must be a signor and must be the initiator of purchases. Board oversight and the fact that our Finance Director reconciles our account every month, are the processes by which we control and mitigate risk.

12. We inquired of management and observed the supply of unused checks to determine whether unused checks are maintained in a locked location, with access restricted to those persons that do not have signatory authority.

No exceptions were noted.

13. We inquired of the individual with a signature stamp whether his or her signature is maintained under his or her control or is used only with his or her knowledge and consent. We also inquired whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

All checks are manually signed; therefore, this procedure is not applicable.

Credit Cards

14. We obtained from management a listing of all active credit cards, including the card numbers and the names of the persons who maintained possession of the cards and we obtained management's representation that the listing is complete.

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

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

15. Using the listing prepared by management, we randomly selected 10 cards that were used during the fiscal period and obtained the monthly statements. We selected the monthly statement with the largest dollar activity for each card to determine whether:

- a) there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

- b) finance charges and/or late fees were assessed on the selected statements.

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

16. Using the monthly statements selected under #15 above, we obtained supporting documentation for all transactions for each of the two cards selected.

- a) We reviewed each transaction to determine whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

- 2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

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

- b) For each transaction, we reviewed the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) for compliance with CADA's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes).

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

- c) For each transaction, we compared CADA's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

CADA did not use a credit card during the period July 1, 2016 to June 30, 2017. Therefore, this procedure is not applicable.

Travel and Expense Reimbursement

17. We obtained the consolidated check register for the year ended June 30, 2017 and filtered for travel reimbursements. We obtained management's representation that the consolidated check register population is complete.

No exceptions were noted.

18. We obtained CADA's written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) to determine whether there are any amounts that exceed GSA rates.

No exceptions were noted

19. Using the transactions from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies to determine whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).

No exceptions were noted

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

b) We determined whether each expense is supported by:

1) An original itemized receipt that identifies precisely what was purchased.

No exceptions were noted

2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions were noted.

3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions were noted.

c) We compared CADA's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.

No exceptions were noted.

d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period and obtained the consolidated check register for the year ended June 30, 2017 and filtered for contract payments. We obtained management's representation that the consolidated check register population is complete.

No exceptions were noted.

21. Using the listing above, we selected the five contract vendors that were paid the most money during the fiscal period, including the transportation contract and excluding purchases on state contract and payments to the practitioner. We obtained the related contracts and paid invoices and:

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

- a) We determined whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions were noted.

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code to determine whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- 1) If yes, we obtained and compared supporting contract documentation to legal requirements to determine whether CADA complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

CADA is not subject to the Louisiana Public Bid Law or Procurement Code.

- 2) If no, we obtained supporting contract documentation to determine whether CADA solicited quotes as a best practice.

We noted that for 1 of the five contracts tested additional bids were not obtained as a best practice.

Management's Response

We will follow the federal procurement guidelines for large purchases over \$25,000. If the same contractor is used, the decision factors will be documented by the Executive Director.

- c) We determined whether the contract was amended, and if so, we determined whether the original contract terms contemplated or provided for such an amendment.

None of the contracts reviewed were amended; therefore, this procedure is not applicable.

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, and compared the invoice to the contract terms, to determine whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions were noted.

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

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries. We randomly selected the five employees, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period to determine whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions were noted.

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period to determine whether those changes were approved in writing and in accordance with written policy.

No exceptions were noted.

23. We obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee (January 9, 2017 to January 20, 2017). Within that pay period, we randomly selected 25 employees to determine whether:

- a) all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions were noted.

- b) there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

No exceptions were noted.

- c) there is written documentation that CADA maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.

No exceptions were noted.

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees. We reviewed the termination payments to determine whether they were made in strict accordance with policy and/or contract and approved by management.

No exceptions were noted.

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25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period to determine whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions were noted.

Ethics

26. Using the five randomly selected employees from procedure #22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management to determine whether CADA maintained documentation to demonstrate that required ethics training was completed. We also reviewed the employee files for the employees selected to determine whether there was a signed verification of having read the ethics policy included in the file.

This procedure is not applicable.

27. We inquired of management whether any alleged ethics violations were reported to CADA during the fiscal period and, if applicable, reviewed documentation demonstrating that management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with CADA's ethics policy.

No alleged ethics violations were reported to CADA during the fiscal period.

Debt Service

28. If debt was issued during the fiscal period, we obtained supporting documentation from CADA to determine whether State Bond Commission approval was obtained.

This procedure is not applicable.

29. If CADA had outstanding debt during the fiscal period, we obtained supporting documentation from CADA and report whether CADA made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

This procedure is not applicable.

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30. If **CADA** had tax millages relating to debt service, we obtained supporting documentation to determine whether millage collections exceeded debt service payments by more than 10% during the fiscal period.

This procedure is not applicable.

Other

31. We inquired of management whether **CADA** had any misappropriations of public funds or assets. If so, we obtained and reviewed supporting documentation to determine whether **CADA** reported the misappropriation to the Louisiana Legislative Auditor and the District Attorney of Orleans Parish.

No misappropriations of public funds or assets were reported during the period.

32. We observed **CADA's** premises and website to determine whether **CADA** posted the notice required by R.S. 24:523.1.

No exceptions were noted.

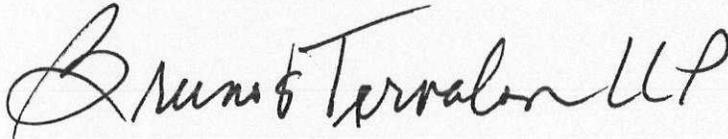
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted.

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, 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.

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.



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New Orleans, Louisiana

December 29, 2017