

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

*Audit of Financial Statements*

June 30, 2020



## Contents

---

<b>Independent Auditor's Report</b>	1 - 2
-------------------------------------	-------

---

### **Basic Financial Statements**

Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 19

---

### **Supplementary Information**

Schedule of Compensation, Benefits, and Other Payments to Agency Head	21
--------------------------------------------------------------------------	----

---

<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	22 - 23
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

---

<b>Schedule of Findings and Responses</b>	24
-------------------------------------------	----

<b>Schedule of Prior Audit Findings</b>	25
-----------------------------------------	----

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Council on Alcohol and Drug Abuse for Greater New Orleans (CADA), which comprise the statements of financial position as of June 30, 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 opinions.

## **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, 2020, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was 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 agency head 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 as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2020 on our consideration of CADA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely 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 the effectiveness of CADA's 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.



A Professional Accounting Corporation

Metairie, LA  
October 5, 2020

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020**

<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents (NOTES 2 and 18)	\$ 493,300
Grants and accounts receivable	127,145
Unconditional promises to give (NOTE 15)	170,889
Prepaid expenses	18,109
Lease deposit	<u>1,728</u>
<b>Total Current Assets</b>	<u>811,171</u>
Furniture and equipment, net of accumulated depreciation (NOTES 2 and 9)	<u>8,352</u>
<b>Total Assets</b>	<u><u>\$ 819,523</u></u>
<b>Liabilities and Net Assets</b>	
Accounts payable	\$ 46,045
Accrued expenses	45,238
Notes payable	27,900
Deferred revenue (NOTES 2 and 16)	<u>7,500</u>
<b>Total Liabilities</b>	<u>126,683</u>
<b>Net Assets</b>	
Without donor restrictions (NOTE 2)	503,341
With donor restrictions (NOTES 2 and 11)	<u>189,499</u>
<b>Total Net Assets</b>	<u>692,840</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 819,523</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Federal grants	\$ 721,986	\$ -	\$ 721,986
Private grants and contributions:			
United Way	44,347	116,504	160,851
Other grants	52,561	20,606	73,167
Other contributions	28,552	-	28,552
Program contract revenue	189,568	-	189,568
Program service fees	54,810	-	54,810
Other	21,442	-	21,442
Special event revenue, net of costs of direct benefits to donors of \$4,175	6,155	-	6,155
<b>Total Revenue and Support</b>	<b>1,119,421</b>	<b>137,110</b>	<b>1,256,531</b>
<b>Net Assets Released from Restrictions</b>			
Expiration of Restrictions	178,059	(178,059)	-
<b>Total Revenue, Support, and Net Assets Released from Restrictions</b>	<b>1,297,480</b>	<b>(40,949)</b>	<b>1,256,531</b>
<b>Expenses</b>			
Program services	1,079,313	-	1,079,313
Supporting services:			
Management and general	207,950	-	207,950
Fundraising	2,038	-	2,038
<b>Total Expenses</b>	<b>1,289,301</b>	<b>-</b>	<b>1,289,301</b>
<b>Change in Net Assets</b>	<b>8,179</b>	<b>(40,949)</b>	<b>(32,770)</b>
Net assets at beginning of year	495,162	230,448	725,610
Net assets at end of year	\$ 503,341	\$ 189,499	\$ 692,840

The accompanying notes are an integral part of these financial statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Supporting Services</u>			<b>Total</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	
Salaries and wages	\$ 625,060	\$ 130,986	\$ -	\$ 756,046
Employee health and retirement	113,057	13,762	-	126,819
Payroll taxes	65,647	13,445	-	79,092
Total salaries and related expenses	803,764	158,193	-	961,957
Professional fees	182,109	11,640	-	193,749
Occupancy, insurance, and fees	31,846	5,796	-	37,642
Conference and trainings	19,198	31	-	19,229
Equipment, repairs, and maintenance	7,918	10,440	-	18,358
Software/Databases	12,642	2,157	1,188	15,987
Telephone	7,632	2,052	-	9,684
Supplies	4,382	3,908	-	8,290
Miscellaneous	2,735	2,320	-	5,055
Travel	4,275	138	-	4,413
Printing and publications	2,812	301	-	3,113
Dues	-	2,500	-	2,500
Fundraising	-	-	850	850
Postage and shipping	-	313	-	313
Total expenses before depreciation	1,079,313	199,789	2,038	1,281,140
Depreciation	-	8,161	-	8,161
Total expenses	\$ 1,079,313	\$ 207,950	\$ 2,038	\$ 1,289,301

The accompanying notes are an integral part of these financial statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

<hr/>	
<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ (32,770)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	8,161
(Increase) Decrease in:	
Grants and accounts receivable	(55,342)
Unconditional promises to give	59,559
Prepaid expenses	(5,078)
Increase (Decrease) in:	
Accounts payable	15,963
Accrued expenses	11,452
Deferred revenue	<u>(2,500)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(555)</u>
 <b>Cash Flows from Investing Activities:</b>	
Furniture & equipment purchases	<u>(5,821)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(5,821)</u>
 <b>Cash Flows from Financing Activities:</b>	
SBA Loan Proceeds (Payroll Protection Program)	<u>27,900</u>
<b>Net Cash Provided by Financing Activities</b>	<u>27,900</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	21,524
 <b>Cash and Cash Equivalents, Beginning of Year</b>	<u>471,776</u>
 <b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 493,300</u></u>

The accompanying notes are an integral part of these 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*

CADA utilizes 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.

*Cash and Cash Equivalents*

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

*Grants and Accounts Receivable*

Grants and accounts receivable are unconditional promises to give that are recognized as contributions when the promise is received. Grants and accounts receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions and accounts receivable that are expected to be collected in more than one year are recorded at fair value at the date of the promise. That fair value is computed using present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue.

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

---

NOTE 2 - Summary of Significant Accounting Policies,  
Continued:

Grants and Accounts Receivable,  
*Continued:*

Management believes that all outstanding contributions and accounts receivable are collectible in full; therefore, no allowance for uncollectible grants receivable has been provided.

Revenue and Support

Federal Grants

Revenue from federal grants is primarily from direct federal awards with the Department of Health and Human Services. Federal grants are accounted for on a cost reimbursement basis. An accrual is made when eligible expenses are incurred. Reimbursement requests may include requests for indirect costs based on CADA's federally approved indirect cost rate.

Private Grants and Contributions

Private grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. CADA will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. Contributions are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Contributions expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of the promise and are discounted at an appropriate discount rate. Future amortization of the discount will be included in contribution revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible.

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

---

NOTE 2 - Summary of Significant Accounting Policies,  
Continued:

Program Contract Revenue

Revenue from program contracts is primarily for case management and prevention services performed for certain state agencies and local not-for-profit organizations funded by federal and state grants. Revenues are conditioned upon certain performance requirements. Amounts invoiced are recognized as revenue at the time the services occur, which is considered the performance obligation, and when the expenditures and effort to perform the service under the contract have been incurred.

Program Service Fees and Special Event Revenue

CADA recognizes revenue from service fees and special events, both of which are generally nonrefundable, at the time the service or event occurs, which is considered the performance obligation. Any amounts paid in advance are deferred to the period to which the underlying service or event takes place. All performance obligations are generally performed within the fiscal year.

Advertising

CADA expenses advertising costs as incurred. There were no advertising expenses for the year ended June 30, 2020.

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 (three to ten years) on a straight-line basis.

*Income Taxes*

CADA is recognized by the Internal Revenue Service (IRS) as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to CADA's tax-exempt purpose is subject to taxation as unrelated business income.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. CADA believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

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

---

NOTE 2 - 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.

NOTE 3 - Defined Contribution 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 year ended June 30, 2020 were \$30,336.

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. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort. Expenses that are allocated include salaries, health and retirement, and taxes.

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

---

NOTE 5 - Notes Payable:

On April 24, 2020, CADA received an unsecured loan from Gulf Coast Bank through the U.S. Small Business Administration Paycheck Protection Program (PPP). The loan bears an annual interest rate of 1.00% and matures on April 24, 2022. The loan is subject to forgiveness pursuant to the Paycheck Protection Program (PPP) and Paycheck Protection Program Flexibility Act (PPFPA) Rules and Regulations. For the year ended June 30, 2020, the balance of the loan was \$27,900.

NOTE 6 - Liquidity and Availability of Financial Assets:

CADA maintains adequate operating reserves. The current financial assets totaled \$620,445 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 daily need in money market funds.

NOTE 7 - 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 extend the original lease through April 2021. For the year ended June 30, 2020, facility lease expense amounted to \$25,630. Minimum future rental payments under this noncancelable lease for the next year and in the aggregate are:

June 30	Amount
2021	<u>\$ 21,713</u>

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

---

NOTE 8 - 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 9 - Furniture and Equipment:

Furniture and equipment are stated at cost as follows:

	2020
Furniture and Equipment	\$ 55,089
Less: Accumulated Depreciation	(46,737)
Net Furniture and Equipment	\$ 8,352

NOTE 10 - Net Assets Released from Donor Restrictions:

At June 30, 2020, net assets in the amounts of \$178,059, were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	2020
Baptist Community Ministries	\$ 102,040
United Way for Greater New Orleans:	
Allocations	25,000
Designations	2,488
United Way St. Charles	48,531
	\$ 178,059



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

---

NOTE 11 - Net Assets With Donor Restrictions:

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

Funding Source	2020
Baptist Community Ministries	\$ 89,385
Greater New Orleans Foundation	18,610
United Way	81,504
	\$ 189,499

NOTE 12 - 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 13 - Line of Credit:

At June 30, 2020, CADA had a \$50,000 unsecured line of credit available from a financial institution. The Organization had no balance outstanding with the line of credit as of June 30, 2020.

NOTE 14 - Accrued Compensated Absences:

Employees of CADA receive between ten (10) and twenty (20) days of accruable paid time off (PTO) according to their classification and years of service. Unused PTO balances are carried over into the following year with a maximum of fifteen (15) to thirty (30) days carried at any one time per employee, also based on their classification and years of experience. For the year ended June 30, 2020, accrued PTO balances total \$32,372 and are included in accrued expenses on the balance sheet.

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

---

NOTE 14 - Accrued Compensated Absences.  
Continued:

Employees also accrue seven (7) days of sick time annually. Sick time balances are carried over into the following year with a maximum of sixty (60) days carried at any one time per employee. Sick time is not compensable and is therefore not accrued.

NOTE 15 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 2020 are as follows:

Amounts due in:	
Less than One Year	\$ 170,889
One to Five years	<u>-</u>
Total	<u>\$ 170,889</u>

NOTE 16 - Deferred Revenue:

The following table provides information about significant changes in the deferred revenue related to contracts for the year ended June 30, 2020:

Deferred Revenue Partnership Agreement:	
Total Deferred Revenue, Beginning of Year	\$ 10,000
Revenue Recognized that was included in Deferred Revenue at the Beginning of the Year	<u>(2,500)</u>
Total Deferred Revenue, End of Year	<u>\$ 7,500</u>

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

---

NOTE 17 - 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.

COVID-19

On January 30, 2020, the World Health Organization declared the COVID-19 outbreaks a “Public Health Emergency of International Concern”, and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 included restrictions on travel, stay home orders, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and the actions taken to mitigate it have and are expected to continue to have an adverse impact in the economies and financial markets of many countries, including the geographical area in which CADA operates.

It is unknown how long these conditions will last and what the complete financial effect will be to CADA. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on CADA’s financial position, operations, and cash flows. However, the pandemic has not significantly impacted CADA’s productivity, funding streams, or its ability to deliver on its mission and thereby provide value to the community.

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

---

NOTE 18 - Concentration of Credit Risk:

CADA periodically maintains cash in bank accounts in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) secures accounts in insured institutions up to \$250,000 per depositor. As of June 30, 2020, CADA's bank balances were \$8,579 in excess of the FDIC insured limit. The Board of Directors annually reviews banks in which CADA has more than the insured amount on deposit. CADA has not experienced any losses and does not believe that significant credit risk exists.

CADA derived a significant portion of its revenues from four grantors, who accounted for 63% of CADA's total revenue for the year ended June 30, 2020, respectively. Grants receivable from these four grantors represented 51% of total grants and accounts receivable at June 30, 2020.

NOTE 19 - Recent Accounting Pronouncements - Not Yet Adopted:

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

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

---

NOTE 19 - Recent Accounting Pronouncements - Adopted:

CADA has adopted ASU 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of CADA's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way CADA recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 20 - Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available to be issued, October 5, 2020, and determined that the following event occurred which requires disclosure:

On September 1, 2020, CADA renewed a \$50,000 unsecured line of credit available from a financial institution.

No further subsequent events occurring after October 5, 2020 have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATION**

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2020

---

Louisiana Revised Statute (R.S) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement or local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Agency Head**

Joyce Bracey, President/CEO

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Bonus	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Organization	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Miscellaneous Expenses	\$0

Management has determined that a total of \$-0- in public funding received by CADA during the year ended June 30, 2020 was allocated to the Agency Head's salary. As such, all values reported on this schedule are reported as \$-0-.

See independent auditor's report.

**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***

Independent Auditor's Report

To the Board of Directors  
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), which comprise the statement of financial position as of June 30, 2020, 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 October 5, 2020.

**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 opinions on CADA's 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.

*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*.

### **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 the entity'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 entity's internal control and compliance. Accordingly, this communication 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA  
October 5, 2020

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Part I - Summary of Auditor's Results**

Financial Statements

- |                                                              |            |
|--------------------------------------------------------------|------------|
| 1. Type of auditors' report issued:                          | Unmodified |
| 2. Internal control over financial reporting:                |            |
| a. Material weaknesses identified?                           | No         |
| b. Significant deficiencies identified?                      | None       |
| 3. Noncompliance material to the financial statements noted? | No         |

Federal Awards - Not applicable

**Part II - Financial Statement Findings**

None noted.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

None noted.