

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

Audits of Financial Statements

June 30, 2021 and 2020



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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 the Council on Alcohol and Drug Abuse for Greater New Orleans (CADA), which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities and changes in net assets, 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 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 audits. 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 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, 2021 and 2020, and the changes in net assets and cash flows for the years 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, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 September 20, 2021 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
September 20, 2021

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents (NOTES 2 and 18)	\$ 546,752	\$ 493,300
Grants and accounts receivable	103,240	127,145
Unconditional promises to give (NOTE 15)	96,161	170,889
Prepaid expenses	22,183	18,109
Lease deposit	1,728	1,728
Total Current Assets	770,064	811,171
Furniture and equipment, net of accumulated depreciation (NOTES 2 and 9)	2,340	8,352
Total Assets	\$ 772,404	\$ 819,523
Liabilities and Net Assets		
Accounts payable	\$ 49,860	\$ 46,045
Accrued expenses	65,942	45,238
Notes payable	-	27,900
Deferred revenue (NOTES 2 and 16)	5,000	7,500
Total Liabilities	120,802	126,683
Net Assets		
Without donor restrictions (NOTE 2)	551,457	503,341
With donor restrictions (NOTES 2 and 11)	100,145	189,499
Total Net Assets	651,602	692,840
Total Liabilities and Net Assets	\$ 772,404	\$ 819,523

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

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	For the Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Federal grants	\$ 1,182,607	\$ -	\$ 1,182,607
Private grants and contributions:			
United Way	13,531	90,416	103,947
Other grants	6,500	-	6,500
Other contributions	16,439	-	16,439
Program contract revenue	145,108	-	145,108
Program service fees	34,218	-	34,218
Other	31,149	-	31,149
Special event revenue, net of costs of direct benefits to donors of \$-0-	-	-	-
Total Revenue and Support	1,429,552	90,416	1,519,968
Net Assets Released from Restrictions			
Expiration of Restrictions	179,770	(179,770)	-
Total Revenue, Support, and Net Assets Released from Restrictions	1,609,322	(89,354)	1,519,968
Expenses			
Program services	1,320,794	-	1,320,794
Supporting services:			
Management and general	236,208	-	236,208
Fundraising	4,204	-	4,204
Total Expenses	1,561,206	-	1,561,206
Change in Net Assets	48,116	(89,354)	(41,238)
Net assets at beginning of year	503,341	189,499	692,840
Net assets at end of year	<u>\$ 551,457</u>	<u>\$ 100,145</u>	<u>\$ 651,602</u>

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

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (CONTINUED)

	For the Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
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
Total Revenue and Support	1,119,421	137,110	1,256,531
Net Assets Released from Restrictions			
Expiration of Restrictions	178,059	(178,059)	-
Total Revenue, Support, and Net Assets Released from Restrictions	1,297,480	(40,949)	1,256,531
Expenses			
Program services	1,079,313	-	1,079,313
Supporting services:			
Management and general	207,950	-	207,950
Fundraising	2,038	-	2,038
Total Expenses	1,289,301	-	1,289,301
Change in Net Assets	8,179	(40,949)	(32,770)
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
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30, 2021			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 803,746	\$ 139,657	\$ -	\$ 943,403
Employee health and retirement	139,004	20,387	-	159,391
Payroll taxes	81,673	11,510	-	93,183
Total salaries and related expenses	1,024,423	171,554	-	1,195,977
Professional fees	210,053	21,117	-	231,170
Occupancy, insurance, and fees	26,398	12,649	-	39,047
Software/Databases	25,350	2,186	1,331	28,867
Conference and trainings	11,677	7,590	-	19,267
Printing and publications	12,845	-	-	12,845
Telephone	4,517	5,707	-	10,224
Supplies	3,947	2,925	63	6,935
Equipment, repairs, and maintenance	1,314	3,616	-	4,930
Fundraising	-	-	2,810	2,810
Dues	-	2,500	-	2,500
Miscellaneous	266	121	-	387
Postage and shipping	-	171	-	171
Travel	4	61	-	65
Total expenses before depreciation	1,320,794	230,197	4,204	1,555,195
Depreciation	-	6,011	-	6,011
Total expenses	\$ 1,320,794	\$ 236,208	\$ 4,204	\$ 1,561,206

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

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (CONTINUED)

	For the Year Ended June 30, 2020			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
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
Software/Databases	12,642	2,157	1,188	15,987
Conference and trainings	19,198	31	-	19,229
Printing and publications	2,812	301	-	3,113
Telephone	7,632	2,052	-	9,684
Supplies	4,382	3,908	-	8,290
Equipment, repairs, and maintenance	7,918	10,440	-	18,358
Fundraising	-	-	850	850
Dues	-	2,500	-	2,500
Miscellaneous	2,735	2,320	-	5,055
Postage and shipping	-	313	-	313
Travel	4,275	138	-	4,413
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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Years Ended	
	June 30, 2021	June 30, 2020
Cash Flows from Operating Activities:		
Change in net assets	\$ (41,238)	\$ (32,770)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,011	8,161
SBA Loan Forgiveness (Payroll Protection Program)	(27,900)	-
(Increase) Decrease in:		
Grants and accounts receivable	23,905	(55,342)
Unconditional promises to give	74,728	59,559
Prepaid expenses	(4,074)	(5,078)
Increase (Decrease) in:		
Accounts payable	3,816	15,963
Accrued expenses	20,704	11,452
Deferred revenue	(2,500)	(2,500)
Net Cash Provided by (Used in) Operating Activities	53,452	(555)
Cash Flows from Investing Activities:		
Furniture & equipment purchases	-	(5,821)
Net Cash Used in Investing Activities	-	(5,821)
Cash Flows from Financing Activities:		
SBA Loan Proceeds (Payroll Protection Program)	-	27,900
Net Cash (Used in) Provided by Financing Activities	-	27,900
Net Increase in Cash and Cash Equivalents	53,452	21,524
Cash and Cash Equivalents, Beginning of Year	493,300	471,776
Cash and Cash Equivalents, End of Year	\$ 546,752	\$ 493,300

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.

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

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. Grants 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**

NOTE 2 - Summary of Significant Accounting Policies,
Continued:

Grants and Accounts Receivable,
Continued

Management believes that all outstanding grants and accounts receivable are collectible in full; therefore, no allowance for uncollectible grants and accounts 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**

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 years ended June 30, 2021 and 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**

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 statements of activities and changes in net assets.

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**

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 years ended June 30, 2021 and June 30, 2020 were \$39,761 and \$30,336, respectively.

NOTE 4 - Functional Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. 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**

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). On February 16, 2021 the loan was forgiven pursuant to the PPP and Paycheck Protection Program Flexibility Act (PPFPA) Rules and Regulations. For the years ended June 30, 2021 and June 30, 2020, the balance of the loan was \$-0- and \$27,900, respectively.

NOTE 6 - Liquidity and Availability of Financial Assets:

CADA maintains adequate operating reserves. The current financial assets, including cash and cash equivalents and grants and accounts receivable, totaled \$649,992 and \$620,445 for the years ended June 30, 2021 and June 30, 2020, respectively, and are available for general expenditures, that is, without donor or other restrictions limiting their use.

As part of **CADA's** liquidity management, **CADA** invests 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 years ended June 30, 2021 and June 30, 2020, facility lease expense amounted to \$26,056 and \$25,630, respectively. This lease operated on a month-to-month basis after maturity and was terminated during August 2021.

On July 8, 2021, **CADA** leased office space under a noncancelable operating lease expiring on July 30, 2026. See Note 20.

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

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:

	2021	2020
Furniture and Equipment	\$ 55,089	\$ 55,089
Less: Accumulated Depreciation	(52,749)	(46,737)
Net Furniture and Equipment	\$ 2,340	\$ 8,352

NOTE 10 - Net Assets Released from Donor Restrictions:

At June 30, 2021 and June 30, 2020, net assets in the amounts of \$179,770 and \$178,059, respectively, were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	2021	2020
Baptist Community Ministries	\$ 89,385	\$ 102,040
Greater New Orleans Foundation	10,157	-
United Way for Greater New Orleans:		
Allocations	75,000	25,000
Designations	5,228	2,488
United Way St. Charles	-	48,531
Total	\$ 179,770	\$ 178,059

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

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:

<u>Funding Source</u>	<u>2021</u>	<u>2020</u>
Baptist Community Ministries	\$ -	\$ 89,385
Greater New Orleans Foundation	8,453	18,610
United Way	91,692	81,504
	<hr/>	<hr/>
Total	<u>\$ 100,145</u>	<u>\$ 189,499</u>

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, 2021, **CADA** had a \$50,000 unsecured line of credit available from a financial institution. **CADA** had no balance outstanding with the line of credit as of June 30, 2021 or June 30, 2020. The line of credit was extended on September 1, 2021 and currently matures on September 1, 2023.

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

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 years ended June 30, 2021 and June 30, 2020, accrued PTO balances totaled \$48,187 and \$32,372, respectively, and are included in accrued expenses on the statement of financial position.

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, 2021 and June 30, 2020 are as follows:

	2021	2020
Amounts Due in:		
Less than One Year	\$ 96,161	\$ 170,889
One to Five Years	-	-
Total	\$ 96,161	\$ 170,889

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

NOTE 16 - Deferred Revenue:

The following table provides information about significant changes in the deferred revenue related to contracts for the years ended June 30, 2021 and June 30, 2020:

	2021	2020
Deferred Revenue Partnership Agreement:		
Total Deferred Revenue, Beginning of Year	\$ 7,500	\$ 10,000
Revenue Recognized that was included in Deferred Revenue at the Beginning of the Year	(2,500)	(2,500)
Total Deferred Revenue, End of Year	\$ 5,000	\$ 7,500

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 had, 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.

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

NOTE 17 - Risk Management:
Continued:

*COVID-19,
Continued*

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. To date, 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.

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, 2021 and June 30, 2020, **CADA**'s bank balances were \$110,016 and \$8,579 in excess of the FDIC insured limit, respectively. 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 five grantors, who accounted for 84% and 66% of **CADA**'s total revenue for the years ended June 30, 2021 and June 30, 2020, respectively. Grants receivable from these five grantors represented 88% and 75% of total grants and accounts receivable at June 30, 2021 and June 30, 2020, respectively.

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

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.

NOTE 20 - Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available to be issued, September 20, 2021, and determined that the following events occurred which require disclosure:

On July 8, 2021, **CADA** leased office space under a noncancelable operating lease expiring on July 30, 2026. Minimum future rental payments under this noncancelable lease for the next year and in the aggregate are:

Year Ending June 30,	Amount
2022	\$ 73,333
2023	81,467
2024	83,096
2025	84,758
2026	86,453
2027	7,216
Total	<u>\$ 416,323</u>

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

NOTE 20 - Subsequent Events:
Continued:

On September 1, 2020, **CADA** renewed a \$50,000 unsecured line of credit available from a financial institution through September 1, 2023. See Note 13.

No further subsequent events occurring after September 20, 2021 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, 2021

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

Purpose	Amount
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, 2021 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, 2021, 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, and have issued our report thereon dated September 20, 2021.

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) as a basis for designing 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 financial statements. 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
September 20, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
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 each of CADA's major federal programs for the year ended June 30, 2021. CADA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for CADA's major federal programs 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 the audit requirements of 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 each major federal program. However, our audit does not provide a legal determination of CADA's compliance.

Opinion on Major Federal Programs

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 programs for the year ended June 30, 2021.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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.

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.

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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Metairie, LA
September 20, 2021

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>United States Department of Health and Human Services</u>			
Direct Awards			
Substance Abuse and Mental Health Projects of Regional and National Significance	93.243	n/a	<u>\$ 1,182,607</u>
Total United States Department of Health and Human Services			<u>1,182,607</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,182,607</u></u>

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **CADA** and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2. Indirect Cost Rate

CADA has elected not to use the 10 percent de minimis cost rate. **CADA** utilized a provisional indirect cost rate of 25.10% for the year ended June 30, 2021, as approved by the United States Department of Health and Human Services on December 3, 2020.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None reported |
| c. Noncompliance material to the financial statements noted? | No |
| 3. Management letter comment provided? | None |

Federal Awards

- | | |
|--|---------------|
| 4. Internal control over major programs | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance for major programs | Unmodified |
| 6. Any audit findings that are required to be reported in Accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major programs | |
| a. 93.243 - Substance Abuse and Mental Health Projects of Regional and National Significance | |
| 8. Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 9. Auditee qualified as a low-risk auditee under Uniform Guidance | No |

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Part II - Internal Control Over Financial Reporting

None noted.

Part III - Findings and Questioned Costs Related to Major Federal Award Programs

None noted.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Part II - Internal Control Over Financial Reporting

None noted.

Part III - Findings and Questioned Costs Related to Major Federal Award Programs

None noted.