

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

Audits of Financial Statements

June 30, 2023 and 2022



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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 Audit of the Financial Statements

Opinion

We have audited the 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, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CADA as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CADA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CADA's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CADA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CADA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 accompanying supplementary 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 5, 2023 on our consideration of CADA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 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 handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
September 5, 2023

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS**
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 549,513	\$ 487,496
Grants and Accounts Receivable	106,133	90,004
Unconditional Promises to Give	61,637	56,637
Prepaid Expenses	30,203	28,521
Lease Deposit	6,667	6,667
Total Current Assets	754,153	669,325
Other Assets		
Operating Lease, Right-of-Use Asset	241,761	-
Furniture and Equipment, Net of Accumulated Depreciation	1,905	599
Total Other Assets	243,666	599
Total Assets	\$ 997,819	\$ 669,924
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 49,535	\$ 41,277
Accrued Expenses	71,383	59,716
Deferred Revenue	-	2,500
Operating Lease Liability, Current Portion	77,415	-
Total Current Liabilities	198,333	103,493
Long-Term Liabilities		
Operating Lease Liability, Less Current Portion	166,827	-
Total Long-Term Liabilities	166,827	-
Total Liabilities	365,160	103,493
Net Assets		
Without Donor Restrictions	571,022	501,341
With Donor Restrictions	61,637	65,090
Total Net Assets	632,659	566,431
Total Liabilities and Net Assets	\$ 997,819	\$ 669,924

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Federal Grants	\$ 1,367,415	\$ -	\$ 1,367,415
Private Grants and Contributions			
United Way	1,228	61,637	62,865
Other Grants	72,750	-	72,750
Other Contributions	7,888	-	7,888
Program Contract Revenue	167,214	-	167,214
Program Service Fees	16,955	-	16,955
Other	4,017	-	4,017
Total Revenue and Support	1,637,467	61,637	1,699,104
Net Assets Released from Restrictions	65,090	(65,090)	-
Total Revenue, Support, and Net Assets Released from Restrictions	1,702,557	(3,453)	1,699,104
Expenses			
Program Services	1,391,058	-	1,391,058
Supporting Services			
Management and General	235,048	-	235,048
Fundraising	6,770	-	6,770
Total Expenses	1,632,876	-	1,632,876
Change in Net Assets	69,681	(3,453)	66,228
Net Assets, Beginning of Year	501,341	65,090	566,431
Net Assets, End of Year	\$ 571,022	\$ 61,637	\$ 632,659

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Federal Grants	\$ 1,267,465	\$ -	\$ 1,267,465
Private Grants and Contributions			
United Way	6,442	56,637	63,079
Other Grants	4,000	-	4,000
Other Contributions	13,565	-	13,565
Program Contract Revenue	170,279	-	170,279
Program Service Fees	17,581	-	17,581
Other	785	-	785
Total Revenue and Support	1,480,117	56,637	1,536,754
Net Assets Released from Restrictions	91,692	(91,692)	-
Total Revenue, Support, and Net Assets Released from Restrictions	1,571,809	(35,055)	1,536,754
Expenses			
Program Services	1,333,440	-	1,333,440
Supporting Services			
Management and General	281,792	-	281,792
Fundraising	6,693	-	6,693
Total Expenses	1,621,925	-	1,621,925
Change in Net Assets	(50,116)	(35,055)	(85,171)
Net Assets, Beginning of Year	551,457	100,145	651,602
Net Assets, End of Year	\$ 501,341	\$ 65,090	\$ 566,431

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, 2023**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and Wages	\$ 831,396	\$ 123,443	\$ -	\$ 954,839
Employee Health and Retirement	147,516	23,948	-	171,464
Payroll Taxes	79,483	10,872	-	90,355
Total Salaries and Related Expenses	1,058,395	158,263	-	1,216,658
Professional Fees	204,334	28,520	-	232,854
Lease Expenses	73,947	9,543	-	83,490
Supplies	23,301	5,432	-	28,733
Software/Databases	25,599	698	1,770	28,067
Insurance and Fees	-	16,786	-	16,786
Telephone	2,931	10,665	-	13,596
Fundraising	-	-	5,000	5,000
Conference and Trainings	622	1,722	-	2,344
Equipment, Repairs, and Maintenance	1,425	638	-	2,063
Miscellaneous	270	472	-	742
Printing and Publications	150	514	-	664
Dues	-	500	-	500
Postage and Shipping	-	193	-	193
Travel	84	-	-	84
Total Expenses Before Depreciation	1,391,058	233,946	6,770	1,631,774
Depreciation	-	1,102	-	1,102
Total Expenses	\$ 1,391,058	\$ 235,048	\$ 6,770	\$ 1,632,876

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, 2022**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and Wages	\$ 776,981	\$ 157,107	\$ -	\$ 934,088
Employee Health and Retirement	129,806	22,680	-	152,486
Payroll Taxes	75,992	14,373	-	90,365
Total Salaries and Related Expenses	982,779	194,160	-	1,176,939
Professional Fees	215,884	33,764	-	249,648
Lease Expenses	67,852	7,652	-	75,504
Software/Databases	21,998	1,603	1,618	25,219
Conference and Trainings	16,670	4,862	-	21,532
Insurance and Fees	-	16,364	-	16,364
Equipment, Repairs, and Maintenance	9,679	4,374	-	14,053
Supplies	5,667	6,263	-	11,930
Telephone	3,010	7,495	-	10,505
Fundraising	-	-	5,075	5,075
Miscellaneous	3,150	1,511	-	4,661
Travel	4,269	-	-	4,269
Printing and Publications	2,253	1,375	-	3,628
Dues	-	500	-	500
Postage and Shipping	229	128	-	357
Total Expenses Before Depreciation	1,333,440	280,051	6,693	1,620,184
Depreciation	-	1,741	-	1,741
Total Expenses	\$ 1,333,440	\$ 281,792	\$ 6,693	\$ 1,621,925

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, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 66,228	\$ (85,171)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	1,102	1,740
(Increase) Decrease in:		
Grants and Accounts Receivable	(16,129)	13,236
Unconditional Promises to Give	(5,000)	39,524
Prepaid Expenses	(1,682)	(6,338)
Lease Deposit	-	(4,939)
Operating Lease, Right-of-Use Asset	(241,761)	-
Increase (Decrease) in:		
Accounts Payable	8,258	(8,582)
Accrued Expenses	11,667	(6,226)
Deferred Revenue	(2,500)	(2,500)
Operating Lease Liability	244,242	-
Net Cash Provided by (Used in) Operating Activities	64,425	(59,256)
Cash Flows from Investing Activities		
Furniture and Equipment Purchases	(2,408)	-
Net Cash Used in Investing Activities	(2,408)	-
Net Increase (Decrease) in Cash and Cash Equivalents	62,017	(59,256)
Cash and Cash Equivalents, Beginning of Year	487,496	546,752
Cash and Cash Equivalents, End of Year	\$ 549,513	\$ 487,496
Supplemental Disclosures of Non-Cash Investing and Financing Transactions		
Recognition of Operating Lease Right-of-Use Asset (ASC 842 Adoption)	\$ 317,850	\$ -
Operating Lease Liability Arising from Right-of-Use Assets (ASC 842 Adoption)	\$ 317,850	\$ -

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

COUNCIL ON ALCOHOL AND DRUG ABUSE FOR GREATER NEW ORLEANS

Notes to Basic 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 of accounting and in accordance with accounting principles generally accepted in the United States of America.

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 demand deposits and highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

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

Notes to Basic Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Grants and Accounts Receivable

Grants and accounts receivable include requests for reimbursement submitted under federal grants and billings under contracts for services. Management believes that all outstanding grants and accounts receivable are collectible in full; therefore, no allowance for uncollectible grants and accounts receivable has been recorded.

The opening balance in grants and accounts receivable as of July 1, 2021 totaled \$103,239.

Promises to Give

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

Revenue and Support

Federal Grants

Revenue from federal grants is 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 and changes in net assets 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 Basic Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue and Support (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

CADA recognizes revenue from service fees, which are generally nonrefundable, at the time the service occurs, which is considered the performance obligation. Any amounts paid in advance are deferred to the period to which the underlying service 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, 2023 and 2022.

Deferred Revenues

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

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.

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

Notes to Basic Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

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.

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.

Recent Accounting Pronouncements - Adopted

ASU 2016-02

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance lessees are required to recognize a right-of-use (ROU) asset and lease liability on the statement of financial position for leases with terms longer than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current accounting principles generally accepted in the United States of America (U.S. GAAP).

CADA adopted ASU 2016-02 as of July 1, 2022, using the modified retrospective approach and applied the package of practical expedients in transitioning to the new guidance. Electing the package of practical expedients allowed CADA to carry forward its prior conclusions on lease definition, lease classification, and initial direct costs related to the existing leases as of the adoption date. Both at transition and for new leases thereafter, ROU assets and lease liabilities are initially recognized based on the present value of future minimum lease payments over the lease term.

Upon adoption of ASU 2016-02, CADA recognized a ROU asset and lease liability of \$317,850 with no cumulative-effect adjustment to the opening balance of net assets.

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

Notes to Basic Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Leases

In February 2016, the FASB issued Accounting Standard Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements.

Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. CADA adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements.

Under this transition provision, CADA has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with CADA's historical accounting treatment under ASC Topic 840, *Leases*.

CADA elected the "package of practical expedients" under the transition guidance within Topic 842, in which CADA does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. CADA has not elected to adopt the "hindsight" practical expedient and, therefore, will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

CADA determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) CADA obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. CADA also considers whether its service arrangements include the right to control the use of an asset.

CADA made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

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

Notes to Basic Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Leases (Continued)

To determine the present value of lease payments, CADA made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation. Such reclassifications had no effect on the previously reported change in net assets.

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, 2023 and 2022 were \$42,512 and \$32,416, 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 and wages, employee health and retirement, and payroll taxes.

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

Notes to Basic Financial Statements

Note 5. Liquidity and Availability of Financial Assets

CADA maintains adequate operating reserves. The current financial assets, including cash and cash equivalents, grants and accounts receivable, and unconditional promises to give, due within one year, totaled \$717,283 and \$634,137 for the years ended June 30, 2023 and 2022, 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.

In addition, CADA has a \$50,000 line of credit, if needed. See Note 11.

Note 6. Leases

Operating Lease

CADA has an operating lease for office space in New Orleans, Louisiana, with Tulane Towers, 2601 LLC. The lease term expires on July 30, 2026, and the lease payments increase yearly beginning at \$6,667 per month and ending at \$7,216 per month. CADA's operating lease does not contain any material restrictive covenants or residual value guarantees. The remaining lease term is 3.08 years. The discount rate applied to the lease is 2.88%. Operating lease costs are recognized on a straight-line basis over the lease term.

Total rent expense for the operating lease was \$83,490 for the year ended June 30, 2023.

Future undiscounted cash flows for each of the next four years and a reconciliation to the lease liability recognized on the statement of financial position are as follows as of June 30, 2023:

Year Ending June 30,	Amount
2024	\$ 83,096
2025	84,758
2026	86,453
2027	<u>7,216</u>
Total Lease Payments	261,523
Less: Imputed Interest	<u>(17,281)</u>
Total Operating Lease Liability	244,242
Less: Operating Lease Liability, Current Portion	<u>(77,415)</u>
Operating Lease Liability, Net of Current Portion	<u>\$ 166,827</u>

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

Notes to Basic Financial Statements

Note 7. Furniture and Equipment

Furniture and equipment are stated at cost as follows:

	2023	2022
Furniture and Equipment	\$ 57,497	\$ 55,089
Less: Accumulated Depreciation	(55,592)	(54,490)
Net Furniture and Equipment	\$ 1,905	\$ 599

Note 8. Net Assets Released from Donor Restrictions

At June 30, 2023 and 2022, net assets were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	2023	2022
Greater New Orleans Foundation	\$ 8,453	\$ 5,000
United Way for Greater New Orleans		
Allocations	45,000	75,000
Designations	-	55
United Way St. Charles	11,637	11,637
Total	\$ 65,090	\$ 91,692

Note 9. 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	2023	2022	Restricted Purpose
Greater New Orleans Foundation	\$ -	\$ 8,453	Capacity Building
United Way	61,637	56,637	School Based Prevention Program, Project Reconnect, and General Counseling Program
Total	\$ 61,637	\$ 65,090	

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

Notes to Basic Financial Statements

Note 10. 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 11. Line of Credit

At June 30, 2023, CADA had a \$50,000 unsecured line of credit available from a financial institution. The line of credit carries a variable interest rate equal to the Wall Street Journal Prime Rate, subject to a floor of 4.00%. CADA had no balance outstanding with the line of credit as of June 30, 2023 or 2022. On August 24, 2023, the line of credit was increased to \$100,000 and was extended through August 23, 2028. See Note 17.

Note 12. 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, 2023 and 2022, accrued PTO balances totaled \$42,842 and \$42,329, respectively, and are included in accrued expenses on the statements 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 13. Unconditional Promises to Give

Unconditional promises to give at June 30, 2023 and 2022 were as follows:

	2023	2022
Amounts Due in:		
Less than One Year	\$ 61,637	\$ 56,637

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

Notes to Basic Financial Statements

Note 14. Deferred Revenue

The following table provides information about significant changes in the deferred revenue related to contracts for the years ended June 30, 2023 and 2022:

	2023	2022
Deferred Revenue Partnership Agreement		
Total Deferred Revenue, Beginning of Year	\$ 2,500	\$ 5,000
Revenue Recognized that was included in Deferred Revenue at the Beginning of the Year	<u>(2,500)</u>	(2,500)
Total Deferred Revenue, End of Year	<u>\$ -</u>	<u>\$ 2,500</u>

Note 15. Risk Management

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

Note 16. 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, 2023 and 2022, CADA's bank balances were \$- and \$110,784 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.

The investments held in brokerage accounts are exposed to risks such as interest rate, market, and credit risks. Due to these risks, it is reasonable to anticipate fluctuations in the values of these investments. Such changes could be materially different than the fair market values reported as of June 30, 2023.

CADA derived a significant portion of its revenues from five grantors, who accounted for 80% and 81% of CADA's total revenue for the years ended June 30, 2023 and 2022, respectively. Grants receivable from these five grantors represented 72% and 87% of total grants and accounts receivable at June 30, 2023 and 2022, respectively.

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

Notes to Basic Financial Statements

Note 17. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, September 5, 2023, and determined that the following event occurred which requires disclosure:

On August 24, 2023, CADA entered into a \$100,000 unsecured line of credit with a financial institution through August 23, 2028. The line of credit carries an interest rate of 1.25% above the Wall Street Journal Prime Rate, subject to a floor of 4.50%. See Note 11.

No subsequent events occurring after September 5, 2023 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, 2023**

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 statements of 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 no state and local assistance received by CADA during the year ended June 30, 2023 was allocated to the Agency Head's salary. As such, all values reported on this schedule are zero.

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 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, 2023, 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 5, 2023.

Report on 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 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.

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.

Report on 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 Professional Accounting Corporation

Covington, LA
September 5, 2023

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE 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

Opinion on 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 identified as subject to audit 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, 2023. CADA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CADA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CADA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CADA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CADA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about CADA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CADA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CADA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CADA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

A Professional Accounting Corporation

Covington, LA
September 5, 2023

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing 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	\$ 1,367,415
Total United States Department of Health and Human Services			<u>1,367,415</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,367,415</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, 2023**

Note 1. Basis of Presentation and Significant Accounting Policies

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. During the year ended June 30, 2023, CADA utilized a final indirect cost rate of 22.60% as approved by the United States Department of Health and Human Services on May 25, 2022.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

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: | |
| 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 | Yes |

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, 2023**

Part II. Internal Control Over Financial Reporting

None noted.

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

None noted.