

11/25

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

---

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **NOV 24 1999**

**FINANCIAL AND COMPLIANCE AUDIT**

**TOGETHER WITH**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 1999 AND 1998**

## TABLE OF CONTENTS

---

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1
STATEMENTS OF FINANCIAL POSITION .....	3
STATEMENT OF ACTIVITIES .....	4
STATEMENT OF FUNCTIONAL EXPENSES .....	5
STATEMENTS OF CASH FLOWS .....	6
NOTES TO THE FINANCIAL STATEMENTS .....	7
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	16
SCHEDULE OF PRIOR YEAR FINDINGS .....	18

**& Tervalon**

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statements of financial position of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** as of June 30, 1999 and 1998, and the related statements of activities and functional expenses for the year ended June 30, 1999 and the statements of cash flows for the years ended June 30, 1999 and 1998. These financial statements are the responsibility of the **CADA's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Council on Alcohol and Drug Abuse for Greater New Orleans** as of June 30, 1999 and 1998, and the changes in its net assets for the year ended June 30, 1999 and its cash flows for the years ended June 30, 1999 and 1998 in conformity with generally accepted accounting principles.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Council on Alcohol and Drug Abuse**  
for Greater New Orleans  
Page 2

In accordance with Government Auditing Standards, we have also issued a report dated August 23, 1999 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 grants.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

August 23, 1999

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 1999 AND 1998

---

	<u>1999</u>	<u>1998</u>
<u>Assets</u>		
Cash and cash equivalents	\$219,938	\$124,616
Accounts receivable	45,651	39,957
Unconditional promises to give (NOTE 9)	188,925	186,576
Prepaid expenses	3,602	5,117
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 5)	22,331	22,789
Lease deposit	<u>2,000</u>	<u>2,000</u>
Total assets	<u>\$482,447</u>	<u>\$381,055</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 4,860	\$ 14,261
Deferred revenue	<u>59,884</u>	<u>1,990</u>
Total liabilities	<u>64,744</u>	<u>16,251</u>
 <u>Net Assets</u>		
Unrestricted	203,120	176,624
Temporarily restricted (NOTE 8)	<u>214,583</u>	<u>188,180</u>
Net assets	<u>417,703</u>	<u>364,804</u>
Total liabilities and net assets	<u>\$482,447</u>	<u>\$381,055</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 1999

With Summarized Financial Information for the Year Ended June 30, 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTALS (NOTE 1)</u>	
			<u>1999</u>	<u>1998</u>
Support and Revenue:				
United Way for Greater New Orleans Area:				
Allocations	\$ 2,000	\$ 173,266	\$175,266	\$170,500
Designations	15	9,452	9,467	11,680
United Way-St. Charles Contributions	-0-	15,000	15,000	12,000
Federal grants (NOTE 10)	97,765	16,865	114,630	96,148
Other grants	220,085	-0-	220,085	165,549
Program services fees	87,699	-0-	87,699	72,762
Other	92,893	-0-	92,893	120,846
Net assets released from restrictions:				
Expiration of time restrictions (NOTE 7)	<u>188,180</u>	<u>(188,180)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenue	<u>698,805</u>	<u>26,403</u>	<u>725,208</u>	<u>651,738</u>
Expenses:				
Program Services:				
Substance abuse education	542,629	-0-	542,629	466,338
Supporting services:				
Management and general	<u>129,680</u>	<u>-0-</u>	<u>129,680</u>	<u>122,238</u>
Total expenses	<u>672,309</u>	<u>-0-</u>	<u>672,309</u>	<u>588,576</u>
Changes in net assets	26,496	26,403	52,899	63,162
Net assets, beginning of year	<u>176,624</u>	<u>188,180</u>	<u>364,804</u>	<u>301,642</u>
Net assets, end of year	<u>\$203,120</u>	<u>\$214,583</u>	<u>\$417,703</u>	<u>\$364,804</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE FOR GREATER NEW ORLEANS**  
**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 1999

With Summarized Financial Information for the Year Ended June 30, 1998

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL (NOTE 1)</u>
	<u>Substance Abuse Education</u>	<u>Management and General</u>	<u>1999</u> <u>1998</u>
Salaries and wages	\$287,922	\$ 71,240	\$359,162      \$324,107
Employee health and retirement	31,535	6,568	38,103      34,864
Payroll taxes	<u>17,252</u>	<u>5,861</u>	<u>23,113</u> <u>31,034</u>
Total salaries and related expenses	336,709	83,669	420,378      390,005
Professional fees	39,634	961	40,595      40,423
Supplies	19,631	1,038	20,669      12,739
Telephone	9,904	763	10,667      8,181
Postage and shipping	6,366	1,192	7,558      6,158
Occupancy, insurance and fees	41,007	7,739	48,746      37,110
Equipment repairs and maintenance	4,195	1,049	5,244      3,726
Printing and publications	12,163	889	13,052      20,116
Travel	16,086	1,521	17,607      13,200
Conferences and conventions attended	3,134	784	3,918      3,087
Dues	3,045	-0-	3,045      3,210
Audio/visuals	1,379	-0-	1,379      2,612
Conferences and training held	45,486	-0-	45,486      22,991
Board generated events/fundraising	-0-	23,690	23,690      17,667
Equipment	1,592	-0-	1,592      -0-
Field trips	-0-	-0-	-0-      2,092
Miscellaneous expenses	<u>2,298</u>	<u>574</u>	<u>2,872</u> <u>53</u>
Total expenses before depreciation	542,629	123,869	666,498      583,370
Depreciation	<u>-0-</u>	<u>5,811</u>	<u>5,811</u> <u>5,206</u>
Total expenses	<u>\$542,629</u>	<u>\$129,680</u>	<u>\$672,309</u> <u>\$588,576</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR THE GREATER NEW ORLEANS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998**

---

	<u>1999</u>	<u>1998</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 52,899	\$ 63,162
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,811	5,206
(Increase) decrease in operating assets:		
Accounts receivable	(5,694)	11,976
Unconditional promise to give	(2,349)	(1,941)
Prepaid expenses	1,515	(2,018)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(9,401)	6,742
Deferred revenue	<u>57,894</u>	<u>(7,060)</u>
Net cash provided by operating activities	<u>100,675</u>	<u>76,067</u>
Cash Flows from Investing Activities:		
Purchase of equipment	<u>(5,353)</u>	<u>(2,401)</u>
Net cash used in investing activities	<u>(5,353)</u>	<u>(2,401)</u>
Net increase in cash and cash equivalents	95,322	73,666
Cash and cash equivalents, beginning of year	<u>124,616</u>	<u>50,950</u>
Cash and cash equivalents, end of year	<u>\$219,938</u>	<u>\$124,616</u>

See Accompanying Notes to the Financial Statements.



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

---

NOTE 1 - Summary of Significant Accounting Policies:

General

The **Committee on Alcoholism and Drug Abuse for Greater New Orleans** was created by Articles of Incorporation dated July 27, 1960, and amended April 30, 1970 and November 1, 1991, to operate exclusively for charitable, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. On May 22, 1997, the **Committee on Alcoholism and Drug Abuse for Greater New Orleans** had established its operating name as the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)**.

The mission of the **CADA** is to prevent the misuse of alcohol and other drugs in order to promote and support healthy individuals and families, and safe communities. **CADA's** mission is achieved through education, collaboration, advocacy, referral and information services. **CADA** believes that in order to accomplish this mission they must:

1. Provide age-appropriate, culturally sensitive information and educational programs;
2. Provide opportunities for inter-agency collaboration and the free exchange of information and ideas;
3. Advocate for public policy changes; and
4. Provide treatment referral information to individuals and families in need of services.

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

---

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of **CADA** and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of **CADA** and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Equipment

Property and equipment are stated at cost. Additions, renewals, and betterments that add materially to productive capacity or extend the life of an asset are capitalized. Expenditures for maintenance and repairs which do not extend the life of the applicable assets are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the statement of activities.

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

---

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Equipment, Continued

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

Income Taxes

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

Functional Allocation of Expenses

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

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with **CADA's** financial statements for the year ended June 30, 1998, from which the summarized information was derived.

Statement of Cash Flows

For the purpose of the statement of cash flows, **CADA** considers time deposits and all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

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

---

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and Grants

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Grants from private and governmental agencies are recorded when **CADA** is entitled to the funds.

NOTE 2 - Pension Plan:

**CADA** has a defined contribution plan which covers substantially all full time employees. Annual contributions are discretionary with the Board of Directors, but may not exceed the maximum amount deductible for federal tax purposes. Contributions for the year ended June 30, 1999 were \$11,889.

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

---

NOTE 3 - Facility Lease:

**CADA** leases office space under operating leases expiring March 2001. For the year ended June 30, 1999, facility lease expense amounted to \$45,545. Minimum rentals, on an annual basis, are as follows:

Year Ending June 30,	Amount
2000	\$46,135
2001	31,075

NOTE 4 - Fair Values of Financial Instruments:

The fair values of financial instruments have been determined utilizing available market information and appropriate valuation methodologies. **CADA** considers the carrying amounts of cash and cash equivalents, and unconditional promises to give to approximate fair value.

NOTE 5 - Furniture and Equipment:

Furniture and equipment is stated at cost as follows:

	<u>1999</u>	<u>1998</u>
Furniture and equipment	\$52,307	\$52,515
Less: Accumulated depreciation	<u>29,976</u>	<u>29,726</u>
Net furniture and equipment	<u>\$22,331</u>	<u>\$22,789</u>

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

---

NOTE 6 - Contingencies:

Grants and contracts with funding sources often require fulfillment of certain conditions as set forth in the terms of the instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. Although, the return of funds is a possibility, the Board of Directors deems the contingency unlikely since CADA has agreed to comply with grantors provisions.

NOTE 7 - Net Assets Released from Restrictions:

Net assets in the amount of \$188,180 were released from donor restrictions by satisfying time restrictions specified by donors as follows:

United Way for Greater New Orleans:	
Allocations	\$170,500
Designations	11,680
United Way-St. Charles	<u>6,000</u>
	<u>\$188,180</u>

NOTE 8 - Temporarily Restricted Assets:

Temporarily restricted net assets are available for operations during following fiscal years ending June 30:

<u>Funding Source</u>	<u>2000</u>	<u>1999</u>
United Way	\$197,718	\$188,180
Hispanic Fundraiser	<u>16,865</u>	<u>-0-</u>
	<u>\$214,583</u>	<u>\$188,180</u>

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

---

NOTE 9 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 1999 and 1998 represent current receivables from local United Way agencies.

NOTE 10 - Summary of Federal Grants:

A summary of federal grants at June 30, 1999 is as follows:

<u>Funding Source/Program Title</u>	<u>Recognized Support</u>
U.S. Department of Health and Human Services (DHHS):	
New Orleans/Baton Rouge Partnership Grant	\$ 29,710
Target Cities Project	6,862
Teen Institute	33,215
Synar Region I	13,963
SASA Program	39,112
NOSAC/Hispanic Counseling	<u>8,000</u>
Total DHHS	130,862
U. S. Department of Justice- Kenner After School Program	47,220
U.S. Department of Housing and Urban Development - Unity Grant	
National Highway Traffic Safety Administration - Louisiana Highway Safety Commission	<u>5,500</u>
Total Federal Grants	<u>\$220,085</u>

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

---

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

We have audited the statements of financial position of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** as of June 30, 1999 and 1998, and the related statements of activities and functional expenses for the year ended June 30, 1999 and the statements of cash flows for the years ended June 30, 1999 and 1998 and have issued our report thereon dated August 23, 1999. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether **CADA's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.



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

---

(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered CADA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

August 23, 1999

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999**

---

**I. SUMMARY OF AUDITORS' RESULTS**

- A. The type of report issued on the financial statements: **unqualified opinion.**
- B. Reportable conditions in internal control were disclosed by the audits of the financial statements: **no** material weaknesses: **no.**
- C. Noncompliance which is material to the financial statements: **no.**
- D. Reportable conditions in internal control over major programs: **not applicable**  
material weaknesses: **not applicable.**
- E. The type of report issued on compliance for major programs: **not applicable.**
- F. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **not applicable.**
- G. Major programs: **not applicable.**
- H. Dollar threshold used to distinguish between Type A and Type B programs:  
**not applicable.**
- I. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133:  
**not applicable.**
- J. A management letter was issued: **no.**

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1999

---

**II. FINDING RELATING TO THE FINANCIAL STATEMENTS REPORTED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**No matters reported.**

**III. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Not applicable.**

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999**

---

1. **INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO THE FINANCIAL STATEMENTS**

No prior year audit findings reported.

2. **INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO FEDERAL AWARDS**

Not applicable.

3. **MANAGEMENT LETTER**

No prior year comments reported.