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

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**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED JUNE 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the district, its members, entity and every citizen of the 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 26 1997**

5/27/97  
12:00 PM  
5/27/97

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

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**& Tervalon**

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**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, 1997, and the related statements of support and revenue, expenses and changes in fund balance and functional expenses for the year then ended. 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 audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 audit provides 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, 1997, and the changes in net assets and its cash flows for the year then ended 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

As discussed in NOTE 3 to the financial statements, in 1987 CADA changed its method of accounting for contributions and its method of financial reporting and financial statements presentation.

In accordance with GOVERNMENT Auditing Standards, we have also issued a report dated August 15, 1987 on our consideration of CADA's internal control structure and a report dated August 15, 1987 on its compliance with laws, regulations, contracts and grants.



**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

August 15, 1987

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR THE GREATER NEW ORLEANS**  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 1997  
With Comparative Totals for June 30, 1996

	<u>1997</u>	<u>1996</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 50,960	\$ 40,853
Accounts receivable	51,933	21,790
Unconditional promises to give (NOTE 11)	188,435	172,442
Prepaid expenses	3,899	3,911
Furniture and equipment, net of accumulated depreciation of \$24,826 (NOTES 3 and 7)	25,594	19,711
Lease deposit	<u>2,880</u>	<u>2,880</u>
Total assets	<b>\$318,211</b>	<b>\$260,527</b>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 7,519	\$ 5,275
Deferred revenue	<u>9,938</u>	<u>8,928</u>
Total liabilities	<u>17,457</u>	<u>14,203</u>
 <b>NET ASSET</b>		
Unrestricted (NOTE 2)	119,007	93,890
Temporarily restricted (NOTES 2 AND 10)	188,623	172,442
Net Assets	181,632	246,332
Total liabilities and net assets	<b>\$218,211</b>	<b>\$260,527</b>

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, 1987  
With comparative Totals for June 30, 1986

	Unrestricted	Temporarily Restricted	TOTALS (NOTE 5)	
			1987	1986
<b>Support and Revenues:</b>				
United Way for Greater New Orleans Area:				
Allocations	\$ -0-	\$ 145,500	\$145,500	\$145,500
Designations	-0-	14,868	14,868	15,592
United Way-Dr. Charles	-0-	8,558	8,558	7,125
Contributions (NOTE 5)	45,210	-0-	45,210	59,877
Federal grants (NOTE 12)	242,575	-0-	242,575	92,242
Other grants	48,975	-0-	48,975	9,568
Program services fees	106,817	-0-	106,817	94,867
Other	585	-0-	585	846
Net assets released from restrictions:				
Expiration of time restrictions (NOTE 6)	128,712	1128,712	-0-	-0-
Total support and revenue	628,579	12,190	628,372	431,618
<b>Expenses:</b>				
Program Services:				
Substance abuse education	492,762	-0-	492,762	307,223
Supporting services:				
Management and general	84,462	-0-	84,462	59,186
Total expenses	577,462	-0-	577,462	406,809
Changes in net assets	43,117	12,190	55,316	24,809
Net assets, beginning of year as restated	21,882	172,442	194,322	221,523
Net assets, end of year	\$112,007	\$184,635	\$296,642	\$246,332

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE FOR OPERATOR NEW ORLEANS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
 For the Year Ended June 30, 1987  
 With comparative totals for June 30, 1986

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING</u>	<u>TOTAL (NOTE 1)</u>
	<u>Substance</u>	<u>Services</u>	<u>1987</u>
	<u>Abuse</u>	<u>Management</u>	<u>1986</u>
	<u>Education</u>	<u>and General</u>	
salaries and wages	\$223,276	\$52,714	\$275,990
Employee health and retirement	18,507	4,188	22,695
Payroll taxes	34,721	5,882	40,603
Total salaries and related expenses	276,504	62,784	339,288
Professional fees	18,790	836	19,626
supplies	22,267	3,238	25,505
telephone	7,634	3,438	11,072
Postage and shipping	2,031	1,056	3,087
occupancy, insurance and fees	26,460	6,207	32,667
equipment repairs and maintenance	4,727	789	5,516
Printing and publications (NOTE 5)	12,254	808	13,062
Travel	7,210	884	8,094
conferences and conventions attended	2,333	947	3,280
fees	3,555	-0-	3,555
Audiolytasia	4,181	-0-	4,181
conferences and training held	77,831	-0-	77,831
fund raising	-0-	4,682	4,682
Equipment	1,617	187	1,804
field trips	2,452	-0-	2,452
Total expenses before depreciation	493,762	83,062	576,824
Depreciation	2,551	682	3,233
Total expenses	\$496,313	\$83,744	\$580,057

See Accompanying notes to the financial statements.

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

STATEMENT OF CASH FLOWS

JUNE 30, 1997

With comparative Totals for June 30, 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities:		
Change in net assets	\$ 55,318	\$ 24,099
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,618	2,789
Donated equipment	=0=	(5,587)
(Increase) decrease in operating assets:		
Accounts receivable	(28,343)	17,988
Unconditional promise to give	(12,193)	(15,173)
Prepaid expenses	832	3,563
Increase in operating liabilities:		
Accounts payable and accrued expenses	2,244	1,671
Deferred revenue	130	8,695
Net cash provided by operating activities	<u>12,798</u>	<u>12,612</u>
Cash flows from Investing Activities:		
Purchase of equipment	(19,501)	(1283)
Net cash used in investing activities	<u>(19,501)</u>	<u>(1283)</u>
Net increase in cash and cash equivalents	10,297	12,730
Cash and cash equivalents, beginning of year	40,452	27,323
Cash and cash equivalents, end of year	<u>\$ 50,750</u>	<u>\$ 40,053</u>

See Accompanying Notes to the Financial Statements.



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

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**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, 1978 and November 3, 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

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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 CRDA 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 CRDA 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**

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**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.

**Total Columns**

The total columns on the statements of activities and functional expenses are presented only to facilitate financial analysis. Data in these columns do not present the results of activities in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**Comparative Data**

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in CADA's financial position and operations. Some prior year balances have been reclassified to conform with the current year presentation.

**Statement of Cash Flows**

For the purposes of the statement of cash flows, CADA considers 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

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**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 these 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 - Changes in Accounting Principles:**

CADA adopted the provisions of Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statements of Not-for-profit Organizations. Statement No. 116 requires CADA to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. CADA adopted Statement No. 116 by restating net assets as of June 30, 1984. Temporarily restricted net assets as of June 30, 1984, were increased by \$172,442, which represents time restricted contributions. The effect of Statement No. 116 on CADA's change in net assets for 1987, was an increase of \$17,181.

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

**NOTICE TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - Pension Plan:**

CAMA 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, 1997 were \$8,888.

**NOTE 4 - Facility Lease:**

CAMA leases its office space under an operating lease expiring March 1998. For the year ended June 30, 1997, facility lease expense amounted to \$16,583.

**NOTE 5 - Donated Services:**

Professional services have been donated to CAMA during the 1997 fiscal year. The estimated value of the services totaling \$4,024 have been reflected in the accompanying financial statements as follows:

Contributions	\$ 3,323
Printing and publications expense	\$ 4,024

**NOTE 6 - Fair Values of Financial Instruments:**

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

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

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**NOTE 7 - Furniture and Equipment:**

Furniture and equipment is stated at cost as follows:

Furniture and equipment	\$50,314
Less: Accumulated depreciation	24,520
Net furniture and equipment	\$25,794

**NOTE 8 - 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 grantor provisions.

**NOTE 9 - Net Assets Released from Restrictions:**

Net assets in the amount of \$178,717 were released from donors by satisfying time restrictions specified by donors as follows:

United Way for Greater New Orleans:	
Allocations	\$150,000
Designations	21,500
United Way-St. Charles	7,217
	\$178,717

**NOTE 10 - Temporarily Restricted Assets:**

Temporarily restricted net assets from the United Way funding in the amount of \$184,835 are available for operations in the 1988 fiscal year.

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

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**NOTE 11 - Unconditional Promises to Give:**

Unconditional promises to give at June 30, 1997 represent current receivables from local United Way agencies.

**NOTE 12 - Summary of Federal Grants:**

A summary of Federal grants at June 30, 1997 is as follows:

<u>Funding Source/Program Title</u>	<u>Recognized Support</u>
U.S. Department of Health and Human Services: Community Mobilization Target Cities Project	\$146,924 29,453
U. S. Department of Housing and Urban Development: HHS/Title Grant Odyssey House Grant	37,113 4,425
U.S. Department of Education: Drug Free Program	24,660
Total Federal Grants	<u>\$182,515</u>

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF BASIC 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 financial statements of Council on Alcohol and Drug Abuse for Greater New Orleans (CADA) for the year ended June 30, 1997, and have issued our report thereon dated August 15, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The management of CADA is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
CONTINUED

In planning and performing our audit of the financial statements of CIDA for the year ended June 30, 1987, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management and grantors. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

August 10, 1987

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
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 financial statements of Council on Alcohol and Drug Abuse for Greater New Orleans (CADA) as of and for the year ended June 30, 1997, and have issued our report thereon dated August 15, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to CADA is the responsibility of CADA's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of CADA's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

The results of our tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

This report is intended for the information of the Board of Directors, management and grantors. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

August 10, 1997