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

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 1-31-07

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
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, 2006 and 2005, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of **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 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. Those standards require that we plan and perform the audits 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, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

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In accordance with Government Auditing Standards, we have also issued our report dated, November 3, 2006 on our consideration of CADA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 3, 2006

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<u>Assets</u>		
Cash and cash equivalents	\$322,358	\$165,799
Grants receivable	150,829	178,596
Unconditional promises to give (NOTE 9)	50,000	203,890
Prepaid expenses	2,965	2,239
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 5)	3,224	6,127
Lease deposit	<u>3,780</u>	<u>3,780</u>
Total assets	<u>\$533,156</u>	<u>\$560,431</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 11,886	\$ 8,546
Deferred revenues (NOTE 1)	<u>29,303</u>	<u>63,956</u>
Total liabilities	<u>41,189</u>	<u>72,502</u>
 <u>Net Assets</u>		
Unrestricted	391,967	284,039
Temporarily restricted (NOTE 8)	<u>100,000</u>	<u>203,890</u>
Total net assets	<u>491,967</u>	<u>487,929</u>
Total liabilities and net assets	<u>\$533,156</u>	<u>\$560,431</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 30, 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Designations	\$ -0-	\$ 50,000	\$ 50,000
United Way-St. Charles Contributions	10,000 81,226	50,000 -0-	60,000 81,226
Federal grants	425,853	-0-	425,853
Other grants	206,086	-0-	206,086
Program services fees	38,021	-0-	38,021
Other	6,784	-0-	6,784
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>203,890</u>	<u>(203,890)</u>	<u>-0-</u>
Total support and revenue	<u>971,860</u>	<u>(103,890)</u>	<u>867,970</u>
Expenses:			
Program services	672,278	-0-	672,278
Supporting services:			
Management and general	167,999	-0-	167,999
Fundraising	<u>23,655</u>	<u>-0-</u>	<u>23,655</u>
Total expenses	<u>863,932</u>	<u>-0-</u>	<u>863,932</u>
Changes in net assets	107,928	(103,890)	4,038
Net assets, beginning of year	<u>284,039</u>	<u>203,890</u>	<u>487,929</u>
Net assets, end of year	<u>\$391,967</u>	<u>\$100,000</u>	<u>\$491,967</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 30, 2005**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Allocations	\$ 62	\$ 149,405	\$ 149,467
Designations	308	8,542	8,850
United Way-St. Charles	-0-	47,740	47,740
Contributions	87,111	-0-	87,111
Federal grants	791,477	-0-	791,477
Other grants	6,896	-0-	6,896
Program services fees	83,119	-0-	83,119
Other	3,144	-0-	3,144
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>199,703</u>	<u>(199,703)</u>	<u>-0-</u>
Total support and revenue	<u>1,171,820</u>	<u>5,984</u>	<u>1,177,804</u>
Expenses:			
Program services	944,397	-0-	944,397
Supporting services:			
Management and general	187,599	-0-	187,599
Fundraising	<u>31,648</u>	<u>-0-</u>	<u>31,648</u>
Total expenses	<u>1,163,644</u>	<u>-0-</u>	<u>1,163,644</u>
Changes in net assets	8,176	5,984	14,160
Net assets, beginning of year	<u>275,863</u>	<u>197,906</u>	<u>473,769</u>
Net assets, end of year	<u>\$ 284,039</u>	<u>\$ 203,890</u>	<u>\$ 487,929</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, 2005

	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>Management and General</u>	<u>Fundraising</u>	
			\$ 559,651
Salaries and wages	\$ 114,690	\$ 16,706	\$ 131,396
Employee health and retirement	16,873	2,273	19,146
Payroll taxes	<u>9,438</u>	<u>1,373</u>	<u>10,811</u>
			702,593
Total salaries and related expenses	141,001	20,352	161,353
			210,737
Professional fees	9,714	-	9,714
Supplies	3,886	523	4,409
Telephone	2,303	-	2,303
Postage and shipping	1,129	138	1,267
Occupancy, insurance and fees	13,691	-	13,691
Equipment repairs and maintenance	828	-	828
Printing and publications	945	2,467	3,412
Travel	3,721	-	3,721
Conference and training attended	-	-	-
Conference and training held	-	8,058	8,058
Dues	385	-	385
Audio/visuals	-	-	-
Miscellaneous	<u>6,973</u>	<u>110</u>	<u>7,083</u>
			18,607
Total expenses before depreciation	184,576	31,648	216,224
Depreciation	<u>3,023</u>	<u>-</u>	<u>3,023</u>
Total expenses	<u>\$ 187,599</u>	<u>\$ 31,648</u>	<u>\$ 219,247</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$4,038	\$ 14,160
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,903	5,475
(Increase) decrease in operating assets:		
Grants receivable	27,767	(59,952)
Unconditional promises to give	153,890	(5,984)
Prepaid expenses	(726)	(148)
Other assets	-0-	1,641
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	3,340	1,149
Deferred revenues	<u>(34,653)</u>	<u>63,956</u>
Net cash provided by operating activities	<u>156,559</u>	<u>20,297</u>
Cash Flows from Investing Activities:		
Purchase of equipment	<u>-0-</u>	<u>(1,242)</u>
Net cash used in investing activities	<u>-0-</u>	<u>(1,242)</u>
Net increase in cash and cash equivalents	156,559	19,055
Cash and cash equivalents, beginning of year	<u>165,799</u>	<u>146,744</u>
Cash and cash equivalents, end of year	<u>\$322,358</u>	<u>\$165,799</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 **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 accounting principles generally accepted in the United States of America. 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 that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets that are 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.

Furniture and Equipment

Furniture 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:

Furniture and Equipment, Continued

Depreciation of furniture and 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.

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 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.

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.

Deferred Revenues

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

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 years ended June 30, 2006 and 2005 were \$15,489 and \$24,315.

**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 an operating lease, expiring on April 30, 2007. For the years ended June 30, 2006 and 2005, facility lease expense amounted to \$48,487 and \$60,859, respectively.

NOTE 4 - Fair Value of Financial Instruments:

The fair value of financial instruments has been determined utilizing available market information and appropriate valuation methodologies. The carrying amount approximates fair value of cash and cash equivalents, and unconditional promises to give.

NOTE 5 - Furniture and Equipment:

Furniture and equipment are stated at cost as follows:

	<u>2006</u>	<u>2005</u>
Furniture and equipment	\$ 30,231	\$ 34,938
Less: Accumulated depreciation	<u>(27,007)</u>	<u>(28,811)</u>
Net furniture and equipment	\$ <u>3,224</u>	\$ <u>6,127</u>

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.

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

NOTE 7 - Net Assets Released from Restrictions:

At June 30, 2006 and 2005, net assets in the amounts of \$203,890 and \$199,703 were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	<u>2006</u>	<u>2005</u>
United Way for Greater New Orleans:		
Allocations	\$149,405	\$147,310
Designations	6,745	8,993
United Way-St. Charles	<u>47,740</u>	<u>43,400</u>
	<u>\$203,890</u>	<u>\$199,703</u>

NOTE 8 - Temporarily Restricted Net Assets:

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

<u>Funding Source</u>	<u>2006</u>	<u>2005</u>
United Way	<u>\$100,000</u>	<u>\$203,890</u>

NOTE 9 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 2006 and 2005 represent current receivables from local United Way agencies.

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

NOTE 10 - Concentration of Credit Risk:

CADA maintains cash balances at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.



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**INDEPENDENT AUDITORS' 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**

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

We have audited the financial statements of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated November 3, 2006. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, 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 an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

INDEPENDENT AUDITORS' 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,
CONTINUED

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the finance committee, management, Board of Directors and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 3, 2006

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 audit of the financial statements: **none reported** 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, 2006

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

No matters reported.

III. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

No matters reported.

**COUNCIL ON ALCOHOL AND DRUG ABUSE
FOR GREATER NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

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

No prior year audit findings reported.

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

Not applicable.

III. MANAGEMENT LETTER

No prior year comments reported.