

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION

DECEMBER 31, 2017 and 2016

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# ROWLEY & ASSOCIATES, P.C.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
New Hampshire Alcohol and Drug Abuse Counselors Association  
Concord, New Hampshire 03301

We have audited the accompanying financial statements New Hampshire Alcohol and Drug Abuse Counselors Association's (the Association), which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

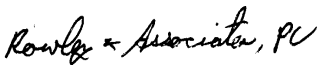
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Alcohol and Drug Abuse Counselors Association as of December 31, 2017 and 2016 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.



Rowley & Associates, P.C.  
Concord, New Hampshire  
May 24, 2018

NEW HAMPSHIRE ALCOHOL AND DRUG  
 ABUSE COUNSELORS ASSOCIATION  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2017 AND 2016  
 See Independent Auditors' Report

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash, unrestricted	\$ 106,620	\$ 122,777
Cash, temporarily restricted	56,243	82,336
Accounts receivable	9,529	8,425
Prepaid expense	5,009	4,828
	<u>177,401</u>	<u>218,366</u>
FURNITURE AND EQUIPMENT, at cost		
Less accumulated depreciation	65,654	61,437
	<u>(44,233)</u>	<u>(33,565)</u>
	<u>21,421</u>	<u>27,872</u>
LONG TERM ASSETS		
Security deposit	<u>2,800</u>	<u>2,800</u>
Total Assets	<u><u>201,622</u></u>	<u><u>249,038</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	-	328
Current portion of lease payable	-	10,204
	<u>-</u>	<u>10,532</u>
LONG TERM LIABILITIES		
Lease payable - net current portion	-	904
	<u>-</u>	<u>904</u>
NET ASSETS		
Unrestricted	145,379	155,266
Temporarily restricted	56,243	82,336
	<u>201,622</u>	<u>237,602</u>
Total liabilities and net assets	<u><u>\$ 201,622</u></u>	<u><u>\$ 249,038</u></u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017

See Independent Auditors' Report

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Grant revenue	\$ 14,570	\$ 254,060	\$ 268,630
Contributions, in-kind	14,960	-	14,960
Training fees	138,706	-	138,706
Program income	7,797	-	7,797
Co-sponsorships	5,338	-	5,338
Membership fees	6,204	-	6,204
Merchandise sales, net of direct costs of \$0	-	-	-
	261	-	261
Other revenue	1,425	-	1,425
	<u>189,261</u>	<u>254,060</u>	<u>443,321</u>
Total revenues			
	<u>189,261</u>	<u>254,060</u>	<u>443,321</u>
Net assets released from donor imposed restrictions			
	<u>280,153</u>	<u>(280,153)</u>	<u>-</u>
Expenses			
Program expenses	459,773	-	459,773
Administrative expenses	17,285	-	17,285
Fundraising	2,243	-	2,243
	<u>479,301</u>	<u>-</u>	<u>479,301</u>
Total expenses			
	<u>479,301</u>	<u>-</u>	<u>479,301</u>
Decrease in net assets	(9,887)	(26,093)	(35,980)
Net assets, beginning of year	<u>155,266</u>	<u>82,336</u>	<u>237,602</u>
Net assets, end of year	<u>\$ 145,379</u>	<u>\$ 56,243</u>	<u>\$ 201,622</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016

See Independent Auditors' Report

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Grant revenue	\$ 213,920	\$ 136,235	\$ 350,155
Contributions, cash	12,401	2,660	15,061
Contributions, in-kind	14,037	-	14,037
Contributions, non-cash	374	-	374
Training fees	109,260	-	109,260
Co-sponsorships	15,423	-	15,423
Membership fees	2,440	-	2,440
Special event income	7,445	-	7,445
Merchandise sales, net of direct costs of \$2,090	6,670	-	6,670
Other revenue	320	-	320
	924	-	924
Total revenues	<u>383,214</u>	<u>138,895</u>	<u>522,109</u>
Net assets released from donor imposed restrictions	<u>65,187</u>	<u>(65,187)</u>	<u>-</u>
Expenses			
Program expenses	401,911	-	401,911
Administrative expenses	24,229	-	24,229
Total expenses	<u>426,140</u>	<u>-</u>	<u>426,140</u>
Increase in net assets	22,261	73,708	95,969
Net assets, beginning of year	<u>133,005</u>	<u>8,628</u>	<u>141,633</u>
Net assets, end of year	<u>\$ 155,266</u>	<u>\$ 82,336</u>	<u>\$ 237,602</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016  
See Independent Auditors' Report

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (35,980)	\$ 95,969
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in restricted cash	26,093	(73,708)
Depreciation	10,667	9,936
(Increase) decrease in operating assets:		
Accounts receivable	(1,104)	33,396
Prepaid expenses	(180)	(62)
Security Deposit		
Increase (decrease) in operating liabilities:		
Accounts payable	<u>(328)</u>	<u>(48)</u>
Net cash provided (used) by operating activities	<u>(832)</u>	<u>65,483</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for furniture & equipment	<u>(4,217)</u>	<u>(6,651)</u>
Net cash (used) by investing activities	<u>(4,217)</u>	<u>(6,651)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments on long term debt	<u>(11,108)</u>	<u>(9,102)</u>
Net cash (used) by financing activities	<u>(11,108)</u>	<u>(9,102)</u>
Net increase (decrease) in unrestricted cash	(16,157)	49,730
Unrestricted cash, beginning of year	<u>122,777</u>	<u>73,047</u>
Unrestricted cash, end of year	<u><u>\$ 106,620</u></u>	<u><u>\$ 122,777</u></u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

See Independent Auditors' Report

	<u>2017</u>	<u>2016</u>
<b>SUPPLEMENTARY SCHEDULE OF CASH FLOW INFORMATION</b>		
In-kind contributions	\$ <u>14,960</u>	\$ <u>14,037</u>
Non-cash contributions	\$ <u>-</u>	\$ <u>374</u>
Cash paid during the years for:		
Interest	\$ <u>135</u>	\$ <u>1,851</u>

See Notes to Financial Statements



**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 and 2016**

**NOTE 1 NATURE OF ORGANIZATION**

New Hampshire Alcohol and Drug Abuse Counselors Association's (the Association) mission is to provide quality education, workforce development, advocacy, ethical standards and leadership for addiction professionals. The Association empowers efforts in prevention, treatment and recovery. The Association is supported primarily through private funding and public support.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies of the Association is presented to assist in understanding the Association's financial statements. The financial statements and notes are representations of New Hampshire Alcohol and Drug Abuse Counselors' management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**Basis of Accounting**

The financial records for New Hampshire Alcohol and Drug Abuse Counselors Association are maintained on the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation**

Basis of Presentation: The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted net assets** are comprised of operating revenues and expenses and contributions pledged which are not subject to any donor-imposed restrictions. New Hampshire Alcohol and Drug Abuse Counselors Association had \$145,379 and \$155,266 in unrestricted net assets as of December 31, 2017 and 2016, respectively.

**Temporarily restricted net assets** are comprised of contributions and gifts for which donor-imposed restrictions will be met either by the passage of time or the actions of the Association. The Association had \$56,243 and \$82,336 in temporarily restricted net assets as of December 31, 2017 and 2016, respectively.

**Permanently restricted net assets** include those assets for which donor-imposed restrictions stipulate that the asset be permanently maintained by the Association. The Association had no permanently restricted net assets as of December 31, 2017 and 2016, respectively.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 and 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash equivalents

For purposes of reporting cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, excluding amounts the use of which is limited by Board designation or restriction. At December 31, 2017 and 2016, the Association had no cash equivalents.

Support and revenue

The Association receives support primarily through a single grant from the State of New Hampshire. The Association would likely be unable to continue the scope of operations conducted in 2017 and 2016 in the absence of this or similar funding.

Equipment

Equipment is recorded at cost of purchase or, if contributed, at fair market value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of equipment are recorded as unrestricted support. The Association depreciates equipment over a 5-7 year useful life using the straight-line method. Depreciation expense was \$10,667 and \$9,936 for the years ended December 31, 2017 and 2016.

Donated Materials and Services

The Association records the value of donated goods and services when there is an objective basis available to measure their value. For the years ended December 31, 2017 and 2016, in-kind contributions were \$14,960 and \$14,037, respectively. The Association also received \$374 and \$1,508 in non-cash contributions for the years ended December 31, 2017 and 2016, respectively.

Income tax status

The Association is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 and 2016**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional allocation of items

The costs of providing various program, management and rental services have been summarized in the statement of activities. Accordingly, certain costs have been allocated among the programs.

Use of estimates

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 COMMITMENTS AND CONTINGENCIES**

The Association receives a substantial amount of its support from government agencies. A significant reduction in the level of this support, if this were to occur, may have an effect on the Association's programs and activities. Grants often require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors. Although the return of funds is a possibility, the board of directors deems the contingency unlikely, since by accepting the grants and their terms, it has made a commitment to fulfill the provisions of the grant.

Approximately 57% and 56% of total support was derived from a single grant from the State of New Hampshire for years ended December 31, 2017 and 2016, respectively.

**NOTE 4 LEASE PAYABLE**

On February 20, 2014 the Association entered into a 48 month capital lease to own with WB Mason. Imputed interest related to this lease is at 11.48% with required monthly payments of \$913. The balance on the lease was \$0 and \$11,108 at December 31, 2017 and 2016, respectively.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 and 2016**

**NOTE 5 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 24, 2018, the date on which the financial statements were available to be issued to determine if any are of such significance to require disclosure. It has been determined that no subsequent events matching this criterion occurred during this period.

**NOTE 6 CONCENTRATION OF RISK**

The Association maintains cash balances at a local bank. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017 and 2016 the Association had no uninsured cash balances.

**NOTE 7 FAIR VALUE MEASUREMENTS**

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Association is required to disclose certain information about its financial assets and liabilities. Cash and cash equivalents, prepaid expenses and accounts payable reported in the statement of financial position approximate fair values because of the short maturities of those instruments or because of the fixed rate of interest required to be paid.

Fair values of assets measured on a recurring basis at December 31 were as follows:

	<u>Fair Value</u>	Other Unobservable Inputs <u>Level (2)</u>
<u>2017</u>		
Accounts receivable	<u>\$ 9,529</u>	<u>\$ 9,529</u>
<u>2016</u>		
Accounts receivable	<u>\$ 8,425</u>	<u>\$ 8,425</u>

The fair value of the accounts receivable are estimated at the present value of expected future cash flows.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 and 2016**

**NOTE 8 LEASE COMMITMENT**

On December 19, 2013 the Association signed a lease agreement for office space in Concord, NH. The term of the agreement is a six-year lease beginning March 1, 2014 and commencing on February 29, 2020. Total rent related to this lease was \$37,000 and \$35,800 during the years ended December 31, 2017 and 2016, respectively.

Future minimum rental requirements for the years ended December 31 are:

2018	\$ 37,200
2019	37,200
2020	<u>6,200</u>
Total	<u>\$ 80,600</u>

# ROWLEY & ASSOCIATES, P.C.

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
New Hampshire Alcohol and Drug Abuse Counselors Association  
Concord, New Hampshire 03301

Our report on our audit of the basic financial statements of New Hampshire Alcohol and Drug Abuse Counselors Association as of and for the years ended December 31, 2017 and 2016 our report dated May 24, 2018, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Rowley & Associates, P.C.  
Concord, New Hampshire  
May 24, 2018

NEW HAMPSHIRE ALCOHOL AND DRUG  
 ABUSE COUNSELORS ASSOCIATION  
 SCHEDULE OF FUNCTIONAL EXPENSES  
 YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR  
 THE YEAR ENDED DECEMBER 31, 2016  
 See Independent Auditors' Report

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2017</u>	<u>Total 2016</u>
Salaries and wages	\$ 165,469	\$ 10,562	\$ -	\$ 176,031	\$ 137,856
Employee benefits	16,515	1,054	-	17,569	17,205
Payroll taxes	14,936	953	-	15,889	10,657
Scholarships/sponsorships	18,493	-	-	18,493	11,095
Legal and accounting fees	8,535	545	-	9,080	9,403
Professional services	49,846	-	-	49,846	49,806
Trainer fees	76,796	-	-	76,796	48,435
Conferences and meetings	16,620	-	-	16,620	47,325
Insurance	3,005	192	-	3,197	3,021
Travel expenses	23,368	-	-	23,368	19,410
Office supplies and expenses	11,164	465	-	11,629	8,246
Postage	1,197	-	-	1,197	944
Telephone	1,767	113	-	1,880	1,793
Education	630	-	-	630	240
Marketing & communication	2,244	-	2,243	4,487	7,584
Bank and credit card fees	-	265	-	265	220
Board expenses	2,581	165	-	2,746	3,864
Occupancy expenses	34,780	2,220	-	37,000	35,800
Depreciation	10,027	640	-	10,667	9,936
Lease interest	130	5	-	135	1,851
Miscellaneous expenses	1,669	107	-	1,776	1,449
	<u>\$ 459,773</u>	<u>\$ 17,285</u>	<u>\$ 2,243</u>	<u>\$ 479,301</u>	<u>\$ 426,140</u>

See Independent Auditors' Report on Supplementary Information and Notes to Financial Statements