

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2018 and 2017

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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 statement of financial position as of December 31, 2018 and the related statement of activities and changes in net assets and cash flows for the year 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, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Hampshire Alcohol and Drug Abuse Counselors Association's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 24, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rowley & Associates, P.C.  
Concord, New Hampshire  
April 18, 2019

NEW HAMPSHIRE ALCOHOL AND DRUG  
 ABUSE COUNSELORS ASSOCIATION  
 STATEMENT OF FINANCIAL POSITION  
 DECEMBER 31, 2018 WITH COMPARATIVE TOTALS FOR 2017  
 See Independent Auditors' Report

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2018	2017
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 156,608	\$ 35,071	\$ 191,679	\$ 162,863
Accounts receivable	7,364	-	7,364	9,529
Prepaid expense	6,180	-	6,180	5,009
	<u>170,152</u>	<u>35,071</u>	<u>205,223</u>	<u>177,401</u>
FURNITURE AND EQUIPMENT, at cost	66,570	-	66,570	65,654
Less accumulated depreciation	(53,149)	-	(53,149)	(44,233)
	<u>13,421</u>	<u>-</u>	<u>13,421</u>	<u>21,421</u>
<b>LONG TERM ASSETS</b>				
Security deposit	2,800	-	2,800	2,800
	<u>2,800</u>	<u>-</u>	<u>2,800</u>	<u>2,800</u>
Total Assets	<u>186,373</u>	<u>35,071</u>	<u>221,444</u>	<u>201,622</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accrued expenses	3,357	-	3,357	-
	<u>3,357</u>	<u>-</u>	<u>3,357</u>	<u>-</u>
<b>NET ASSETS</b>				
Without donor restrictions	183,016	-	183,016	145,379
With donor restrctions	-	35,071	35,071	56,243
	<u>183,016</u>	<u>35,071</u>	<u>218,087</u>	<u>201,622</u>
Total liabilities and net assets	<u>\$ 186,373</u>	<u>\$ 35,071</u>	<u>\$ 221,444</u>	<u>\$ 201,622</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH COMPARATIVE TOTALS FOR 2017

See Independent Auditors' Report

	2018			2017 Total
	Net ssets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	
Revenue				
Grant revenue	\$ 381,264	\$ 37,004	\$ 418,268	\$ 268,630
Contributions, in-kind	11,150	-	11,150	14,960
Training fees	106,277	-	106,277	138,706
Program income	-	-	-	7,797
Co-sponsorships	8,184	-	8,184	5,338
Membership fees	8,711	-	8,711	6,204
Merchandise sales, net of direct costs of \$0	111	-	111	261
Other revenue	889	-	889	1,425
Total revenues	<u>516,586</u>	<u>37,004</u>	<u>553,590</u>	<u>443,321</u>
Net assets released from donor imposed restrictions	<u>58,176</u>	<u>(58,176)</u>	<u>-</u>	<u>-</u>
Expenses				
Program expenses	513,866	-	513,866	459,773
Administrative expenses	20,875	-	20,875	17,285
Fundraising	2,384	-	2,384	2,243
Total expenses	<u>537,125</u>	<u>-</u>	<u>537,125</u>	<u>479,301</u>
Increase (Decrease) in net assets	37,637	(21,172)	16,465	(35,980)
Net assets, beginning of year	<u>145,379</u>	<u>56,243</u>	<u>201,622</u>	<u>237,602</u>
Net assets, end of year	<u>\$ 183,016</u>	<u>\$ 35,071</u>	<u>\$ 218,087</u>	<u>\$ 201,622</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
ABUSE COUNSELORS ASSOCIATION

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017  
See Independent Auditors' Report

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 16,465	\$ (35,980)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Disposal of furniture & equipment	2,189	-
Depreciation	8,916	10,667
(Increase) decrease in operating assets:		
Accounts receivable	2,165	(1,104)
Prepaid expenses	(1,171)	(180)
Increase (decrease) in operating liabilities:		
Accrued expenses	3,357	-
Accounts payable	-	(328)
Net cash provided (used) by operating activities	<u>31,921</u>	<u>(26,925)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash paid for furniture & equipment	<u>3,105</u>	<u>(4,217)</u>
Net cash (used) by investing activities	<u>3,105</u>	<u>(4,217)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments on long term debt	<u>-</u>	<u>(11,108)</u>
Net cash (used) by financing activities	<u>-</u>	<u>(11,108)</u>
Net increase (decrease) in cash and cash equivalents	35,026	(42,250)
Cash and cash equivalents, beginning of year	<u>162,863</u>	<u>205,113</u>
Cash and cash equivalents, end of year	<u><u>\$ 197,889</u></u>	<u><u>\$ 162,863</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, 2018 AND 2017

See Independent Auditors' Report

	<u>2018</u>	<u>2017</u>
<b>SUPPLEMENTARY SCHEDULE OF CASH FLOW INFORMATION</b>		
In-kind contributions	\$ <u>11,150</u>	\$ <u>14,960</u>
Non-cash contributions	\$ <u>81</u>	\$ <u>-</u>
Cash paid during the years for:		
Interest	\$ <u>-</u>	\$ <u>135</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG  
 ABUSE COUNSELORS ASSOCIATION  
 SCHEDULE OF FUNCTIONAL EXPENSES  
 YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE TOTALS FOR  
 THE YEAR ENDED DECEMBER 31, 2017  
 See Independent Auditors' Report

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2018</u>	<u>Total 2017</u>
Salaries and wages	\$ 208,687	\$ 13,320	\$ -	\$ 222,007	\$ 176,031
Employee benefits	30,619	1,954	-	32,573	17,569
Payroll taxes	16,391	1,046	-	17,437	15,889
Scholarships/sponsorships	8,765	-	-	8,765	18,493
Legal and accounting fees	8,882	567	-	9,449	9,080
Professional services	86,161	-	-	86,161	49,846
Trainer fees	47,431	-	-	47,431	76,796
Conferences and meetings	14,915	-	-	14,915	16,620
Insurance	4,074	260	-	4,334	3,197
Travel expenses	26,592	-	-	26,592	23,368
Office supplies and expenses	7,049	450	-	7,499	11,629
Postage	43	-	-	43	1,197
Telephone	1,579	101	-	1,680	1,880
Education	520	-	-	520	630
Marketing & communication	2,384	-	2,384	4,768	4,487
Bank and credit card fees	-	-	-	-	265
Board expenses	2,523	161	-	2,684	2,746
Occupancy expenses	34,968	2,232	-	37,200	37,000
Depreciation	10,439	666	-	11,105	10,667
Lease interest	-	-	-	-	135
Miscellaneous expenses	1,844	118	-	1,962	1,776
	<u>\$ 513,866</u>	<u>\$ 20,875</u>	<u>\$ 2,384</u>	<u>\$ 537,125</u>	<u>\$ 479,301</u>

See Notes to Financial Statements



**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 and 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

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.

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 NH Alcohol and Drug Abuse Counselors Association's 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 Presentation

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

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, 2018 and 2017, 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 2018 and 2017 in the absence of this or similar funding.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 and 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 net assets with donor restriction support. In the absence of such stipulation, contributions of equipment are recorded as net assets without donor restriction support. The Association depreciates equipment over a 5-7 year useful life using the straight-line method. Depreciation expense was \$11,105 and \$10,667 for the years ended December 31, 2018 and 2017.

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, 2018 and 2017, in-kind contributions were \$11,150 and \$14,960, respectively. The Association also received \$81 and \$0 in non-cash contributions for the years ended December 31, 2018 and 2017, respectively.

Income taxes

The Association has been notified by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and recognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

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.

Comparative Financial 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 the Association's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 and 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Instruments:

The carrying value of cash and cash equivalents, accounts receivable, prepaid expense and accrued expenses are stated at carrying cost at December 31, 2018 and 2017, which approximates fair value due to the relatively short maturity of these instruments.

New Accounting Pronouncement

During the year ended December 31, 2018, the Association adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016- 14—Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016- 14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

The accompanying summarized information from the 2017 financial statements has been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14.

Reclassifications

Certain consolidated financial statement and note information from the prior year consolidated financial statements has been reclassified to conform with current year presentation format.

**NOTE 2 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 61% and 57% of total support was derived from a single grant from the State of New Hampshire for years ended December 31, 2018 and 2017, respectively.

**NOTE 3 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 18, 2019, 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.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 and 2017**

**NOTE 4 CONCENTRATION OF RISK**

The Association maintains cash balances in several accounts at a local bank. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times throughout the year, the Association may have cash balances at the financial institution that exceeds the insured amount. Management does not believe this concentration of cash results in a high level of risk for the Association. At December 31, 2018 and 2017 the Association had no uninsured cash balances.

**NOTE 5 FAIR VALUE MEASUREMENTS**

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

<u>2018</u>	<u>Fair Value</u>	Other Unobservable Inputs <u>Level (2)</u>
Accounts receivable	<u>\$ 7,364</u>	<u>\$ 7,364</u>
<u>2017</u>		
Accounts receivable	<u>\$ 9,529</u>	<u>\$ 9,529</u>

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

**NOTE 6 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 \$37,200 and \$37,000 during the years ended December 31, 2018 and 2017, respectively.

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

2019	\$37,200
2020	<u>6,200</u>
Total	<u>\$ 43,400</u>

**NOTE 7 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Association's primary sources of support are grants and training fees. Most of that support is held for the purpose of supporting the Association's budget. The Association has \$156,608 in cash without donor restrictions which it could draw upon in the event of an anticipated liquidity need.

**NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 and 2017**

**NOTE 8 BOARD DESIGNATED NET ASSETS**

The Association has net assets designated for various future projects and events. These funds are comprised of the following as of December 31, 2018:

Cash reserve account	<u>\$ 15,078</u>
Total Board Designated Net Assets	<u>\$ 15,078</u>

**NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposed or periods at December 31, 2018:

Subject to expenditure for specific purpose:

BRSS TACs Contract	3,758
Bank of NH Grant	4,720
JSI 8790 contract	3,863
Macoma Bank	1,000
Dobles Foundation	15,000
Harvard Pilgrim	5,000
Lamprey Health Care	1,499
Train it forward	<u>230</u>
Total net assets with donor restrictions	<u>\$35,070</u>

**NOTE 10. COMPENSATED ABSENCES**

Employees of the Organization are entitled to paid vacation depending on job classification, length of services and other factors. The statement of financial position reflects accrued vacation earned, but unpaid as of December 31, 2018 in the amount of \$3,357.