

NEW HAMPSHIRE ALCOHOL AND DRUG
ABUSE COUNSELORS ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

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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, 2019 and the related statement of activities and changes in net assets, functional expenses 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.

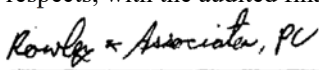
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 2019 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 New Hampshire Alcohol and Drug Abuse Counselors Association's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rowley & Associates, P.C.
Concord, New Hampshire
May 12, 2020

NEW HAMPSHIRE ALCOHOL AND DRUG
 ABUSE COUNSELORS ASSOCIATION
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2019 WITH COMPARATIVE TOTALS FOR 2018
 See Independent Auditors' Report

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019	2018
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 178,044	\$ 31,608	\$ 209,652	\$ 191,679
Accounts receivable	980	-	980	7,364
Prepaid expense	6,104	-	6,104	6,180
	<u>185,128</u>	<u>31,608</u>	<u>216,736</u>	<u>205,223</u>
FURNITURE AND EQUIPMENT, at cost	76,552	-	76,552	66,570
Less accumulated depreciation	(61,170)	-	(61,170)	(53,149)
	<u>15,382</u>	<u>-</u>	<u>15,382</u>	<u>13,421</u>
LONG TERM ASSETS				
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>203,310</u>	<u>31,608</u>	<u>234,918</u>	<u>221,444</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accrued expenses	1,431	-	1,431	3,357
	<u>1,431</u>	<u>-</u>	<u>1,431</u>	<u>3,357</u>
NET ASSETS				
Without donor restrictions	201,879	-	201,879	183,016
With donor restrictions	-	31,608	31,608	35,071
	<u>201,879</u>	<u>31,608</u>	<u>233,487</u>	<u>218,087</u>
Total liabilities and net assets	<u>\$ 203,310</u>	<u>\$ 31,608</u>	<u>\$ 234,918</u>	<u>\$ 221,444</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, 2019
WITH COMPARATIVE TOTALS FOR 2018

See Independent Auditors' Report

	2019			2018
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
Revenue				
Grant revenue	\$ 511,034	\$ 18,586	\$ 529,620	\$ 418,268
Contributions, in-kind	8,555	-	8,555	11,150
Training fees	145,258	-	145,258	106,277
Co-sponsorships	2,500	-	2,500	8,184
Membership fees	7,104	-	7,104	8,711
Merchandise sales, net of direct costs of \$0	50	-	50	111
Other revenue	4,404	-	4,404	889
Total revenues	678,905	18,586	697,491	553,590
Net assets released from donor imposed restrictions	31,608	(31,608)	-	-
Expenses				
Program expenses	652,568	-	652,568	513,866
Administrative expenses	24,340	-	24,340	20,875
Fundraising	5,183	-	5,183	2,384
Total expenses	682,091	-	682,091	537,125
Increase (Decrease) in net assets	18,863	(3,463)	15,400	16,465
Net assets, beginning of year	183,016	35,071	218,087	201,622
Net assets, end of year	\$ 201,879	\$ 31,608	\$ 233,487	\$ 218,087

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG
ABUSE COUNSELORS ASSOCIATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

See Independent Auditors' Report

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 15,400	\$ 16,465
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Disposal of furniture & equipment	-	2,189
Depreciation	8,021	8,916
(Increase) decrease in operating assets:		
Accounts receivable	6,384	2,165
Prepaid expenses	76	(1,171)
Increase (decrease) in operating liabilities:		
Accrued expenses	<u>(1,926)</u>	<u>3,357</u>
Net cash provided by operating activities	<u>27,955</u>	<u>31,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash paid for furniture & equipment	<u>(9,982)</u>	<u>(3,105)</u>
Net cash (used) by investing activities	<u>(9,982)</u>	<u>(3,105)</u>
Net increase in cash and cash equivalents	17,973	28,816
Cash and cash equivalents, beginning of year	<u>191,679</u>	<u>162,863</u>
Cash and cash equivalents, end of year	<u><u>\$ 209,652</u></u>	<u><u>\$ 191,679</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, 2019 AND 2018

See Independent Auditors' Report

	<u>2019</u>	<u>2018</u>
SUPPLEMENTARY SCHEDULE OF CASH FLOW INFORMATION		
In-kind contributions	\$ <u>8,555</u>	\$ <u>11,150</u>
Non-cash contributions	\$ <u>-</u>	\$ <u>81</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG
 ABUSE COUNSELORS ASSOCIATION
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE TOTALS FOR
 THE YEAR ENDED DECEMBER 31, 2018
 See Independent Auditors' Report

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2019</u>	<u>Total 2018</u>
Salaries and wages	\$ 260,092	\$ 16,602	\$ -	\$ 276,694	\$ 222,007
Employee benefits	21,434	1,368	-	22,802	32,573
Payroll taxes	20,697	1,321	-	22,018	17,437
Scholarships/sponsorships	24,311	-	-	24,311	8,765
Legal and accounting fees	9,314	594	-	9,908	9,449
Professional services	108,987	-	-	108,987	86,161
Trainer fees	72,435	-	-	72,435	47,431
Conferences and meetings	20,411	-	-	20,411	14,915
Insurance	4,071	260	-	4,331	4,334
Travel expenses	38,944	-	-	38,944	26,592
Office supplies and expenses	16,567	1,057	-	17,624	7,499
Postage	631	-	-	631	43
Telephone	1,656	106	-	1,762	1,680
Education	320	-	-	320	520
Marketing & communication	5,183	-	5,183	10,366	4,768
Bank and credit card fees	20	-	-	20	-
Board expenses	2,389	153	-	2,542	2,684
Occupancy expenses	34,968	2,232	-	37,200	37,200
Depreciation	7,540	481	-	8,021	11,105
Miscellaneous expenses	2,598	166	-	2,764	1,962
	<u>\$ 652,568</u>	<u>\$ 24,340</u>	<u>\$ 5,183</u>	<u>\$ 682,091</u>	<u>\$ 537,125</u>

See Notes to Financial Statements

NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

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, 2019 and 2018, 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 2019 and 2018 in the absence of this or similar funding.

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, 2019 and 2018, in-kind contributions were \$8,555 and \$11,150, respectively. The Association also received \$0 and \$81 in non-cash contributions for the years ended December 31, 2019 and 2018, respectively.

NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

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 \$8,021 and \$11,105 for the years ended December 31, 2019 and 2018. Equipment purchases with a cost under \$500 are not capitalized.

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, 2018, from which the summarized information was derived.

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, 2019 and 2018, which approximates fair value due to the relatively short maturity of these instruments.

NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates that are based on their relationship to those activities, consistently applied. Those expenses include payroll and payroll related expenses and occupancy costs. Occupancy costs are allocated based on square footage. Payroll and payroll related expenses are based on estimates of time and effort. Other cost allocations are based on the relationship between the expenditure and the activities benefited.

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.

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 67% and 61% of total support was derived from a single grant from the State of New Hampshire for years ended December 31, 2019 and 2018, respectively.

NOTE 3 SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 12, 2020, 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, 2019 and 2018

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, 2019 and 2018 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>Fair Value</u>	Other Unobservable Inputs <u>Level (2)</u>
<u>2019</u>		
Accounts receivable	<u>\$ 980</u>	<u>\$ 980</u>
<u>2018</u>		
Accounts receivable	<u>\$ 7,364</u>	<u>\$ 7,364</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. An addendum to the lease was signed with a term of two years beginning March 1, 2020 and commencing on February 28, 2022. Total rent related to this lease was \$37,200 and \$37,200 during the years ended December 31, 2019 and 2018, respectively.

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

2020	\$39,200
2021	39,600
2022	<u>6,600</u>
Total	<u>\$ 85,400</u>

NOTE 7 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, 2019 and 2018 in the amount of \$1,431 and \$3,357, respectively.

NEW HAMPSHIRE ALCOHOL AND DRUG ABUSE COUNSELORS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

NOTE 8 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 had the following financial assets that could be readily made available within one year to fund expenses without limitations:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 209,652	\$ 191,679
Accounts receivable	980	7,364
Less amounts subject to donor imposed restriction	<u>(22,049)</u>	<u>(35,071)</u>
	<u>\$ 188,583</u>	<u>\$ 163,972</u>

NOTE 9 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:

	<u>2019</u>	<u>2018</u>
Cash reserve account	<u>\$ 15,301</u>	<u>\$ 15,0781</u>

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specific purpose:		
BRSS TACs Contract	\$3,758	\$3,758
Bank of NH Grant	4,185	4,720
JSI 8790 contract	3,863	3,863
Hypertherm Hope Grant	6,500	-0-
NHCF	500	-0-
Meredith Savings Bank	3,177	-0-
Dobles Foundation	9,279	15,000
Harvard Pilgrim	-0-	5,000
Macoma Bank	-0-	1,000
Lamprey Health Care	-0-	1,499
Train it forward	<u>346</u>	<u>230</u>
Total net assets with donor restrictions	<u>\$31,608</u>	<u>\$35,070</u>