

**ALCOHOL & DRUG COUNCIL OF
TOMPKINS COUNTY, INC.**

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2010 and 2009**

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.

DECEMBER 31, 2010 and 2009

Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3-3a
Statements of Functional Expenses	4-5a
Statements of Cash Flows	6
Notes to Financial Statements	7-11

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Alcohol & Drug Council
of Tompkins County, Inc.
Ithaca, New York

We have audited the Statements of Financial Position of the Alcohol & Drug Council of Tompkins County, Inc. (the Council), as of December 31, 2010 and 2009, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended. These financial statements are the responsibility of the Council'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. 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 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 Alcohol & Drug Council of Tompkins County, Inc. at December 31, 2010 and 2009, 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.

Ciaschi, Dietershagen, Little, Mickelson & Company LLP

April 13, 2011
Ithaca, New York

- 1 -

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ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash and cash equivalents	\$ 77,203	\$ 157,875
Receivables:		
Promises to give	18,336	18,615
Grants receivable	18,087	37,617
Client fees, less allowance for uncollectible accounts of \$142,604 in 2010 and \$124,851 in 2009	42,000	53,498
Medicaid, less allowance for uncollectible accounts of \$1,463 in 2010 and \$3,198 in 2009	58,140	60,764
Third party, less allowance for uncollectible accounts of \$8,498 in 2010 and \$22,812 in 2009	12,746	15,746
Total Receivables	<u>149,309</u>	<u>186,240</u>
Prepaid insurance	<u>9,440</u>	<u>12,980</u>
Total Current Assets	235,952	357,095
Furniture, fixtures, and equipment, net of accumulated depreciation	<u>38,164</u>	<u>9,439</u>
Total Assets	<u>\$ 274,116</u>	<u>\$ 366,534</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 79,370	\$ 50,945
Accrued payroll	13,283	9,667
Medicaid payable, current portion	12,232	21,603
Deferred revenue	-0-	1,638
Compensated absences	<u>20,860</u>	<u>7,658</u>
Total Current Liabilities	125,745	91,511
Long-term Liabilities:		
Medicaid payable, net of current portion	<u>-0-</u>	<u>14,483</u>
Total Liabilities	<u>125,745</u>	<u>105,994</u>
Unrestricted Net Assets:		
Undesignated	(16,481)	106,132
Client fees receivable	112,886	130,008
Fixed assets	<u>38,164</u>	<u>9,439</u>
Total Unrestricted Net Assets	134,569	245,579
Temporarily Restricted Net Assets	<u>13,802</u>	<u>14,961</u>
Total Net Assets	<u>148,371</u>	<u>260,540</u>
Total Liabilities and Net Assets	<u>\$ 274,116</u>	<u>\$ 366,534</u>

See Independent Auditor's Report and Notes to Financial Statements

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010 Total</u>
Public Support:			
New York State OASAS	\$ 310,899	\$	\$ 310,899
Tompkins County:			
County General Fund	60,297		60,297
CJC	6,237		6,237
Stop DWI	15,000		15,000
Other State sources	23,000		23,000
United Way	13,752	13,752	27,504
Contributions	10,224	50	10,274
Assets released from restrictions	14,961	(14,961)	-0-
Total Public Support	<u>454,370</u>	<u>(1,159)</u>	<u>453,211</u>
Revenue:			
Medicaid reimbursements	406,686		406,686
Third party reimbursements	84,840		84,840
Client fees	97,161		97,161
Interest income	155		155
Workshops	57,315		57,315
Other revenue	1,789		1,789
Total Revenue	<u>647,946</u>	<u>-0-</u>	<u>647,946</u>
Total Public Support and Revenue	<u>1,102,316</u>	<u>(1,159)</u>	<u>1,101,157</u>
Expenses:			
Program Services:			
Clinic	877,124		877,124
Education/Prevention	152,666		152,666
DDP	13,278		13,278
Total Program Services	<u>1,043,068</u>	<u>-0-</u>	<u>1,043,068</u>
Supporting Services:			
Management and general	165,090		165,090
Fundraising	5,168		5,168
Total Supporting Services	<u>170,258</u>	<u>-0-</u>	<u>170,258</u>
Total Expenses	<u>1,213,326</u>	<u>-0-</u>	<u>1,213,326</u>
Change in Net Assets	(111,010)	(1,159)	(112,169)
Net Assets, January 1,	<u>245,579</u>	<u>14,961</u>	<u>260,540</u>
Net Assets, December 31,	<u>\$ 134,569</u>	<u>\$ 13,802</u>	<u>\$ 148,371</u>

See Independent Auditor's Report and Notes to Financial Statements

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2009 Total</u>
\$ 310,903	\$	\$ 310,903
57,780		57,780
10,775		10,775
15,000		15,000
		-0-
13,961	13,961	27,922
10,439	1,000	11,439
14,194	(14,194)	-0-
<u>433,052</u>	<u>767</u>	<u>433,819</u>
449,463		449,463
96,277		96,277
81,421		81,421
189		189
69,010		69,010
		-0-
<u>696,360</u>	<u>-0-</u>	<u>696,360</u>
<u>1,129,412</u>	<u>767</u>	<u>1,130,179</u>
782,271		782,271
156,425		156,425
12,004		12,004
<u>950,700</u>	<u>-0-</u>	<u>950,700</u>
160,212		160,212
4,646		4,646
<u>164,858</u>	<u>-0-</u>	<u>164,858</u>
<u>1,115,558</u>	<u>-0-</u>	<u>1,115,558</u>
13,854	767	14,621
<u>231,725</u>	<u>14,194</u>	<u>245,919</u>
<u>\$ 245,579</u>	<u>\$ 14,961</u>	<u>\$ 260,540</u>

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Program Services			
	Clinic	Education/ Prevention	DDP	Total
Expenses:				
Salaries	\$ 588,237	\$ 108,316	\$ 9,086	\$ 705,639
Fringes	136,869	25,216	695	162,780
Program supplies	5,057	678		5,735
Office supplies	13,197	1,166		14,363
Training	600	213		813
Travel	598	1,585	532	2,715
Telephone	3,537	302		3,839
Legal and professional	80	524		604
Contracted services	15,530	569	487	16,586
Repairs and maintenance	4,397	15		4,412
Computer supplies	2,098	812		2,910
Property rental	85,447	8,864	2,061	96,372
Equipment rental	4,408	1,103		5,511
Postage	3,393	108		3,501
Conferences and conventions				-0-
Insurance	5,403	806		6,209
Dues and subscriptions		225		225
Advertising	3,468	1,084		4,552
Bank fees and service charges	1,271	197	417	1,885
Total Expenses before Depreciation	873,590	151,783	13,278	1,038,651
Depreciation	3,534	883		4,417
Total Functional Expenses	\$ <u>877,124</u>	\$ <u>152,666</u>	\$ <u>13,278</u>	\$ <u>1,043,068</u>

See Independent Auditor's Report and Notes to Financial Statements

Supporting Services

Management and General	Fundraising	Total
\$ 105,921	\$ 1,613	\$ 813,173
23,899	516	187,195
		5,735
597	13	14,973
		813
539		3,254
474		4,313
11,820		12,424
3,049	80	19,715
672		5,084
5,428		8,338
6,390	309	103,071
		5,511
40	58	3,599
1,847	2,546	4,393
1,536		7,745
957		1,182
1,734		6,286
187	33	2,105
165,090	5,168	1,208,909
		4,417
\$ 165,090	\$ 5,168	\$ 1,213,326

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Services			
	Clinic	Education/ Prevention	DDP	Total
Expenses:				
Salaries	\$ 522,519	\$ 107,755	\$ 8,296	\$ 638,570
Fringes	115,063	28,336	635	144,034
Program supplies	5,165	615		5,780
Office supplies	17,519	2,887		20,406
Training	1,059			1,059
Travel	192	1,668		1,860
Telephone	5,920	505		6,425
Legal and professional	93			93
Contracted services	6,980	1,399	598	8,977
Repairs and maintenance	2,587			2,587
Computer supplies	4,009	1,028		5,037
Property rental	82,957	8,611	1,996	93,564
Equipment rental	1,698	425		2,123
Postage	3,134	144		3,278
Conferences and conventions	183			183
Publications and printing	208	52		260
Insurance	5,488	796		6,284
Dues and subscriptions		225		225
Advertising	3,839	1,067		4,906
Bank fees and service charges	906	224	479	1,609
Total Expenses before Depreciation	779,519	155,737	12,004	947,260
Depreciation	2,752	688		3,440
Total Functional Expenses	\$ <u>782,271</u>	\$ <u>156,425</u>	\$ <u>12,004</u>	\$ <u>950,700</u>

See Independent Auditor's Report and Notes to Financial Statements

Supporting Services

Management and General	Fundraising	Total
\$ 99,868	\$ 1,657	\$ 740,095
26,117	504	170,655
		5,780
789	13	21,208
		1,059
98		1,958
794		7,219
10,396		10,489
3,572		12,549
80		2,667
5,797		10,834
6,204	300	100,068
		2,123
45		3,323
3,408	2,073	5,664
269	80	609
1,508		7,792
950		1,175
45		4,951
272	19	1,900
160,212	4,646	1,112,118
		3,440
<u>\$ 160,212</u>	<u>\$ 4,646</u>	<u>\$ 1,115,558</u>

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Cash Flows from Operating Activities:		
Change in net assets	\$ (112,169)	\$ 14,621
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	4,417	3,440
Decrease (increase) in:		
Grants and fees receivable	36,652	1,627
Promises to give	279	-0-
Prepaid insurance	3,540	(2,434)
(Decrease) increase in:		
Accounts payable	28,425	44,369
Accrued payroll	3,616	(22,053)
Deferred revenue	(1,638)	(2)
Compensated absences	13,202	(53)
Medicaid payable	(23,854)	(21,600)
	(47,530)	17,915
Net Cash (Used) Provided by Operating Activities		
Cash Flows from Investing Activities:		
Purchases of fixed assets	(33,142)	(4,675)
Net Cash (Used) by Investing Activities	(33,142)	(4,675)
Cash Flows from Financing Activities:	-0-	-0-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(80,672)	13,240
Cash and Cash Equivalents, January 1,	157,875	144,635
Cash and Cash Equivalents, December 31,	\$ 77,203	\$ 157,875
Supplemental Disclosures:		
In-kind services	\$ 940	\$ 660

See Independent Auditor's Report and Notes to Financial Statements

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies

Activity

The Alcohol & Drug Council of Tompkins County, Inc. (the Council), located in Ithaca, New York, is a not-for-profit organization which provides counseling and education services to the local community. The Council derives most of its revenue from third party reimbursements, the State of New York, and Tompkins County.

Accounting Method

The financial statements of the Council have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Council accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board (FASB) in Statement of Financial Accounting Standards (SFAS) No. 117, "Accounting for Contributions Received and Contributions Made," which is now incorporated in the FASB Accounting Standards Codification (ASC) 958 "Not-for-Profit Entities." Under FASB ASC 958, the Council 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.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Equipment and Leasehold Improvements

The Council capitalizes all leasehold improvements and expenditures for furniture and equipment in excess of \$1,000 and with useful lives greater than one year. Purchased leasehold improvements and furniture and equipment are carried at cost. Donated property and equipment are carried at the approximated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives are estimated as follows: leasehold improvements, five to twenty years; furniture and equipment, five to ten years.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time.

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2010 and 2009

Compensated Absences

In 2009, the Council's policy regarding compensated absences indicates that vacation time may not be accrued beyond each individual's anniversary year. Beginning in 2010, compensated absences are accrued on a per-pay-period basis and may be accrued up to the amount earned during the prior two years of employment. The accrued liability recorded at December 31, 2010 and 2009 is the liability at the Council's year end.

Uncollectible Amounts

Allowances for doubtful accounts are estimated based on historical collection rates. Receivables become delinquent and are charged off when 90 days past due with no payments received on the account within the past 90 days.

Tax Exemption

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Council qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions

The Council accounts for contributions in accordance with the recommendations of the FASB in SFAS No. 116, "Accounting for Contributions Received and Contributions Made," which is now included in FASB ASC 958. In accordance with FASB ASC 958, unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Events Subsequent to Report Date

The Council has evaluated event transactions occurring between December 31, 2010 and April 13, 2011, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. No events were identified which require disclosure or recognition in the financial statements as of December 31, 2010.

Note 2 - Grants Receivable and Promises to Give

Grants receivable consisted of the following at December 31,:

	<u>2010</u>	<u>2009</u>
OASAS	\$ 3,367	\$ 37,117
Community Justice Center	275	500
Tompkins County Mental Health	<u>14,445</u>	<u>-0-</u>
Total Grants Receivable	<u>\$ 18,087</u>	<u>\$ 37,617</u>

Promises to give of \$18,336 and \$18,615 consist entirely of United Way allocations and are considered fully collectible at December 31, 2010 and 2009, respectively.

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2010 and 2009

Note 3 - Fixed Assets and Related Depreciation

Fixed assets and accumulated depreciation consisted of the following at December 31,:

	2010		2009	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Furniture and equipment	\$ 117,538	\$ 79,374	\$ 87,616	\$ 78,177

Depreciation expense amounted to \$4,417 and \$3,440 in 2010 and 2009, respectively. Disposals of fully depreciated furniture and equipment amounted to \$3,220 and \$14,777 in 2010 and 2009, respectively.

Note 4 - Lease Commitment

The Council leases its facility from Tompkins County under a lease commencing April 1, 2001, for a five-year term, and renewed April 1, 2006 for another five-year term, with an increase of 3% each year through March 31, 2011. The yearly lease payments amounted to \$103,072 and \$100,068 in 2010 and 2009, respectively.

Future minimum lease payments are as follows:

Year	Amount
2011	\$ 25,960

Subsequent to December 31, 2010, the lease was renegotiated with the County and is expected to continue for five years under the same terms, with a 3% increase, subject to final County Legislature approval.

Note 5 - Pension Plan

The Council participates in a defined contribution plan. All full time employees are eligible to participate in the plan on the first day of the month coinciding with or immediately following the date they reach age 21 and have completed one year of service. A year of service is credited for 1,000 hours of service in a calendar year. Employees are fully vested after three years of service. The Council contributes 5% of covered salaries and will match an amount equal to 50% of the first 6% of employee contributions. Pension expense amounted to \$31,011 and \$32,988 in 2010 and 2009, respectively.

Note 6 - Net Assets

Unrestricted Net Assets

Management has disclosed unrestricted net assets in three different categories as follows:

Client Fees Receivable:

OASAS has a right to these funds in the event the Council ceases to exist.

Fixed Assets:

The net book value of the Council's investments in fixed assets.

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2010 and 2009

Undesignated:

Unrestricted net assets used for continuing operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of promises to give in the future, or funds received for specific programs or purposes. Promises to give in the future become available for use during the subsequent year and are reclassified to unrestricted net assets. Funds restricted to specific programs become unrestricted as the program expenses are incurred.

Temporarily restricted net assets consisted of the following at December 31,:

	2010	2009
United Way grant (time restriction)	\$ 13,752	\$ 13,961
Tompkins Trust Company (purpose restriction)	-0-	1,000
FIT Group donation (purpose restriction)	50	-0-
Total	\$ 13,802	\$ 14,961

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The total assets released from restrictions amounted to \$14,961 and \$14,194 for the years ended December 31, 2010 and 2009, respectively.

Note 7 - Donated Materials and Services

Donated materials are recorded at fair value at date of receipt. For the years ended December 31, 2010 and 2009, no donated materials are reflected in the Statements of Activities. For years ended December 31, 2010 and 2009, \$940 and \$660 of donated services, which consisted of computer services, were included in contribution revenue. Donated services were used in the clinic, education, management and general, and fundraising programs. A substantial number of volunteers have donated significant amounts of their time in the Council's program services and in its fund raising campaigns. These amounts have not been reflected in the Statements of Activities, as no objective basis is available to measure the value of the services.

Note 8 - Medicaid Payable

In October, 1997, a Medicaid audit was conducted at the Council for the years ended December 31, 1994 and 1995. As a result of the audit, the Council has recorded a liability for amounts to be repaid. The balance of this liability was \$12,232 and \$36,086 at December 31, 2010 and 2009. During 2010 and 2009, repayment was made by withholding a specified amount per reimbursement check. The Council expects a \$12,232 repayment during 2011, reflecting payment in full of this liability.

Note 9 - Advertising

The Council uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During 2010 and 2009, advertising costs totaled \$6,286 and \$4,951, respectively.

ALCOHOL & DRUG COUNCIL OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2010 and 2009

Note 10 - Program Services

The Council classifies its program service activities as follows:

Clinic

The Outpatient Clinic offers comprehensive evaluations and treatment options for individuals, family members, and concerned others, regarding the use of alcohol and other drugs. Several different clinical groups exist within the Outpatient Clinic.

Education and Prevention

The Education and Prevention activities include several programs meant to raise awareness within the community about the disease of addiction. The Peer Education Program provides alcohol and other drug education to middle and high school students. This program trains high school students to facilitate workshops which are presented to middle school students.

Drinking Driver Program

The Council administers the Drinking Driver Program in Tompkins County. The program is taught by New York State Department of Motor Vehicles approved instructors.

Contracts: Non-OASAS

The Council has a contract with the Tompkins County Probation Department to deliver Stop-DWI messages and services. The scope of these services includes the managing of and dissemination of preventive and educational information to youth and adults. A review of the history of public information and education activities in Tompkins County will be performed and a summary of the findings written.

Note 11 - Concentration of Credit Risk Involving Cash

The Council maintains cash in various accounts held at local financial institutions. At times, these cash balances may exceed federally insured amounts, and may exceed balance sheet amounts due to outstanding checks. Uninsured balances amounted to \$-0- and \$-0- at December 31, 2010 and 2009, respectively.

Note 12 - Line of Credit

The Council maintains a line of credit in the amount of \$100,000 at a local financial institution. There was no outstanding balance on this line of credit at December 31, 2010 and 2009.