

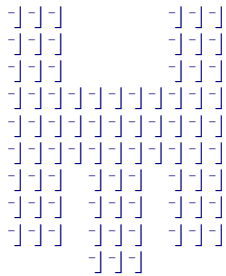
DRUG ABUSE TREATMENT ASSOCIATION, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended
June 30, 2022
(with comparable totals for 2021)**

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Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Drug Abuse Treatment Association, Inc.
Jupiter, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Drug Abuse Treatment Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Drug Abuse Treatment Association, Inc. as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Drug Abuse Treatment Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Drug Abuse Treatment Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Drug Abuse Treatment Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Drug Abuse Treatment Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of actual funding sources and revenues, schedule of actual expenses, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 schedule of actual funding sources and revenues, schedule of actual expenses, and the accompanying of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of Drug Abuse Treatment Association, Inc.'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 solely 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 effectiveness of Drug Abuse Treatment Association, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Drug Abuse Treatment Association, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Drug Abuse Treatment Association, Inc.'s 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 27, 2023

DRUG ABUSE TREATMENT ASSOCIATION, INC.

**STATEMENT OF
FINANCIAL POSITION**

As of June 30, 2022

(with comparable totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
ASSETS				
Current assets:				
Cash and cash equivalents	2,886,572	\$ -	\$ 2,886,572	3,483,528
Certificates of deposit	998,445	-	998,445	-
Grants and other receivables	679,738	-	679,738	916,711
United Way allocation receivable	-	184,000	184,000	184,000
Prepaid expenses	183,802	-	183,802	162,721
Deposits	50,000	-	50,000	50,000
Other assets	2,534	-	2,534	1,492
Total current assets	4,801,091	184,000	4,985,091	4,798,452
Cash designated for capital improvements	414,774	-	414,774	492,274
Property and equipment, net	323,912	-	323,912	351,846
Total assets	\$ 5,539,777	\$ 184,000	\$ 5,723,777	\$ 5,642,572
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 124,823	\$ -	\$ 124,823	\$ 156,091
Accrued expenses	16,326	-	16,326	16,901
Pension payable	647,149	-	647,149	499,637
Paid time off payable	188,692	-	188,692	193,499
Accrued wages	199,044	-	199,044	153,443
Current portion of loan payable	824,867	-	824,867	91,414
Total current liabilities	2,000,901	-	2,000,901	1,110,985
Loan payable	-	-	-	843,618
Total liabilities	2,000,901	-	2,000,901	1,954,603
Net assets:				
Without donor restrictions:				
Designated for property and equipment	323,912	-	323,912	351,846
Designated for capital improvements	414,775	-	414,775	492,274
Undesignated	2,800,189	-	2,800,189	2,659,849
Total without donor restrictions	3,538,876	-	3,538,876	3,503,969
With donor restrictions	-	184,000	184,000	184,000
Total net assets	3,538,876	184,000	3,722,876	3,687,969
Total liabilities and net assets	\$ 5,539,777	\$ 184,000	\$ 5,723,777	\$ 5,642,572

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.
**STATEMENT OF
ACTIVITIES**
For the Year Ended June 30, 2022
(with comparable totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
Revenues and support:				
Government grants and contracts	\$ -	\$ 8,301,823	\$ 8,301,823	\$ 6,841,717
Teachers and schools program	-	134,392	134,392	134,392
Contributed use of facilities	-	358,871	358,871	341,320
Program service fees	146,965	-	146,965	145,663
Contributions-direct	1,770	-	1,770	1,234
United Way allocation	81,888	184,000	265,888	273,088
Interest income	502	-	502	1,395
	<u>231,125</u>	<u>8,979,086</u>	<u>9,210,211</u>	<u>7,738,809</u>
Net assets released from restrictions	<u>8,979,086</u>	<u>(8,979,086)</u>	<u>-</u>	<u>-</u>
	<u>9,210,211</u>	<u>-</u>	<u>9,210,211</u>	<u>7,738,809</u>
Expenses:				
Program services:				
Residential	2,765,298	-	2,765,298	2,435,005
Outpatient	672,474	-	672,474	669,549
TASC	669,279	-	669,279	509,356
On site	624,021	-	624,021	511,022
Outreach	915,269	-	915,269	731,263
Prevention	1,599,476	-	1,599,476	1,038,200
Medical services	10,985	-	10,985	32,116
Care coordination	60,000	-	60,000	40,000
Incidentals	1,868	-	1,868	3,392
Behavioral Health (Non-SAMH)	780,822	-	780,822	895,080
	<u>8,099,492</u>	<u>-</u>	<u>8,099,492</u>	<u>6,864,983</u>
Supporting services:				
Administrative and general	1,075,812	-	1,075,812	882,591
	<u>9,175,304</u>	<u>-</u>	<u>9,175,304</u>	<u>7,747,574</u>
Change in net assets	34,907	-	34,907	(8,765)
Net assets, beginning of year	<u>3,503,969</u>	<u>184,000</u>	<u>3,687,969</u>	<u>3,696,734</u>
Net assets, end of year	<u>\$ 3,538,876</u>	<u>\$ 184,000</u>	<u>\$ 3,722,876</u>	<u>\$ 3,687,969</u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.
**STATEMENT OF
CASH FLOWS**
For the Year Ended June 30, 2022
(with comparable totals for 2021)

	2022	2021
Cash flows from operating activities:		
Cash received from government grants and contracts	\$ 8,546,666	\$ 6,792,008
Cash received from program fees	146,965	145,664
Cash received from contributions and support	259,788	266,452
Cash paid to suppliers and employees	(8,483,058)	(7,182,264)
Interest income	502	1,395
Interest expense	(9,208)	(8,131)
Net cash provided by operating activities	<u>461,655</u>	<u>15,124</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(998,445)	-
Proceeds of certificates of deposit	-	252,023
Purchase of property and equipment	(27,501)	(20,059)
Net cash (used in) provided by investing activities	<u>(1,025,946)</u>	<u>231,964</u>
Cash flows from financing activities:		
Principal payments of loans payable	(110,165)	-
Proceeds from loan payable	-	935,032
Net cash (used in) provided by financing activities	<u>(110,165)</u>	<u>935,032</u>
Net change in cash and cash equivalents	(674,456)	1,182,120
Cash and cash equivalents, beginning of year	3,975,802	2,793,682
Cash and cash equivalents, end of year	<u>\$ 3,301,346</u>	<u>\$ 3,975,802</u>
Cash and cash equivalents	2,886,572	3,483,528
Cash designated for capital improvements	414,774	492,274
	<u>\$ 3,301,346</u>	<u>\$ 3,975,802</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 34,907	\$ (8,765)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	55,435	52,748
(Increase) decrease in certain assets:		
Grants and other receivables	244,843	(49,709)
United Way allocation receivable	(7,870)	(7,870)
Prepaid expenses	(21,081)	(63,981)
Other assets	(1,042)	(49,082)
Increase (decrease) in certain liabilities:		
Accounts payable	(31,268)	52,182
Accrued expenses	(575)	14,973
Pension payable	147,512	55,024
Paid time off payable	(4,807)	(5,213)
Accrued wages	45,601	24,817
Net cash provided by operating activities	<u>\$ 461,655</u>	<u>\$ 15,124</u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2022

	Program Services					
	SAMH Contracts					
	Residential	Outpatient	TASC	On site	Outreach	Prevention
Personnel expenses:						
Salaries and wages	\$ 1,461,881	\$ 411,588	\$ 459,528	\$ 470,977	\$ 604,109	\$ 1,125,650
Fringe benefits	448,403	116,099	102,241	94,576	189,936	258,884
Total personnel expenses	1,910,284	527,687	561,769	565,553	794,045	1,384,534
Operating expenses:						
Building and occupancy	165,725	35,940	8,160	9,837	18,871	23,361
Professional fees	42,443	14,177	5,431	3,344	7,380	11,363
In-kind expenses:						
Facilities	85,200	3,000	39,721	21,116	41,559	110,749
Services	134,392	-	-	-	-	-
Travel	17,807	5,433	8,650	2,802	5,905	11,226
Equipment costs	23,455	13,403	3,294	224	448	1,012
Food costs	146,696	-	-	-	-	-
Medical/pharmacy	8,694	3,600	1,440	4,312	10,087	9,000
Depreciation - State	9,512	-	3,978	-	-	-
Insurance	62,323	11,796	5,462	5,807	12,134	10,514
Interest	-	-	-	-	-	-
Operating supplies and expenses	122,213	52,541	31,286	11,026	24,840	37,717
Depreciation expense	36,554	4,897	88	-	-	-
Total operating expenses	855,014	144,787	107,510	58,468	121,224	214,942
Total expenses	\$ 2,765,298	\$ 672,474	\$ 669,279	\$ 624,021	\$ 915,269	\$ 1,599,476

See accompanying notes to financial statements.

**STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2021)

Program Services									
SAMH Contracts				PBC	Total	Administrative and General	2022 Totals	2021 Totals	
Medical Services	Care Coordination	Incidentals	Total SAMH	School Distr. Behavioral	Program Services				
\$ 1,445	\$ 55,332	\$ -	\$ 4,590,510	\$ 549,891	\$ 5,140,401	\$ 696,987	\$ 5,837,388	\$ 4,894,448	
1,482	4,668	-	1,216,289	152,099	1,368,388	219,006	1,587,394	1,389,344	
2,927	60,000	-	5,806,799	701,990	6,508,789	915,993	7,424,782	6,283,792	
377	-	-	262,271	1,001	263,272	67,578	330,850	259,426	
1,988	-	-	86,126	2,933	89,059	19,178	108,237	89,685	
-	-	-	301,345	57,526	358,871	-	358,871	341,320	
-	-	-	134,392	-	134,392	-	134,392	134,392	
771	-	-	52,594	1,922	54,516	14,377	68,893	52,420	
3	-	-	41,839	-	41,839	625	42,464	21,699	
-	-	-	146,696	-	146,696	185	146,881	122,929	
360	-	-	37,493	-	37,493	-	37,493	11,345	
-	-	-	13,490	-	13,490	-	13,490	13,490	
1,994	-	-	110,030	9,185	119,215	821	120,036	88,444	
-	-	-	-	-	-	9,208	9,208	8,131	
2,565	-	1,868	284,056	6,265	290,321	47,441	337,762	281,243	
-	-	-	41,539	-	41,539	406	41,945	39,258	
8,058	-	1,868	1,511,871	78,832	1,590,703	159,819	1,750,522	1,463,782	
\$ 10,985	\$ 60,000	\$ 1,868	\$ 7,318,670	\$ 780,822	\$ 8,099,492	\$ 1,075,812	\$ 9,175,304	\$ 7,747,574	

See accompanying notes to financial statements.

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

The accompanying financial statements account for the activities of Drug Abuse Treatment Association, Inc. (DATA). DATA was incorporated in 1966, and provides substance abuse treatment services within Palm Beach, Martin, St. Lucie, Indian River, and Okeechobee Counties, Florida. DATA Foundation, Inc. (the "Foundation") was incorporated in 2020, to support DATA in its daily activities and operations, however the Foundation has had no activity from the date of its formation through the year ended June 30, 2022.

Financial Statement Presentation

DATA follows Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Presentation of Financial Statements*. The standard requires that DATA present information regarding its financial position and activities according to two classes of net assets, described as follows:

Net Assets without Donor Restrictions: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net asset without donor restriction class.

Net Assets with Donor Restrictions: this classification includes those net assets whose use by DATA has been limited by donors to either a later period of time, after a specified date, or for a specified purpose. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Basis of Accounting

The financial statements of DATA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Use of 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 disclosure 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.

Prior Year Summarized 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the DATA's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies, continued***Fair Value of Financial Instruments***

DATA follows FASB ASC 820-10, *Fair Value Measurements and Disclosures*, which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs. DATA does not have financial instruments measured at fair value in the accompanying financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, DATA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Certificates of Deposit

DATA's certificates of deposit have initial maturities of three to six months and therefore are not considered cash and cash equivalents.

Grants and Other Receivables/ United Way Allocation Receivable

Grants and other receivables consist of amounts due to DATA under various state and local grants, as well as from other agencies. United Way allocation receivable is an unconditional promise to give from the Town of Palm Beach United Way. A provision for doubtful accounts as of June 30, 2022 was deemed unnecessary because the amounts are fully collectible.

Property and Equipment and Depreciation

Items of property and equipment are stated at cost or, in the case of contributed assets, at fair market value at the time of receipt. Individual items costing less than \$5,000 are expensed. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which range from 5 to 39 years.

Revenue Recognition

DATA receives various grants from federal, local, and private agencies for program and supporting services expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. DATA recognizes revenue received from contracts with state and county agencies according to the terms of the contracts. Grant revenue is recognized as grant funds are accessed through periodic billings for contracted services provided. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies, continued*Contributions*

Contributions received, including unconditional promises, are reported as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

DATA reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, DATA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services and In-kind Support

Donated services and in-kind support are recognized as contributions in accordance with FASB ASC 958-605, *Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. Refer to *Note 8* for In-kind rent and *Note 9* for In-kind services received during the year ended June 30, 2022.

Income Taxes

DATA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to DATA's tax-exempt purpose would be subject to taxation as unrelated business income. There were no such unrelated activities for the year ended June 30, 2022.

DATA follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. DATA assesses its income tax positions based on management's evaluation of the facts, circumstances and information available at the reporting date. DATA uses the prescribed more likely than not threshold when making its assessment. DATA has not accrued any interest expense or penalties related to tax positions. There are currently no open Federal or State tax years under audit.

Advertising Costs

Advertising costs for recruitment of personnel are expensed as incurred. Total advertising expense for the year ended June 30, 2022 was \$19,680. Advertising costs are included in operating supplies and expenses in the statement of functional expenses.

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies, continued*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 functional expenses. Accordingly, certain costs have been allocated among the programs and activities benefited.

Recently Adopted Accounting Pronouncements

As of July 1, 2021, DATA adopted the provisions of FASB ASU Accounting Standards Update 2020-07—*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the standard is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the not-for-profit.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement of financial position as liabilities, with corresponding “right-of-use” assets. The standard is effective for annual reporting periods beginning after December 15, 2021. Therefore, the standard will be effective for DATA’s fiscal year beginning July 1, 2022 and ending June 30, 2023. Management is currently evaluating the potential impacts on DATA’s financial statements.

2. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the statement of financial position date that are without donor restrictions or other restrictions limiting their use comprise the following:

Cash and cash equivalents	\$ 2,886,572
Certificates of deposit	998,445
Grants and other receivables	679,738
United Way allocation receivable	<u>184,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 4,748,754</u>

DATA is substantially supported by government grants and other contracts without donor and with donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, DATA must maintain sufficient resources to meet those responsibilities to its donors. Some of DATA’s net assets with donor restrictions are available for general expenditure within one year of June 30, 2022 because the restrictions on the net assets are expected to be met by conducting the normal program activities of DATA in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

For the Year Ended June 30, 2022**2. Liquidity and Availability of Resources, continued**

While the analysis above excludes cash designated for capital improvements, DATA could access these funds if circumstances justified such action. Additionally, part of the DATA's liquidity management plan is to invest cash in excess of the monthly requirements into short-term investments such as certificates deposit (CD) and money market funds. Given the CD's mature within 12 months of year-end they are considered part of financial assets available.

3. Prepaid Expenses

Prepaid expenses consist primarily of unamortized portion of prepaid insurance, in addition to other prepaid items. As of June 30, 2022, prepaid insurance totaled \$171,130.

4. Property and Equipment

Property and equipment consisted of the following as of June 30, 2022:

Buildings	\$ 646,305
Leasehold improvements	318,765
Furniture and equipment	<u>567,457</u>
	1,532,527
Less accumulated depreciation	<u>(1,208,615)</u>
Property and equipment, net	<u>\$ 323,912</u>

Depreciation expense for the year ended June 30, 2022 was \$55,435, which includes \$41,945 in depreciation, and \$13,490 in depreciation for state owned assets, as presented in the statement of functional expenses.

5. Paid Time Off (PTO) Payable

DATA's employee fringe benefit package provides that paid time off will accrue at the rate of 3.69 hours per bi-weekly pay period for the first year of employment, 5.54 hours per pay period from 2 to 4 years of employment, 7.38 hours per pay period from 5 to 9 years of employment, and 9.23 hours per pay period for 10 or more years of employment. DATA employees who work in school-based programs have a modified version of the paid time off accrual. Paid time off ceases to accrue for an employee when his or her unused hours total 240.

Employees who terminate in good standing will receive payment for unused paid time off in accordance with the personnel policy.

6. Designated Assets

The Board of Directors designated \$414,775 of the net assets balance as June 30, 2022 to fund building renovations, including furniture and fixtures at DATA's facilities, and to purchase new automobiles as necessary. These funds are not intended to function as Board-designated endowments.

For the Year Ended June 30, 2022

7. Net Assets with Donor Restrictions

Net assets with donor restrictions available for periods after June 30, 2022 consisted of the unconditional allocation receivable from United Way. DATA's allocation receivable as of June 30, 2022 amounted to \$184,000 and is restricted for the Kelly Center residential facility.

DATA recognizes its unconditional allocation receivable in the period received, instead of when collected or when the associated expenses are incurred. Accordingly, the prior year allocation is released from restriction in the current year, as the time restriction expires, and the new allocation is recognized as restricted. As the amount of this allocation increases or decreases from year to year, the change will result in a positive or negative change in net assets. This change in net assets with donor restrictions does not necessarily represent the financial result of the programs for which the allocation is received.

During the year ended June 30, 2022, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Substance Abuse and Mental Health ("SAMH") contracts:	
SAMH contracts, federal government	\$ 7,251,000
State and local government grants	951,908
Federal grants and contracts	<u>98,915</u>
Total government contracts and grants	8,301,823
Various direct contributions –	
United Way contributions	184,000
Teachers and school programs in-kind	134,392
Contributed use of facilities in-kind	<u>358,871</u>
Total program restrictions satisfied	<u>\$ 8,979,086</u>

8. Residential, Prevention and Other Treatment Facilities

Residential facility, Kelly Center - DATA operates two residential facilities for adolescent substance abuse treatment. The Kelly Center, located in West Palm Beach, Florida, is situated on land owned by the Jerome Golden Center. The land was made available at no cost to DATA under a lease agreement that provided for automatic three-year renewals through November 30, 2084 at DATA's option. The agreement provided for no monthly land lease payments, but the in-kind lease amount agreed to by both parties approximates fair rental value. DATA is responsible for the operating costs of maintaining the residential facility. In-kind rent for the Jerome Golden Center totaled \$13,200 for 2022. As of September 29, 2020, the land owned by Jerome Golden Center was sold to Sunview Medical of New Jersey. In May 2021, DATA signed a contract with the new owner for a purchase price of \$500,000 for the Kelly Center real estate property located at 1041 45th Street, West Palm Beach, Florida. An initial deposit of \$50,000 is deposited into an escrow account until the closing date. As of the date of these financial statements, the closing has not taken place.

For the Year Ended June 30, 2022

8. Residential, Prevention and Other Treatment Facilities, continued

Residential facility, Hayslip Center - DATA's other residential facility, the Hayslip Center, is located in the St. Lucie County Youth Hall in Fort Pierce, Florida. The Board of County Commissioners of St. Lucie County provides the primary building at the facility and the land to DATA rent free. The St. Lucie District School Board also provides a portable classroom building rent free for DATA's use. These facilities were provided to DATA free of charge through June 30, 2022, as long as they were used for their intended purposes. The use of these facilities is valued at \$72,000 per year by St. Lucie County, and is accounted for by DATA as contributed use of facility revenue and offsetting rent expense.

Prevention and other treatment facilities - In addition to the residential facilities, DATA also conducts prevention and other treatment programs in the five county areas it serves. These counties provide office space and utilities to DATA free of charge. The use of these facilities for each of these counties is valued based on contemporaneous rental values in the areas and are accounted for by DATA as contributed use facilities with offsetting rent expense.

SPORT – In August 2015 DATA added its SPORT Prevention Plus Wellness program in Palm Beach County which is based on the Behavior-Image Model, which asserts that social and self-images are key motivators for the development of healthy behavior.

The rent amounts for prevention and other treatment facilities for the year ended June 30, 2022 are:

St. Lucie County	\$ 110,459
Palm Beach County	<u>163,212</u>
Total prevention and other treatment facility lease expense	<u>\$ 273,671</u>

Combined residential and prevention facilities In-kind rent expense for the years ended June 30, 2022 is summarized as follows:

Residential facility, Kelly Center	\$ 13,200
Residential facility, Hayslip	72,000
Prevention and other treatment facilities	<u>273,671</u>
Total residential, prevention and other treatment facility lease expense	<u>\$ 358,871</u>

9. Teachers and Schools Program

The School Boards of Palm Beach County and St. Lucie County provide educational personnel, curriculum materials, and appropriate psycho-educational evaluations for adolescents who participate in residential substance abuse treatment programs and the day treatment program, and who are eligible for Alternative Education and/or other Exceptional Student Education programs. For the year ended June 30, 2022, the value of these In-kind services and materials has been recorded in these financial statements as teachers and schools program revenue and program services expense in the amount of \$134,392. These amounts are based on salaries paid by the School Boards to the respective teachers and aides and the cost of the related educational materials.

For the Year Ended June 30, 2022

10. School Nutrition Program

Under an agreement with the Florida Department of Education, DATA participates in the National Nutrition Program sponsored by the United States Department of Agriculture. The program provides reimbursement for free or reduced-price school breakfasts and lunches provided to qualified applicants in residential facilities. For the year ended June 30, 2022, school nutrition reimbursements amounted to \$98,915, and are included in government grants and contracts revenue.

11. Concentrations

DATA's operations are funded largely by grants received from the State of Florida, federal government and local county sources. Funding from the State of Florida, through Southeast Florida Behavioral Health Network, Inc. (SEFBHN), amounted to 79% of DATA's total revenues for the year ended June 30, 2022. Funding from other local, state, and federal government sources accounted for an additional 11% of current revenues. These contracts generally are awarded with one to three-year terms and are dependent upon DATA's past performance, the availability of governmental funds and programs, and DATA's success in competing against other agencies for access to these funds. DATA had a multi-year contract with SEFBHN that commenced on July 1, 2019 and expired on June 30, 2022. On June 29, 2022, DATA signed a new contract with SEFBHN that commenced on July 1, 2022, and expires on June 30, 2024 that continues services from the previous contract.

DATA maintains cash deposits at different banks, which DATA periodically evaluates and believes to be in sound financial condition. Deposits located at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2022, DATA had approximately \$2,839,000 of cash deposits that exceeded FDIC limits. DATA has not experienced any loss on such accounts and management believes it is not exposed to any significant credit risk arising from such balances.

12. Retirement Plan

DATA's retirement program includes a defined contribution 401(k) Plan originally created in October 2014 and restated in January 2021. The restated 401(k) provides for a 3% Safe Harbor Qualified Nonelective contribution, as well as a discretionary employer contribution. Eligibility requirements include that the participant be age 21 or older, have a minimum of 1,000 hours of service, and be employed as of the last day of the plan year.

The discretionary portion amounted to a funding goal of 15% per each participant's plan compensation, plus an additional amount for one employee due to the contribution formula being integrated with the social security limit. The contributions for the year ending June 30, 2022, amounted to \$597,149, which remained unpaid at year end. This contribution is included in fringe benefit expenses in the statement of functional expenses.

Additionally, during the year ended June 30, 2022 DATA's Board of Directors approved an executive bonus to be paid out as deferred compensation. This executive bonus is included in pension payable at year-end and with salaries and wages on the statement of functional expenses. As of the date of these financial statements, the terms of the deferred compensation plan have not been determined.

For the Year Ended June 30, 2022

13. Commitments and Contingencies

Loan Payable

On August 21, 2020, DATA received a loan with its bank in the amount of \$935,032 under the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the U.S. SBA. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if DATA fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. DATA did not apply for forgiveness and commenced monthly payments as of January 2022. The remainder of the loan balance was fully paid by November 7, 2022.

Operating Leases as Lessee

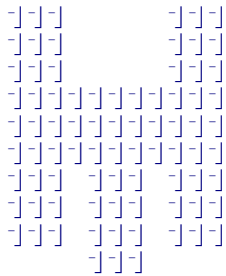
DATA is committed under certain building and office space leases extending to May 2023, subject to certain renewal options. For the year ended June 30, 2022, rent expense, exclusive of in-kind for office space, totaled \$130,722, which is included in building and occupancy expense in the statement of functional expenses. Minimum rental payments expected to be paid during the year ending June 30, 2023, is \$66,700.

Compliance

Financial awards from governmental entities, in the form of grants, are subject to audit by the various agencies. Such audits could result in claims against DATA for disallowed costs or noncompliance with grantor restrictions. Management does not believe that DATA owes any significant funds with respect to disallowed costs or noncompliance with grantor restrictions. Accordingly, no provision has been made for any liabilities that may arise from such audits.

14. Subsequent Events

DATA's management has evaluated subsequent events through February 27, 2023, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

INDEPENDENT AUDITOR'S 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
Drug Abuse Treatment Association, Inc.
Jupiter, Florida

We have audited, in accordance with the 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, the financial statements of Drug Abuse Treatment Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Drug Abuse Treatment Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Drug Abuse Treatment Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Drug Abuse Treatment Association, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

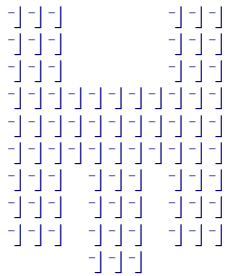
As part of obtaining reasonable assurance about whether Drug Abuse Treatment Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Drug Abuse Treatment Association, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Drug Abuse Treatment Association, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 27, 2023



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Drug Abuse Treatment Association, Inc.
Jupiter, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Drug Abuse Treatment Association, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Drug Abuse Treatment Association, Inc.'s major federal programs for the year ended June 30, 2022. Drug Abuse Treatment Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Drug Abuse Treatment Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Drug Abuse Treatment Association, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Drug Abuse Treatment Association, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Drug Abuse Treatment Association, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Drug Abuse Treatment Association, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Drug Abuse Treatment Association, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Drug Abuse Treatment Association, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Drug Abuse Treatment Association, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Drug Abuse Treatment Association, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 27, 2023

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Major programs:	
Federal Grantor	U.S. Department of Health and Human Services
CFDA Number	93.959
Name of Federal Program or Cluster	Block Grant for Prevention and Treatment of Substance Abuse
Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2022, relative to financial reporting for Drug Abuse Treatment Association, Inc.

SECTION III – FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended June 30, 2022, relative to federal awards for the major federal program for Drug Abuse Treatment Association, Inc..

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or questioned costs reported for the year ended June 30, 2022, with respect to federal awards.

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

There were no audit findings or questioned costs for the year ended June 30, 2021, relative to federal awards for the major federal program, requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

DRUG ABUSE TREATMENT ASSOCIATION, INC.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

For the Year Ended June 30, 2022

Federal Grantor Pass-through Entity Federal Program Title	CFDA Number / Award Number	Federal Expenditures
U.S. Department of Health and Human Services Passed through from State of Florida, Southeast Florida Behavioral Health Network, Inc. (SFBHN):		
Block Grant for Prevention and Treatment of Substance Abuse	93.959 LDC07-C15 LDC07-C19	\$ 3,657,869 3,473,363
Temporary Assistance for Needy Families	93.558 LDC07-C15 LDC07-C19	42,435 <u>17,333</u>
Total Department of Health and Human Services		<u>7,191,000</u>
U.S. Department of the Treasury Passed through from State of Florida, Southeast Florida Behavioral Health Network, Inc. (SFBHN):		
Coronavirus Relief Fund ME NAS/Sen Care Coordination- Cares Act Providers	21.019 LDC07-C15 LDC07-C19	30,000 <u>30,000</u>
Total U.S. Department of the Treasury		<u>60,000</u>
U.S. Department of Agriculture Passed through from State of Florida, Department of Agriculture and Consumer Services:		
National School Lunch Program	10.555	<u>58,162</u>
Total Department of Agriculture		<u>58,162</u>
Total expenditures of federal awards		<u>7,309,162</u>
Other state and local government grants and contracts		<u>992,661</u>
Total government grants and contracts		<u>\$ 8,301,823</u>

See independent auditor's report.

For the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Drug Abuse Treatment Association, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Drug Abuse Treatment Association, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Drug Abuse Treatment Association, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Drug Abuse Association, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2022

State Designated SAMH Covered Center													
Circuit 15													
	Adolescent							Adult					
	Residential Level 2	Prevention	On site	Outreach	Outpatient	TASC	Incidentals	Medical Services	Care Coordination	Outreach	Outpatient	TASC	On site
Government funding:													
State funding	\$ 1,049,038	\$ 871,527	\$ 357,485	\$ 678,610	\$ 182,517	\$ 197,522	\$ 431	\$ 3,342	\$ 30,000	\$ 137,708	\$ 45,924	\$ 17,839	\$ 15,081
Local government	163,288	-	124,500	-	18,683	-	-	-	-	-	-	-	-
Federal grants and contracts	31,259	-	-	-	-	-	-	-	-	-	-	-	-
In-kind from local government only	13,200	50,580	36,873	3,671	-	14,562	-	-	-	-	-	-	-
Total government funding	1,256,785	922,107	518,858	682,281	201,200	212,084	431	3,342	30,000	137,708	45,924	17,839	15,081
All other revenues:													
Medicaid, first and third party fees	29,932	-	-	-	38,319	-	-	-	-	-	6,009	-	-
Contributions and donations	184,000	-	-	-	1,000	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other grants and contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind services	67,196	-	-	-	-	-	-	-	-	-	-	-	-
Total all other revenues	281,128	-	-	-	39,319	-	-	-	-	-	6,009	-	-
Total funding sources and revenues	\$ 1,537,913	\$ 922,107	\$ 518,858	\$ 682,281	\$ 240,519	\$ 212,084	\$ 431	\$ 3,342	\$ 30,000	\$ 137,708	\$ 51,933	\$ 17,839	\$ 15,081

See independent auditor's report.

**SCHEDULE OF
ACTUAL FUNDING SOURCES AND REVENUES**

State Designated SAMH Covered Center													Total Designated SAMH		Non-SAMH		Supporting Services	Total
Circuit 19													Cost Center	Cost Center	Cost Center	Cost Center		
Adolescent						Adult												
Residential Level 2	Prevention	TASC	Outpatient	Outreach	On site	Incidentals	Medical Services	Care Coordination	Outpatient	TASC	Outreach	On site						
\$ 1,113,293	\$ 963,352	\$ 303,555	\$ 139,495	\$ 488,524	\$ 313,761	\$ 1,437	\$ 3,056	\$ 30,000	\$ 136,012	\$ 16,905	\$ 3,753	\$ 7,553	\$ 7,107,720	\$ 143,280	\$ -	\$ 7,251,000		
-	-	-	-	-	-	-	-	-	-	-	-	-	306,471	645,437	-	951,908		
26,903	-	-	-	-	40,753	-	-	-	-	-	-	-	98,915	-	-	98,915		
72,000	60,169	25,159	3,000	-	22,131	-	-	-	-	-	-	-	301,345	57,526	-	358,871		
1,212,196	1,023,521	328,714	142,495	488,524	376,645	1,437	3,056	30,000	136,012	16,905	3,753	7,553	7,814,451	846,243	-	8,660,694		
32,817	-	-	31,805	-	-	-	-	-	7,911	-	-	-	146,793	-	172	146,965		
66,658	-	-	15,439	-	-	-	-	-	-	-	-	-	267,097	-	561	267,658		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	502	502		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
67,196	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392		
166,671	-	-	47,244	-	-	-	-	-	7,911	-	-	-	548,282	-	1,235	549,517		
\$ 1,378,867	\$ 1,023,521	\$ 328,714	\$ 189,739	\$ 488,524	\$ 376,645	\$ 1,437	\$ 3,056	\$ 30,000	\$ 143,923	\$ 16,905	\$ 3,753	\$ 7,553	\$ 8,362,733	\$ 846,243	\$ 1,235	\$ 9,210,211		

See independent auditor's report.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2022

	State Designated SAMH Covered Center												
	Circuit 15												
	Adolescent						Adult						
	Residential Level 2	Prevention	On site	Outreach	Outpatient	TASC	Medical services	Care Coordination	Incidentals	Outreach	Outpatient	TASC	On site
Personnel expenses:													
Salaries and wages	\$ 778,185	\$ 514,301	\$ 300,567	\$ 290,706	\$ 215,811	\$ 181,338	\$ 1,279	\$ 27,666	\$ -	\$ 72,256	\$ 31,630	\$ 8,198	\$ 24,363
Fringe benefits	221,100	123,121	46,616	96,695	65,470	43,059	575	2,334	-	18,005	9,596	1,948	3,913
Total personnel expenses	999,285	637,422	347,183	387,401	281,281	224,397	1,854	30,000	-	90,261	41,226	10,146	28,276
Operating expenses:													
Building and occupancy	100,968	7,960	6,169	13,245	7,946	573	8	-	-	5,480	1,165	26	607
Professional fees	21,236	5,975	2,737	5,683	6,414	2,429	994	-	-	1,077	940	110	230
In-kind expenses:													
Facilities	13,200	50,580	11,810	24,335	-	13,932	-	-	-	3,441	-	630	959
Services	67,196	-	-	-	-	-	-	-	-	-	-	-	-
Travel	11,871	5,131	1,378	2,904	3,187	4,161	384	-	-	857	467	188	125
Equipment costs	13,054	243	208	423	939	45	-	-	-	25	138	2	16
Food costs	80,500	-	-	-	-	-	-	-	-	-	-	-	-
Medical/pharmacy	4,347	3,600	2,061	4,485	1,570	689	180	-	-	2,238	230	31	214
Depreciation - State	9,259	-	-	-	-	1,945	-	-	-	-	-	-	-
Insurance	31,999	6,240	4,645	9,559	5,147	2,613	997	-	-	1,274	754	118	374
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating supplies and expenses	58,193	18,181	8,330	17,417	19,654	12,802	1,249	-	431	4,173	3,429	582	726
Depreciation expense	23,146	-	-	-	611	-	-	-	-	-	89	88	-
Total operating expenses	434,969	97,910	37,338	78,051	45,468	39,189	3,812	-	431	18,565	7,212	1,775	3,251
Supporting services	82,029	186,834	135,492	215,010	(82,670)	(49,851)	-	-	-	34,663	6,229	6,631	(16,320)
Total expenses	\$ 1,516,283	\$ 922,166	\$ 520,013	\$ 680,462	\$ 244,079	\$ 213,735	\$ 5,666	\$ 30,000	\$ 431	\$ 143,489	\$ 54,667	\$ 18,552	\$ 15,207

See independent auditor's report.

**SCHEDULE OF
ACTUAL EXPENSES**

State Designated SAMH Covered Center													Total Designated SAMH Cost Center	Non-SAMH Cost Center	Supporting Services	Total
Circuit 19																
Adolescent							Adult									
Residential Level 2	Prevention	TASC	Outpatient	Outreach	On site	Incidentals	Medical services	Care Coordination	Outpatient	TASC	Outreach	On site				
\$ 683,696	\$ 611,349	\$ 249,657	\$ 99,484	\$ 230,561	\$ 136,241	\$ -	\$ 166	\$ 27,666	\$ 64,663	\$ 20,335	\$ 10,586	\$ 9,806	\$ 4,590,510	\$ 549,891	\$ 696,987	\$ 5,837,388
227,303	135,763	52,924	24,869	71,933	42,506	-	907	2,334	16,164	4,310	3,303	1,541	1,216,289	152,099	219,006	1,587,394
910,999	747,112	302,581	124,353	302,494	178,747	-	1,073	30,000	80,827	24,645	13,889	11,347	5,806,799	701,990	915,993	7,424,782
64,757	15,401	6,991	16,260	140	3,280	-	369	-	10,569	570	6	(219)	262,271	1,001	67,578	330,850
21,207	5,388	2,674	4,135	593	351	-	994	-	2,688	218	27	26	86,126	2,933	19,178	108,237
72,000	60,169	23,264	1,818	13,178	7,787	-	-	-	1,182	1,895	605	560	301,345	57,526	-	358,871
67,196	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392
5,936	6,095	3,977	1,078	2,050	1,212	-	387	-	701	324	94	87	52,594	1,922	14,377	68,893
10,401	769	3,206	7,471	-	-	-	3	-	4,855	41	-	-	41,839	-	625	42,464
66,196	-	-	-	-	-	-	-	-	-	-	-	-	146,696	-	185	146,881
4,347	5,400	666	1,091	3,216	1,900	-	180	-	709	54	148	137	37,493	-	-	37,493
253	-	1,880	-	-	-	-	-	-	-	153	-	-	13,490	-	-	13,490
30,324	4,274	2,525	3,573	1,244	735	-	997	-	2,322	206	57	53	110,030	9,185	821	120,036
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,208	9,208
64,020	19,536	16,552	17,852	3,108	1,838	1,437	1,316	-	11,606	1,350	142	132	284,056	6,265	47,441	337,762
13,408	-	-	2,544	-	-	-	-	-	1,653	-	-	-	41,539	-	406	41,945
420,045	117,032	61,735	55,822	23,529	17,103	1,437	4,246	-	36,285	4,811	1,079	776	1,511,871	78,832	159,819	1,750,522
39,146	160,321	(33,965)	8,749	162,869	180,741	-	-	-	25,486	(9,255)	(10,507)	(4,170)	1,037,462	38,350	(1,075,812)	-
\$ 1,370,190	\$ 1,024,465	\$ 330,351	\$ 188,924	\$ 488,892	\$ 376,591	\$ 1,437	\$ 5,319	\$ 30,000	\$ 142,598	\$ 20,201	\$ 4,461	\$ 7,953	\$ 8,356,132	\$ 819,172	\$ -	\$ 9,175,304

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