

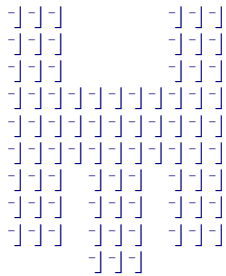
**DRUG ABUSE TREATMENT ASSOCIATION, INC.**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**For the Year Ended  
June 30, 2023  
(with comparable totals for 2022)**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of 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, 2023, 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, 2023, 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 21, 2024, 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 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 21, 2024

**DRUG ABUSE TREATMENT ASSOCIATION, INC.**

**STATEMENT OF  
FINANCIAL POSITION**

***As of June 30, 2023***

***(with comparable totals for 2022)***

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,239,021	\$ -	\$ 1,239,021	\$ 2,886,572
Certificates of deposit	2,249,705	-	2,249,705	998,445
Grants and other receivables	1,180,441	-	1,180,441	679,738
United Way allocation receivable	-	193,200	193,200	184,000
Prepaid expenses	230,494	-	230,494	183,802
Deposits	52,417	-	52,417	51,317
Other assets	21,077	-	21,077	1,217
Total current assets	4,973,155	193,200	5,166,355	4,985,091
Cash designated for capital improvements	290,357	-	290,357	414,774
Property and equipment, net	400,086	-	400,086	323,912
Operating right-of-use lease, net	314,659	-	314,659	-
Total assets	<u>\$ 5,978,257</u>	<u>\$ 193,200</u>	<u>\$ 6,171,457</u>	<u>\$ 5,723,777</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable	\$ 125,375	\$ -	\$ 125,375	\$ 124,823
Accrued expenses	15,290	-	15,290	16,326
Pension payable	605,518	-	605,518	647,149
Paid time off payable	228,849	-	228,849	188,692
Accrued wages	260,495	-	260,495	199,044
Deferred revenue	195,305	-	195,305	-
Loan payable	-	-	-	824,867
Current portion of operating lease obligations	100,602	-	100,602	-
Total current liabilities	1,531,434	-	1,531,434	2,000,901
Operating lease obligations	215,363	-	215,363	-
Total liabilities	<u>1,746,797</u>	<u>-</u>	<u>1,746,797</u>	<u>2,000,901</u>
Net assets:				
Without donor restrictions:				
Designated for capital improvements	290,357	-	290,357	414,774
Designated for property and equipment	400,086	-	400,086	323,912
Undesignated	3,541,017	-	3,541,017	2,800,190
Total without donor restrictions	4,231,460	-	4,231,460	3,538,876
With donor restrictions	-	193,200	193,200	184,000
Total net assets	<u>4,231,460</u>	<u>193,200</u>	<u>4,424,660</u>	<u>3,722,876</u>
Total liabilities and net assets	<u>\$ 5,978,257</u>	<u>\$ 193,200</u>	<u>\$ 6,171,457</u>	<u>\$ 5,723,777</u>

*See accompanying notes to financial statements.*

**DRUG ABUSE TREATMENT ASSOCIATION, INC.**

**STATEMENT OF  
ACTIVITIES**

*For the Year Ended June 30, 2023*

*(with comparable totals for 2022)*

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
Revenues and support:				
Government grants and contracts	\$ -	\$ 9,554,794	\$ 9,554,794	\$ 8,301,823
Teachers and schools program	134,392	-	134,392	134,392
Contributed use of facilities	396,217	-	396,217	358,872
Program service fees	142,713	-	142,713	146,964
Contributions-direct	501,018	-	501,018	1,770
United Way allocation	76,375	193,200	269,575	265,888
Interest income	91,339	-	91,339	502
Total revenues and support	1,342,054	9,747,994	11,090,048	9,210,211
Net assets released from restrictions	9,738,794	(9,738,794)	-	-
	11,080,848	9,200	11,090,048	9,210,211
Expenses:				
Program services:				
Residential	2,772,481	-	2,772,481	2,765,298
Outpatient	519,986	-	519,986	672,474
TASC	453,186	-	453,186	669,279
On site	806,501	-	806,501	624,021
Outreach	1,372,671	-	1,372,671	915,269
Prevention	2,135,555	-	2,135,555	1,599,476
Medical services	7,566	-	7,566	10,985
Care coordination	60,000	-	60,000	60,000
MST-CAN	297,068	-	297,068	-
Incidentals	4,427	-	4,427	1,868
Behavioral Health (Non-SAMH)	828,495	-	828,495	780,822
Total program services	9,257,936	-	9,257,936	8,099,492
Supporting services:				
Administrative and general	1,130,328	-	1,130,328	1,075,812
Total expenses	10,388,264	-	10,388,264	9,175,304
Change in net assets	692,584	9,200	701,784	34,907
Net assets, beginning of year	3,538,876	184,000	3,722,876	3,687,969
Net assets, end of year	\$ 4,231,460	\$ 193,200	\$ 4,424,660	\$ 3,722,876

*See accompanying notes to financial statements.*

**DRUG ABUSE TREATMENT ASSOCIATION, INC.**

**STATEMENT OF  
CASH FLOWS**

*For the Year Ended June 30, 2023*

*(with comparable totals for 2022)*

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from government grants and contracts	\$ 9,248,066	\$ 8,546,666
Cash received from program fees	142,713	146,965
Cash received from contributions and support	762,723	259,788
Cash paid to suppliers and employees	(9,790,183)	(8,483,058)
Cash paid on operating leases	(23,298)	-
Interest income	91,339	502
Interest expense	<u>(2,783)</u>	<u>(9,208)</u>
Net cash provided by operating activities	<u>428,577</u>	<u>461,655</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(5,251,260)	(998,445)
Proceeds from certificates of deposit	4,000,000	-
Purchase of property and equipment	<u>(124,418)</u>	<u>(27,501)</u>
Net cash used in investing activities	<u>(1,375,678)</u>	<u>(1,025,946)</u>
Cash flows from financing activities:		
Principal payments of loan payable	<u>(824,867)</u>	<u>(110,165)</u>
Net cash used in financing activities	<u>(824,867)</u>	<u>(110,165)</u>
Net change in cash and cash equivalents	(1,771,968)	(674,456)
Cash and cash equivalents, beginning of year	<u>3,301,346</u>	<u>3,975,802</u>
Cash and cash equivalents, end of year	<u>\$ 1,529,378</u>	<u>\$ 3,301,346</u>
Cash and cash equivalents	\$ 1,239,021	\$ 2,886,572
Cash designated for capital improvements	<u>290,357</u>	<u>414,774</u>
	<u>\$ 1,529,378</u>	<u>\$ 3,301,346</u>

*See accompanying notes to financial statements.*



**DRUG ABUSE TREATMENT ASSOCIATION, INC.**

**STATEMENT OF  
CASH FLOWS**

*For the Year Ended June 30, 2023*

*(with comparable totals for 2022)*

	<u>2023</u>	<u>2022</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 701,784	\$ 34,907
Adjustment to reconcile change in net assets to net cash used in operating activities:		
Depreciation	48,244	55,435
Lease expense	19,834	-
(Increase) decrease in certain assets:		
Grants and other receivables	(500,703)	244,843
United Way allocation receivable	(9,200)	(7,870)
Prepaid expenses	(46,692)	(21,081)
Deposits	(1,100)	-
Other assets	(19,860)	(1,042)
Increase (decrease) in certain liabilities:		
Accounts payable	552	(31,268)
Accrued expenses	(1,036)	(575)
Pension payable	(41,631)	147,512
Paid time off payable	40,157	(4,807)
Accrued wages	61,451	45,601
Deferred revenue	195,305	-
Operating lease obligations	(18,528)	-
Net cash provided by operating activities	<u>\$ 428,577</u>	<u>\$ 461,655</u>

Supplemental information of noncash investing and financing activities:

During 2023, DATA recorded debt of \$334,493 in the form of operating leases for the right-of-use of office space at various locations.

*See accompanying notes to financial statements.*

**DRUG ABUSE TREATMENT ASSOCIATION, INC.**

*For the Year Ended June 30, 2023*

	Program Services						
	SAMH Contracts						Medical Services
	Residential	Outpatient	TASC	On site	Outreach	Prevention	
Personnel expenses:							
Salaries and wages	\$ 1,484,224	\$ 339,674	\$ 310,715	\$ 599,287	\$ 879,513	\$ 1,512,825	\$ 316
Fringe benefits	428,557	89,354	72,817	115,502	265,458	371,328	1,240
Total personnel expenses	1,912,781	429,028	383,532	714,789	1,144,971	1,884,153	1,556
Operating expenses:							
Building and occupancy	207,880	21,220	3,060	8,527	34,802	19,473	363
Professional fees	19,474	4,574	1,943	4,796	10,315	8,941	638
In-kind expenses:							
Facilities	85,200	1,914	26,573	32,215	62,809	131,281	-
Services	134,392	-	-	-	-	-	-
Travel	11,459	4,593	10,068	9,995	12,440	14,112	1,118
Equipment costs	17,206	2,256	561	413	2,047	374	9
Food costs	168,224	-	-	-	-	-	-
Medical/pharmacy	8,137	2,386	897	445	11,122	9,000	360
Insurance	30,970	5,145	4,572	14,884	24,815	31,474	-
Interest	-	-	-	-	-	-	-
Operating supplies and expenses	137,924	44,199	21,980	20,437	66,756	36,747	3,522
Depreciation expense - State	5,762	-	-	-	-	-	-
Depreciation expense	33,072	4,671	-	-	2,594	-	-
Total operating expenses	859,700	90,958	69,654	91,712	227,700	251,402	6,010
Total expenses	\$ 2,772,481	\$ 519,986	\$ 453,186	\$ 806,501	\$ 1,372,671	\$ 2,135,555	\$ 7,566

*See accompanying notes to financial statements.*

**STATEMENT OF  
FUNCTIONAL EXPENSES**

*(with comparable totals for 2022)*

Program Services				Behavioral Health (Non-SAMH)	Total Program Services	Administrative and General	2023 Totals	2022 Totals
Care Coordination	MST-CAN	Incidentals	Total SAMH					
\$ 55,450	\$ 166,468	\$ -	\$ 5,348,472	\$ 578,365	\$ 5,926,837	\$ 747,708	\$ 6,674,545	\$ 5,837,388
4,550	33,198	-	1,382,004	166,080	1,548,084	236,258	1,784,342	1,587,394
60,000	199,666	-	6,730,476	744,445	7,474,921	983,966	8,458,887	7,424,782
-	19,241	-	314,566	976	315,542	73,491	389,033	330,850
-	4,060	-	54,741	3,048	57,789	3,404	61,193	108,237
-	-	-	339,992	56,225	396,217	-	396,217	358,871
-	-	-	134,392	-	134,392	-	134,392	134,392
-	2,987	-	66,772	2,226	68,998	17,257	86,255	68,893
-	-	-	22,866	-	22,866	555	23,421	42,464
-	-	-	168,224	-	168,224	-	168,224	146,881
-	-	-	32,347	-	32,347	-	32,347	37,493
-	6,589	-	118,449	10,868	129,317	-	129,317	120,036
-	-	-	-	-	-	2,783	2,783	9,208
-	62,786	4,427	398,778	10,707	409,485	48,466	457,951	337,762
-	-	-	5,762	-	5,762	-	5,762	13,490
-	1,739	-	42,076	-	42,076	406	42,482	41,945
-	97,402	4,427	1,698,965	84,050	1,783,015	146,362	1,929,377	1,750,522
\$ 60,000	\$ 297,068	\$ 4,427	\$ 8,429,441	\$ 828,495	\$ 9,257,936	\$ 1,130,328	\$ 10,388,264	\$ 9,175,304

*See accompanying notes to financial statements.*

*For the Year Ended June 30, 2023*

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**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, 2023.

*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, 2022, from which the summarized information was derived.

***For the Year Ended June 30, 2023***

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**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, 2023 was deemed unnecessary because the amounts are considered 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, 2023***

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

Contributions received, including unconditional promises, are reported as support 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, 2023.

*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, 2023.

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, 2023 was \$40,225. Advertising costs are included in operating supplies and expenses in the statement of functional expenses.

***For the Year Ended June 30, 2023***

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**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, 2022, DATA adopted the provisions of FASB ASU No. 2016-02, *Leases* (Topic 842). ASU 2016-02 replaced existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. Under the new guidance, leases with terms of more than 12 months are required to be recognized in the statement of financial position as liabilities, with corresponding “right-of-use” assets.

DATA also elected to adopt ASU No. 2018-11, *Leases* (Topic 842) – *Targeted Improvements*. ASU 2018-11 amends ASC 842 so that entities may elect not to recast their comparative periods in transition. The ASU allows entities to change their date of initial application to the beginning of the period of adoption. In doing so, entities would apply Accounting Standards Codification – *Leases* (Topic 842) in the comparative periods and provide disclosures required by ASC 840 for periods that continue to be presented in accordance with ASC 840.

**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	\$ 1,239,021
Certificates of deposit	2,249,705
Grants and other receivables	1,180,441
United Way allocation receivable	<u>193,200</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 4,862,367</u>

DATA is substantially supported by government grants and other contributions 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, 2023 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.

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 for general expenditures within one year.

***For the Year Ended June 30, 2023***

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**3. Prepaid Expenses**

Prepaid expenses consisted primarily of unamortized portion of prepaid insurance, in addition to other prepaid items. As of June 30, 2023, prepaid insurance totaled \$200,714.

**4. Property and Equipment**

Property and equipment consisted of the following as of June 30, 2023:

Buildings	\$ 646,305
Leasehold improvements	318,765
Furniture and equipment	<u>691,875</u>
	1,656,945
Less accumulated depreciation	<u>(1,256,859)</u>
Property and equipment, net	<u>\$ 400,086</u>

Depreciation expense for the year ended June 30, 2023 was \$48,244, which includes \$42,482 in depreciation, and \$5,762 in depreciation for state owned assets, as presented in the statement of functional expenses.

**5. Paid Time Off 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 \$290,356 of the net assets balance as June 30, 2023 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.

**7. Net Assets with Donor Restrictions**

Net assets with donor restrictions available for periods after June 30, 2023 consisted of the unconditional allocation receivable from United Way. DATA's allocation receivable as of June 30, 2023 amounted to \$193,200 and is restricted for the Kelly Center residential facility.



*For the Year Ended June 30, 2023*

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**7. Net Assets with Donor Restrictions, continued**

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, 2023, 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	\$ 8,399,167
State and local government grants	1,031,595
Federal grants and contracts	<u>124,032</u>
Total government contracts and grants	9,554,794
United Way contributions	<u>184,000</u>
Total program restrictions satisfied	<u>\$ 9,738,794</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 2023. 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.

*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, 2023, 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.

*For the Year Ended June 30, 2023*

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**8. Residential, Prevention and Other Treatment Facilities, continued**

*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 in-kind rent amounts for prevention and other treatment facilities for the year ended June 30, 2023 are:

St. Lucie County	\$ 116,688
Palm Beach County	<u>194,329</u>
Total prevention and other treatment facility lease expense	<u>\$ 311,017</u>

Combined residential and prevention facilities in-kind rent expense for the years ended June 30, 2023 is summarized as follows:

Residential facility, Kelly Center	\$ 13,200
Residential facility, Hayslip	72,000
Prevention and other treatment facilities	<u>311,017</u>
Total residential, prevention and other treatment facility lease expense	<u>\$ 396,217</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, 2023, 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.

**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, 2023, school nutrition reimbursements amounted to \$63,046 and are included in government grants and contracts revenue in the statement of activities.

***For the Year Ended June 30, 2023*****11. Operating Leases**

DATA leases office space in West Palm Beach, Florida under an operating lease expiring May 31, 2026. The base monthly rental was \$6,688 per month, including common area charges. DATA also leases office space in Port St. Lucie, Florida under an operating lease expiring January 31, 2026. The base monthly rental was \$3,322 per month, including common area charges. Common area maintenance is not included in the right-of-use asset.

Operating right-of-use assets as of June 30, 2023, consisted of the following:

Office space – various locations	\$ 334,493
Less accumulated amortization	<u>19,834</u>
Net operating right-of-use assets	<u>\$ 314,659</u>

Operating lease obligations as of June 30, 2023, consisted of the following:

Office space – various locations	<u>\$ 315,965</u>
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Operating lease expense for the year ended June 30, 2023, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office space – various locations	<u>\$ 19,834</u>	<u>\$ 4,770</u>	<u>\$ 24,604</u>

Total rent expense was \$155,541 during the year ended June 30, 2023, and is included in building and occupancy in the statement of functional expenses. The difference between total rent expense and operating lease expense above of \$24,604 is \$130,937, which includes rent payments for other office locations that do not have long-term lease agreements, and variable lease payments, such as common area maintenance.

Undiscounted future lease payments under operating leases as of June 30, 2023, for the next three years are:

2024	\$ 121,504
2025	126,518
2026	<u>104,279</u>
	352,301
Less discount to present value	<u>36,336</u>
Present value of future lease payments	315,965
Less current portion	<u>100,602</u>
Non-current portion	<u>\$ 215,363</u>

The lease discount has been calculated using an interest rate of 8.25% for the West Palm Beach office space, and 7.50% for the Port St. Lucie office space, which approximates the incremental borrowing rates of DATA for the acquisition of the related assets at the time the leases were signed.

The weighted average lease term for the operating leases is 2.81 years. The weighted average discount rate for the operating leases is 8.01%.

***For the Year Ended June 30, 2023***

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**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 and have a minimum of 1,000 hours of service.

The discretionary portion amounted to a funding goal of 12% 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, 2023, amounted to \$555,518, 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, 2023 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.

**13. 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 76% of DATA's total revenues for the year ended June 30, 2023. Funding from other local, state, and federal government sources accounted for an additional 10% 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 has a multi-year contract with SEFBHN that commenced on July 1, 2022, and expires on June 30, 2024, that continues services from a 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, 2023, DATA had approximately \$1,095,000 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.

**14. Contingencies*****Compliance***

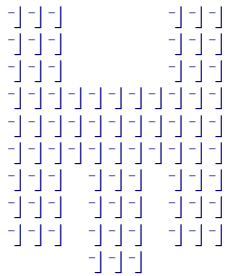
Financial awards from governmental entities, in the form of grants, are subject to audit by the various agencies. Such audits could result in claims against DATA for disallowed costs or noncompliance with grantor restrictions. Management does not believe that DATA owes any significant funds with respect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

*For the Year Ended June 30, 2023*

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**15. Subsequent Events**

DATA's management has evaluated subsequent events through February 21, 2024, 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

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## 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, 2023, 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 21, 2024.

### ***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 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 or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

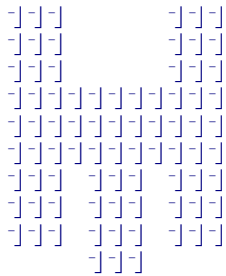
As part of obtaining reasonable assurance about whether Drug Abuse Treatment Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 21, 2024



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## 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, 2023. 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, 2023.

#### *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 21, 2024

*For the Year Ended June 30, 2023*

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**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
Assistance Listing Number (ALN)	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, 2023*

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

There are no findings reported for the year ended June 30, 2023, 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, 2023, 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, 2023, 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, 2022, 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, 2023*

Federal Grantor Pass-through Entity Federal Program Title	Assistance Listing 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	\$ 4,307,793 3,521,606
Temporary Assistance for Needy Families	93.558 LDC07-C15 LDC07-C19	72,435 <u>497,333</u>
Total Department of Health and Human Services		<u>8,399,167</u>
U.S. Department of Agriculture Passed through from State of Florida, Department of Agriculture and Consumer Services:		
National School Breakfast Program National School Lunch Program	10.553 10.555	22,262 <u>40,784</u>
Total Department of Agriculture		<u>63,046</u>
Total expenditures of federal awards		8,462,213
Other state and local government grants and contracts		<u>1,092,581</u>
Total government grants and contracts		<u><u>\$ 9,554,794</u></u>

*See independent auditor's report and accompanying notes  
to the schedule of expenditures of federal awards.*

*For the Year Ended June 30, 2023*

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**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, 2023. 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, 2023

	State Designated SAMH Cost 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	\$ 1,153,134	\$ 575,724	\$ 796,122	\$ 189,784	\$ 238,311	\$ 3,158	\$ 4,393	\$ 30,000	\$ 102,965	\$ 34,824	\$ 18,460	\$ 36,123
Local government	172,867	-	127,290	-	20,857	-	-	-	-	-	-	-	-
Federal grants and contracts	33,556	-	-	-	-	-	-	-	-	-	-	-	-
In-kind from local government only	13,200	62,616	50,814	-	-	15,749	-	-	-	3,663	-	-	-
Total government funding	1,268,661	1,215,750	753,828	796,122	210,641	254,060	3,158	4,393	30,000	106,628	34,824	18,460	36,123
All other revenues:													
Medicaid, first and third party fees	25,881	-	-	-	36,364	-	-	-	-	-	1,944	-	-
Contributions and donations	193,200	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other grants and contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind services	67,196	-	-	-	-	-	-	-	-	-	-	-	-
Total all other revenues	286,277	-	-	-	36,364	-	-	-	-	-	1,944	-	-
Total funding sources and revenues	\$ 1,554,938	\$ 1,215,750	\$ 753,828	\$ 796,122	\$ 247,005	\$ 254,060	\$ 3,158	\$ 4,393	\$ 30,000	\$ 106,628	\$ 36,768	\$ 18,460	\$ 36,123

See independent auditor's report.



**SCHEDULE OF  
ACTUAL FUNDING SOURCES AND REVENUES**

State Designated SAMH Cost 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	MST-CAN	Outpatient	TASC	Outreach	On site				
\$ 1,113,293	\$ 1,114,140	\$ 265,510	\$ 101,271	\$ 439,020	\$ 318,297	\$ 1,269	\$ 4,011	\$ 30,000	\$ 450,000	\$ 154,418	\$ 6,983	\$ 1,121	\$ 20,378	\$ 8,251,747	\$ 147,420	\$ -	\$ 8,399,167
-	-	-	-	-	-	-	-	-	-	-	-	-	-	321,014	710,581	-	1,031,595
29,490	-	-	-	-	60,986	-	-	-	-	-	-	-	-	124,032	-	-	124,032
72,000	68,663	26,794	3,000	-	18,231	-	-	-	-	-	-	-	-	334,730	61,487	-	396,217
1,214,783	1,182,803	292,304	104,271	439,020	397,514	1,269	4,011	30,000	450,000	154,418	6,983	1,121	20,378	9,031,523	919,488	-	9,951,011
26,168	-	-	33,154	-	-	-	-	-	-	19,202	-	-	-	142,713	-	-	142,713
62,480	-	-	13,895	-	-	-	-	-	-	-	-	-	-	269,575	-	501,018	770,593
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91,339	91,339
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,196	-	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392
155,844	-	-	47,049	-	-	-	-	-	-	19,202	-	-	-	546,680	-	592,357	1,139,037
\$ 1,370,627	\$ 1,182,803	\$ 292,304	\$ 151,320	\$ 439,020	\$ 397,514	\$ 1,269	\$ 4,011	\$ 30,000	\$ 450,000	\$ 173,620	\$ 6,983	\$ 1,121	\$ 20,378	\$ 9,578,203	\$ 919,488	\$ 592,357	\$ 11,090,048

*See independent auditor's report.*

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2023

	State Designated SAMH Cost 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	\$ 781,946	\$ 712,031	\$ 413,416	\$ 412,364	\$ 153,415	\$ 109,278	\$ 300	\$ 27,725	\$ -	\$ 72,729	\$ 31,373	\$ 8,722	\$ 17,489
Fringe benefits	216,303	163,219	69,335	149,151	45,833	27,368	454	2,275	-	19,585	9,372	2,184	4,007
Total personnel expenses	998,249	875,250	482,751	561,515	199,248	136,646	754	30,000	-	92,314	40,745	10,906	21,496
Operating expenses:													
Building and occupancy	129,432	8,524	8,015	12,849	5,532	419	-	-	-	12,110	1,131	31	462
Professional fees	10,050	4,271	3,016	5,421	2,023	697	319	-	-	1,139	414	56	174
In-kind expenses:													
Facilities	13,200	62,617	22,440	38,188	-	8,961	-	-	-	3,886	-	715	1,297
Services	67,196	-	-	-	-	-	-	-	-	-	-	-	-
Travel	6,293	5,697	3,092	7,792	2,566	3,763	552	-	-	1,341	525	300	179
Equipment costs	12,582	268	390	626	255	38	-	-	-	10	52	3	23
Food costs	88,928	-	-	-	-	-	-	-	-	-	-	-	-
Medical/pharmacy	3,965	3,600	2,385	3,667	1,028	410	180	-	-	3,649	210	33	138
Insurance	16,680	16,047	9,203	14,480	2,064	2,026	-	-	-	1,507	422	162	532
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating supplies and expenses	68,109	19,730	14,966	33,174	17,251	7,757	1,640	-	3,158	6,976	3,538	618	863
Depreciation expense - State	5,509	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	23,879	-	-	208	400	-	-	-	-	10	82	-	-
Total operating expenses	445,823	120,754	63,507	116,405	31,119	24,071	2,691	-	3,158	30,628	6,374	1,918	3,668
Supporting services	60,099	228,877	208,266	129,132	17,406	97,697	1,669	-	-	(8,718)	(9,653)	6,068	11,831
Total expenses	\$ 1,504,171	\$ 1,224,881	\$ 754,524	\$ 807,052	\$ 247,773	\$ 258,414	\$ 5,114	\$ 30,000	\$ 3,158	\$ 114,224	\$ 37,466	\$ 18,892	\$ 36,995

See independent auditor's report.

**SCHEDULE OF  
ACTUAL EXPENSES**

State Designated SAMH Cost 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	MST-CAN	Outpatient	TASC	Outreach	On site				
\$ 702,278	\$ 800,794	\$ 187,389	\$ 59,630	\$ 393,470	\$ 158,251	\$ -	\$ 16	\$ 27,725	\$ 166,468	\$ 95,256	\$ 5,326	\$ 950	\$ 10,131	\$ 5,348,472	\$ 578,365	\$ 747,708	\$ 6,674,545
212,254	208,109	41,904	13,147	96,479	39,622	-	786	2,275	33,198	21,002	1,361	243	2,538	1,382,004	166,080	236,258	1,784,342
914,532	1,008,903	229,293	72,777	489,949	197,873	-	802	30,000	199,666	116,258	6,687	1,193	12,669	6,730,476	744,445	983,966	8,458,887
78,448	10,949	2,538	5,604	9,830	47	-	363	-	19,241	8,953	72	13	3	314,566	976	73,491	389,033
9,424	4,670	1,157	823	3,749	1,509	-	319	-	4,060	1,314	33	6	97	54,741	3,048	3,404	61,193
72,000	68,664	16,430	737	20,652	7,968	-	-	-	-	1,177	467	83	510	339,992	56,225	-	396,217
67,196	-	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392
5,166	8,415	6,005	578	3,307	6,596	-	566	-	2,987	924	-	-	128	66,772	2,226	17,257	86,255
4,624	106	505	750	1,408	-	-	9	-	-	1,199	15	3	-	22,866	-	555	23,421
79,296	-	-	-	-	-	-	-	-	-	-	-	-	-	168,224	-	-	168,224
4,172	5,400	441	442	3,804	(2,229)	-	180	-	-	706	13	2	151	32,347	-	-	32,347
14,290	15,427	2,318	1,024	8,816	4,839	-	-	-	6,589	1,635	66	12	310	118,449	10,868	-	129,317
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,783	2,783
69,815	17,017	13,229	9,012	26,540	4,331	1,269	1,882	-	62,786	14,398	376	66	277	398,778	10,707	48,466	457,951
253	-	-	-	-	-	-	-	-	-	-	-	-	-	5,762	-	-	5,762
9,193	-	-	1,613	2,376	-	-	-	-	1,739	2,576	-	-	-	42,076	-	406	42,482
413,877	130,648	42,623	20,583	80,482	23,061	1,269	3,319	-	97,402	32,882	1,042	185	1,476	1,698,965	84,050	146,362	1,929,377
46,743	46,074	21,461	61,842	(128,512)	177,789	-	1,669	-	53,421	24,668	26	5	6,990	1,054,850	74,169	(1,129,019)	-
\$ 1,375,152	\$ 1,185,625	\$ 293,377	\$ 155,202	\$ 441,919	\$ 398,723	\$ 1,269	\$ 5,790	\$ 30,000	\$ 350,489	\$ 173,808	\$ 7,755	\$ 1,383	\$ 21,135	\$ 9,484,291	\$ 902,664	\$ 1,309	\$ 10,388,264

See independent auditor's report.