

DRUG ABUSE TREATMENT ASSOCIATION, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended
June 30, 2025
(with comparable totals for 2024)**

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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, 2025, 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, 2025, 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 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the schedules of actual funding sources and revenues and actual expenses are presented for purposes of additional analysis and are also 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 expenditures of federal awards and schedules of actual funding sources and revenues and actual expenses 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 December 11, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 11, 2025

DRUG ABUSE TREATMENT ASSOCIATION, INC.
**STATEMENT OF
FINANCIAL POSITION**
As of June 30, 2025
(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,869,442	\$ -	\$ 2,869,442	\$ 3,009,341
Certificates of deposit	1,498,242	-	1,498,242	999,932
Grants and other receivables	757,846	-	757,846	1,075,878
United Way allocation receivable	-	213,000	213,000	203,000
Prepaid expenses	247,029	-	247,029	230,611
Deposits	52,417	-	52,417	52,417
Other assets	37,761	-	37,761	10,668
Total current assets	5,462,737	213,000	5,675,737	5,581,847
Property and equipment, net	585,784	-	585,784	677,474
Operating right-of-use lease, net	160,857	-	160,857	352,124
Total assets	<u>\$ 6,209,378</u>	<u>\$ 213,000</u>	<u>\$ 6,422,378</u>	<u>\$ 6,611,445</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 94,951	\$ -	\$ 94,951	\$ 135,976
Accrued expenses	7,682	-	7,682	2,982
Accrued wages	306,932	-	306,932	271,467
Pension payable	707,918	-	707,918	725,520
Paid time off payable	236,244	-	236,244	224,135
Current portion of operating lease obligations	165,651	-	165,651	191,845
Total current liabilities	1,519,378	-	1,519,378	1,551,925
Operating lease obligations	-	-	-	165,651
Total liabilities	<u>1,519,378</u>	<u>-</u>	<u>1,519,378</u>	<u>1,717,576</u>
Net assets:				
Without donor restrictions:				
Equity in property and equipment	585,784	-	585,784	677,474
Undesignated	4,104,216	-	4,104,216	4,013,395
Total without donor restrictions	4,690,000	-	4,690,000	4,690,869
With donor restrictions	-	213,000	213,000	203,000
Total net assets	<u>4,690,000</u>	<u>213,000</u>	<u>4,903,000</u>	<u>4,893,869</u>
Total liabilities and net assets	<u>\$ 6,209,378</u>	<u>\$ 213,000</u>	<u>\$ 6,422,378</u>	<u>\$ 6,611,445</u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.
**STATEMENT OF
ACTIVITIES**
For the Year Ended June 30, 2025
(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
Revenues and support:				
Government grants and contracts	\$ 9,705,316	\$ -	\$ 9,705,316	\$ 10,908,525
In-kind contributions:				
Teachers and schools program	134,392	-	134,392	134,392
Contributed use of facilities	443,533	-	443,533	488,552
Program service fees	291,380	-	291,380	224,672
Contributions-direct	2,503	-	2,503	159
United Way allocation	71,260	213,000	284,260	280,295
Interest income	117,786	-	117,786	135,072
Total revenues and support	10,766,170	213,000	10,979,170	12,171,667
Net assets released from restrictions	203,000	(203,000)	-	-
	10,969,170	10,000	10,979,170	12,171,667
Expenses:				
Program services:				
Residential	2,740,176	-	2,740,176	3,038,001
Outpatient	611,894	-	611,894	756,312
TASC	455,314	-	455,314	510,908
On site	930,034	-	930,034	988,230
Outreach	1,317,536	-	1,317,536	1,291,115
Prevention	1,974,438	-	1,974,438	2,258,759
MAPS	159,064	-	159,064	-
Medical services	8,280	-	8,280	10,048
Care coordination	60,000	-	60,000	60,000
MST-CAN	559,012	-	559,012	517,987
Incidentals	1,725	-	1,725	3,772
Behavioral Health (Non-SAMH)	1,011,421	-	1,011,421	1,105,683
Total program services	9,828,894	-	9,828,894	10,540,815
Supporting services:				
Administrative and general	1,153,345	-	1,153,345	1,161,643
Total expenses	10,982,239	-	10,982,239	11,702,458
Gain on disposal of assets	12,200	-	12,200	-
Change in net assets	(869)	10,000	9,131	469,209
Net assets, beginning of year	4,690,869	203,000	4,893,869	4,424,660
Net assets, end of year	\$ 4,690,000	\$ 213,000	\$ 4,903,000	\$ 4,893,869

See accompanying notes to financial statements.

For the Year Ended June 30, 2025

(with comparable totals for 2024)

	2025	2024
Cash flows from operating activities:		
Cash received from government grants and contracts	\$ 10,023,148	\$ 10,817,783
Cash received from program service fees	291,380	224,672
Cash received from contributions and support	276,963	270,654
Cash paid to suppliers and employees	(10,118,887)	(10,728,271)
Cash paid on operating leases	(212,699)	(142,863)
Interest income	117,786	135,072
Net cash provided by operating activities	<u>377,691</u>	<u>577,047</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(2,998,310)	(5,000,227)
Proceeds from certificates of deposit	2,500,000	6,250,000
Purchase of property and equipment	(31,480)	(346,857)
Proceeds from sale of property and equipment	12,200	-
Net cash provided by (used in) investing activities	<u>(517,590)</u>	<u>902,916</u>
Net change in cash and cash equivalents	(139,899)	1,479,963
Cash and cash equivalents, beginning of year	<u>3,009,341</u>	<u>1,529,378</u>
Cash and cash equivalents, end of year	<u>\$ 2,869,442</u>	<u>\$ 3,009,341</u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

STATEMENT OF
CASH FLOWS

For the Year Ended June 30, 2025

(with comparable totals for 2024)

	2025	2024
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 9,131	\$ 469,209
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	123,170	69,467
Lease expense	191,267	122,900
Gain on sale of property and equipment	(12,200)	-
(Increase) decrease in certain assets:		
Grants and other receivables	318,032	104,563
United Way allocation receivable	(10,000)	(9,800)
Prepaid expenses	(16,418)	(117)
Other assets	(27,093)	10,409
Increase (decrease) in certain liabilities:		
Accounts payable	(41,025)	10,603
Accrued expenses	4,700	(12,308)
Accrued wages	35,465	10,972
Deferred revenue	-	(195,305)
Pension payable	(17,602)	120,002
Paid time off payable	12,109	(4,714)
Operating lease obligations	(191,845)	(118,834)
Net cash provided by operating activities	<u><u>\$ 377,691</u></u>	<u><u>\$ 577,047</u></u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2025

	Program Services						
	SAMH Contracts						
	Residential	Outpatient	TASC	On site	Outreach	Prevention	MAPS
Personnel expenses:							
Salaries and wages	\$ 1,433,174	\$ 372,111	\$ 304,672	\$ 649,000	\$ 834,120	\$ 1,324,872	\$ 119,290
Employee benefits	408,586	136,882	79,040	154,896	263,316	386,239	25,233
Total personnel expenses	1,841,760	508,993	383,712	803,896	1,097,436	1,711,111	144,523
Operating expenses:							
Building and occupancy	155,873	29,816	2,715	13,025	38,879	26,398	-
Professional fees	20,971	4,842	1,735	4,687	9,890	8,306	4,300
In-kind expenses:							
Facilities	85,200	2,236	28,284	51,280	70,886	135,456	-
Services	134,392	-	-	-	-	-	-
Travel	25,058	3,378	6,949	7,253	12,525	9,713	254
Equipment costs	18,547	1,996	301	805	1,691	569	-
Food costs	151,037	-	-	-	-	-	-
Medical/pharmacy	7,800	3,600	1,440	10,800	3,600	9,000	-
Insurance	59,315	5,040	3,872	15,281	18,902	27,126	7,862
Operating supplies and expenses							
	152,295	46,757	26,306	23,007	61,936	46,759	2,125
Depreciation expense - State	54,951	-	-	-	-	-	-
Depreciation expense	32,977	5,236	-	-	1,791	-	-
Total operating expenses	898,416	102,901	71,602	126,138	220,100	263,327	14,541
Total expenses	\$ 2,740,176	\$ 611,894	\$ 455,314	\$ 930,034	\$ 1,317,536	\$ 1,974,438	\$ 159,064

See accompanying notes to financial statements.

**STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2024)

Program Services										
Medical Services	Care Coordination	SAMH Contracts			Total SAMH	Behavioral Health (Non-SAMH)	Total Program Services	Administrative and General	2025 Totals	2024 Totals
		MST-CAN	Incidentals							
\$ -	\$ 55,448	\$ 298,071	\$ -	\$ 5,390,758	\$ 707,663	\$ 6,098,421	\$ 685,474	\$ 6,783,895	\$ 7,454,893	
1,811	4,552	62,398	-	1,522,953	197,848	1,720,801	288,458	2,009,259	2,071,192	
1,811	60,000	360,469	-	6,913,711	905,511	7,819,222	973,932	8,793,154	9,526,085	
271	-	53,107	-	320,084	1,344	321,428	103,734	425,162	423,842	
614	-	65,713	-	121,058	3,831	124,889	147	125,036	146,480	
-	-	-	-	373,342	70,191	443,533	-	443,533	488,552	
-	-	-	-	134,392	-	134,392	-	134,392	134,392	
1,153	-	20,722	-	87,005	1,686	88,691	13,201	101,892	99,496	
-	-	1,176	-	25,085	-	25,085	560	25,645	36,460	
-	-	-	-	151,037	-	151,037	-	151,037	155,442	
360	-	-	-	36,600	-	36,600	-	36,600	36,001	
-	-	10,342	-	147,740	9,498	157,238	-	157,238	156,844	
4,071	-	26,435	1,725	391,416	19,360	410,776	54,604	465,380	429,397	
-	-	21,048	-	75,999	-	75,999	7,167	83,166	32,434	
-	-	-	-	40,004	-	40,004	-	40,004	37,033	
6,469	-	198,543	1,725	1,903,762	105,910	2,009,672	179,413	2,189,085	2,176,373	
\$ 8,280	\$ 60,000	\$ 559,012	\$ 1,725	\$ 8,817,473	\$ 1,011,421	\$ 9,828,894	\$ 1,153,345	\$ 10,982,239	\$ 11,702,458	

See accompanying notes to financial statements.

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

Drug Abuse Treatment Association, Inc. (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, 2025.

Financial Statement Presentation

DATA follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, 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 is subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other event specified by the donor. 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. This basis of accounting conforms to accounting principles generally accepted in the United States of America, as applicable to not-for-profit organizations.

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.

For the Year Ended June 30, 2025

1. Organization and 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 (CD) have initial maturities of three to twelve months and therefore are not considered cash and cash equivalents. Interest rates for these CDs range from 3.80% to 4.15%.

Grants and Other Receivables

Grants and other receivables consist of amounts due to DATA primarily from federal grants with smaller amounts from state, local and other organizations. DATA's grants and other receivables are due from high-credit-quality customers and are typically collected within 30 days. DATA evaluates the collectability of its receivables in accordance with ASC 326, *Financial Instruments – Credit Losses*. The evaluation includes a review of historical loss experience, the aging of receivables, customer creditworthiness, and current and forecasted economic conditions.

Based on this assessment, DATA has concluded that the risk of credit loss is insignificant, and no allowance for credit losses is necessary as of June 30, 2025. Historically, DATA has not experienced significant write-offs and expects all outstanding receivables to be fully collected. DATA continues to monitor credit risk and may adjust its estimates and recognition of credit losses in future periods if conditions change.

Unconditional Promises to Give

United Way allocation receivable in the accompanying statement of financial position consists of an unconditional promise to give from the Town of Palm Beach United Way. A provision for doubtful accounts as of June 30, 2025 was deemed unnecessary because the amounts are considered fully collectible.

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

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.

Leases

DATA follows provisions of FASB Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is a comprehensive lease measurement and recognition standard with expanded disclosure requirements. Under the guidance, leases with terms of more than 12-months are required to be recognized in the balance sheet as liabilities, with corresponding "right-of-use" assets.

DATA recognizes right-of-use (ROU) asset and liability at the lease commencement date. The ROU asset is initially measured at cost, comprising the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs, and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or site.

Subsequent to initial recognition, ROU assets are measured at cost less any accumulated amortization and any accumulated impairment losses. ROU assets are amortized on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease term includes non-cancellable periods and periods covered by an option to extend or terminate the lease if the lessee is reasonably certain to exercise or not to exercise that option.

Revenue Recognition

DATA receives various grants from federal, state, local, and private agencies for program and supporting services expenses. The largest of these grants is recognized as a fee for service contract based on billable units. Other grants are generally on a cost reimbursement basis, including recoverable overhead, while others are recorded as support in the year for which the grant was awarded and in which the conditions of the grant are met. In accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), DATA recognizes revenue received from contracts according to the terms of the contracts. Grant revenue is recognized as grant funds are accessed through periodic billings for contracted services provided. Although not a significant revenue stream, DATA earns program service fees from client fees, and insurance billing. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Contributions

In accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, 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. If the restriction and release occur in the same year the contributions are reported as without donor 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, 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 7* for In-kind rent and *Note 8* for In-kind services received during the year ended June 30, 2025.

DATA follows the provisions of FASB ASU 2020-07—*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard clarifies 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.

Advertising Costs

Advertising costs for recruitment of personnel are expensed as incurred. Total advertising expense for the year ended June 30, 2025 was \$90,631. Advertising costs are included in operating supplies and expenses in the statement of functional expenses.

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.

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

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, 2025.

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.

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, 2024, from which the summarized information was derived.

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	\$ 2,869,442
Certificates of deposit	1,498,242
Grants and other receivables	757,846
United Way allocation receivable	<u>213,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 5,338,530</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, 2025 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, 2025

2. Liquidity and Availability of Resources, continued

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.

3. Prepaid Expenses

Prepaid expenses consisted primarily of the unamortized portion of prepaid insurance, in addition to other prepaid items. As of June 30, 2025, prepaid insurance totaled \$216,924.

4. Property and Equipment

Property and equipment consisted of the following as of June 30, 2025:

Buildings	\$ 668,910
Leasehold improvements	327,640
Furniture and equipment	<u>1,038,732</u>
	2,035,282
Less accumulated depreciation	<u>1,449,498</u>
Property and equipment, net	<u>\$ 585,784</u>

Depreciation expense for the year ended June 30, 2025 was \$123,170, which includes \$40,004 in depreciation for general assets of DATA, and \$83,166 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. Net Assets with Donor Restrictions

Net assets with donor restrictions available for periods after June 30, 2025 consisted of the unconditional allocation receivable from United Way. DATA's allocation receivable as of June 30, 2025 amounted to \$213,000 and is restricted for the Kelly Center residential facility.

For the Year Ended June 30, 2025

6. 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, 2025, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for United Way contributions of \$203,000.

7. 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 2025. 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, 2025, 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.

For the Year Ended June 30, 2025

7. Residential, Prevention and Other Treatment Facilities, continued

The in-kind rent amounts for prevention and other treatment facilities for the year ended June 30, 2025 are:

St. Lucie County	\$ 169,835
Palm Beach County	<u>188,498</u>
Total prevention and other treatment facility lease expense	<u>\$ 358,333</u>

Combined residential and prevention facilities in-kind rent expense for the years ended June 30, 2025 is summarized as follows:

Residential facility, Kelly Center	\$ 13,200
Residential facility, Hayslip	72,000
Prevention and other treatment facilities	<u>358,333</u>
Total residential, prevention and other treatment facility lease expense	<u>\$ 443,533</u>

8. 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, 2025, 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.

9. 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, 2025, school nutrition reimbursements amounted to \$54,861 and are included in government grants and contracts revenue in the statement of activities.

10. Operating Leases

DATA leases office space throughout Palm Beach and St. Lucie counties that are leased under non-cancellable operating leases expiring at various dates through 2026. The leases require various minimum monthly rental payments. Common area maintenance is not included in the right-of-use asset.

Operating right-of-use assets as of June 30, 2025, consisted of the following:

Office space – various locations	\$ 494,858
Less accumulated amortization	<u>334,001</u>
Net operating right-of-use assets	<u>\$ 160,857</u>

For the Year Ended June 30, 2025

10. Operating Leases, continued

Operating lease obligations as of June 30, 2025, consisted of the following:

Office space – various locations	<u>\$ 165,651</u>
----------------------------------	-------------------

Operating lease expense for the year ended June 30, 2025, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office space – various locations	<u>\$ 191,267</u>	<u>\$ 20,854</u>	<u>\$ 212,121</u>

Total rent expense was \$240,106 during the year ended June 30, 2025, 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 \$212,121 is \$27,985, 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, 2025, for the next year are:

2026	<u>\$ 170,581</u>
Less discount to present value	<u>4,930</u>
Present value of future lease payments	<u>165,651</u>
Less current portion	<u>165,651</u>
Non-current portion	<u>\$ -</u>

The lease discount has been calculated using interest rates ranging from 7.50% to 8.50%, which approximates the incremental borrowing rates of DATA at the time the leases were signed.

The weighted average lease term for the operating leases is 0.80 years. The weighted average discount rate for the operating leases is 8.23%.

11. Retirement Plan

DATA's retirement program includes a defined contribution 401(k) Plan originally created in October 2014 and restated in January 2024. 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 year 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, 2025, amounted to \$657,918, which remained unpaid at year end. This contribution is included in employee benefit expenses in the statement of functional expenses.

Additionally, during the year ended June 30, 2025 DATA's Board of Directors approved an executive bonus to be paid out as deferred compensation. This executive bonus is included in the 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, 2025

12. 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, 2025. Funding from other local, state, and federal government sources accounted for an additional 13% 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, 2024, and expires on June 30, 2027, that continues services from the previous contract.

John Fowler, CEO of DATA, is the Vice Chair at Southeast Florida Behavioral Health Network (SEFBHN). SEFBHN is the Managing Entity for the counties in which DATA operates. John was elected to his position on the board effective October 16, 2024, through September 30, 2025. He was then appointed for another year, to serve effective October 1, 2025, through September 30, 2026. A majority of Managing Entities have Providers on their Board of Directors. A Provider is a licensed agency, facility, or professional contracted by the Managing Entity to deliver direct mental health and substance abuse services to individuals in a specific region. The Managing Entity acts as the central coordinator, not a direct service giver. Per SEFBHN's Bylaws, no more than 34% of the Board can be Provider representatives. Currently only four out of sixteen members are Providers, which is a 25% representation.

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, 2025, DATA had approximately \$2,407,000 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.

13. 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.

14. Subsequent Events

DATA's management has evaluated subsequent events through December 11, 2025, 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

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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, 2025, 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 December 11, 2025.

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
December 11, 2025

Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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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, 2025. 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, 2025.

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
December 11, 2025

For the Year Ended June 30, 2025

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, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2025, 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, 2025, 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, 2025, 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, 2024, 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, 2025**

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. (SEFBHN):		
Block Grant for Prevention and Treatment of Substance Abuse	93.959 LDC07-C15 LDC07-C19	\$ 3,393,334 3,804,078
Temporary Assistance for Needy Families	93.558 LDC07-C15 LDC07-C19	72,435 497,333
Opioid STR	93.788 LDC07-C19	204,999
Total Department of Health and Human Services		<u>7,972,179</u>
U.S. Department of Agriculture Passed through from State of Florida, Department of Agriculture and Consumer Services:		
Child Nutrition Cluster		
National School Breakfast Program	10.553	19,812
National School Lunch Program	10.555	<u>35,050</u>
Total Department of Agriculture Child Nutrition Cluster		<u>54,862</u>
Total expenditures of federal awards		8,027,041
Other state and local government grants and contracts		<u>1,678,275</u>
Total government grants and contracts		<u>\$ 9,705,316</u>

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

For the Year Ended June 30, 2025

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, 2025. 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, 2025

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	MAPS
Government funding:															
State funding	\$ 1,049,038	\$ 646,526	\$ 408,433	\$ 532,210	\$ 155,293	\$ 278,036	\$ 1,041	\$ 3,629	\$ 30,000	\$ 101,736	\$ 60,258	\$ 20,146	\$ 18,501	\$ 280,000	
Local government	156,093	-	120,000	-	20,349	-	-	-	-	-	-	-	-	-	-
Federal grants and contracts	37,970	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind from local government only	13,200	45,393	18,521	30,918	-	14,719	-	-	-	-	6,770	-	1,055	931	-
Total government funding	1,256,301	691,919	546,954	563,128	175,642	292,755	1,041	3,629	30,000	108,506	60,258	21,201	19,432	280,000	
All other revenues:															
Medicaid, first and third party fees	31,371	-	-	-	127,509	-	-	-	-	-	8,460	-	-	-	-
Contributions and donations	213,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind services	67,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total all other revenues	311,567	-	-	-	127,509	-	-	-	-	-	8,460	-	-	-	-
Total funding sources and revenues	\$ 1,567,868	\$ 691,919	\$ 546,954	\$ 563,128	\$ 303,151	\$ 292,755	\$ 1,041	\$ 3,629	\$ 30,000	\$ 108,506	\$ 68,718	\$ 21,201	\$ 19,432	\$ 280,000	

See *independent auditor's report*.

**SCHEDULE OF
ACTUAL FUNDING SOURCES AND REVENUES**

State Designated SAMH Cost Center													Total Designated				
Circuit 19													SAMH Cost Center		Non-SAMH Cost Center	Supporting Services	Total
Adolescent													Adult				
Residential Level 2																	
Level 2	Prevention	TASC	Outpatient	Outreach	On site	Incidentals	Medical Services	Care Coordination	MST-CAN	Outpatient	TASC	On site	Total	Total	Total	Total	
\$ 1,113,293	\$ 1,132,574	\$ 238,735	\$ 77,066	\$ 531,886	\$ 734,706	\$ 684	\$ 2,770	\$ 30,000	\$ 450,000	\$ 136,275	\$ 10,395	\$ 27,123	\$ 8,070,354	\$ 160,920	\$ -	\$ 8,231,274	
-	83,148	-	-	-	-	-	-	-	-	-	-	-	379,590	972,494	-	1,352,084	
16,891	-	-	-	-	67,097	-	-	-	-	-	-	-	121,958	-	-	121,958	
72,000	90,063	12,006	747	33,198	30,650	-	-	-	-	1,489	504	1,178	373,342	70,191	-	443,533	
1,202,184	1,305,785	250,741	77,813	565,084	832,453	684	2,770	30,000	450,000	137,764	10,899	28,301	8,945,244	1,203,605	-	10,148,849	
13,459	-	-	30,000	-	-	-	-	-	79,830	751	-	-	291,380	-	-	291,380	
57,260	-	-	14,000	-	-	-	-	-	-	-	-	-	284,260	-	2,503	286,763	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	117,786	-	117,786	
67,196	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392	
137,915	-	-	44,000	-	-	-	-	-	79,830	751	-	-	710,032	-	120,289	830,321	
\$ 1,340,099	\$ 1,305,785	\$ 250,741	\$ 121,813	\$ 565,084	\$ 832,453	\$ 684	\$ 2,770	\$ 30,000	\$ 529,830	\$ 138,515	\$ 10,899	\$ 28,301	\$ 9,655,276	\$ 1,203,605	\$ 120,289	\$ 10,979,170	

See *independent auditor's report*.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2025

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	MAPS
Personnel expenses:														
Salaries and wages	\$ 773,977	\$ 487,908	\$ 313,240	\$ 360,581	\$ 150,044	\$ 148,896	\$ -	\$ 27,724	\$ -	\$ 75,410	\$ 38,159	\$ 10,674	\$ 12,419	\$ 119,290
Fringe benefits	213,096	135,589	78,868	140,925	59,954	38,176	817	2,276	-	20,060	15,247	2,693	4,031	25,233
Total personnel expenses	987,073	623,497	392,108	501,506	209,998	187,072	817	30,000	-	95,470	53,406	13,367	16,450	144,523
Operating expenses:														
Building and occupancy	91,429	10,994	12,402	15,321	6,882	380	-	-	-	14,267	1,751	25	623	-
Professional fees	10,622	2,681	1,868	5,507	2,005	833	307	-	-	1,085	510	59	202	4,300
In-kind expenses:														
Facilities	13,200	45,393	18,521	30,918	-	14,719	-	-	-	6,770	-	1,055	931	-
Services	67,196	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	12,858	4,418	3,309	5,363	844	3,608	568	-	-	1,099	215	259	166	254
Equipment costs	10,210	565	767	1,225	940	89	-	-	-	3	239	6	38	-
Food costs	99,442	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical/pharmacy	3,900	3,600	5,400	-	1,800	720	180	-	-	3,600	-	-	-	-
Insurance	30,700	5,526	791	11,173	1,834	1,942	-	-	-	1,309	467	139	453	7,862
Operating supplies and expenses	80,927	24,913	16,756	33,129	17,829	14,702	1,900	-	1,041	7,453	4,497	1,052	842	2,124
Depreciation expense - State	36,319	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	21,897	-	-	21	43	-	-	-	-	-	11	-	-	-
Total operating expenses	478,700	98,090	59,814	102,657	32,177	36,993	2,955	-	1,041	35,586	7,690	2,595	3,255	14,540
Supporting services	64,005	22,399	112,007	-	71,234	81,307	1,279	-	-	639	8,770	8,299	-	128,006
Total expenses	\$ 1,529,778	\$ 743,986	\$ 563,929	\$ 604,163	\$ 313,409	\$ 305,372	\$ 5,051	\$ 30,000	\$ 1,041	\$ 131,695	\$ 69,866	\$ 24,261	\$ 19,705	\$ 287,069

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	On site									
\$ 659,197	\$ 836,964	\$ 139,258	\$ 96,937	\$ 398,129	\$ 311,944	\$ -	\$ 27,724	\$ 298,071	\$ 86,971	\$ 5,844	\$ 11,397	\$ 5,390,758	\$ 707,663	\$ 685,474	\$ 6,783,895					
195,490	250,650	36,634	25,105	102,331	69,383	-	994	2,276	62,398	36,576	1,537	2,614	1,522,953	197,848	288,458	2,009,259				
854,687	1,087,614	175,892	122,042	500,460	381,327	-	994	30,000	360,469	123,547	7,381	14,011	6,913,711	905,511	973,932	8,793,154				
64,446	15,404	2,217	7,077	9,291	-	-	271	-	53,107	14,106	93	-	320,086	1,344	103,732	425,162				
10,349	5,625	810	777	3,298	2,520	-	307	-	65,713	1,550	33	97	121,058	3,831	147	125,036				
72,000	90,063	12,006	747	33,198	30,650	-	-	-	-	1,489	504	1,178	373,342	70,191	-	443,533				
67,196	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392				
12,200	5,295	2,958	775	6,063	3,638	-	585	-	20,722	1,544	124	140	87,005	1,686	13,201	101,892				
8,337	4	198	273	463	-	-	-	-	1,176	544	8	-	25,085	-	560	25,645				
51,595	-	-	-	-	-	-	-	-	-	-	-	-	151,037	-	-	151,037				
3,900	5,400	720	1,800	-	5,400	-	180	-	-	-	-	-	36,600	-	-	36,600				
28,615	21,600	1,719	915	6,420	13,822	-	-	-	10,342	1,824	72	215	147,740	9,498	-	157,238				
71,368	21,845	10,126	8,161	21,354	5,208	684	2,171	-	26,435	16,270	426	201	391,414	19,360	54,606	465,380				
18,632	-	-	-	-	-	-	-	-	21,048	-	-	-	75,999	-	7,167	83,166				
11,080	-	-	1,731	1,770	-	-	-	-	-	3,451	-	-	40,004	-	-	40,004				
419,718	165,236	30,754	22,256	81,857	61,238	684	3,514	-	198,543	40,778	1,260	1,831	1,903,762	105,910	179,413	2,189,085				
64,004	54,081	44,534	19,735	-	400,768	-	1,281	-	19,202	9,068	3,470	15,257	1,129,345	24,000	(1,153,345)	-				
\$ 1,338,409	\$ 1,306,931	\$ 251,180	\$ 164,033	\$ 582,317	\$ 843,333	\$ 684	\$ 5,789	\$ 30,000	\$ 578,214	\$ 173,393	\$ 12,111	\$ 31,099	\$ 9,946,818	\$ 1,035,421	\$ -	\$ 10,982,239				

See independent auditor's report.