



**DRUG ABUSE FOUNDATION OF
PALM BEACH COUNTY, INC.
FINANCIAL STATEMENTS
June 30, 2025 and 2024**

Mari Huff C.P.A., P.A.
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Stuart, Florida

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.
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Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Executive Director
Drug Abuse Foundation of Palm Beach County, Inc.
Delray Beach, Florida

Opinion

We have audited the accompanying financial statements of Drug Abuse Foundation of Palm, Beach County, Inc. (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years ended June 30, 2025 and 2024 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 Foundation of Palm, Beach County, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years ended June 30, 2025 and 2024 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 Foundation of Palm Beach County, 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 Foundation of Palm Beach County, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Foundation of Palm Beach County, 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 Foundation of Palm Beach County, 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 supplementary schedules include (Schedule of Expenditures of Federal Awards and State Financial Assistance, Schedule of Revenues by Cost Center, Schedule of Expenses by Cost Center, and Schedule of Related Party Transaction Adjustments), as required by *Chapter 10.650 Comptroller General of the State of Florida*, 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 supplementary information mentioned herein is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We previously audited Drug Abuse Foundation of Palm Beach County, Inc.'s financial statements as of and for the year ended June 30, 2024, and we expressed an unmodified opinion on those financial statements in our report dated December 21, 2025. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2025, on our consideration of Drug Abuse Foundation of Palm Beach County, 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 Foundation of Palm, Beach County, 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 Foundation of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Other Reporting Required by *Uniform Guidance*

In accordance with *Uniform Guidance and Chapter 10.650 Rules of the Auditor General of the State of Florida*, we have also issued our report dated December 21, 2025, on our consideration of Drug Abuse Foundation of Palm, Beach County, Inc.'s internal control over financial reporting and on our tests of its compliance with each major federal program and state project.

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 Foundation of Palm Beach County, Inc.'s internal control over financial reporting or on compliance with the *Uniform Guidance and Chapter 10.650 Rules of the Auditor General of the State of Florida*. That report is an integral part of an audit performed in accordance with *Uniform Guidance and Chapter 10.650 Rules of the Auditor General of the State of Florida* in considering Drug Abuse Foundation of Palm Beach County, Inc.'s internal control over financial reporting and compliance with each major federal program and state project.

Mari Huff C.P.A., P.A.

Mari Huff, C.P.A., P.A.
Stuart, Florida
December 21, 2025

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.*Statements of Financial Position**As of June 30, 2025 and June 30, 2024*

	Totals	
	2025	2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,075,188	\$ 1,749,654
Cash and cash equivalents-with donor restrictions	80,000	-
Investments - certificate of deposits	990,771	-
Grants and contracts receivable	999,907	1,123,234
Inventory	33,458	32,811
Prepaid expenses	194,599	103,396
Total current assets	<u>3,373,923</u>	<u>3,009,095</u>
Property and equipment, net	<u>2,835,347</u>	<u>3,155,683</u>
Other assets:		
Deposits	16,930	19,678
Right of use assets - operating leases	205,363	137,132
Total other assets	<u>222,293</u>	<u>156,810</u>
Total assets	<u>\$ 6,431,563</u>	<u>\$ 6,321,588</u>
Liabilities and net assets:		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 70,668	\$ 131,067
Accrued expenses	258,778	251,762
Mortgage payable, current portion (less unamortized debt issuance costs)	87,914	84,263
Right of use liabilities - operating leases	108,527	69,686
Total current liabilities	<u>525,887</u>	<u>536,778</u>
Mortgage payable, long-term portion (less unamortized debt issuance costs)	2,505,858	2,591,429
Deferred grant revenue	80,000	-
Right of use liabilities - operating leases	96,836	67,446
Total long term liabilities	<u>2,682,694</u>	<u>2,658,875</u>
Total liabilities	<u>3,208,581</u>	<u>3,195,653</u>
Net assets:		
Net assets without donor restrictions	<u>3,222,982</u>	<u>3,125,935</u>
Total net assets	<u>3,222,982</u>	<u>3,125,935</u>
Total liabilities and net assets	<u>\$ 6,431,563</u>	<u>\$ 6,321,588</u>

See independent auditor's report and notes to financial statements

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.*Statement of Activities**For the Year Ended June 30, 2025**(With Summarized Comparative Totals for the Year Ended June 30, 2024)*

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
Support, revenues, and gains:				
Public support				
Federal and state ADM grants				
Substance abuse	\$ 6,348,020	\$ -	\$ 6,348,020	\$ 6,302,313
Ounce of Prevention	99,572	-	99,572	145,599
US Dept. of Probation	97,100	-	97,100	30,270
Palm Beach County	1,308,370	-	1,308,370	1,223,150
Contributions and donations	201,182	-	201,182	159,391
In-kind contributions	102,483	-	102,483	118,999
Total public support	8,156,727	-	8,156,727	7,979,722
Other revenues:				
Client fees	8,088	-	8,088	8,003
State and local service revenue	1,178,505	-	1,178,505	1,157,025
Other revenues	19,512	-	19,512	2,769
Investment and interest income	55,576	-	55,576	51,578
Rental income	28,094	-	28,094	42,792
Total other revenues	1,289,775	-	1,289,775	1,262,167
Net assets released from donor restrictions:				
Restrictions satisfied by completion of expansion project	-	-	-	-
Total support, revenues, and gains	9,446,502	-	9,446,502	9,241,889

*(continued on next page)**See independent auditor's report and notes to financial statements*

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.*Statement of Activities (continued from previous page)**For the Year Ended June 30, 2025**(With Summarized Comparative Totals for the Year Ended June 30, 2024)*

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
Functional expenses:				
Program services:				
Adult substance program	8,340,499	-	8,340,499	8,475,057
Total program services	8,340,499	-	8,340,499	8,475,057
Support services:				
Administration	948,843	-	948,843	607,828
Rental expense	60,113	-	60,113	42,870
Total support services	1,008,956	-	1,008,956	650,698
Total functional expenses	9,349,455	-	9,349,455	9,125,755
Total expenses	9,349,455	-	9,349,455	9,125,755
Change in net assets	97,047	-	97,047	116,134
Net assets, beginning of year	3,125,935	-	3,125,935	3,009,801
Net assets, end of year	\$ 3,222,982	\$ -	\$ 3,222,982	\$ 3,125,935

See independent auditor's report and notes to financial statements

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.*Statement of Functional Expenses**For the Year Ended June 30, 2025**(With Summarized Comparative Totals for the Year Ended June 30, 2024)*

	PROGRAM SERVICES	SUPPORT SERVICES		TOTALS	
		Administration	Auditorium Rentals	2025	2024
Personnel expenses:					
Salaries	\$ 4,253,910	\$ -	\$ -	\$ 4,253,910	\$ 3,739,489
Benefits and taxes	1,262,070	-	-	1,262,070	866,883
Total personnel expenses	5,515,980		-	5,515,980	4,606,372
Operating expenses:					
Building occupancy	728,398	-	42,420	770,818	1,022,324
Professional services	256,114	-	-	256,114	91,952
Travel	1,771	-	-	1,771	1,972
Equipment	-	-	-	-	9,384
Food services	399,962	-	-	399,962	357,460
Medical and pharmacy	507,912	-	-	507,912	573,046
Subcontracted services	-	-	-	-	1,046,649
Insurance	348,053	-	9,278	357,331	334,425
Interest	15,659	-	8,415	24,074	119,404
Operating supplies and expenses	143,301	-	-	143,301	178,649
Other	320,866	-	-	320,866	36,068
Donated items	102,483	-	-	102,483	140,222
Administration	-	948,843	-	948,843	607,828
Total operating expenses	8,340,499	948,843	60,113	9,349,455	9,125,755
Total expenses	\$ 8,340,499	\$ 948,843	\$ 60,113	\$ 9,349,455	\$ 9,125,755

See independent auditor's report and notes to financial statements

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Statement of Cash Flows

For the Year Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

			Totals	
	Without donor restrictions	With donor restrictions	2025	2024
Cash flows provided by operating activities:				
Receipts from public and private support, net of amounts restricted for long-term purposes	\$ 9,458,559	\$ 80,000	\$ 9,538,559	\$ 9,172,496
Receipts from fees charged to clients	8,088	-	8,088	8,003
Payments to suppliers and employees	(9,065,699)	-	(9,065,699)	(8,599,621)
Rents received	28,094	-	28,094	42,792
Other cash received	19,512	-	19,512	2,769
Interest received	55,576	-	55,576	51,578
Interest paid	(15,659)	-	(15,659)	(119,404)
Net cash provided by operating activities	488,471	80,000	568,471	558,613
Cash flows provided by / used in investing activities:				
Purchases of certificates of deposit	(1,227,981)	-	(1,227,981)	-
Proceeds from certificates of deposit	237,210	-	237,210	716,796
Capital expenditures	(90,246)	-	(90,246)	(21,300)
Net cash provided by / used in investing activities	(1,081,017)	-	(1,081,017)	695,496
Cash flows used in financing activities:				
Principal payments under note payable	(81,920)	-	(81,920)	(77,744)
Net cash used in financing activities	(81,920)	-	(81,920)	(77,744)
Net change in cash and cash equivalents	(674,466)	80,000	(594,466)	1,176,365
Cash and cash equivalents, beginning of year	1,749,654	-	1,749,654	\$ 573,289
Cash and cash equivalents, end of year	<u>\$ 1,075,188</u>	<u>\$ 80,000</u>	<u>\$ 1,155,188</u>	<u>\$ 1,749,654</u>
Reconciliation of change in net assets to net cash provided by operating activities:				
Change in net assets	\$ 97,047	\$ -	\$ 97,047	\$ 116,134
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation expense	410,582	-	410,582	403,936
Change in:				
Grants and contracts receivable	123,327	-	123,327	35,749
Deferred grant funds	-	80,000	80,000	-
Inventory	(647)	-	(647)	71,487
Prepaid expenses	(91,203)	-	(91,203)	(55,113)
Deposits	2,748	-	2,748	(2,748)
Accounts payable	(60,399)	-	(60,399)	(2,447)
Accrued expenses	7,016	-	7,016	(8,385)
Net cash provided by operating activities	\$ 488,471	\$ 80,000	\$ 568,471	558,613

See independent auditor's report and notes to financial statements

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1: NATURE OF THE ORGANIZATION

Drug Abuse Foundation of Palm Beach County, Inc. (the “Foundation”) is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Founded in 1968, the Foundation’s central mission is to encourage and support the process of recovery from chemical addiction, to promote drug free living and mental well-being. The Foundation pursues its mission through the operation of thirteen programs/services which are organized into five key focus areas and service groups, including The Prevention Service Group, The Intervention Service Group, The Crisis Stabilization Service Group, Medical and Psychiatric (Med/Psych) Services Group and The Treatment and Aftercare Service Group.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting and reporting policies of the Foundation conform to accounting principles generally accepted in the United States of America and are in accordance with the Financial Accounting Standards Codification 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. These financial statements are prepared on the accrual basis of accounting and report information regarding the Foundation’s financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

Cash and Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, the Foundation considers demand deposits with banks, certificates of deposit, money market funds and highly liquid debt instruments purchased with initial maturities of three months or less from the purchase date to be cash equivalents.

Investments

Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Grant and Contract Receivable/Revenue

Revenue from grants and contracts is recognized when the allowable costs, as defined by the individual grants or contracts, are incurred and/or the unit of service has been performed. Grant and contracts receivable at year end represent units of service performed that were not reimbursed by the granting agency by year end. Any of the funding sources may, at its discretion, request reimbursement for expenses or the return of funds, or both, upon finding non-compliance by the Foundation with the terms of the grants and contracts.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Client Fees Receivable

The Foundation requires payment before services are rendered and, therefore, did not have any client fees receivable for the years ended June 30, 2025 and 2024.

Inventory

The Foundation purchases office supplies, janitorial supplies, medical testing kits, and medical supplies in bulk. The purchases are recorded in inventory at cost and charged to appropriate departments, at cost, when removed from the storeroom. At June 30, 2025 and 2024, total inventory was \$ 33,458 and \$ 32,811, respectively.

Prepaid expenses

The Foundation prepays certain expenses and recognizes the expenses as the benefits are received. These prepaids expenses are reflected as current assets and will be recognized as expenses within the following year as the benefits are received.

Property and Equipment

The Foundation capitalizes property and equipment in excess of \$5,000 with a useful life of one year or more, lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty-six years. Maintenance and repairs are charged to expense when incurred.

Compensated Absences

The Foundation accrues for compensated absences after a six-month probationary period. An accrual is made for any unused time that carries over from year to year, based upon each employee's current pay rate and years of employment at the Foundation. Total accrued compensated absences at June 30, 2025 and 2024 were \$ 107,829 and \$ 105,837 , respectively and included related accrued payroll expenses.

Debt Issuance Costs

Unamortized debt issuance costs of \$ 838 are presented on the balance sheet as a direct deduction from the carrying amount of the related debt liability. The original amount of debt issuance costs recognized in September 2014 was \$27,897. In 2020 the Foundation refinanced the loan and remaining unamortized debt issuance costs are being amortized as interest expense using the effective interest method over the term of the new loan (see Note 6 below). Amortization expense included in interest for the years ended June 30, 2025 and 2024 was \$573 and \$1,625, respectively.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions. Donor restricted contributions for which the donor restrictions are satisfied in the same reporting period are reported as net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor – (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Revenue Recognition (FABS ASC 605)

Contributions and grants received are recorded according to ASC 958-605: *Revenue Recognition*. Contributions and grants are recognized with donor restrictions or without donor restrictions depending on the existence or nature of any donor/grantor restrictions.

Revenue from Contracts with Customers (FABS ASC 606)

Client fees and rental income are recorded according to ASC 605: *Revenues from Contracts with Customers* at the point in time the services are provided. Payments from clients are generally received at commencement of the services.

The Foundation recognizes contract revenue for financial reporting purposes at the point in time that services are provided. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities. Revenue recognition for multiple-element arrangements requires judgment to determine if multiple elements exist, whether elements can be accounted for as separate units of accounting, and if so, the fair value for each of the elements.

Performance Obligations (FASB ASC 606)

Contracts with customers are mainly fixed-price agreements. The payment terms and conditions in customer contracts are the same for all clients. Each service appointment is considered a single performance obligation that is satisfied at the point in time where the Foundations provides the services. Payment typically is due at the time the services are provided.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Judgments (FASB ASC 606)

The Foundation provides recovery from chemical addiction and promotes drug free living and mental well-being services in South Florida. The Foundation expects to be entitled to its revenues once the services are performed. The Foundation limits its estimate to an amount that will not result in a significant reversal of revenue when the uncertainty is resolved.

Promises to Give

Contributions are recognized when a donor makes promises to give to the Organization that are, in substance, unconditional.

Unconditional promises to give, that are expected to be collected within one year, are recorded at their net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

All contributions are available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are 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 are reported in the statement of activities as net assets released from restrictions.

Donated Rent

The Palm Beach County Sheriff's Office provides the Foundation donated office and classroom space within its Belle Glade, Florida, correctional facility which is valued at \$ 50,000 per year. Management has determined that this valuation is based upon the fair rental value of comparable space and facilities in privately-owned structures in the same area. This amount is reflected as public support in the Statement of Activities, denoted as in-kind contributions, and included in the total in-kind donations on the Statement of Functional Expenses.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses

The grant contracts with the Department of Children and Families, that pass through to the Southeast Florida Behavioral Health Network, have contractual reporting requirements under the State of Florida Administrative Code. The Foundation reports its functional expenses expanded by cost center to satisfy this requirement.

Income Taxes

The Foundation is a not-for-profit corporation exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and is classified as other than a private foundation. Therefore, no income taxes are required to be paid on activities related to its mission. The Foundation holds rental property from which it collects unrelated rental income. Income taxes are due on net rental income. For the years ended June 30, 2025 and 2024, the Foundation had no taxable income, and therefore no income tax expense.

Uncertain Tax Positions

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2023, 2024, 2025 and are subject to examination by IRS, generally for three years after they were filed. None of the Foundation's returns for years prior to 2023 are currently under examination by the IRS. No provision has been recorded with respect to any uncertain tax positions based upon management's evaluation of positions adopted.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Foundation received no volunteer hours per year.

Reclassifications

It is the Foundation's policy to reclassify, where appropriate, prior year financial statements to conform to the current year presentation.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2024 of the prior year, from which the summarized information was derived.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 3: INVESTMENTS

The following table summarizes the unrealized position for held-to-maturity securities as of June 30, 2025.

Certificates of deposit	Amortized		Net Carrying Amount	Gross Unrealized		Fair value	Maturity date	Interest rate
	Cost	Earned Interest		Losses				
CD Beal Bank USA	\$ 247,000	\$ 2,590	\$ 249,590	\$ (3)		\$ 249,587	7/2/2025	4.30%
CD Bank of America NA	200,000	1,287	201,287	(12)		201,275	8/7/2025	4.35%
CD Bank OZK	75,000	2,737	77,737	(36)		77,701	8/13/2025	4.15%
CD Key Bank NA	247,000	971	247,971	(22)		247,949	9/2/2025	4.35%
CD Umpqua Bank	214,000	259	214,259	-		214,259	9/22/2025	4.40%
Total investments	<u>\$ 983,000</u>	<u>\$ 7,844</u>	<u>\$ 990,844</u>	<u>\$ (73)</u>		<u>\$ 990,771</u>		

The Foundation held no investments as of June 30, 2024.

NOTE 4: PROPERTY AND EQUIPMENT

Depreciation expense for the years ended June 30, 2025 and 2024 was \$ 410,582 and \$ 403,936, respectively. These amounts represent a combination of amounts charged to both functional expenses building occupancy and expenses of rental income.

Property and equipment consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 325,000	\$ 325,000
Building and improvements	7,013,678	6,965,130
Furniture and equipment	654,599	615,653
Vehicles	133,147	133,147
Total	<u>8,126,424</u>	<u>8,038,930</u>
Less: accumulated depreciation	<u>5,291,077</u>	<u>4,883,247</u>
Property and equipment, net	<u>\$ 2,835,347</u>	<u>\$ 3,155,683</u>

NOTE 5: ACCRUED EXPENSES

Accrued expense at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Accrued payroll	\$ 115,354	\$ 113,092
Accrued paid time off	105,716	94,825
Other accrued expenses	37,708	43,845
Total accrued expenses	<u>\$ 258,778</u>	<u>\$ 251,762</u>

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 6: MORTGAGE PAYABLE

In February 2020, the Foundation refinanced its existing mortgage with TD Bank. The amount borrowed under the promissory note was \$3,000,000, with a net cash payment to the Foundation in the amount of \$1,182,000 to allow the Foundation to access a portion of its real estate equity to address major delayed maintenance items. The note established a ten-year term at a rate of 4.25% with a twenty-five-year amortization schedule. A prepayment penalty exists that starts at 5% and gradually decreases to 1% as of September 29, 2022, and for the remainder of the loan. In connection with the refinancing, the Foundation granted security interests to TD Bank that generally collateralized all of the Foundation's real and personal property. Additionally, the Foundation assumed certain limited restrictions on its ability to sell, transfer, encumber, and engage in other transactions with respect to its real property.

The aggregate maturities of the promissory note subsequent to June 30, 2025, shown net of unamortized debt issuance costs, are as follows:

2026	\$	87,914
2027		91,725
2028		95,700
2029		99,847
2029 and Thereafter		2,218,586
		<u>\$ 2,593,772</u>

NOTE 7: LINE OF CREDIT PAYABLE

The Foundation has an available line of credit with TD Bank, N.A that allows for borrowings up to \$250,000. The aggregate principal balance outstanding shall bear interest at 0.5% below the Wall Street Journal Prime Rate. However, interest is limited to a floor of 3.25%. There was no outstanding balance on this line at June 30, 2025 or 2024, and no interest expense was incurred under this line for the year ended June 30, 2025 or 2024. This line was renewed and expires April 28, 2026.

NOTE 8: RENTAL INCOME

The Foundation rents its auditorium to various lessees on an as needed basis. Total rental revenues were \$ 28,094 and \$ 42,792 and total rental expenses were \$60,113 and \$42,870 for the years ended June 30, 2025 and 2024, respectively.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 9: DISAGGREGATION OF REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Foundation's revenue earned from contracts with customers based on the timing of satisfaction of performance obligations for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Performance obligations satisfied at a point in time:		
Contributions and donations	\$ 303,665	\$ 278,390
Client fees	8,088	8,003
Investment and interest income	55,576	51,578
Rental income	28,094	42,792
Performance obligations satisfied over time:		
Grant income	9,051,079	8,861,126
Total revenues from contracts with customers	<u>\$ 9,446,502</u>	<u>\$ 9,241,889</u>

NOTE 10: CONCENTRATIONS

Major Funders

Major funders who have provided greater than 10% of total revenues for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Revenue</u>	<u>Receivable</u>	<u>Revenue</u>	<u>Receivable</u>
Southeast Florida Behavioral Health	\$ 6,348,020	\$ 608,796	\$ 6,302,313	\$ 643,664
Palm Beach County Community Services	1,308,370	108,040	1,223,150	331,770
Total	<u>\$ 7,656,390</u>	<u>\$ 716,836</u>	<u>\$ 7,525,463</u>	<u>\$ 975,434</u>

The Foundation received approximately 80% and 81% of its revenue from these funders for each of the fiscal years ended June 30, 2025 and 2024, respectively.

The Foundation's right to payment for valid funding requests is generally protected by statutory and contractual frameworks that govern the relationships between the entities, subject to limitations and conditions. However, a policy change at these agencies could have an adverse effect on operations, and the concentrations make the Foundation vulnerable to the risk of a near-term severe impact.

Concentration of Credit Risk

The Foundation maintains its cash at financial institutions in Palm Beach County. The accounts are fully insured by the Federal Deposit Insurance Corporation, up to \$250,000. The Foundation had approximately \$600,000 in uninsured funds as of June 30, 2025.

Market Concentrations

The Foundation is located in Palm Beach County, Florida and receives all support from this region.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 11: LIQUIDITY AND AVAILABILITY

The schedule below reflects the Foundation's financial assets as of the Statement of Financial Position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the Statement of Financial Position date. Amounts that are not available may also include Board designated amounts that could be utilized if the Board approves the use. The balance represents financial assets that are liquid and available within one year:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents-without donor restrictions	\$ 1,075,188	\$ 1,749,654
Investments - certificate of deposits	990,771	-
Grants and contracts receivable	999,907	1,123,234
Total financial assets available within one year	<u><u>\$ 3,065,866</u></u>	<u><u>\$ 2,872,888</u></u>
Liquidity resources:		
Bank line of credit	250,000	250,000

NOTE 12: LEASES

Operating capital leases

The Foundation initially entered into a sixty-one-month, non-cancellable, triple net lease in West Palm Beach dated November 4, 2015. The lease was amended for a second time on December 1, 2023 extending the lease until December 31, 2026. The lease calls for monthly rent payments of \$4,003 per month, plus applicable sales taxes. Monthly rent payments will increase to \$4,204 per month, plus applicable sales taxes for the second year, and \$4,414 per month, plus applicable sales taxes for the third year. As a triple net lease, the Foundation is also responsible for taxes, insurance, and operating expenses. Total rent expense under this lease for the years ended June 30, 2025 and 2024 was \$ 77,992 and \$ 74,564, respectively.

In March 2015, the Foundation initially entered into a lease for office space in Belle Glade, Florida. The lease was renewed until September 30, 2028. The lease currently requires monthly rent payments of \$2,024 per month and subsequent payments of \$2,723 by September 2025. Additionally, the Foundation was required to pledge and assign to the Belle Glade lessor all furniture, goods, and chattels as security for rental obligations. The Foundation is generally granted a right of first refusal for periods subsequent to the expiration of the term. For the years ended June 30, 2025 and 2024, rental expense under this lease totaled \$ 24,291 and \$ 23,878, respectively.

The exercise of any renewal options is at the sole discretion of the Foundation, and only lease options that the Foundation believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. While all of the agreements provide for minimum lease payments, some include payments adjusted for inflation and operating expenses. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 12: LEASES (continued)

The following summarizes the line items in the balance sheet which include amounts for operating leases as follows:

	<u>2025</u>	<u>2024</u>
Operating lease right-of-use assets	\$ 205,363	\$ 137,132
Operating lease right-of-use liability, current portion	\$ 108,527	69,686
Operating lease right-of-use liability, long-term portion	96,836	67,446
Total Operating lease liabilities	<u>\$ 205,363</u>	<u>\$ 137,132</u>

The components of operating lease expenses that are included in Building occupancy on the Statement of Functional Expenses in these financial statements of for the year ended June 30, were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost (rent expense)	\$ 102,283	\$ 98,442
Variable lease cost (rent expense)	-	-
Total operating lease cost	<u>\$ -</u>	<u>\$ 98,442</u>

The following summarizes the cash flow information related to operating leases for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurements of lease liabilities:		
Operating lease cash flows	\$ -	\$ 98,442
Leased assets obtained in exchange for lease liabilities:		
Operating lease	\$ 205,363	\$ 137,132

Weighted average lease term and discount rate as of June 30, were as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term	3.0 Years	1.4 Years
Weighted average discount rate	3.67%	2.06%

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 12: LEASES (continued)

The maturities of operating lease liabilities as of June 30, 2025, were as follows:

2026	\$ 108,527
2027	64,557
2028	32,438
2029	8,169
2026 and thereafter	-
Total lease payments	<u>213,691</u>
Less: interest	<u>(8,328)</u>
Present value of lease liability	<u><u>\$ 205,363</u></u>

NOTE 13: EMPLOYEE BENEFITS

In fiscal year 1995, the Foundation established a defined contribution retirement plan for its eligible employees and their beneficiaries under Internal Revenue Code Section 403(b). All employees are eligible to participate in the plan immediately upon their hiring date. After two years of service, the Foundation contributes an amount equaling each participant's contribution up to 1.0% of the employee's annual salary for the first year in which the participant is eligible for employer contributions. The Foundation's contribution increases up to a maximum of 11.0% by the 20th year of eligibility. Contributions by the Foundation were \$ 120,408 and \$ 114,271 for the years ended June 30, 2025 and 2024, respectively. These expenses are included in functional expenses fringe benefits.

NOTE 14: STATE MATCHING REQUIREMENT

On July 1, 2023, The Foundation entered into an agreement PDA48 with Southeast Florida Behavioral Health Network, Inc. (the "Managing Entity") that calls for local matching funds pursuant to s.394.763(3), Florida Statutes. On May 19, 2025, the agreement PDA48 was extended for an additional year becoming effective until June 30, 2026, with total funding not to exceed \$11,771,476.

Funds are to be paid by the Managing Entity to the Foundation upon submission of funding request invoices meeting relevant compliance standards.

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 14: STATE MATCHING REQUIREMENT (continued)

During the fiscal year ended June 30, 2025, reimbursable services under these contracts were as follows:

Total expenditures	\$	9,349,455
Less other state and federal funds		(99,572)
Less non-match SAMH funds		(4,064,612)
Less: unallowable costs per 65E-14, F.A.C.		
Legal costs	(37,896)	
Rental costs	(102,283)	
Interest expense allocated to admin expense	(128,598)	(268,777)
Total allowable expenditures	\$	<u>4,916,494</u>
Maximum available earnings	\$	3,687,371
Amount of state funds requiring match		<u>2,254,756</u>
Amount of overmatch	\$	<u>1,432,615</u>

NOTE 15: RELATED PARTY TRANSACTIONS

The Foundation's Executive Director is also a Board Member of Southeast Florida Behavioral Health Network; the Foundation's largest funder by dollar value. All contracts are handled as arm's length transactions and the amounts paid are disclosed in the Schedule of Related Party Transaction Adjustments included in these statements.

NOTE 16: STATE AND LOCAL SERVICE REVENUES

The Foundation is reimbursed for fees from state and local agencies for services provided based on individual client participation in the programs.

These agencies and related service revenues received are summarized as follows for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Drug Court	\$ 125,994	\$ 129,286
Department of Corrections	593,439	541,552
FADA	228,297	339,937
PBSO Trust Fund	150,000	146,250
Childnet	80,775	-
Total	<u>\$ 1,178,505</u>	<u>\$ 1,157,025</u>

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 17: BED-DAY AVAILABILITY

The Foundation received a portion of its support from the Federal Government and the State of Florida under grant contract number PDA48 with Southeast Florida Behavioral Health Network.

Under the contract, the Foundation must provide the Southeast Florida Behavioral Health Network with a schedule of bed-day availability payments. Below is the schedule required under this contract:

Program	Covered Service	Contracted Rate	Total Units Of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Departments	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
A	B	C	D	E	F	G	H	I
Adult SA-Detox	Substance Abuse Detox	\$ 392	7,320	3,196	7,300	\$ 1,531,900	\$ 2,858,023	\$ -

NOTE 18: UNCERTAINTIES, CONTINGENCIES, AND RISKS

The Foundation is involved in a legal action where a former employee is alleging discrimination on the basis of disability and retaliation. A charge was made with the Equal employment Opportunity Commission where there was no finding of discrimination. The former employee then filed a lawsuit in Federal Court where a settlement agreement was reached in late November 2024 which will be covered by the Foundation's insurance.

NOTE 19: EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through December 21, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY SCHEDULES

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.*Schedule of Expenditures of Federal Awards and State Financial Assistance**For the Year Ended June 30, 2025*

Federal (State) Grantor/Pass-through Grantor/Program	Contract Number	ALN Number	CSFA Number	Amount
Federal Awards:				
U.S. Department of Health and Human Services				
Pass-through:				
Florida Department of Children and Families				
Southeast Florida Behavioral Health Network, Inc.:				
Prevention and Treatment of Substance Abuse (Substance Abuse Cluster)	PDA48-15-4	93.959	-	\$ 2,355,104
Temporary Assistance for Needy Families (Substance Abuse Cluster)	PDA48-15-4	93.558	-	179,841
State Matching Funds (Federal Awards)				
U.S. Department of Health and Human Services				
Pass-through:				
Florida Department of Children and Families				
Southeast Florida Behavioral Health Network, Inc.:				
Prevention and Treatment of Substance Abuse (Substance Abuse Cluster)	PDA48-15-4	93.959	-	2,963,894
Temporary Assistance for Needy Families (Substance Abuse Cluster)	PDA48-15-4	93.558	-	78,888
Total Expenditures of Federal Awards				\$ 5,577,726
State Financial Assistance:				
Florida Department of Children and Families				
Pass-through:				
Southeast Florida Behavioral Health Network, Inc.:				
State Targeted Response to the Opioid Crisis (Medicaid Cluster)	PDA48-15-4	-	60.355	770,294
Total Expenditures of State Financial Assistance				\$ 770,294

NOTE: A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards and State Financial Assistance, presented above, includes the federal award and state financial assistance activity of the Foundation under programs of the federal and state 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) and Chapter 10.650 of the State of Florida Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

NOTE: B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule, presented above, are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650 of the State of Florida Rules of the Auditor General, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

NOTE: C - INDIRECT COST RATE

Drug Abuse Foundation of Palm Beach County, Inc. has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance and Chapter 10.650 of the State of Florida Rules of the Auditor General.

NOTE: D - SUBRECIPIENTS

Of the expenditures presented in the schedule, the Foundation provided no awards to subrecipients.

See independent auditor's report

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.
SCHEDULE OF REVENUES BY COST CENTER
FOR THE YEAR ENDED June 30, 2025

FUNDING SOURCES & REVENUES	Assessment	Intervention (Indiv.)	Medical Services	Medication- Assisted Tx	Outpatient (Indiv.)	Residential II	Residential IV	Inpatient Detoxification	Incidental Expenses	Outpatient Group	Prevention - Universal Indirect	HIV Early Intervention Services	Care Coordination	Substance Abuse Total	Total for State SAMH-Funded Covered Services or (B+C)	Total for Non- State- Funded	Total for All Covered Services or Projects (D+E)	Non-SAMH Covered Services or Projects	Total Funding (F+G)
A	01	11	12	13	14	19	21	24	28	35	51	53	A4	C	D	E	F	G	H
IA. STATE SAMH FUNDING																			
TOTAL STATE SAMH FUNDING =	\$ 85,518	\$ 36,191	\$ 66,432	\$ -	\$ 200,603	\$ 3,695,636	\$ 51,329	\$ 1,531,900	\$ 50,786	\$ 359,624	\$ -	\$ 120,000	\$ 150,000	\$ 6,348,020	\$ 6,348,020		\$ 6,348,020		\$ 6,348,020
IB. OTHER GOVERNMENT FUNDING																			
(1) Other State Agency Funding	143,708	71,854	32,742	232,297	143,708	550,512	14,371	276,105		14,371	150,000			1,629,667	1,629,667		1,629,667		1,629,667
(2) Medicaid														-	-		-		-
(3) Local Government	130,837	65,419	36,167		130,837	615,777	14,860			3,084				996,981	996,981		996,981		996,981
(4) Federal Grants and Contracts	17,710	8,855	3,542		17,710	88,550	1,771	19,481		1,771				159,390	159,390		159,390		159,390
(5) In-kind from local govt. only											50,000			50,000	50,000		50,000		50,000
TOTAL OTHER GOVERNMENT FUNDING	292,255	146,127	72,451	232,297	292,255	1,254,839	31,002	295,586	-	19,225	200,000	-	-	2,836,037	2,836,037	-	2,836,037	-	2,836,037
IC. ALL OTHER REVENUES																			
(1) 1st & 2nd Party Payments					14,853					13,235				28,088	28,088		28,088		28,088
(2) 3rd Party Payments (except Medicare)														-	-		-		-
(3) Medicare				-		-								-	-		-		-
(4) Contributions and Donations														-	-		-		-
(5) Other						3,242	8,100	89,411						100,753	100,753		100,753	81,120	181,873
(6) In-kind						7,213		20,000						27,213	27,213		27,213	25,270	52,483
TOTAL ALL OTHER REVENUES =	-	-	-	-	14,853	10,455	8,100	109,411	-	13,235	-	-	-	156,054	156,054	-	156,054	106,390	262,445
TOTAL FUNDING =	377,773	182,319	138,883	232,297	507,711	4,960,930	90,432	1,936,897	50,786	392,085	200,000	120,000	150,000	9,340,112	9,340,112	-	9,340,112	106,390	9,446,502

See independent auditor's report

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.
SCHEDULE OF EXPENSES BY COST CENTER
FOR THE YEAR ENDED June 30, 2025

	Assessment	Intervention (Indiv.)	Medical Services	Medication- Assisted Tx	Outpatient (Indiv.)	Residential II	Residential IV	Inpatient Detoxification	Incidental Expenses	Outpatient Group	Prevention - Universal Indirect	HIV Early Intervention Services	Care Coordinati on	Substance Abuse Total	Total for State SAMH-Funded Covered Services	Total for Non- State- Funded Covere	Total for All Covered Services	Non-SAMH Covered Services	Other Support Costs (optional)	Administration	Total Expenses (F+G+H+I+J)
EXPENSE CATEGORIES	01	11	12	13	14	19	21	24	28	35	51	53	A4	C	(B+C) D	E	(D+E) F	G	H	I	J
IIA. PERSONNEL EXPENSES																					
(1) Salaries	159,433	84,358	225,250	41,687	200,523	2,071,805	320,505	671,656	-	149,027	172,026	56,537	101,103	4,253,910	4,253,910	-	4,253,910	-	-	-	4,253,910
(2) Fringe Benefits	68,618	25,643	95,499	11,684	96,702	366,142	100,210	288,354	-	90,392	53,319	38,464	27,045	1,262,070	1,262,070	-	1,262,070	-	-	-	1,262,070
TOTAL PERSONNEL EXPENSES =	228,051	110,001	320,748	53,371	297,224	2,437,947	420,715	960,010	-	239,419	225,346	95,001	128,148	5,515,980	5,515,980	-	5,515,980	-	-	-	5,515,980
IIB. OTHER EXPENSES																					
(1) Building Occupancy	34,719	7,430	30,645	6,685	60,719	342,342	87,148	111,585	-	38,606		5,880	2,639	728,398	728,398	-	728,398	42,420	-	-	770,818
(2) Professional Services	6,246	-	8,860	1,108	8,860	177,879	11,075	28,796	-	9,968		3,323	-	256,114	256,114	-	256,114	-	-	-	256,114
(3) Travel	403	-	-	-	-	515	161	692	-	-		-	-	1,771	1,771	-	1,771	-	-	-	1,771
(4) Equipment	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
(5) Food Services	-	-	-	-	-	248,139	14,637	137,185	-	-		-	-	399,962	399,962	-	399,962	-	-	-	399,962
(6) Medical and Pharmacy	-	-	-	151,638	892	106,373	805	248,203	-	-		-	-	507,912	507,912	-	507,912	-	-	-	507,912
(7) Subcontracted Services	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
(8) Insurance	14,033	7,672	17,364	14,941	8,531	154,140	3,241	99,741	-	7,632	9,154	9,288	2,316	348,053	348,053	-	348,053	9,278	-	-	357,331
(9) Interest Paid	1,189	297	1,189	949	1,189	3,715	1,486	3,863	-	1,337		446	-	15,659	15,659	-	15,659	8,415	-	-	24,074
(10) Operating Supplies & Expenses	14,424	3,606	4,424	1,803	7,599	50,635	3,030	36,878	-	14,227	1,265	5,409	-	143,301	143,301	-	143,301	-	-	-	143,301
(11) Other-Bad Debt	8,784	7,196	18,784	3,598	12,784	106,949	1,980	50,786	50,786	23,382		8,794	27,045	320,866	320,866	-	320,866	-	-	-	320,866
(12) Donated Items	-	-	-	-	-	7,213	-	45,270	-	-	50,000	-	-	102,483	102,483	-	102,483	-	-	-	102,483
TOTAL OTHER EXPENSES =	79,797	26,201	81,266	180,721	100,573	1,197,901	123,563	763,001	50,786	95,152	60,419	33,139	32,000	2,824,518	2,824,518	-	2,824,518	60,113	-	-	2,884,631
TOT. PERSONNEL & OTH. EXP. =	307,848	136,202	402,015	234,091	397,798	3,635,847	544,277	1,723,010	50,786	334,571	285,765	128,141	160,148	8,340,499	8,340,499	-	8,340,499	60,113	-	-	8,400,612
IIC. DISTRIBUTED INDIRECT COSTS																					
(a) Other Support Costs	2,587	3,147	2,587	1,573	7,587	54,336	15,734	40,909	-	14,161	-	4,720	-	147,343	147,343	-	147,343	-	-	-	147,343
(b) Administration	65,844	16,461	52,519	8,231	65,844	205,764	82,306	213,995	-	65,844	-	24,692	-	801,500	801,500	-	801,500	-	-	-	801,500
TOT. DISTR'D INDIRECT COSTS =	68,432	19,608	55,107	9,804	73,432	260,100	98,040	254,904	-	80,005	-	29,412	-	948,843	948,843	-	948,843	-	-	XXXXXXXXXX	
TOTAL ACTUAL OPER. EXPENSES =	376,280	155,810	457,121	243,895	471,229	3,895,947	642,317	1,977,914	50,786	414,576	285,765	157,552	160,148	9,289,342	9,289,342	-	9,289,342	60,113	9,349,455	\$ 0.00	9,349,455
IID. UNALLOWABLE COSTS																					
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	XXXXXXXXXX	-
TOT. ALLOWABLE OPER. EXP. =	376,280	155,810	457,121	243,895	471,229	3,895,947	642,317	1,977,914	50,786	414,576	285,765	157,552	160,148	9,289,342	9,289,342	-	9,289,342	60,113	9,349,455	XXXXXXXXXX	9,349,455
IIIE. CAPITAL EXPENDITURES																					
	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	\$ 23,713.51	\$ 35,813.51	\$ 28,719.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,246.31	\$ 90,246.31	\$ -	\$ 90,246.31	\$ -	90,246	\$ -	\$ 90,246.31

See independent auditor's report

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Schedule of Related Party Transaction Adjustments

Southeast Florida Behavioral Health Network

For the Year Ended June 30, 2025

	Assessment	Intervention (Indiv.)	Medical Services	Medication- Assisted Tx	Outpatient (Indiv.)	Residential II	Residential IV	Inpatient Detoxification	Incidental Expenses	Outpatient Group	Prevention - Universal Indirect	Care Coordination	HIV Early Intervention Services	Care Coordination	Total
Revenues from Grantee:															
DCE/SEFBHN funding	\$ 85,518	\$ 36,191	\$ 66,432	\$ -	\$ 200,603	\$ 3,695,636	\$ 51,329	\$ 1,531,900	\$ 50,786	\$ 359,624	\$ -	\$ -	\$ 120,000	\$ 150,000	\$ 6,348,020
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue from Grantee	<u>85,518</u>	<u>36,191</u>	<u>66,432</u>	<u>-</u>	<u>200,603</u>	<u>3,695,636</u>	<u>51,329</u>	<u>1,531,900</u>	<u>50,786</u>	<u>359,624</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>150,000</u>	<u>6,348,020</u>
Expenses Associated with Grantee															
Transactions:															
Legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Associated Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount allowable (necessary operating expenses in arms-length transaction)															
Related Party Adjustment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report

REQUIRED REPORTS

DRUG ABUSE FOUNDATION OF PALM BEACH COUNTY, INC.

Schedule of Findings and Questioned Costs-Federal Awards and State Financial Assistance

For the Year Ended June 30, 2025

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Drug Abuse Foundation of Palm Beach County, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Drug Abuse Foundation of Palm Beach County, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs and statement financial assistance are reported in the INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA*.
5. The auditor's report on compliance for the major federal award program and state project for the Drug Abuse Foundation of Palm Beach County, Inc. expressed an unmodified opinion on all major federal programs and state financial assistance.
6. Our audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the *Uniform Guidance*, nor did our audit disclose any findings related to the state projects required to be disclosed under *Chapter 10.650 Rules of the Auditor General of the State of Florida*.
7. The programs tested as major programs include Substance Abuse Services, ALN #93.959 and CFSA #60.355
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Drug Abuse Foundation of Palm Beach County, Inc. was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

No management letter is required because there were no findings required to be reported in the management letter.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD AND STATE PROGRAM AUDIT

No findings noted.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or state projects. No corrective action plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.



Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
Public Accountants

Florida Institute of Certified
Public Accountants

National Association of Certified
Valuators and Analysts

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors and Executive Director
Drug Abuse Foundation of Palm Beach County, Inc.
Delray Beach, Florida

Opinion on Each Major Federal Program and State Project

We have audited Drug Abuse Foundation of Palm Beach County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State of Florida Statute Section 215.97* that could have a direct and material effect on each of Drug Abuse Foundation of Palm Beach County, Inc.'s major federal programs and state projects for the year ended June 30, 2025. Drug Abuse Foundation of Palm Beach County, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs – Federal Awards and State Financial Assistance.

In our opinion, Drug Abuse Foundation of Palm Beach County, 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 and state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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 *Chapter 10.650 of the Florida Rules of the Auditor General*; 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 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 Foundation of Palm Beach County, 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 Foundation of Palm Beach County, 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 Foundation of Palm Beach County, Inc.'s federal programs and state projects.

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 Foundation of Palm Beach County, 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*, 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 Foundation of Palm Beach County, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 Foundation of Palm Beach County, 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 Foundation of Palm Beach County, 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 Foundation of Palm Beach County, 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.

Report on Internal Control over Compliance *(continued)*

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.

Mari Huff C.P.A., P.A.

Mari Huff, C.P.A., P.A.
Stuart, Florida
December 21, 2025



Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
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Public Accountants

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Valuators and Analysts

**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***

Board of Directors and Executive Director
Drug Abuse Foundation of Palm Beach County, Inc.
Delray Beach, 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 Foundation of Palm Beach County, Inc. (the "Foundation") (a nonprofit Florida corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Drug Abuse Foundation of Palm Beach County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Drug Abuse Foundation of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Drug Abuse Foundation of Palm Beach County, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Foundation are free of 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 determination of financial statement amounts.

Compliance and Other Matters (continued)

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 Foundation of Palm Beach County, 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 the Drug Abuse Foundation of Palm Beach County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mari Huff C.P.A., P.A.

Mari Huff, C.P.A., P.A.
Stuart, Florida
December 21, 2025