

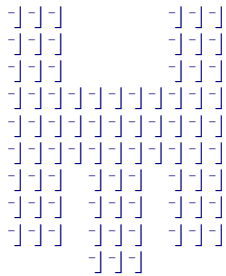
DRUG ABUSE TREATMENT ASSOCIATION, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended
June 30, 2024
(with comparable totals for 2023)**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6-7
Statement of Functional Expenses	8-9
NOTES TO FINANCIAL STATEMENTS	10-19
INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL AND COMPLIANCE	
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 <i>Government Auditing Standards</i>	20-21
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	22-24
Schedule of Findings and Questioned Costs	25-26
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	27
Notes to Schedule of Expenditures of Federal Awards	28
Schedule of Actual Funding Sources and Revenues	29-30
Schedule of Actual Expenses	31-32



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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, 2024, 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, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Drug Abuse Treatment Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Drug Abuse Treatment Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Drug Abuse Treatment Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of actual funding sources and revenues, schedule of actual expenses, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of actual funding sources and revenues, schedule of actual expenses, and the accompanying expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of Drug Abuse Treatment Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Drug Abuse Treatment Association, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Drug Abuse Treatment Association, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Drug Abuse Treatment Association, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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 16, 2024

DRUG ABUSE TREATMENT ASSOCIATION, INC.

**STATEMENT OF
FINANCIAL POSITION**

As of June 30, 2024

(with comparable totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,009,341	\$ -	\$ 3,009,341	\$ 1,239,021
Certificates of deposit	999,932	-	999,932	2,249,705
Grants and other receivables	1,075,878	-	1,075,878	1,180,441
United Way allocation receivable	-	203,000	203,000	193,200
Prepaid expenses	230,611	-	230,611	230,494
Deposits	52,417	-	52,417	52,417
Other assets	10,668	-	10,668	21,077
Total current assets	5,378,847	203,000	5,581,847	5,166,355
Cash designated for capital improvements	-	-	-	290,357
Property and equipment, net	677,474	-	677,474	400,086
Operating right-of-use lease, net	352,124	-	352,124	314,659
Total assets	<u>\$ 6,408,445</u>	<u>\$ 203,000</u>	<u>\$ 6,611,445</u>	<u>\$ 6,171,457</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 135,976	\$ -	\$ 135,976	\$ 125,375
Accrued expenses	2,982	-	2,982	15,290
Accrued wages	271,467	-	271,467	260,495
Deferred revenue	-	-	-	195,305
Pension payable	725,520	-	725,520	605,518
Paid time off payable	224,135	-	224,135	228,849
Current portion of operating lease obligations	191,845	-	191,845	100,602
Total current liabilities	1,551,925	-	1,551,925	1,531,434
Operating lease obligations	165,651	-	165,651	215,363
Total liabilities	<u>1,717,576</u>	<u>-</u>	<u>1,717,576</u>	<u>1,746,797</u>
Net assets:				
Without donor restrictions:				
Designated for capital improvements	-	-	-	290,357
Designated for property and equipment	677,474	-	677,474	400,086
Undesignated	4,013,395	-	4,013,395	3,541,017
Total without donor restrictions	4,690,869	-	4,690,869	4,231,460
With donor restrictions	-	203,000	203,000	193,200
Total net assets	<u>4,690,869</u>	<u>203,000</u>	<u>4,893,869</u>	<u>4,424,660</u>
Total liabilities and net assets	<u>\$ 6,408,445</u>	<u>\$ 203,000</u>	<u>\$ 6,611,445</u>	<u>\$ 6,171,457</u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.
**STATEMENT OF
ACTIVITIES**
For the Year Ended June 30, 2024
(with comparable totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
Revenues and support:				
Government grants and contracts	\$ -	\$ 10,908,525	\$ 10,908,525	\$ 9,554,794
Teachers and schools program	134,392	-	134,392	134,392
Contributed use of facilities	488,552	-	488,552	396,218
Program service fees	224,672	-	224,672	142,712
Contributions-direct	159	-	159	501,018
United Way allocation	77,295	203,000	280,295	269,575
Interest income	135,072	-	135,072	91,339
Total revenues and support	1,060,142	11,111,525	12,171,667	11,090,048
Net assets released from restrictions	11,101,725	(11,101,725)	-	-
	12,161,867	9,800	12,171,667	11,090,048
Expenses:				
Program services:				
Residential	3,038,001	-	3,038,001	2,772,481
Outpatient	756,312	-	756,312	519,986
TASC	510,908	-	510,908	453,186
On site	988,230	-	988,230	806,501
Outreach	1,291,115	-	1,291,115	1,372,671
Prevention	2,258,759	-	2,258,759	2,135,555
Medical services	10,048	-	10,048	7,566
Care coordination	60,000	-	60,000	60,000
MST-CAN	517,987	-	517,987	297,068
Incidentals	3,772	-	3,772	4,427
Behavioral Health (Non-SAMH)	1,105,683	-	1,105,683	828,495
Total program services	10,540,815	-	10,540,815	9,257,936
Supporting services:				
Administrative and general	1,161,643	-	1,161,643	1,130,328
Total expenses	11,702,458	-	11,702,458	10,388,264
Change in net assets	459,409	9,800	469,209	701,784
Net assets, beginning of year	4,231,460	193,200	4,424,660	3,722,876
Net assets, end of year	\$ 4,690,869	\$ 203,000	\$ 4,893,869	\$ 4,424,660

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

**STATEMENT OF
CASH FLOWS**

For the Year Ended June 30, 2024

(with comparable totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from government grants and contracts	\$ 10,817,783	\$ 9,248,066
Cash received from program service fees	224,672	142,713
Cash received from contributions and support	270,654	762,723
Cash paid to suppliers and employees	(10,728,271)	(9,790,183)
Cash paid on operating leases	(142,863)	(23,298)
Interest income	135,072	91,339
Interest paid	-	(2,783)
Net cash provided by operating activities	<u>577,047</u>	<u>428,577</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(5,000,227)	(5,251,260)
Proceeds from certificates of deposit	6,250,000	4,000,000
Purchase of property and equipment	<u>(346,857)</u>	<u>(124,418)</u>
Net cash provided by (used in) investing activities	<u>902,916</u>	<u>(1,375,678)</u>
Cash flows from financing activities:		
Principal payments of loan payable	-	(824,867)
Net cash used in financing activities	<u>-</u>	<u>(824,867)</u>
Net change in cash and cash equivalents	1,479,963	(1,771,968)
Cash and cash equivalents, beginning of year	<u>1,529,378</u>	<u>3,301,346</u>
Cash and cash equivalents, end of year	<u>\$ 3,009,341</u>	<u>\$ 1,529,378</u>
Cash and cash equivalents	\$ 3,009,341	\$ 1,239,021
Cash designated for capital improvements	<u>-</u>	<u>290,357</u>
	<u>\$ 3,009,341</u>	<u>\$ 1,529,378</u>

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

**STATEMENT OF
CASH FLOWS**

For the Year Ended June 30, 2024

(with comparable totals for 2023)

	<u>2024</u>	<u>2023</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 469,209	\$ 701,784
Adjustment to reconcile change in net assets to net cash used in operating activities:		
Depreciation	69,467	48,244
Lease expense	122,900	19,834
(Increase) decrease in certain assets:		
Grants and other receivables	104,563	(500,703)
United Way allocation receivable	(9,800)	(9,200)
Prepaid expenses	(117)	(46,692)
Deposits	-	(1,100)
Other assets	10,409	(19,860)
Increase (decrease) in certain liabilities:		
Accounts payable	10,603	552
Accrued expenses	(12,308)	(1,036)
Accrued wages	10,972	61,451
Deferred revenue	(195,305)	195,305
Pension payable	120,002	(41,631)
Paid time off payable	(4,714)	40,157
Operating lease obligations	(118,834)	(18,528)
Net cash provided by operating activities	<u>\$ 577,047</u>	<u>\$ 428,577</u>

Supplemental information of noncash investing and financing activities:

During fiscal 2024, DATA recorded debt, and a corresponding right-of-use asset of \$160,365 in the form of an operating lease for the right-of-use of office space in Jupiter, Florida.

See accompanying notes to financial statements.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2024

	Program Services					
	SAMH Contracts					
	Residential	Outpatient	TASC	On site	Outreach	Prevention
Personnel expenses:						
Salaries and wages	\$ 1,619,775	\$ 483,044	\$ 346,374	\$ 719,859	\$ 841,195	\$ 1,539,516
Employee benefits	464,378	146,332	86,647	147,900	253,600	440,735
Total personnel expenses	2,084,153	629,376	433,021	867,759	1,094,795	1,980,251
Operating expenses:						
Building and occupancy	190,120	34,563	3,735	9,867	29,666	23,393
Professional fees	81,390	5,405	2,099	5,415	9,192	9,888
In-kind expenses:						
Facilities	85,200	2,998	32,401	65,834	67,258	157,010
Services	134,392	-	-	-	-	-
Travel	21,678	4,440	7,319	6,069	12,457	15,143
Equipment costs	27,317	4,931	855	342	1,075	372
Food costs	155,442	-	-	-	-	-
Medical/pharmacy	7,200	3,038	945	5,092	10,366	9,000
Insurance	70,599	6,932	4,928	13,114	19,795	25,274
Interest	-	-	-	-	-	-
Operating supplies and expenses	138,805	58,299	25,605	14,738	46,288	38,428
Depreciation expense - State	9,520	-	-	-	-	-
Depreciation expense	32,185	6,330	-	-	223	-
Total operating expenses	953,848	126,936	77,887	120,471	196,320	278,508
Total expenses	\$ 3,038,001	\$ 756,312	\$ 510,908	\$ 988,230	\$ 1,291,115	\$ 2,258,759

See accompanying notes to financial statements.

**STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2023)

Program Services					Behavioral Health (Non-SAMH)	Total Program Services	Administrative and General	2024 Totals	2023 Totals
Medical Services	Care Coordination	MST-CAN	Incidentals	Total SAMH					
\$ 1,933	\$ 55,450	\$ 313,506	\$ -	\$ 5,920,652	\$ 789,072	\$ 6,709,724	\$ 745,169	\$ 7,454,893	\$ 6,674,545
1,754	4,550	73,669	-	1,619,565	201,308	1,820,873	250,319	2,071,192	1,784,342
3,687	60,000	387,175	-	7,540,217	990,380	8,530,597	995,488	9,526,085	8,458,887
447	-	48,197	-	339,988	1,273	341,261	82,581	423,842	389,033
628	-	21,039	-	135,056	3,670	138,726	7,754	146,480	61,193
-	-	-	-	410,701	77,851	488,552	-	488,552	396,217
-	-	-	-	134,392	-	134,392	-	134,392	134,392
1,219	-	13,809	-	82,134	916	83,050	16,446	99,496	86,255
-	-	1,013	-	35,905	-	35,905	555	36,460	23,421
-	-	-	-	155,442	-	155,442	-	155,442	168,224
360	-	-	-	36,001	-	36,001	-	36,001	32,347
-	-	5,469	-	146,111	10,733	156,844	-	156,844	129,317
-	-	-	-	-	-	-	-	-	2,783
3,707	-	20,237	3,772	349,879	20,860	370,739	58,658	429,397	457,951
-	-	22,787	-	32,307	-	32,307	127	32,434	5,762
-	-	(1,739)	-	36,999	-	36,999	34	37,033	42,482
6,361	-	130,812	3,772	1,894,915	115,303	2,010,218	166,155	2,176,373	1,929,377
\$ 10,048	\$ 60,000	\$ 517,987	\$ 3,772	\$ 9,435,132	\$ 1,105,683	\$ 10,540,815	\$ 1,161,643	\$ 11,702,458	\$ 10,388,264

See accompanying notes to financial statements.

For the Year Ended June 30, 2024

1. Organization and Summary of Significant Accounting Policies*Organization and Nature of Activities*

Drug Abuse Treatment Association, Inc. 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, 2024.

Financial Statement Presentation

DATA follows Financial Accounting Standards Board Accounting Standards Codification (FASB 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, 2024

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 have initial maturities of three to six months and therefore are not considered cash and cash equivalents.

Grants and Other Receivables / United Way Allocation Receivable

Grants and other receivables consist of amounts due to DATA under various state and local grants, as well as from other agencies. United Way allocation receivable is an unconditional promise to give from the Town of Palm Beach United Way. A provision for doubtful accounts as of June 30, 2024 was deemed unnecessary because the amounts are considered fully collectible.

Property and Equipment and Depreciation

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

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.

For the Year Ended June 30, 2024

1. Organization and Summary of Significant Accounting Policies, continued*Leases, continued*

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, local, and private agencies for program and supporting services expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. In accordance with FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), DATA recognizes revenue received from contracts with state and county agencies according to the terms of the contracts. Grant revenue is recognized as grant funds are accessed through periodic billings for contracted services provided. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

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.

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

Donated Services and In-kind Support

Donated services and in-kind support are recognized as contributions in accordance with FASB ASC 958-605, *Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. Refer to *Note 8* for In-kind rent and *Note 9* for In-kind services received during the year ended June 30, 2024.

For the Year Ended June 30, 2024

1. Organization and Summary of Significant Accounting Policies, continued*Donated Services and In-kind Support, continued*

DATA follows the provisions of FASB ASU Accounting Standards Update 2020-07—*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The 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, 2024 was \$49,939. 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.

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, 2024.

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, 2023, from which the summarized information was derived.

For the Year Ended June 30, 2024

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	\$ 3,009,341
Certificates of deposit	999,932
Grants and other receivables	1,075,878
United Way allocation receivable	<u>203,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 5,288,151</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, 2024 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.

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, 2024, prepaid insurance totaled \$200,520.

4. Property and Equipment

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

Buildings	\$ 646,305
Leasehold improvements	318,765
Furniture and equipment	<u>1,038,732</u>
	2,003,802
Less accumulated depreciation	<u>1,326,328</u>
Property and equipment, net	<u>\$ 677,474</u>

Depreciation expense for the year ended June 30, 2024 was \$69,467, which includes \$37,033 in depreciation for general assets of DATA, and \$32,434 in depreciation for state owned assets, as presented in the statement of functional expenses.

For the Year Ended June 30, 2024

5. Paid Time Off Payable

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

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

6. Designated Assets

The Board of Directors designated \$677,474 of the net assets balance as of June 30, 2024 to equal the property and equipment net of the accumulated depreciation balance. These funds are not intended to function as Board-designated endowments.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions available for periods after June 30, 2024 consisted of the unconditional allocation receivable from United Way. DATA's allocation receivable as of June 30, 2024 amounted to \$203,000 and is restricted for the Kelly Center residential facility.

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

During the year ended June 30, 2024, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Substance Abuse and Mental Health ("SAMH") contracts:	
SAMH contracts, federal government	\$ 9,560,895
State and local government grants	1,221,013
Federal grants and contracts	<u>126,617</u>
Total government contracts and grants	10,908,525
United Way contributions	<u>193,200</u>
Total program restrictions satisfied	<u>\$11,101,725</u>

For the Year Ended June 30, 2024

8. Residential, Prevention and Other Treatment Facilities

Residential facility, Kelly Center - DATA operates two residential facilities for adolescent substance abuse treatment. The Kelly Center, located in West Palm Beach, Florida, is situated on land owned by the Jerome Golden Center. The land was made available at no cost to DATA under a lease agreement that provided for automatic three-year renewals through November 30, 2084, at DATA's option. The agreement provided for no monthly land lease payments, but the in-kind lease amount agreed to by both parties approximates fair rental value. DATA is responsible for the operating costs of maintaining the residential facility. In-kind rent for the Jerome Golden Center totaled \$13,200 for 2024. 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, 2024, as long as they were used for their intended purposes. The use of these facilities is valued at \$72,000 per year by St. Lucie County, and is accounted for by DATA as contributed use of facility revenue and offsetting rent expense.

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

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

The in-kind rent amounts for prevention and other treatment facilities for the year ended June 30, 2024 are:

St. Lucie County	\$ 164,632
Palm Beach County	<u>238,720</u>
Total prevention and other treatment facility lease expense	<u>\$ 403,352</u>

Combined residential and prevention facilities in-kind rent expense for the years ended June 30, 2024 is summarized as follows:

Residential facility, Kelly Center	\$ 13,200
Residential facility, Hayslip	72,000
Prevention and other treatment facilities	<u>403,352</u>
Total residential, prevention and other treatment facility lease expense	<u>\$ 488,552</u>

For the Year Ended June 30, 2024

9. Teachers and Schools Program

The School Boards of Palm Beach County and St. Lucie County provide educational personnel, curriculum materials, and appropriate psycho-educational evaluations for adolescents who participate in residential substance abuse treatment programs and the day treatment program, and who are eligible for Alternative Education and/or other Exceptional Student Education programs. For the year ended June 30, 2024, the value of these in-kind services and materials has been recorded in these financial statements as teachers and schools program revenue and program services expense in the amount of \$134,392. These amounts are based on salaries paid by the School Boards to the respective teachers and aides and the cost of the related educational materials.

10. School Nutrition Program

Under an agreement with the Florida Department of Education, DATA participates in the National Nutrition Program sponsored by the United States Department of Agriculture. The program provides reimbursement for free or reduced-price school breakfasts and lunches provided to qualified applicants in residential facilities. For the year ended June 30, 2024, school nutrition reimbursements amounted to \$62,144 and are included in government grants and contracts revenue in the statement of activities.

11. 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, 2024, consisted of the following:

Office space – various locations	\$ 494,858
Less accumulated amortization	<u>142,734</u>
Net operating right-of-use assets	<u>\$ 352,124</u>

Operating lease obligations as of June 30, 2024, consisted of the following:

Office space – various locations	<u>\$ 357,496</u>
----------------------------------	-------------------

Operating lease expense for the year ended June 30, 2024, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office space – various locations	<u>\$ 122,899</u>	<u>\$ 24,031</u>	<u>\$ 146,930</u>

Total rent expense was \$203,611 during the year ended June 30, 2024, 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 \$146,930 is \$56,681, 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.

For the Year Ended June 30, 2024

11. Operating Leases, continued

Undiscounted future lease payments under operating leases as of June 30, 2024, for the next two years are:

2025	\$ 212,699
2026	<u>170,581</u>
	383,280
Less discount to present value	<u>25,784</u>
Present value of future lease payments	357,496
Less current portion	<u>191,845</u>
Non-current portion	<u>\$ 165,651</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 1.79 years. The weighted average discount rate for the operating leases is 8.21%.

12. 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, 2024, amounted to \$675,520, 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, 2024 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.

13. Concentrations

DATA's operations are funded largely by grants received from the State of Florida, federal government, and local county sources. Funding from the State of Florida, through Southeast Florida Behavioral Health Network, Inc. (SEFBHN), amounted to 79% of DATA's total revenues for the year ended June 30, 2024. Funding from other local, state, and federal government sources accounted for an additional 11% of current revenues. These contracts generally are awarded with one to three-year terms and are dependent upon DATA's past performance, the availability of governmental funds and programs, and DATA's success in competing against other agencies for access to these funds.

For the Year Ended June 30, 2024

13. Concentrations, continued

DATA has a multi-year contract with SEFBHN that commenced on July 1, 2022, and expired on June 30, 2024. On June 19, 2024, DATA signed a new 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. A majority of Managing Entities have Providers on their Board of Directors. 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.

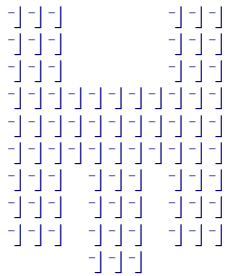
DATA maintains cash deposits at different banks, which DATA periodically evaluates and believes to be in sound financial condition. Deposits located at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2024, DATA had approximately \$2,650,000 of cash deposits that exceeded FDIC limits. DATA has not experienced any loss on such accounts and management believes it is not exposed to any significant credit risk arising from such balances.

14. Contingencies***Compliance***

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

15. Subsequent Events

DATA's management has evaluated subsequent events through December 16, 2024, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



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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, 2024, 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 16, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

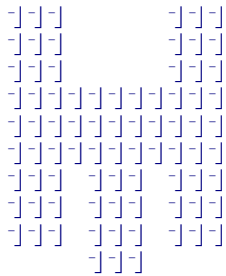
As part of obtaining reasonable assurance about whether Drug Abuse Treatment Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 16, 2024



Holyfield & Thomas, LLC

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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, 2024. 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, 2024.

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 16, 2024

For the Year Ended June 30, 2024

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, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2024, 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, 2024, 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, 2024, 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, 2023**, 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, 2024

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	\$ 4,723,415 4,267,711
Temporary Assistance for Needy Families	93.558 LDC07-C15 LDC07-C19	72,435 <u>497,333</u>
Total Department of Health and Human Services		<u>9,560,894</u>
U.S. Department of Agriculture Passed through from State of Florida, Department of Agriculture and Consumer Services:		
National School Breakfast Program	10.553	22,318
National School Lunch Program	10.555	<u>39,827</u>
Total Department of Agriculture		<u>62,145</u>
Total expenditures of federal awards		9,623,039
Other state and local government grants and contracts		<u>1,285,486</u>
Total government grants and contracts		<u><u>\$ 10,908,525</u></u>

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

For the Year Ended June 30, 2024

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, 2024. 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, 2024

State Designated SAMH Cost Center													
Circuit 15													
	Adolescent							Adult					
	Residential Level 2	Prevention	On site	Outreach	Outpatient	TASC	Incidentals	Medical Services	Care Coordination	Outreach	Outpatient	TASC	On site
Government funding:													
State funding	\$ 1,325,502	\$ 1,093,758	\$ 782,716	\$ 752,692	\$ 217,046	\$ 244,941	\$ 2,321	\$ 4,563	\$ 30,000	\$ 102,669	\$ 24,788	\$ 14,432	\$ 31,109
Local government	145,080	-	112,755	-	24,071	-	-	-	-	-	-	-	-
Federal grants and contracts	35,146	-	-	-	-	-	-	-	-	-	-	-	-
In-kind from local government only	13,200	66,611	33,322	40,750	-	14,671	-	-	-	3,649	-	723	1,143
Total government funding	1,518,928	1,160,369	928,793	793,442	241,117	259,612	2,321	4,563	30,000	106,318	24,788	15,155	32,252
All other revenues:													
Medicaid, first and third party fees	46,620	-	-	-	77,943	-	-	-	-	-	1,309	-	-
Contributions and donations	203,000	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	30	-	-	-	-	-	-	-	-
Other grants and contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind services	67,196	-	-	-	-	-	-	-	-	-	-	-	-
Total all other revenues	316,816	-	-	-	77,973	-	-	-	-	-	1,309	-	-
Total funding sources and revenues	\$ 1,835,744	\$ 1,160,369	\$ 928,793	\$ 793,442	\$ 319,090	\$ 259,612	\$ 2,321	\$ 4,563	\$ 30,000	\$ 106,318	\$ 26,097	\$ 15,155	\$ 32,252

See independent auditor's report.

**SCHEDULE OF
ACTUAL FUNDING SOURCES AND REVENUES**

State Designated SAMH Cost Center														Total Designated SAMH Cost Center	Non-SAMH Cost Center	Supporting Services	Total
Circuit 19																	
Adolescent										Adult							
Residential Level 2	Prevention	TASC	Outpatient	Outreach	On site	Incidentals	Medical Services	Care Coordination	MST-CAN	Outpatient	TASC	Outreach	On site				
\$ 1,271,291	\$ 1,331,717	\$ 290,077	\$ 96,044	\$ 522,859	\$ 585,761	\$ 1,452	\$ 3,820	\$ 30,000	\$ 471,039	\$ 120,654	\$ 9,380	\$ -	\$ 21,185	\$ 9,381,816	\$ 179,079	\$ -	\$ 9,560,895
-	-	-	-	-	-	-	-	-	-	-	-	-	-	281,906	939,107	-	1,221,013
26,998	-	-	-	-	64,473	-	-	-	-	-	-	-	-	126,617	-	-	126,617
72,000	90,399	16,513	1,211	22,858	30,900	-	-	-	-	1,787	494	1	469	410,701	77,851	-	488,552
1,370,289	1,422,116	306,590	97,255	545,717	681,134	1,452	3,820	30,000	471,039	122,441	9,874	1	21,654	10,201,040	1,196,037	-	11,397,077
16,118	-	-	49,383	-	-	-	-	-	24,930	8,369	-	-	-	224,672	-	-	224,672
63,400	-	-	13,895	-	-	-	-	-	-	-	-	-	-	280,295	-	159	280,454
-	-	-	18	-	-	-	-	-	-	-	-	-	-	48	-	135,024	135,072
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,196	-	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392
146,714	-	-	63,296	-	-	-	-	-	24,930	8,369	-	-	-	639,407	-	135,183	774,590
\$ 1,517,003	\$ 1,422,116	\$ 306,590	\$ 160,551	\$ 545,717	\$ 681,134	\$ 1,452	\$ 3,820	\$ 30,000	\$ 495,969	\$ 130,810	\$ 9,874	\$ 1	\$ 21,654	\$ 10,840,447	\$ 1,196,037	\$ 135,183	\$ 12,171,667

See independent auditor's report.

DRUG ABUSE TREATMENT ASSOCIATION, INC.

For the Year Ended June 30, 2024

	State Designated SAMH Cost Center												
	Circuit 15												
	Adolescent						Adult						
Residential Level 2	Prevention	On site	Outreach	Outpatient	TASC	Medical services	Care Coordination	Incidentals	Outreach	Outpatient	TASC	On site	
Personnel expenses:													
Salaries and wages	\$ 863,332	\$ 681,986	\$ 476,039	\$ 412,578	\$ 194,839	\$ 129,272	\$ 528	\$ 27,725	\$ -	\$ 70,384	\$ 23,789	\$ 7,435	\$ 15,073
Fringe benefits	256,005	200,244	102,744	158,418	63,155	28,319	590	2,275	-	19,979	7,636	1,629	4,390
Total personnel expenses	1,119,337	882,230	578,783	570,996	257,994	157,591	1,118	30,000	-	90,363	31,425	9,064	19,463
Operating expenses:													
Building and occupancy	76,581	9,256	9,470	13,970	7,764	366	9	-	-	14,075	948	20	393
Professional fees	41,048	4,719	3,531	5,277	2,035	800	314	-	-	1,168	248	46	146
In-kind expenses:													
Facilities	13,200	66,611	33,322	40,751	-	14,671	-	-	-	3,649	-	723	1,143
Services	67,196	-	-	-	-	-	-	-	-	-	-	-	-
Travel	9,613	7,663	3,924	6,933	1,486	3,374	620	-	-	1,287	181	194	163
Equipment costs	19,039	146	328	656	622	22	-	-	-	19	76	1	14
Food costs	94,301	-	-	-	-	-	-	-	-	-	-	-	-
Medical/pharmacy	3,600	3,600	2,570	3,509	1,105	432	180	-	-	3,637	135	25	107
Insurance	36,332	11,987	7,716	10,608	2,327	1,792	-	-	-	1,460	284	103	320
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating supplies and expenses	72,565	17,833	11,103	27,785	19,868	10,033	1,742	-	2,321	7,413	2,426	577	461
Depreciation expense - State	7,432	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	22,852	-	-	205	430	-	-	-	-	13	52	-	-
Total operating expenses	463,759	121,815	71,964	109,694	35,637	31,490	2,865	-	2,321	32,721	4,350	1,689	2,747
Supporting services	11,291	158,544	278,045	112,777	25,542	70,590	753	-	-	(8,680)	(9,218)	4,429	10,520
Total expenses	\$ 1,594,387	\$ 1,162,589	\$ 928,792	\$ 793,467	\$ 319,173	\$ 259,671	\$ 4,736	\$ 30,000	\$ 2,321	\$ 114,404	\$ 26,557	\$ 15,182	\$ 32,730

See independent auditor's report.

**SCHEDULE OF
ACTUAL EXPENSES**

State Designated SAMH Cost Center														Total Designated SAMH Cost Center	Non-SAMH Cost Center	Supporting Services	Total
Circuit 19																	
Adolescent							Adult										
Residential Level 2	Prevention	TASC	Outpatient	Outreach	On site	Incidentals	Medical services	Care Coordination	MST-CAN	Outpatient	TASC	Outreach	On site				
\$ 756,443	\$ 857,530	\$ 202,680	\$ 106,794	\$ 358,222	\$ 221,079	\$ -	\$ 1,405	\$ 27,725	\$ 313,506	\$ 157,622	\$ 6,987	\$ 11	\$ 7,668	\$ 5,920,652	\$ 789,072	\$ 745,169	\$ 7,454,893
208,373	240,491	54,810	30,510	75,200	39,336	-	1,164	2,275	73,669	45,031	1,889	3	1,430	1,619,565	201,308	250,319	2,071,192
964,816	1,098,021	257,490	137,304	433,422	260,415	-	2,569	30,000	387,175	202,653	8,876	14	9,098	7,540,217	990,380	995,488	9,526,085
113,539	14,137	3,237	10,141	1,621	4	-	438	-	48,197	15,710	112	-	-	339,988	1,273	82,581	423,842
40,342	5,169	1,211	1,261	2,747	1,674	-	314	-	21,039	1,861	42	-	64	135,056	3,670	7,754	146,480
72,000	90,399	16,513	1,211	22,858	30,900	-	-	-	-	1,787	494	-	469	410,701	77,851	-	488,552
67,196	-	-	-	-	-	-	-	-	-	-	-	-	-	134,392	-	-	134,392
12,065	7,480	3,626	1,120	4,237	1,909	-	599	-	13,809	1,653	125	-	73	82,134	916	16,446	99,496
8,278	226	805	1,709	400	-	-	-	-	1,013	2,524	27	-	-	35,905	-	555	36,460
61,141	-	-	-	-	-	-	-	-	-	-	-	-	-	155,442	-	-	155,442
3,600	5,400	472	726	3,220	2,326	-	180	-	-	1,072	16	-	89	36,001	-	-	36,001
34,267	13,287	2,932	1,745	7,727	4,892	-	-	-	5,469	2,576	101	-	186	146,111	10,733	-	156,844
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66,240	20,595	14,496	14,542	11,090	3,059	1,452	1,965	-	20,237	21,462	499	-	115	349,879	20,860	58,658	429,397
2,088	-	-	-	-	-	-	-	-	22,787	-	-	-	-	32,307	-	127	32,434
9,333	-	-	2,362	5	-	-	-	-	(1,739)	3,486	-	-	-	36,999	-	34	37,033
490,089	156,693	43,292	34,817	53,905	44,764	1,452	3,496	-	130,812	52,131	1,416	-	996	1,894,915	115,303	166,155	2,176,373
3,764	170,772	5,923	(11,384)	58,801	376,700	-	753	-	1,505	(123,499)	(402)	1	12,014	1,149,541	12,098	(1,161,639)	-
\$ 1,458,669	\$ 1,425,486	\$ 306,705	\$ 160,737	\$ 546,128	\$ 681,879	\$ 1,452	\$ 6,818	\$ 30,000	\$ 519,492	\$ 131,285	\$ 9,890	\$ 15	\$ 22,108	\$ 10,584,673	\$ 1,117,781	\$ 4	\$ 11,702,458

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