

**FLORIDA ALCOHOL AND
DRUG ABUSE ASSOCIATION, INC.
TALLAHASSEE, FLORIDA**

**FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Florida Alcohol and Drug Abuse Association, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Alcohol and Drug Abuse Association, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Alcohol and Drug Abuse Association, Inc. (the Association), as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance at page 14, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Florida Single Audit Act*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information included in the accompanying schedules of functional activities at page 13 is also presented for purposes of additional analysis and is 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 information is 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 9, 2021, on our consideration of the Association'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 the Association's

The Board of Directors
Florida Alcohol and Drug Abuse Association, Inc.
Page Three

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 the Association's internal control over financial reporting and compliance.

Law Redd Crone + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 9, 2021

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,102,286	\$ 1,031,865
Grants Receivable	2,518,836	1,111,099
Other Accounts Receivable	-	709
Total Current Assets	3,621,122	2,143,673
 TOTAL ASSETS	\$ 3,621,122	\$ 2,143,673
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,916,419	\$ 1,107,280
Deferred Revenue	864,428	307,152
Due to Affiliates	178,191	127,783
Due to Methadone Coalition	10,539	5,499
Total Current Liabilities	2,969,577	1,547,714
NET ASSETS		
Without Donor Restrictions	651,545	595,959
Total Net Assets Without Donor Restrictions	651,545	595,959
 TOTAL LIABILITIES AND NET ASSETS	\$ 3,621,122	\$ 2,143,673

The accompanying notes are an integral part of these financial statements.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Without Donor Restrictions	
	2021	2020
SUPPORT AND REVENUE		
Grant Contracts	\$ 16,099,781	\$ 17,357,891
Interest	1,487	5,697
Miscellaneous	5,535	1,808
	16,106,803	17,365,396
EXPENSES		
Program Services:		
Department of Children and Families	5,434,364	5,880,051
Office of the State Courts Administrator	9,912,647	11,099,640
Other Grants and Contracts	703,945	365,895
Total Program Services	16,050,956	17,345,586
Support Services:		
General and Administrative	261	2,051
	16,051,217	17,347,637
CHANGE IN NET ASSETS	55,586	17,759
NET ASSETS - Beginning of Year	595,959	578,200
NET ASSETS - End of Year	\$ 651,545	\$ 595,959

The accompanying notes are an integral part of these financial statements.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Program Services</u>				<u>Support Services</u>	<u>Total Expenses</u>
	<u>DCF</u>	<u>OSCA</u>	<u>Other Grants and Contracts</u>	<u>Total</u>	<u>General and Administrative</u>	
2021						
Personnel and Benefits	\$ 569,132	\$ 455,369	\$ 159,758	\$ 1,184,259	\$ -	\$ 1,184,259
Management Fees	113,890	87,265	26,246	227,401	-	227,401
Operating Expenses	3,415	1,402	2,293	7,110	267	7,377
Training Expenses	48,330	4,624	(300)	52,654	-	52,654
Scholarships	-	-	44,668	44,668	-	44,668
Professional Services	88,164	46,873	467,970	603,007	-	603,007
Medication Assisted						
Treatment Reimbursement	4,610,356	9,316,184	-	13,926,540	-	13,926,540
Travel	1,077	930	3,310	5,317	(6)	5,311
Total	\$ 5,434,364	\$ 9,912,647	\$ 703,945	\$ 16,050,956	\$ 261	\$ 16,051,217
2020						
Personnel and Benefits	\$ 645,624	\$ 487,257	\$ 39,236	\$ 1,172,117	\$ -	\$ 1,172,117
Management Fees	86,672	58,653	4,109	149,434	-	149,434
Operating Expenses	17,873	9,458	5,801	33,132	1,152	34,284
Training Expenses	34,116	10,639	19,421	64,176	21	64,197
Scholarships	-	-	12,660	12,660	-	12,660
Professional Services	134,859	64,717	262,361	461,937	880	462,817
Medication Assisted						
Treatment Reimbursement	4,939,620	10,457,407	-	15,397,027	-	15,397,027
Travel	21,287	11,509	22,307	55,103	(2)	55,101
Total	\$ 5,880,051	\$ 11,099,640	\$ 365,895	\$ 17,345,586	\$ 2,051	\$ 17,347,637

The accompanying notes are an integral part of these financial statements.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 55,586	\$ 17,759
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Assets:		
Grants Receivable	(1,407,737)	1,116,601
Other Accounts Receivable	709	93,841
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	809,139	(752,022)
Deferred Revenue	557,276	127,420
Due to Affiliates	50,408	(181,544)
Due to Methadone Coalition	5,040	(1,172)
Net Cash Provided by Operating Activities	70,421	420,883
NET INCREASE IN CASH AND CASH EQUIVALENTS	70,421	420,883
CASH AND CASH EQUIVALENTS - Beginning of Year	1,031,865	610,982
CASH AND CASH EQUIVALENTS - End of Year	\$ 1,102,286	\$ 1,031,865

The accompanying notes are an integral part of these financial statements.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Florida Alcohol and Drug Abuse Association, Inc. (FADAA or the Association) was created to promote alcohol and drug abuse treatment and prevention efforts throughout the state of Florida and to act as a clearing house to disseminate information as it relates to the field of alcohol and drug abuse treatment and prevention.

FADAA entered into a consolidation agreement with the Florida Council for Community Mental Health, Inc. (FCCMH), d/b/a the Florida Behavioral Health Association, Inc. (FBHA), and the Florida Council for Behavioral Healthcare, Inc. (FCBH), with an effective date of November 15, 2018.

A summary of the significant policies and reporting practices followed by the Association in the preparation of its financial statements is set forth below:

Basis of Accounting: The Association's financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation: The Association is required to report information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions, and net assets with donor restrictions) based on the existence or absence of donor-imposed restrictions. The Association has not received any contributions with donor-imposed restrictions that would result in net assets with donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents are defined as short-term, highly-liquid investments with a maturity of less than ninety days when acquired.

Other Accounts Receivable: Other accounts receivable are presented on the Statements of Financial Position net of amounts written off based on management's experience and resulting assessment of collectibility. The Association determined that receivables were fully collectible, and therefore did not recognize an allowance for doubtful accounts as of June 30, 2021 and 2020.

Grants and Contracts: The Association provides services under cost reimbursement, fixed fee, and purchase of service contracts. Revenues are recognized when qualifying expenses have been incurred for cost reimbursement contracts and on a fee-for-service basis for purchase of service contracts. Amounts earned but not received are reported as grants receivable. Amounts received but not earned are reported as deferred revenue.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes: The Association is a nonprofit organization that is exempt from taxation under *Internal Revenue Code*, Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a). It is, however, subject to corporate income tax on net income earned from unrelated business activities and to interest and penalties related to unrecognized tax benefits, both of which would be recognized in current income tax expense (See Note 9).

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis on the Statements of Activities. Accordingly, certain costs have been allocated between the program and supporting services benefited. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the programs and supporting services benefited. The functional allocation of indirect expenses is based on estimates of employee time.

Estimates: The presentation of financial statements in conformity with generally accepted accounting principles 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 the estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of accounts held at two commercial banks located in Tallahassee, Florida. At times, the balances may exceed the current Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 per bank. The Association believes the credit risk related to these balances is minimal.

A summary of the total insured and uninsured amounts held at these banks at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total Cash Held at Banks	\$ 2,513,954	\$ 2,233,037
Less: Portion Secured by FDIC	(250,000)	(250,000)
Uninsured Cash Balances	<u>\$ 2,263,954</u>	<u>\$ 1,983,037</u>

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 – CREDIT AGREEMENT

The Association has a \$100,000 line of credit agreement with Regions Bank. The line of credit has a variable interest rate equal to 4.75% above the Prime Rate, with a minimum rate of 4.75%, and provides for monthly payments of 2% of the outstanding balance, minimum of \$250, whichever is greater. The line of credit is secured by certain assets of the Association and has no stated maturity date. There were no amounts outstanding at June 30, 2021 and 2020.

NOTE 4 – AGENCY TRANSACTIONS

The Association receives and expends funds in support of activities conducted on behalf of other organizations that align with the Association’s mission. The Association recorded the following agency transactions for the Methadone Coalition for the years ended June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Funds Received	\$ 10,800	\$ 14,220
Funds Expended	\$ 5,760	\$ 15,392
Due to Methadone Coalition	\$ 10,539	\$ 5,499

NOTE 5 – OPERATING LEASES

The Association entered into a copier lease agreement beginning on November 29, 2017. The term of the lease agreement is for 60 months ending on November 28, 2022, and has an annual lease payment of \$3,660. Rent expense for the year ended June 30, 2020 was \$3,660. During the year ended June 30, 2021, rental payments were made by the Association’s affiliate, FBHA, and subsequently reimbursed under the service agreement (See Note 6).

As of June 30, 2021, future minimum lease payments are as follows:

<u>Year ending June 30,</u>	
2022	\$ 3,660
2023	1,830
Total	<u>\$ 5,490</u>

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 – AFFILIATES AND RELATED PARTY TRANSACTIONS

FBHA and the Association have a service agreement for FBHA to provide management services to FADAA in the form of management and operation of FADAA, including facility usage, office management, communications and technology, insurance, and any other expenses related to management and operation of FADAA. FBHA also provides employees to FADAA for the purpose of fulfilling contractual obligations. FBHA invoices the Association each month for the portion of staff salaries and benefits that are allocated to contracts and grants based on an estimated percentage of each employee's time. A time study is performed to verify these percentages, and if there is a variance in the percentages, adjustments are made to the allocations. Amounts owed to FBHA as of June 30, 2021 and 2020 were \$178,191 and \$127,783, respectively, and are reported in Due to Affiliates on the Statements of Financial Position.

NOTE 7 – CONCENTRATIONS

The Association received grants from various federal and state governmental agencies, which provided approximately 98% of the Association's funding for each of the years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, grants receivable from these organizations totaled \$2,478,009 and \$1,069,502, respectively.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2021, the Association had approximately \$1.1 million of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash and cash equivalents. These financial assets are not subject to donor or other contractual restrictions that makes them unavailable for general expenditures within one year of the statement of financial position date. Additionally, the Association has grants receivable of approximately \$2.5 million that are subject to the underlying conditions of the respective grants. The accounts and grants receivable are expected to be collected within 60 days subsequent to the statement of financial position date.

NOTE 9 – INCOME TAXES

An entity must recognize the impact of uncertain tax positions in the financial statements if it is more likely than not that a tax position taken for tax return purposes will not be sustained upon examination by taxing authorities. The Association has concluded that it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits. The Association has filed all required tax returns in all jurisdictions in which it operates. Tax years after 2016 remain subject to examination by the applicable taxing authorities.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The grant contracts received are subject to audit and approval by the various grantor agencies. If such audits determine that the Association failed to comply with requirements of the grant contracts, the Association could be required to reimburse the grantor agencies for disallowed expense amounts. These amounts constitute a contingent liability of the Association. Management does not anticipate that reimbursements, if any, resulting from future audits will have a material effect on the financial statements.

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Association has evaluated subsequent events through December 9, 2021, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
SCHEDULES OF FUNCTIONAL ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Program Services</u>			<u>Support Services</u>	<u>Totals</u>
	<u>DCF</u>	<u>OSCA</u>	<u>Other Grants and Contracts</u>	<u>General and Administrative</u>	
<u>2021</u>					
SUPPORT AND REVENUE					
Support:					
Grant Contracts	\$ 5,434,364	\$ 9,912,647	\$ 752,770	\$ -	\$ 16,099,781
Total Support	5,434,364	9,912,647	752,770	-	16,099,781
Revenue:					
Interest	-	-	-	1,487	1,487
Miscellaneous	-	-	-	5,535	5,535
Total Revenue	-	-	-	7,022	7,022
Total Support and Revenue	5,434,364	9,912,647	752,770	7,022	16,106,803
EXPENSES	5,434,364	9,912,647	703,945	261	16,051,217
Excess (Deficiency) of Support and Revenue Over (Under) Expenses	\$ -	\$ -	\$ 48,825	\$ 6,761	\$ 55,586
<u>2020</u>					
SUPPORT AND REVENUE					
Support:					
Grant Contracts	\$ 5,874,623	\$ 11,099,640	\$ 383,628	\$ -	\$ 17,357,891
Total Support	5,874,623	11,099,640	383,628	-	17,357,891
Revenue:					
Interest	-	-	-	5,697	5,697
Miscellaneous	-	-	-	1,808	1,808
Total Revenue	-	-	-	7,505	7,505
Total Support and Revenue	5,874,623	11,099,640	383,628	7,505	17,365,396
EXPENSES	5,880,051	11,099,640	365,895	2,051	17,347,637
Excess (Deficiency) of Support and Revenue Over (Under) Expenses	\$ (5,428)	\$ -	\$ 17,733	\$ 5,454	\$ 17,759

See independent auditor's report.

**FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>CFDA/CSFA Number</u>	<u>Contract Number</u>	<u>Expended or Fee for Service Agreements</u>	<u>Amount Provided to Subrecipients</u>
FEDERAL:				
<u>U.S. Department of Health and Human Services</u>				
Pass-through from Florida Department of Children and Families				
Opioid STR	93.788	LD986	\$ 3,336,631	\$ 3,081,775
Block Grants for Prevention and Treatment of Substance Abuse	93.959	LD987	221,462	-
Opioid STR	93.788	LD987	121,944	-
<u>U.S. Department of Labor</u>				
Direct Program				
Apprenticeships: Closing the Skills Gap	17.268	HG-34418-20-60-A-12	432,274	-
TOTAL FEDERAL AWARDS			<u>\$ 4,112,311</u>	<u>\$ 3,081,775</u>
STATE:				
<u>State Courts System</u>				
Direct Program				
Naltrexone	22.022	SC0097M	\$ 4,633,490	\$ 4,359,784
Medically Assisted Drug Treatment Program	22.030	SC008UP	5,279,156	4,956,400
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 9,912,646</u>	<u>\$ 9,316,184</u>

NOTES:

- (1) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal programs and state projects of the Association for the year ended June 30, 2021. All expenditures related to federal awards and state projects received directly from the federal and state agencies, as well as the federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. 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).
- (2) The Schedule was prepared on the accrual basis of accounting.
- (3) There were no federal or state awards expended in non-cash assistance.
- (4) The Association elected not to use the 10% de minimis indirect cost rate.

See independent auditor's report.



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

**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***

The Board of Directors
Florida Alcohol and Drug Abuse Association, Inc.
Tallahassee, 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 Florida Alcohol and Drug Abuse Association, Inc. which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Florida Alcohol and Drug Abuse 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 the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 9, 2021



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND THE *FLORIDA SINGLE AUDIT ACT***

The Board of Directors
Florida Alcohol and Drug Abuse Association, Inc.
Tallahassee, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Florida Alcohol and Drug Abuse Association, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Florida, Executive Office of the Governor Compliance Supplement* that could have a direct and material effect on each of the Florida Alcohol and Drug Abuse Association, Inc.'s major federal programs and state projects for the year ended June 30, 2021. The Florida Alcohol and Drug Abuse Association, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Florida Alcohol and Drug Abuse Association, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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; 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), and the *Florida Single Audit Act*. Those standards, the Uniform Guidance and the *Florida Single Audit Act*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Florida Alcohol and Drug Abuse Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Florida Alcohol and Drug Abuse Association, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Florida Alcohol and Drug Abuse 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 and state projects for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Florida Alcohol and Drug Abuse Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Florida Alcohol and Drug Abuse Association, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Florida Single Audit Act*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Florida Alcohol and Drug Abuse Association, Inc.'s 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 or state project 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 or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Board of Directors
Florida Alcohol and Drug Abuse Association, Inc.
Page Three

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

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 and the *Florida Single Audit Act*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Law Redd Crona + Munroe P.A.".

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 9, 2021

**FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I -- Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:	<u>CFDA Number</u>	<u>Name of Federal Program</u>
	93.788	U.S. Department of Health and Human Services Pass-through from Florida Department of Children and Families Opioid STR

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II -- Financial Statement Findings

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Section III -- Federal Award Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with 2 CFR 200.516(a).

See independent auditor's report.

**FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I -- Summary of Auditor's Results

Financial Statements

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

State Financial Assistance Awards

Internal control over major projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Rules of the Auditor General of the State of Florida</i> , Chapter 10.654(1)(h)4?	No

Identification of major projects:	<u>CSFA Number</u>	<u>Name of State Project</u>
	22.030	State Courts System Medically Assisted Drug Treatment Program

Dollar threshold used to distinguish between Type A and Type B projects:	\$750,000
Findings required to be reported in a management letter pursuant to <i>Rules of the Auditor General of the State of Florida</i> , Chapter 10.654(1)(c)?	None
Management Letter:	None issued; there were no items related to state financial assistance that are required to be reported.

Section II -- Financial Statement Findings

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Section III -- State Financial Assistance Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General of the State of Florida*, Chapter 10.654(1)(h)4.

See independent auditor's report.

**FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Programs – None

State Financial Assistance Projects – None

See independent auditor's report