

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

**FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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. as of June 30, 2023 and 2022, 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.

Basis for Opinion

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. 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 Florida Alcohol and Drug Abuse Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Florida Alcohol and Drug Abuse 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 Florida Alcohol and Drug Abuse 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 Florida Alcohol and Drug Abuse 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 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 13, 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 12 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 4, 2023, 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 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 Crona + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 4, 2023

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 868,219	\$ 483,755
Grants Receivable	2,740,639	2,141,713
Other Accounts Receivable	1,755	-
Total Current Assets	3,610,613	2,625,468
 TOTAL ASSETS	 \$ 3,610,613	 \$ 2,625,468
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,393,081	\$ 1,491,154
Deferred Revenue	1,281,676	231,215
Due to Affiliates	192,241	169,252
Due to Methadone Coalition	17,238	17,719
Total Current Liabilities	2,884,236	1,909,340
NET ASSETS		
Without Donor Restrictions	726,377	716,128
Total Net Assets Without Donor Restrictions	726,377	716,128
 TOTAL LIABILITIES AND NET ASSETS	 \$ 3,610,613	 \$ 2,625,468

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, 2023 AND 2022

	Without Donor Restrictions	
	2023	2022
SUPPORT AND REVENUE		
Grant Contracts	\$ 16,575,168	\$ 18,487,071
Interest	8,817	1,069
Miscellaneous	1,801	3,400
	<u>16,585,786</u>	<u>18,491,540</u>
EXPENSES		
Program Services:		
Department of Children and Families	6,136,523	6,140,453
Office of the State Courts Administrator	10,110,238	11,997,239
Other Grants and Contracts	328,063	283,575
Total Program Services	<u>16,574,824</u>	<u>18,421,267</u>
Support Services:		
General and Administrative	713	5,690
	<u>16,575,537</u>	<u>18,426,957</u>
CHANGE IN NET ASSETS	10,249	64,583
NET ASSETS - Beginning of Year	<u>716,128</u>	<u>651,545</u>
NET ASSETS - End of Year	<u>\$ 726,377</u>	<u>\$ 716,128</u>

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, 2023 AND 2022

	Program Services				Support Services	Total Expenses
	DCF	OSCA	Other Grants and Contracts	Total	General and Administrative	
2023						
Personnel and Benefits	\$ 580,393	\$ 502,455	\$ 271,388	\$ 1,354,236	\$ -	\$ 1,354,236
Management Fees	116,114	99,450	11,607	227,171	-	227,171
Operating Expenses	894	768	1,371	3,033	72	3,105
Training Expenses	24,057	9,106	-	33,163	-	33,163
Professional Services	148,292	53,066	33,574	234,932	320	235,252
Medication Assisted						
Treatment Reimbursement	5,247,062	9,434,893	-	14,681,955	-	14,681,955
Travel	19,711	10,500	10,123	40,334	321	40,655
Total	\$ 6,136,523	\$ 10,110,238	\$ 328,063	\$ 16,574,824	\$ 713	\$ 16,575,537
2022						
Personnel and Benefits	\$ 636,678	\$ 437,416	\$ 182,311	\$ 1,256,405	\$ -	\$ 1,256,405
Management Fees	121,091	91,495	25,088	237,674	-	237,674
Operating Expenses	1,893	1,339	539	3,771	206	3,977
Training Expenses	67,187	8,006	-	75,193	-	75,193
Professional Services	130,049	51,869	73,380	255,298	5,479	260,777
Medication Assisted						
Treatment Reimbursement	5,161,119	11,406,335	-	16,567,454	5	16,567,459
Travel	22,436	779	2,257	25,472	-	25,472
Total	\$ 6,140,453	\$ 11,997,239	\$ 283,575	\$ 18,421,267	\$ 5,690	\$ 18,426,957

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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 10,249	\$ 64,583
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Assets:		
Grants Receivable	(598,926)	377,123
Other Accounts Receivable	(1,755)	-
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(98,073)	(425,305)
Deferred Revenue	1,050,461	(633,213)
Due to Affiliates	22,989	(8,899)
Due to Methadone Coalition	(481)	7,180
Net Cash Provided by (Used In) Operating Activities	384,464	(618,531)
NET INCREASE (DECREASE) INCREASE IN CASH AND CASH EQUIV	384,464	(618,531)
CASH AND CASH EQUIVALENTS - Beginning of Year	483,755	1,102,286
CASH AND CASH EQUIVALENTS - End of Year	\$ 868,219	\$ 483,755

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

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 collectability. The Association determined that receivables were fully collectible, and therefore did not recognize an allowance for doubtful accounts as of June 30, 2023 and 2022.

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, 2023 AND 2022

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 8).

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 a commercial bank 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 June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Total Cash Held at Banks	\$ 889,211	\$ 2,090,201
Less: Portion Secured by FDIC	(250,000)	(250,000)
Uninsured Cash Balances	<u>\$ 639,211</u>	<u>\$ 1,840,201</u>

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022.

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, 2023 and 2022, respectively:

	2023	2022
Funds Received	\$ 9,600	\$ 14,400
Funds Expended	\$ 10,081	\$ 7,220
Due to Methadone Coalition	\$ 17,238	\$ 17,719

NOTE 5 – 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, 2023 and 2022 were \$192,241 and \$169,292, respectively, and are reported in Due to Affiliates on the Statements of Financial Position.

NOTE 6 – CONCENTRATIONS

The Association received grants from various federal and state governmental agencies, which provided approximately 99% and 99% of the Association's funding for the years ended June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, grants receivable from these organizations totaled \$2,739,389 and \$2,140,463, respectively.

FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2023, the Association had approximately \$868,000 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 \$2.74 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 8 – 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 2018 remain subject to examination by the applicable taxing authorities.

NOTE 9 – 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 10 – EVALUATION OF SUBSEQUENT EVENTS

The Association has evaluated subsequent events through December 4, 2023, 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, 2023 AND 2022

	<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>2023</u>					
SUPPORT AND REVENUE					
Support:					
Grant Contracts	\$ 6,136,523	\$ 10,110,238	\$ 328,407	\$ -	\$ 16,575,168
Total Support	6,136,523	10,110,238	328,407	-	16,575,168
Revenue:					
Interest	-	-	-	8,817	8,817
Miscellaneous	-	-	-	1,801	1,801
Total Revenue	-	-	-	10,618	10,618
Total Support and Revenue	6,136,523	10,110,238	328,407	10,618	16,585,786
EXPENSES	6,136,523	10,110,238	328,063	713	16,575,537
Excess (Deficiency) of Support and Revenue Over (Under) Expenses	\$ -	\$ -	\$ 344	\$ 9,905	\$ 10,249
<u>2022</u>					
SUPPORT AND REVENUE					
Support:					
Grant Contracts	\$ 6,140,453	\$ 11,997,239	\$ 349,379	\$ -	\$ 18,487,071
Total Support	6,140,453	11,997,239	349,379	-	18,487,071
Revenue:					
Interest	-	-	-	1,069	1,069
Miscellaneous	-	-	-	3,400	3,400
Total Revenue	-	-	-	4,469	4,469
Total Support and Revenue	6,140,453	11,997,239	349,379	4,469	18,491,540
EXPENSES	6,140,453	11,997,239	283,575	5,690	18,426,957
Excess (Deficiency) of Support and Revenue Over (Under) Expenses	\$ -	\$ -	\$ 65,804	\$ (1,221)	\$ 64,583

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, 2023

	<u>CFDA/CSFA Number</u>	<u>Contract Number</u>	<u>Expended or Fee for Service Agreements</u>	<u>Amount Provided to Subrecipients</u>
<u>FEDERAL:</u>				
<u>U.S. Department of Health and Human Services</u>				
Pass-through from Florida Department of Children and Families				
Opioid STR	93.788	LD101	\$ 3,493,263	\$ 3,240,167
Temporary Assistance for Needy Families Block Grant	93.558	LD987	73	-
Medical Assistance Program	93.778	LD987	743	-
Block Grants for Community Mental Health Services	93.958	LD987	7,632	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	LD987	121,811	-
Opioid STR	93.788	LD987	38,391	-
Child Care and Development Block Grant	93.575	LH852	25	-
Medical Assistance Program	93.778	LH852	285	-
Block Grants for Community Mental Health Services	93.958	LH852	2,339	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	LH852	13,055	-
<u>U.S. Department of Labor</u>				
Direct Program				
Apprenticeships: Closing the Skills Gap	17.268	HG-34418-20-60-A-12	134,716	-
TOTAL FEDERAL AWARDS			<u>\$ 3,812,333</u>	<u>\$ 3,240,167</u>
<u>STATE:</u>				
<u>State Courts System</u>				
Direct Program				
Naltrexone	22.022	SC00C57	\$ 4,894,894	\$ 4,561,394
Medically Assisted Drug Treatment Program	22.030	SC00C56	5,215,344	4,873,499
<u>Florida Department of Education</u>				
Direct Program				
Pathway to Career Opportunities	48.999	89S-90310-2D401	66,573	-
Pathway to Career Opportunities	48.999	89S-90310-3Q501	112,118	-
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 10,288,929</u>	<u>\$ 9,434,893</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, 2023. 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.

**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. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Alcohol and Drug Abuse 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 Florida Alcohol and Drug Abuse Association, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 4, 2023

**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

Opinion on Each Major Federal Program and State Project

We have audited Florida Alcohol and Drug Abuse Association's compliance with the types of compliance requirements identified as subject to audit 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 Florida Alcohol and Drug Abuse Association, Inc.'s major federal programs and state projects for the year ended June 30, 2023. Florida Alcohol and Drug Abuse Association's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Florida Alcohol and Drug Abuse Association 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, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. Our responsibilities under those standards, the Uniform Guidance and the *Florida Single Audit Act* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Florida Alcohol and Drug Abuse Association 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 and state project. Our audit does not provide a legal determination of Florida Alcohol and Drug Abuse Association'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 Florida Alcohol and Drug Abuse Association's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Florida Alcohol and Drug Abuse Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *Florida Single Audit Act* 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 Florida Alcohol and Drug Abuse Association's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *Florida Single Audit Act*, 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 Florida Alcohol and Drug Abuse Association'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 Florida Alcohol and Drug Abuse Association'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 and the *Florida Single Audit Act*, but not for the purpose of expressing an opinion on the effectiveness of Florida Alcohol and Drug Abuse Association'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 and 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 and 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 and 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.

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



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 4, 2023

**FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023**

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)(e)?	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, 2023**

Federal Programs – None

State Financial Assistance Projects – None

See independent auditor's report