

**The Community Drug
and Alcohol Council, Inc.
(A Nonprofit Organization)**

**Financial Statements and
Supplementary Information**

June 30, 2016 and 2015

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Financial Statements
and
Supplementary Information
June 30, 2016 and 2015

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Independent Auditor's Report

To The Board of Directors
The Community Drug and Alcohol Council, Inc.
Pensacola, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Community Drug and Alcohol Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, 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 audit. 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. 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.

*To The Board of Directors
The Community Drug and Alcohol Council, Inc.
Pensacola, Florida*

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community Drug and Alcohol Council, Inc., as of June 30, 2016 and 2015, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state earnings and schedule of program/cost center actual expenses and revenues are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 August 31, 2016, on our consideration of The Community Drug and Alcohol Council, 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 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 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 Community Drug and Alcohol Council, Inc.'s internal control over financial reporting and compliance.

Bevel Egan & Company, P.A.
Pensacola, Florida
August 31, 2016

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Statements of Financial Position
June 30, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash and equivalents	\$ 1,577,824	\$ 1,326,073
Certificates of deposit	521,324	514,580
Accounts receivable	541,773	434,676
Prepaid expenses and other	532	1,919
Total Current Assets	2,641,453	2,277,248
Property and Equipment:		
Land and building	818,565	732,986
Mobile classrooms and vehicles	156,071	156,071
Furniture and office equipment	280,016	241,189
	1,254,652	1,130,246
Less accumulated depreciation	(629,182)	(539,580)
Net Property and Equipment	625,470	590,666
Other Assets:		
Utility deposits	2,700	2,700
Total Other Assets	2,700	2,700
Total Assets	\$ 3,269,623	\$ 2,870,614
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Current portion of capital lease obligation	10,749	10,328
Accounts payable	55,432	48,142
Accrued compensated absences and payroll-related liabilities	197,911	136,306
Total Current Liabilities	264,092	194,776
Capital Lease Obligation, Less Current Portion	17,922	28,671
Total Liabilities	282,014	223,447
Net Assets:		
Unrestricted		
Undesignated	1,830,467	1,484,139
Designated	1,140,000	1,147,500
Temporarily restricted	17,142	15,528
Total Net Assets	2,987,609	2,647,167
Total Liabilities and Net Assets	\$ 3,269,623	\$ 2,870,614

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

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Statements of Activities
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted Revenues and Support:		
Federal, state and local grants	\$ 3,557,056	\$ 3,027,532
In-kind contributions	537,527	527,005
Contributions	4,081	4,790
Referral fees	11,489	-
Interest income	8,444	5,285
Gain on sale of equipment	-	446
Total unrestricted revenues and support	<u>4,118,597</u>	<u>3,565,058</u>
Net assets released from restrictions	<u>7,986</u>	<u>11,761</u>
Total Unrestricted Revenues and Net Assets Released from Restrictions	<u>4,126,583</u>	<u>3,576,819</u>
Expenses:		
Direct program services:		
Prevention	2,090,239	1,837,776
Case management	982,235	942,952
Other SAMH-funded cost centers	245,205	231,355
Total direct program services	<u>3,317,679</u>	<u>3,012,083</u>
Supporting services:		
Management and general	430,806	374,787
Fundraising	39,270	44,386
Total Expenses	<u>3,787,755</u>	<u>3,431,256</u>
Increase in Unrestricted Net Assets	<u>338,828</u>	<u>145,563</u>
Temporarily Restricted Net Assets		
Contributions and support	9,600	10,205
Net assets released from restrictions	<u>(7,986)</u>	<u>(11,761)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>1,614</u>	<u>(1,556)</u>
Increase in Net Assets	340,442	144,007
Net Assets—Beginning of Year	<u>2,647,167</u>	<u>2,503,160</u>
Net Assets—End of Year	<u>\$ 2,987,609</u>	<u>\$ 2,647,167</u>

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

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Statement of Functional Expenses
For the Year Ended June 30, 2016, with Comparative Totals for 2015

	<u>Program Services</u>				<u>Management and General</u>	<u>Fundraising</u>	<u>2016 Total Expenses</u>	<u>2015 Total Expenses</u>
	<u>Prevention</u>	<u>Case Management</u>	<u>Other SAMH-Funded Cost Centers</u>	<u>Total</u>				
Personnel Expenses								
Salaries	\$ 1,094,983	\$ 671,507	\$ 11,108	\$ 1,777,598	\$ 234,335	\$ 28,162	\$ 2,040,095	\$ 1,781,113
Benefits and payroll costs	211,709	128,607	986	341,302	42,355	4,678	388,335	328,176
Total Personnel Expenses	<u>1,306,692</u>	<u>800,114</u>	<u>12,094</u>	<u>2,118,900</u>	<u>276,690</u>	<u>32,840</u>	<u>2,428,430</u>	<u>2,109,289</u>
Operating Expenses								
Rent	222,676	-	-	222,676	-	-	222,676	222,676
Utilities	4,213	6,059	-	10,272	6,059	-	16,331	17,125
Janitorial	1,315	6,452	-	7,767	6,355	-	14,122	13,202
Repairs	1,546	773	-	2,319	2,170	-	4,489	5,991
Other professional services	252,998	46,820	183,802	483,620	34,896	250	518,766	558,084
Travel and mileage	20,653	32,409	93	53,155	13,635	-	66,790	80,436
Conferences and staff training	158	605	-	763	5,115	-	5,878	3,775
Small equipment	256	1,075	-	1,331	5,604	-	6,935	15,634
Depreciation	42,912	34,955	1,386	79,253	10,349	-	89,602	80,918
Dues and subscriptions	-	627	-	627	15,720	-	16,347	17,198
Equipment rental	807	371	-	1,178	622	-	1,800	817
Food costs	1,587	-	-	1,587	12,279	341	14,207	11,834
Insurance	29,991	14,778	264	45,033	4,052	276	49,361	62,316
Vocational/educational	17,742	1,520	-	19,262	2,079	-	21,341	10,585
Postage	126	1,090	-	1,216	940	-	2,156	1,468
Communications	17,222	19,688	-	36,910	5,356	-	42,266	38,794
Printing	1,009	718	-	1,727	1,340	-	3,067	3,340
Office and other supplies	62,919	7,210	52	70,181	5,847	194	76,222	72,351
Advertising	39,096	200	-	39,296	799	5,369	45,464	15,425
Interest	616	283	-	899	474	-	1,373	2,005
Client contingency	46,744	-	46,803	93,547	-	-	93,547	44,139
Other	18,961	6,488	711	26,160	20,425	-	46,585	43,854
Total Operating Expenses	<u>783,547</u>	<u>182,121</u>	<u>233,111</u>	<u>1,198,779</u>	<u>154,116</u>	<u>6,430</u>	<u>1,359,325</u>	<u>1,321,967</u>
Total Expenses	<u>\$ 2,090,239</u>	<u>\$ 982,235</u>	<u>\$ 245,205</u>	<u>\$ 3,317,679</u>	<u>\$ 430,806</u>	<u>\$ 39,270</u>	<u>\$ 3,787,755</u>	<u>\$ 3,431,256</u>

See independent auditor's report.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Statements of Cash Flows
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 340,442	\$ 144,007
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	89,602	80,918
Gain on disposal of property and equipment	-	(446)
Changes in assets and liabilities		
Decrease (increase) in:		
Accounts receivable	(107,097)	(119,206)
Prepaid expenses and other	1,387	65,053
Increase in:		
Accounts payable	7,290	10,511
Accrued compensated absences and payroll-related liabilities	61,605	40,772
Net Cash Provided by Operating Activities	<u>393,229</u>	<u>221,609</u>
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	-	500
Purchases of property and equipment	(124,406)	(144,536)
Additions of certificates of deposit	(6,744)	(4,069)
Net Cash Used by Investing Activities	<u>(131,150)</u>	<u>(148,105)</u>
Cash Flows from Financing Activities:		
Payments on long-term debt	-	(56,667)
Payments on capital lease obligation	(10,328)	(9,923)
Net Cash Used by Financing Activities	<u>(10,328)</u>	<u>(66,590)</u>
Increase in Cash	251,751	6,914
Cash and Equivalents—Beginning of Year	<u>1,326,073</u>	<u>1,319,159</u>
Cash and Equivalents—End of Year	<u>\$ 1,577,824</u>	<u>\$ 1,326,073</u>

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

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 1—Summary of Significant Accounting Policies

Organization and Program Activities

The Community Drug and Alcohol Council, Inc., (“CDAC”) is a Florida “not-for-profit” corporation providing a variety of prevention and intervention services to the citizens of Escambia, Santa Rosa, Okaloosa and Walton Counties, Florida. These services include information, awareness and prevention education for youth, parents and the community at large; technical assistance to groups and organizations; counseling for youth; outreach to the families in low-income communities; and case management for women and families in recovery.

CDAC receives federal, state and local funding and contributions from the public to provide educational materials and counseling programs to schools and the general public regarding substance abuse matters.

Financial Statement Presentation

CDAC reports information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets are classified based on externally imposed restrictions, if any, that may or may not be met by actions of management or by the passage of time. There were no permanently restricted net assets as of June 30, 2016 and 2015.

Contributions

CDAC records contributions as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as unrestricted net assets.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 1—Summary of Significant Accounting Policies (continued)

Cash and Equivalents

For purposes of the statements of cash flows, CDAC considers investments in highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair market value on date of gift. CDAC capitalizes asset acquisitions over \$500. Depreciation is provided for on the straight-line method over the estimated useful lives of the related assets, which range from three to thirty years. Depreciation expense was \$89,602 and \$80,918 for the years ended June 30, 2016 and 2015, respectively.

Management of CDAC reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the assets to future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. As of June 30, 2016, none of CDAC's long-lived assets were considered to be materially impaired.

Donated Materials, Facilities and Services

Donated materials, facilities and services are recorded in the financial statements. Donated materials or supplies are recorded at fair market value when received. Donated facilities or building space are recorded at the fair rental value of comparable space. Donated professional services are recorded if the services received 1) create or enhance long-lived assets, or 2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by amounts included in expenses, unless the nature of the asset requires capitalization in the property and equipment accounts.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 1—Summary of Significant Accounting Policies (continued)

Fair Value Measurement

The carrying amount of cash, certificates of deposit, accounts receivable and accounts payable approximate fair value due to the short-term nature of such items.

Functional Allocation of Expenses

The costs of providing various programs and other activities are presented in the schedule of functional expenses and have been summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program on the basis of time records. Management and general expenses are allocated to various programs based on historical percentages developed by management or predetermined rates established in contracts with funding agencies. Accordingly, certain costs have been allocated among program services, fundraising, and management and general expenses.

Income Taxes

CDAC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recognized. CDAC annually files federal information returns (Form 990) which are subject to possible examination by the taxing authorities until the expiration of the related statute of limitations, which is generally three years.

Management believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and no returns are currently under examination.

Advertising

Advertising costs are expensed when incurred.

Events Occurring After Reporting Date

CDAC has evaluated events and transactions that occurred between June 30, 2016, and August 31, 2016, which is the date that the financials were available to be issued, for possible recognition or disclosure in the financial statements.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 2—Accounts Receivable

Accounts receivable are stated at the amount management expects to collect. Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

Note 3—Long-Term Debt

Long-term debt consisted of a \$120,000 mortgage payable to a local bank payable. The mortgage was secured by CDAC's real property. The mortgage was paid in full on August 20, 2014. Interest paid and expensed during the year ended June 30, 2015, was \$229.

Note 4—Capital Lease Obligation

CDAC entered into a capital lease for office equipment. Obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments. The capitalized cost and accumulated depreciation of this equipment at June 30, 2016, was \$52,942 and \$25,588, and \$52,942 and \$15,000 at June 30, 2015.

Future minimum lease payments under this capital lease are as follows:

Years ending June 30:	
2017	\$ 11,700
2018	11,700
2019	<u>6,825</u>
Total future payments	30,225
Less amount representing interest	<u>(1,554)</u>
Present Value of Future Payments	<u>\$ 28,671</u>

Interest paid and expensed under this lease for the years ended June 30, 2016 and 2015, was \$1,373 and \$1,766, respectively.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 5—Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2016 and 2015, are available for use as follows:

	<u>2016</u>	<u>2015</u>
Project Graduation	\$ 14,142	\$ 12,334
Coalition Funds	<u>3,000</u>	<u>3,194</u>
	<u>\$ 17,142</u>	<u>\$ 15,528</u>

Note 6—Net Assets Released from Restrictions

Net assets were released from donor or grantor restriction by incurring expenses during the years ended June 30, 2016 and 2015, as follows:

	<u>2016</u>	<u>2015</u>
Project Graduation	\$ 7,793	\$ 11,757
Coalition Funds	<u>193</u>	<u>4</u>
	<u>\$ 7,986</u>	<u>\$ 11,761</u>

Note 7—State of Florida Support Requiring Match

CDAC receives a substantial portion of its support from the State of Florida with the Florida Department of Children and Families. The contract is renegotiated annually. Although a maximum funding amount is established in the contract, income is earned on a unit of service basis as services are provided. For the years ended June 30, 2016 and 2015, CDAC met the applicable matching requirements under this contract.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 8—In-Kind Contributions

In-kind contributions recorded in the statement of activities consist of the following:

	<u>2016</u>	<u>2015</u>
Donated services	\$ 249,259	\$ 249,259
Donated facilities	216,676	216,676
Donated material and supplies	<u>71,592</u>	<u>61,070</u>
	<u>\$ 537,527</u>	<u>\$ 527,005</u>

Donated services consist primarily of Escambia and Santa Rosa Counties, Florida, school district teachers providing instruction in prevention programs. Donated facilities consist primarily of school district facilities provided for the instruction in its prevention programs.

Note 9—Real Estate Leases

CDAC leases office space and other facilities under operating leases with terms of twelve months or less. Total rent paid under these leases for the years ended June 30, 2016 and 2015, was \$6,000 and \$6,000, respectively.

Note 10—Equipment Leases

CDAC leases office equipment under operating leases. Lease expense for the years ended June 30, 2016 and 2015, totaled \$1,800 and \$817, respectively, and is allocated to program services and supporting services.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Notes to Financial Statements
June 30, 2016 and 2015

Note 11—Benefit Plans

CDAC provides a 401(k) profit sharing plan for all employees. The plan agreement requires CDAC to make an employer matching contribution each year equal to 50% up to the first 6% of salary reduction contributions made by each participant during the plan year, limited to the maximum allowed by law. The employer contribution to the plan for the years ended June 30, 2016 and 2015, was \$30,130 and \$22,077, respectively.

Note 12—Concentrations of Risk

CDAC provides prevention and case management services in the Northwest Florida area. These services are funded primarily with grants from the United States Department of Health and Human Services passed through the Florida Department of Children and Families and its managing entity, Big Bend Community Based Care, Inc. CDAC's ability to continue to provide the same level of services is dependent on continued funding from these services.

CDAC maintains cash and certificates of deposits at six separate financial institutions. Cash accounts and certificates of deposits at each bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution. At June 30, 2016, CDAC had cash balances and certificates of deposits held by financial institutions in excess of insured limits of \$598,548.

Note 13—Summarized Financial 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with CDAC's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Supplementary Information

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Schedule of State Earnings
For the Year Ended June 30, 2016

1. Total Expenditures per Statement of Activities	\$ 3,787,755
2. Less Other State and Federal Funds	-
3. Less Non-Match SAMH Funds	2,950,047
4. Less Unallowable Costs	-
5. Total Allowable Expenditures	<u>\$ 837,708</u>
6. Maximum Available Earnings (Line 5 times 75%)	<u>\$ 628,281</u>
7. Amount of State Funds Requiring Match	<u>\$ 59,823</u>
8. Amount Due to Department	<u>\$ -</u>

See independent auditor's report.

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

AGENCY: The Community Drug and Alcohol Council, Inc.

DATE PREPARED: 08/31/16

CONTRACT #: A0060

BUDGET PERIOD: 07/01/2015 to 6/30/2016

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES	STATE SAMH-FUNDED COST CENTERS							Total for State SAMH-Funded Cost Centers	Non-SAMH Cost Center	Total Funding
	Adult Prevention	Child Prevention	Adult Case Management	Child Case Management	Adult/Child Outreach	Adult/Child Incidentals	Adult Treatment			
IA. STATE SAMH FUNDING										
(1) Big Bend A0060	\$ 180,135	\$ 1,003,302	\$ 1,252,422	\$ 11,035	\$ 139,953	\$ 46,200	\$ 147,000	\$ 2,780,047	\$ -	\$ 2,780,047
(2) A0180 PPG	-	150,000	-	-	-	-	-	150,000	-	150,000
(3) PO 4789	20,000	-	-	-	-	-	-	20,000	-	20,000
(4)	-	-	-	-	-	-	-	-	-	-
(5) From Other Districts	-	-	-	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING =	200,135	1,153,302	1,252,422	11,035	139,953	46,200	147,000	2,950,047	-	2,950,047
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding	-	-	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-	-	-
(3) Local Government	82,946	519,860	-	-	-	-	-	602,806	-	602,806
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
(5) In-kind from local govt. only	-	537,527	-	-	-	-	-	537,527	-	537,527
TOT. OTHER GOVT. FUNDING =	82,946	1,057,387	-	-	-	-	-	1,140,333	-	1,140,333
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	-	-	-	-	-	-	-	-	-	-
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	-	9,600	-	-	-	-	-	9,600	-	9,600
(5) Other	-	-	-	-	-	-	-	-	18,617	18,617
(6) In-kind	-	-	-	-	-	-	-	-	-	-
TOT. ALL OTHER REVENUES =	-	9,600	-	-	-	-	-	9,600	18,617	28,217
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FUNDING = \$	283,081	2,220,289	1,252,422	11,035	139,953	46,200	147,000	4,099,980	18,617	4,118,597
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

See independent auditor's report.

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES	STATE SAMH-FUNDED COST CENTERS							Total for State SAMH-Funded Cost Centers	Administration	Total Expenses
	Adult Prevention	Child Prevention	Adult Case Management	Child Case Management	Adult/Child Outreach	Adult/Child Incidentals	Adult Treatment			
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$ 216,030	\$ 878,953	\$ 660,472	\$ 11,035	\$ 11,108	\$ -	\$ -	\$ 1,777,598	\$ 262,497	\$ 2,040,095
(2) Fringe Benefits	54,873	156,836	128,607	-	986	-	-	341,302	47,033	388,335
TOTAL PERSONNEL EXPENSES =	270,903	1,035,789	789,079	11,035	12,094	-	-	2,118,900	309,530	2,428,430
IIB. OTHER EXPENSES										
(1) Building Occupancy	14,758	257,904	48,239	-	1,386	-	-	322,287	24,933	347,220
(2) Professional Services	1,203	251,795	46,820	-	19,769	-	164,033	483,620	35,146	518,766
(3) Travel	10,008	10,803	33,014	-	93	-	-	53,918	18,750	72,668
(4) Equipment	539	524	1,446	-	-	-	-	2,509	6,226	8,735
(5) Food Services	1,534	53	-	-	-	-	-	1,587	12,620	14,207
(6) Medical and Pharmacy	-	-	-	-	-	-	-	-	-	-
(7) Subcontracted Services	-	-	-	-	-	-	-	-	-	-
(8) Insurance	5,391	24,600	14,778	-	264	-	-	45,033	4,328	49,361
(9) Interest Paid	411	205	283	-	-	-	-	899	474	1,373
(10) Operating Supplies & Expenses	15,910	65,073	37,541	-	763	-	-	119,287	58,069	177,356
(11) Other	66,744	-	-	-	-	46,803	-	113,547	-	113,547
(12) Donated Items	-	56,092	-	-	-	-	-	56,092	-	56,092
TOTAL OTHER EXPENSES =	116,498	667,049	182,121	-	22,275	46,803	164,033	1,198,779	160,546	1,359,325
TOT. PERSONNEL & OTH. EXP. =	387,401	1,702,838	971,200	11,035	34,369	46,803	164,033	3,317,679	470,076	3,787,755
IIIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-	-
(b) Administration	35,665	157,653	157,470	-	6,242	-	-	357,030	(357,030)	-
TOT. DISTR'D INDIRECT COSTS =	35,665	157,653	157,470	-	6,242	-	-	357,030	(357,030)	-
TOTAL ACTUAL OPER. EXPENSES =	423,066	1,860,491	1,128,670	11,035	40,611	46,803	164,033	3,674,709	113,046	3,787,755
IIID. UNALLOWABLE COSTS										
	-	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPER. EXP. =	\$ 423,066	\$ 1,860,491	\$ 1,128,670	\$ 11,035	\$ 40,611	\$ 46,803	\$ 164,033	\$ 3,674,709	\$ 113,046	\$ 3,787,755
IIIE. CAPITAL EXPENDITURES										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,406	\$ 124,406

See independent auditor's report.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-through from Florida Department of Children and Families:			
Big Bend Community Based Care, Inc.:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	A0060	\$ 2,799,230
Temporary Assistance for Needy Families	93.558	A0060	<u>150,817</u>
Total Federal Programs			<u><u>\$ 2,950,047</u></u>

Note 1—Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of The Community Drug and Alcohol Council, Inc., under programs of the federal government for the year ended June 30, 2016. 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 The Community Drug and Alcohol Council, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Community Drug and Alcohol Council, Inc.

Note 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.

Note 3—Subrecipients

The Community Drug and Alcohol Council, Inc., did not have any subrecipients for the year ended June 30, 2016.

Note 4—Reporting

During the year ended June 30, 2016, funds totaling \$2,799,230 were received from Big Bend Community Based Care, Inc., as pass-through funds from the Florida Department of Children and Families. While the agreement indicates that the source of funds include both federal and state awards, the grantor has not provided The Community Drug and Alcohol Council, Inc., with the amount of federal funds included. Because the federal portion of the expenditures is unknown, the full amount is included in the accompanying schedule of expenditures of federal awards.

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*

To The Board of Directors
The Community Drug and Alcohol Council, Inc.
Pensacola, 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 The Community Drug and Alcohol Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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 August 31, 2016.

Internal Control over Financial Reporting

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

*To The Board of Directors
The Community Drug and Alcohol Council, Inc.
Pensacola, Florida*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Community Drug and Alcohol Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

Bert Egan & Company P.A.
Pensacola, Florida
August 31, 2016

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
The Community Drug and Alcohol Council, Inc.
Pensacola, Florida

Report on Compliance for Each Major Federal Program

We have audited The Community Drug and Alcohol Council, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Community Drug and Alcohol Council, Inc.'s major federal programs for the year ended June 30, 2016. The Community Drug and Alcohol Council, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Community Drug and Alcohol Council, Inc.'s major federal programs 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 22, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about The Community Drug and Alcohol Council, 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. However, our audit does not provide a legal determination of The Community Drug and Alcohol Council, Inc.'s compliance.

*To The Board of Directors
The Community Drug and Alcohol Council, Inc.
Pensacola, Florida*

Opinion on Each Major Federal Program

In our opinion, The Community Drug and Alcohol Council, 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, 2016.

Report on Internal Control over Compliance

Management of The Community Drug and Alcohol Council, 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 Community Drug and Alcohol Council, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 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 internal control over compliance. Accordingly, we do not express and opinion on the effectiveness of The Community Drug and Alcohol Council, 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 cover 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 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.

*To The Board of Directors
The Community Drug and Alcohol Council, Inc.
Pensacola, Florida*

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.

Scott E. Ford & Company, P.A.
Pensacola, Florida
August 31, 2016

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of The Community Drug and Alcohol Council, Inc., were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The Community Drug and Alcohol Council, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for The Community Drug and Alcohol Council, Inc., expresses an unmodified opinion.
6. There are no audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs include U.S. Department of Health and Human Services Block Grants for Prevention and Treatment of Substance Abuse CFDA 93.959.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Community Drug and Alcohol Council, Inc., qualified as a low-risk auditee.

FINDINGS—FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

STATE MANAGEMENT LETTER

No items related to State financial assistance required to be reported.

The Community Drug and Alcohol Council, Inc.
(A Nonprofit Organization)
Schedule of Prior Audit Findings
For the Year Ended June 30, 2016

There were no findings reported in the prior period's audit.