

**TENNESSEE ASSOCIATION OF
ALCOHOL, DRUG & OTHER
ADDICTION SERVICES, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2019

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TENNESSEE ASSOCIATION OF ALCOHOL, DRUG & OTHER ADDICTION SERVICES, INC.

FINANCIAL STATEMENTS AND AUDITOR'S REPORTS

JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Financial Position	3
Statement of Activities	4
Statements of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplemental Schedules:	
Schedule of Federal Awards and State Financial Assistance	14
Roster of Board Members and Executive Director	15
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	16
Schedule of Findings and Questioned Costs	17
Schedule of Prior Year Findings and Questioned Costs	18

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc.
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc. (a Tennessee nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying roster of board members and executive director and the schedule of expenditures of federal awards and state financial assistance, are required by the State of Tennessee, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 27, 2020, on our consideration of Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc.'s internal control over financial reporting and compliance.

Joe Osterfeld, CPA
Columbia, Tennessee
March 27, 2020

**TENNESSEE ASSOCIATION OF ALCOHOL,
DRUG & OTHER ABUSE SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

<u>ASSETS</u>	
Cash	\$ 42,433
Investments	174,943
Accounts receivable	29,690
Grantor receivable - State of Tennessee	187,305
Inventory	42,717
Total current assets	<u>477,088</u>
 Equipment and Leasehold Improvements	 73,378
Accumulated depreciation	<u>(73,378)</u>
Net land, building, and equipment	<u>0</u>
 Total assets	 <u><u>\$477,088</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Accounts payable	\$9,787
Accrued expenses	17,827
Note payable - line of credit	80,000
Deferred revenue - dues paid in advance	43,358
Total current liabilities	<u>150,972</u>
 Net assets without donor restrictions	 <u>326,116</u>
Total net assets	<u>326,116</u>
Total liabilities and net assets	<u><u>\$477,088</u></u>

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

**TENNESSEE ASSOCIATION OF ALCOHOL,
DRUG & OTHER ABUSE SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>PUBLIC SUPPORT AND REVENUE</u>			
Awards	\$ -	\$ 996,935	\$ 996,935
Training fees	22,947	-	22,947
Bookstore revenues	64,789	-	64,789
Private grants	75,000	-	75,000
Conferences	29,847	-	29,847
Contributions	22,994	-	22,994
Special events	41,863	-	41,863
Membership dues	53,029	-	53,029
Rental	8,070	-	8,070
Other income	74,226	-	74,226
Investment income	12,469	-	12,469
Interest income	137	-	137
Net assets released from restrictions	<u>996,935</u>	<u>(996,935)</u>	<u>-</u>
Total public support and revenue	1,402,306	-	1,402,306
<u>EXPENSES</u>			
Program services	1,278,079	-	1,278,079
Support Services	<u>114,414</u>	<u>-</u>	<u>114,414</u>
Total expenses	<u>1,392,493</u>	<u>-</u>	<u>1,392,493</u>
Increase (decrease) in net assets	9,813	-	9,813
Net assets, beginning	<u>316,303</u>	<u>-</u>	<u>316,303</u>
Net assets, end of year	<u>\$ 326,116</u>	<u>\$ -</u>	<u>\$ 326,116</u>

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

**TENNESSEE ASSOCIATION OF ALCOHOL,
DRUG & OTHER ABUSE SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services									Support Services	
	Community Outreach	TCB	Problem Gambling Outreach & Education	Baptist Healing Trust Advocacy	Prevention STR Community Outreach	Summit on Addiction	PRSC	Peer Recovery Specialist Training	Bookstore and Member Services	Management & General	Total
Salaries & Benefits	\$ 145,800	\$ 57,428	\$ 5,244	\$ 53,809	\$ 6,242	\$ -	\$ -	\$ 158,951	\$ 31,998	\$ 105,563	\$ 565,035
Professional services	60,483	11,468	4,992	-	-	-	111	63,478	37,535	2,446	180,513
Occupancy, supplies, utilities, etc.	63,382	2,887	2,789	7,493	29,463	-	1,752	100,522	46,714	-	255,002
Bookstore purchases	-	-	-	-	-	-	-	-	50,684	-	50,684
Equipment rent & maintenance	-	-	-	-	-	-	-	-	2,046	-	2,046
Travel, conferences & meetings	4,584	12,633	2,560	5,484	473	17,370	15,870	154,761	58,758	-	272,493
Special events	-	-	-	-	-	-	-	-	17,512	-	17,512
Insurance	212	256	40	-	-	-	-	1,460	589	-	2,557
Other personnel	4,679	1,103	1,500	2,500	-	-	-	386	500	-	10,668
Membership dues	-	-	-	-	-	-	-	-	14,377	-	14,377
Advertising & other expenses	-	-	-	-	-	-	-	-	15,201	-	15,201
Indirect expenses	-	-	-	-	-	-	-	-	-	6,405	6,405
Total expenses	\$ 279,140	\$ 85,775	\$ 17,125	\$ 69,286	\$ 36,178	\$ 17,370	\$ 17,733	\$ 479,558	\$ 275,914	\$ 114,414	\$ 1,392,493

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

**TENNESSEE ASSOCIATION OF ALCOHOL,
DRUG & OTHER ABUSE SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$9,813
Adjustments to reconcile increase in net assets to net cash provided (used) by operations:	
Unrealized (increase) in fair value of investments	0
(Increase) decrease in:	
Accounts receivable	(19,764)
Grant receivable - State of Tennessee	12,705
Inventory	(6,777)
Increase (decrease) in:	
Accounts payable	7,705
Accrued expenses	1,181
Deferred revenue	2,112
Total from operations	<u>6,975</u>

INVESTING ACTIVITIES:

Amount reinvested in investments	<u>(12,469)</u>
Total from investing activities	(12,469)

FINANCING ACTIVITIES:

Proceeds from Line of Credit	260,000
Payments to Line of Credit	<u>(260,000)</u>
Total from financing activities	0

Increase (decrease) in cash (5,494)

Beginning cash balance 47,927

Ending cash balance \$42,433

Supplement Information:

Interest paid in FY2019 \$ 4,096

The accompanying notes are an integral part of the financial statements

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Tennessee Association of Alcohol, Drug & Other Addiction Services, Inc. (TAADAS), a Tennessee not-for-profit corporation, is a statewide, consumer-oriented, association with its beginnings in 1976, whose mission is to provide a collaborative Tennessee voice for addiction, co-occurring, prevention, and recovery support services to affect positive change. TAADAS operates the following programs: community outreach clearinghouse for the state of Tennessee to distribute alcohol and drug abuse prevention and educational materials, toll free information and referral number, bookstore, training programs, community coordination project, and membership services. Supportive services include fund raising, management and general expenses not directly identifiable to any program, but indispensable to these activities and to TAADAS's existence. A board of directors governs TAADAS.

Basis of Accounting

The financial statements of Tennessee Association of Alcohol, Drug & Other Addiction Services, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant accounts receivable, accounts payable, and other liabilities.

Basis of Presentation

Financial statement presentation follows US generally accepted accounting principles which require TAADAS 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. There were not any net assets with donor restrictions at June 30, 2019.

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by action of TAADAS and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Accounts Receivable

Accounts receivable are stated at their net realizable value. It is the opinion of management that all accounts receivable at fiscal year-end are collectible.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined as all cash on hand and deposited in FDIC insured bank accounts with an original maturity of three months or less.

Deferred Revenue

Income from membership dues are deferred and recognized over the periods to which the membership dues relate.

Donated Assets

Marketable securities and other non-cash donations are recorded as contributions at their estimated fair market values at the date of the donation.

Donations of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, TAADAS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. TAADAS reclassifies net assets with donor restriction to net assets without donor restrictions at that time.

Donated Services

TAADAS records donated services when they create or enhance a non-financial asset or for specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated.

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Expense Allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Functional expenses are classified on an invoice by invoice basis. Salaries are allocated based on actual time spent on each function. Occupancy expenses are allocated based on square footage used for each function.

Fair Values of Financial Instruments

Financial instruments of Agency include cash, short-term trade accounts receivable, and trade accounts payable. Management estimates that the fair value of all financial instruments at fiscal year-end do not differ materially from the carrying values of the financial instruments recorded in the accompanying balance sheet.

Income Tax Status

Tennessee Association of Alcohol, Drug & Other Addiction Services, Inc. is an organization, which is not considered a private foundation and is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. TAADAS's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2017, 2018 and 2019 are subject to examination by the IRS, generally for 3 years after they were filed. There are no tax examinations currently in process. Management has concluded that TAADAS has taken no uncertain tax positions as of June 30, 2019. Therefore, no provision for income taxes has been included in TAADAS's financial statements.

Inventory

The inventory, which primarily consists of books and gifts for sale in the bookstore, are stated at cost determined on a first-in, first-out basis.

Planned Major Maintenance Activities

Costs or fair market value for donated items and services for planned major maintenance in excess of \$10,000 are treated as additions to property and equipment and depreciated over their estimated useful lives using the straight-line method. For the year ended June 30, 2019, there were no planned major maintenance activities.

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Promises to Give

Unconditional promises to give are recognized as revenue or a gain in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of assets, presently five years. Depreciation is reflected as an expense in the Statement of Functional Expenses. All assets were fully depreciated at June 30, 2019.

Revenue and Support With Donor Restrictions and Without Donor Restrictions

Contributions received are recorded as with donor restrictions and without donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of 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.

NOTE 2 - CASH AND CREDIT RISK

All cash and certificate of deposits of Tennessee Association of Alcohol, Drug & Other Addiction Services, Inc. are deposited in FDIC insured banks. TAADAS had no deposits exceeding the \$250,000 FDIC deposit insurance coverage.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of balances due for bookstore sales and fees.

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 - LINE OF CREDIT

On April 11, 2017, TAADAS opened a line of credit for \$80,000, variable interest rate (currently 4.0%), matures on April 11, 2027. Interest is to be paid monthly for any draws incurred. Balance due at June 30, 2019 is \$80,000.

NOTE 5 – FAIR VALUE OF INVESTMENTS

TAADAS's investments are reported at fair value in the statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. TAADAS defers to the brokers holding its assets Charles Schwab for determining TAADAS's valuation policies. Although TAADAS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to measure fair value of certain financial instruments could result in a different fair value at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 – Inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 – Inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 – Inputs are unobservable and have the lowest priority. TAADAS uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, TAADAS measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 input were not available.

Level 1 Fair Value Measurement

The fair values of money markets, common stocks, certain corporate bonds, and U S Government securities are based on the closing price reported in the active market where the individual securities are traded, when available.

Level 2 Fair Value Measurement

The fair value of certain corporate bonds for which quoted market price are not available are valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings. Investments in certain restricted common stock are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest.

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Level 3 Fair Value Measurement

For those assets with fair value measured using Level 3 inputs, Charles Schwab determines the fair value measurement policies and procedures. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurement are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

The unrealized gain in fair value of investments was \$386 at fiscal year-end which is reported in investment income on the statement of activities.

The following tables set forth, by level within the fair value hierarchy, TAADAS's investments at fair value and cost as of June 30, 2019:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Cost</u>
Equities	\$ 67,256	\$ 67,256	\$ -	\$ -	\$ 40,733
Equity Mutual Funds	40,399	40,399	-	-	52,439
Fixed Income	4,994	4,994	-	-	5,000
Exchange traded funds	24,579	24,579	-	-	20,274
Cash & money market	4,186	4,186	-	-	3,848
Limited partnerships	33,529	33,529	-	-	41,363
Total	\$ 174,943	\$ 174,943	\$ -	\$ -	\$ 163,657

NOTE 6 - EMPLOYEE PENSION PLAN

TAADAS maintains a simple IRA retirement plan to which TAADAS matches employee contributions up to 3% of the salaries and wages of covered employees. Pension expense for the year ending June 30, 2019 was \$23,047.

NOTE 7 - FINANCIAL DEPENDENCE AND GRANTOR RECEIVABLE

TAADAS is substantially funded by federal and state grants awarded by the State of Tennessee's Department of Mental Health. All of the grantor receivable is related to State of Tennessee Department of Mental Health contracts. A significant reduction in the level of this support, if this were to occur, may have an effect in TAADAS's programs and activities. In addition, the grants prescribe allowable expenditure guidelines with which Agency must comply. The grants are received prospectively, subject to subsequent verification of the incurring of allowable expenditures or provision of qualifying services.

**TENNESSEE ASSOCIATION FOR ALCOHOL,
DRUG & OTHER ADDICTION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – OPERATING LEASES

Rent expense for the year ending June 30, 2019 was \$98,320 for four office suites at 1321 Murfreesboro Road in Nashville, Tennessee. The office suites are leased from Airport Plaza LLC at an average monthly cost of \$8,193 per month. The original lease agreement was amended on March 4, 2016 and expires February 28, 2021 with no renewal options. TAADAS also rents office equipment under various term agreements, but no lease is considered a capital lease. The rent expense for the office equipment was \$23,790 which also includes maintenance. Future minimum rental payments for leases with initial lease terms of one year or more are as follows:

FY2020	\$ 102,425
FY2021	\$ 69,659

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCAL ASSETS

The following reflects TAADAS's financial assets of of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end	\$ 477,088
Less those unavailable for general expenditures	
Within one year, due to: NONE	<u>0</u>
Financial assets available to meet cash needs	
For general expenditures within one year	<u>\$ 477,088</u>

NOTE 10 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through March 27, 2020, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.

TENNESSEE ASSOCIATION OF ALCOHOL, DRUG & OTHER ABUSE SERVICES, INC.
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2019

CFDA Number	State Grant Number	Grantor Agency and Program Name	Balance July 1, 2018	Grant Cash Receipts	Expenditures	Balance June 30, 2019
U.S. Department of Health and Human Services:						
Passed Through Tennessee Department of Mental Health & Substance Abuse Services:						
93.959	Edison 54607	Block Grants for Prevention & Treatment of Substance Abuse	\$ (88,916)	\$ 88,916	\$ -	\$ -
93.959	Edison 54609	Block Grants for Prevention & Treatment of Substance Abuse	(21,540)	21,540	-	-
93.959	Edison 54613	Block Grants for Prevention & Treatment of Substance Abuse	(74,828)	74,828	-	-
93.959	Edison 58668	Block Grants for Prevention & Treatment of Substance Abuse	-	65,258	89,762	(24,504)
93.959	Edison 58943	Block Grants for Prevention & Treatment of Substance Abuse	-	-	17,000	(17,000)
93.959	Edison 58943	Block Grants for Prevention & Treatment of Substance Abuse	-	20,000	20,000	-
93.959	Edison 58943	Block Grants for Prevention & Treatment of Substance Abuse	-	364,045	364,045	-
93.959	Edison 58943	Block Grants for Prevention & Treatment of Substance Abuse	-	34,637	36,000	(1,363)
93.959	Edison 59074	Block Grants for Prevention & Treatment of Substance Abuse	-	50,439	57,434	(6,995)
Sub-total CFDA #93.959			(185,284)	719,663	584,241	(49,862)
93.958	Edison 58943	Block Grants for Community Mental Health Services	-	1,544	39,370	(37,826)
93.778	Edison 58943	Medical Assitance Program	-	-	12,500	(12,500)
93.788	Edison 55355	Opioid STR (State Targeted Response)	(2,311)	2,311	-	-
93.788	Edison 58124	Opioid STR (State Targeted Response)	-	37,378	37,378	-
Sub-total Opiod STR (State Targeted Response)			(2,311)	39,689	37,378	-
Total Federal Awards			\$ (187,595)	\$ 760,896	\$ 673,489	\$ (100,188)
Tennessee Department of Mental Health & Substance Abuse Services:						
Edison 54494	Problem Gambling Outreach Education & Referrals Program		(96)	96	-	-
Edison 54607	Training Program		(12,319)	12,319	-	-
Edison 58671	Problem Gambling Outreach Education & Referrals Program		-	17,040	20,000	(2,960.00)
Edison 59073	Training Program		-	215,170	245,493	(30,323)
Edison 58943	Block Grants for Prevention & Treatment of Substance Abuse		-	-	39,228	(39,228)
Edison 58943	Block Grants for Prevention & Treatment of Substance Abuse		-	4,124	16,000	(11,876)
Total State Financial Assistance			\$ (12,415)	\$ 248,749	\$ 320,721	\$ (84,387)
Grand Totals of Federal Awards and State Financial Assistance			\$ (200,010)	\$ 1,009,645	\$ 994,210	\$ (184,575)

Amounts shown in brackets represents money due from the grantor.

This schedule is prepared on the same (accrual) basis of accounting as the financial statements.

The Agency did not elect to use the 10 percent de minimis indirect cost rate.

The Agency is a sub-recipient and has an approved indirect cost allocation plan with the pass-through grantor Tennessee Department of Mental Health and Substance Abuse Services.

See auditor's report.

**TENNESSEE ASSOCIATION OF ALCOHOL,
DRUG & OTHER ABUSE SERVICES, INC.
ROSTER OF BOARD MEMBERS AND EXECUTIVE DIRECTOR
JUNE 30, 2019**

Board Members

Norman Miller - President

John Jackson - Past President

Richard Barber - President Elect

Jennifer Muse-Hill - Secretary

Paul Fuchcar - Treasurer

Mike Kolinsky/Johnny Lewis - East Representative

Barbara Quinn - Middle Representative

Walter Williams - West Representative

Randal Lee - Consumer Advocate

Daryl Murray - Affiliate

Executive Director

Mary-Linden Salter

See auditor's report.

Joe Osterfeld, CPA

Certified Public Accountant

214 West Fifth Street ~ Suite B ~ PO Box 807 ~ Columbia, TN 38402-0807

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors

Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc.

Nashville, Tennessee

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 Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 March 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tennessee Association of Alcohol, Drug & Other Abuse Services, 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 Tennessee Association of Alcohol, Drug & Other Abuse Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tennessee Association of Alcohol, Drug & Other Abuse Services, 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 Tennessee Association of Alcohol, Drug & Other Abuse Services, 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 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.

Joe Osterfeld, CPA
Columbia, Tennessee
March 27, 2020

Tennessee Association of Alcohol, Drug & Other Addiction Services
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified.

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies(s) identified that are
not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Section II - Financial Statement Findings

Current Year Findings: No matters were reported.

Tennessee Association of Alcohol, Drug & Other Addiction Services
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2019

Financial Statement Findings:

Prior Year Finding Number	Finding Title	Status / Current Year Finding Number
Not Applicable	No prior year findings	