

**HEALTHY ACADIA**  
FINANCIAL STATEMENTS  
September 30, 2021  
With Independent Auditor's Report

**Healthy Acadia**  
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September 30, 2021

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**Edwards, Faust & Smith**

CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Healthy Acadia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Healthy Acadia (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 Healthy Acadia as of September 30, 2021, 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***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

**Report on Summarized Comparative Information**

We have previously audited Healthy Acadia's 2020 financial statements, and our report dated January 25, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of Healthy Acadia'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 Healthy Acadia's internal control over financial reporting and compliance.

*Edwards, Faust + Smith*

March 3, 2022

## Healthy Acadia

### Statement of Financial Position

September 30, 2021

With comparative totals for 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 155,278	\$ 74,223
Accounts receivable	903,831	1,105,343
Prepaid expenses	16,224	19,790
Total current assets	<u>1,075,333</u>	<u>1,199,356</u>
Interest in assets held by Maine Community Foundation (MCF)	57,408	49,213
Property and equipment, net	<u>40,063</u>	<u>54,179</u>
Total assets	<u>\$ 1,172,804</u>	<u>\$ 1,302,748</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 222,588	\$ 415,746
Accrued expenses	187,930	200,891
Deferred revenue	<u>8,607</u>	<u>51,821</u>
Total current liabilities	<u>419,125</u>	<u>668,458</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Available for operations	163,819	47,250
Board designated net assets	<u>57,408</u>	<u>49,213</u>
Total net assets without donor restrictions	221,227	96,463
With donor restrictions		
Subject to expenditure for specific purpose	<u>532,452</u>	<u>537,827</u>
Total net assets	<u>753,679</u>	<u>634,290</u>
Total liabilities and net assets	<u>\$ 1,172,804</u>	<u>\$ 1,302,748</u>

See notes to financial statements

## Healthy Acadia

### Statement of Activities

Year Ended September 30, 2021  
With comparative totals for 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>				
Grants and contributions revenue	\$ 3,228,181	\$ 671,008	\$ 3,899,189	\$ 3,696,519
PPP loan forgiveness			-	105,714
Other income	367	169,086	169,453	114,758
Interest/dividend income	794		794	1,169
Realized/Unrealized gains	8,214	-	8,214	1,743
Net assets released from restriction	<u>845,469</u>	<u>(845,469)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,083,025</u>	<u>(5,375)</u>	<u>4,077,650</u>	<u>3,919,903</u>
<b>Expenses</b>				
Program				
Healthy Maine Partnerships	2,649,861		2,649,861	2,350,415
Food and nutrition	505,460		505,460	468,820
Mini grant programs/Other	84,038		84,038	162,020
Management and general	602,816		602,816	651,409
Fundraising and development	<u>116,086</u>		<u>116,086</u>	<u>78,667</u>
Total expenses	<u>3,958,261</u>	<u>-</u>	<u>3,958,261</u>	<u>3,711,331</u>
Changes in net assets	124,764	(5,375)	119,389	208,572
Net assets, beginning of period	<u>96,463</u>	<u>537,827</u>	<u>634,290</u>	<u>425,718</u>
Net assets, end of period	<u>\$ 221,227</u>	<u>\$ 532,452</u>	<u>\$ 753,679</u>	<u>\$ 634,290</u>

See notes to financial statements

## Healthy Acadia

### Statement of Functional Expenses

Year Ended September 30, 2021  
With comparative totals for 2020

	Programs				Administration	Fund Raising and Development	2021	2020
	Health	Food and Nutrition	Mini grant programs/Other	Total Programs				
Bank charges	\$ 7	\$ 2	\$ 20	\$ 29	\$ 1,839	\$ 2,161	\$ 4,029	\$ 797
Professional services	-	-	-	-	93,660	-	93,660	71,976
Insurance	4,298	-	-	4,298	13,012	-	17,310	9,622
License fees	-	-	-	-	-	-	-	15
Occupancy / rent	41,798	-	-	41,798	172,930	-	214,728	169,505
Telephone and internet	8,673	-	-	8,673	15,281	-	23,954	29,956
Consulting services	383,578	873	11,275	395,726	10,353	17,881	423,960	317,401
Depreciation expense	-	7,083	-	7,083	7,034	-	14,117	9,769
Material and supplies	75,497	24,263	4,348	104,108	46,544	38,332	188,984	292,677
Miscellaneous	128,235	13,137	32,047	173,419	1,574	3,138	178,131	155,593
Fringe benefits	510,992	138,149	10,924	660,065	25,157	16,256	701,478	663,932
Wages and stipends	1,354,000	316,802	25,056	1,695,858	211,991	37,326	1,945,175	1,734,311
Subcontract costs	127,285	-	-	127,285	-	-	127,285	189,086
Travel and meetings	13,742	4,825	68	18,635	3,441	281	22,357	66,691
Uncollectible debt	1,756	326	300	2,382	-	711	3,093	-
<b>Total expenses</b>	<b>\$ 2,649,861</b>	<b>\$ 505,460</b>	<b>\$ 84,038</b>	<b>\$ 3,239,359</b>	<b>\$ 602,816</b>	<b>\$ 116,086</b>	<b>\$ 3,958,261</b>	<b>\$ 3,711,331</b>

See notes to financial statements

## Healthy Acadia

### Statement of Cash Flows

Year Ended September 30, 2021  
With comparative totals for 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 119,389	\$ 208,572
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	14,117	9,769
Income recognized from PPP loan		(105,714)
Change in market value of investments and fees	(8,195)	(1,978)
Decrease (increase) in		
Accounts receivable	201,512	(377,484)
Prepaid expenses	3,566	(11,165)
Increase (decrease) in		
Accounts payable	(193,159)	153,923
Accrued expenses	(12,961)	(25,746)
Deferred revenue	(43,214)	(47,384)
	<u>81,055</u>	<u>(197,207)</u>
Net cash from operating activities		
Cash flows from investing activities		
Purchase of property and equipment	<u>-</u>	<u>(43,483)</u>
Net cash from investment activities	<u>-</u>	<u>(43,483)</u>
Cash flows from financing activities		
PPP loan debt issuance	<u>-</u>	<u>105,714</u>
Net cash from financing activities	<u>-</u>	<u>105,714</u>
Net change in cash	81,055	(134,976)
Cash and cash equivalents, beginning of year	<u>74,223</u>	<u>209,199</u>
Cash and cash equivalents, end of year	<u>\$ 155,278</u>	<u>\$ 74,223</u>

See notes to financial statements



# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### **NATURE OF OPERATIONS**

Healthy Acadia (the Organization), a community health coalition, was formed in 2001 as an unincorporated voluntary association administered by Mount Desert Island Hospital. The Organization was guided by a community advisory council ranging in size from 15-20 members. In 2009, the advisory council voted to form a Maine not-for-profit corporation. It is organized under Section 501(c)(3) of the Internal Revenue Code. The Organization's purpose is to empower people and organizations to build healthy, vibrant communities where people thrive and healthful resources are easily available. Healthy Acadia works with community members and more than one hundred local, state and national partners to advance public health through collaboration, education, programming, and policy development. This mission is achieved by assessing community health needs and assets; informing, educating, and empowering individuals, organizations and communities about health issues; mobilizing partnerships to improve public health; linking partners with resources through information, grants, and technical assistance; fostering policy and environmental changes to improve public health; implementing programming based on community needs; and coordinating with local, regional and national public health entities. Through this endeavor, Healthy Acadia has several planned services that focus a significant portion of their resources. These programs include:

### **SUBSTANCE USE PREVENTION AND HEALTH PROMOTION**

This area of programming, funded by private foundation grants, Maine Department of Health and Human Services grants through sub awards from private grantors (University of New England, MaineHealth-Center for Tobacco Independence, The Opportunity Alliance-Maine Youth Action Network), and the Federal Department of Health and Human Services/Substance Abuse and Mental Health Services Agency grants, deals with a number of initiatives around health promotion, resilience, and disease prevention including arsenic contamination of well water, alcohol, tobacco, marijuana, and prescription drug use prevention in communities throughout Hancock and Washington Counties, in Maine. Program activities include dissemination of educational materials; hosting educational classes, training and professional development for health providers, educators and students, business owners, employees, and the general population; youth programming, and strengthening linkages between primary care providers, health systems, community based organizations, and health resources. These activities are coordinated by staff with training and education in community health. Some activities are carried out with the support of subcontract partners, consultants and volunteers working together in collaborative, community-based efforts.

#### ***Drug Free Communities***

The Drug Free Communities (DFC) Program is a federal grant funded initiative funded by the Office of National Drug Control Policy partnering with the U.S. Centers for Disease Control and Prevention. Through the DFC program, Healthy Acadia is working with a countywide coalition of community members and local organizations who are dedicated to empowering youth and reducing underage use of alcohol, tobacco, and other substances across Hancock County. Healthy Acadia supports schools, organizations and programs to carry out community-level change through several consulting awards to community partners. The DFC Coalition is working on a variety of initiatives to prevent substance use and to help children and youth thrive.

#### ***Downeast Partnerships for Success***

Downeast Maine Partnerships for Success is a collaborative effort among multiple partners throughout Washington and Hancock counties, coordinated by Healthy Acadia, and funded by the US Substance Abuse and Mental Health Services Agency / Department of Health and Human Services. The project implements community-driven, collaborative efforts to prevent substance use and promote the health of youth aged 9 to 20 throughout the region. Through the use of evidence-based and promising practice programs, policy changes, and systems development, the project works to significantly increase protective factors and reduce risk factors associated with substance use. The collaborative utilizes multiple strategies to increase protective factors and decrease risk factors associated with youth substance use, specifically alcohol, tobacco, and marijuana. Project goals include: 1) Increase parental/caregiver, school, and community awareness of and capacity to reduce risk factors and increase protective factors associated with youth substance use through implementation of a comprehensive evidence-based approach; and 2) Implement evidence-based programs, policies and practices to increase protective factors and decrease risk factors for substance use among youth.

## HEALTHY ACADIA

### Notes to Financial Statements

September 30, 2021

#### **SUBSTANCE USE RECOVERY**

##### ***Maine Recovery Core***

Maine Recovery Core is a Healthy Acadia program funded by a Maine Department of Health and Human Services/Office of Behavioral Health and Partner cost share funding. This programming expands recovery coaching in Maine by training and supporting individuals to become recovery coaches through an internship structure based at various host sites throughout a 9-county service regions, including high-quality professional training and ongoing programmatic support. Individuals become trained to work as recovery coaches at a full-time or part-time level for a year or more.

##### ***Maine Alliance for Recovery Coaching (Maine-ARC)***

On July 1, 2019, Healthy Acadia, with support from Maine's Substance Abuse and Mental Health Services (SAMHS), launched the Maine Alliance for Recovery Coaching (Maine-ARC) to support volunteer-driven, community recovery coaching throughout Hancock, Piscataquis, Somerset, Waldo and Washington counties. Through Maine-ARC, Healthy Acadia and partners collaborate with health care and treatment centers, jails, drug courts, pre-release sites, social service and law enforcement agencies, and other community partners across the five counties to implement highly effective, community-based recovery coaching systems to support those seeking recovery from substance use disorders, with an emphasis on opioid use disorders. Maine-ARC partners will work together to develop effective, far reaching, volunteer-based peer recovery coaching programs that promise to build healthier communities and help people succeed on their recovery journeys.

##### ***PROSPER Initiative***

In the Spring of 2021, Healthy Acadia and partners launched PROSPER, an initiative designed to support pregnant women, mothers, and families with Substance Use Disorder. PROSPER serves pregnant and postpartum women, their children, and their support system (friends, partner, relatives); providing them with compassionate, person-centered navigation, mentoring, education, training, care coordination, advocacy, referrals, and overall support. The initiative serves women (and their support systems) living in Hancock and Washington counties and works to prevent stigmatization, discrimination, criminalization, and marginalization of women seeking treatment to benefit themselves and their infants.

##### ***Safe Harbor***

In the fall of 2020, Healthy Acadia launched Safe Harbor Recovery Home for Women and Children in Machias, which is the only certified recovery residence in Washington County and serves women from across the region. The house provides wraparound support for women in all stages of recovery, and is one of the only houses in the state where they can live with their children. Launched and operated by a collaborative effort between Healthy Acadia, Downeast Community Partners, Community Caring Collaborative, and AMHC (Aroostook Mental Health Services, Inc.), Safe Harbor is supported primarily by Maine State Housing Authority, with key additional funding support from private grants and donations.

##### ***INSPIRE Recovery Center***

INSPIRE Recovery Center - In Support of People in Recovery - was established in September 2021 at Healthy Acadia's 24 Church Street, Ellsworth, location. INSPIRE is a dynamic community space that provides an opportunity for people in recovery to come together in a safe, fun and comfortable place while connecting with others in the recovery community. The Center serves as a community hub for recovery meetings, for recovery coaching services, other programs and services such as yoga and journaling, or for simply connecting with others to support recovery. INSPIRE is funded primarily by the State of Maine's Office of Behavioral Health, with key additional support from private grants and donations.

#### **HEALTHFUL SERVICES**

Healthy Acadia also has programming supported by private donations, private foundation funding, and federal grant funding from the Health Resources and Services Administration involving healthy aging, tai chi, cancer patient navigation, colorectal cancer screening, depression and chronic disease prevention, Diabetes prevention and chronic pain management, mindfulness programming, transportation access, dental care access, and online health resource access and education.

# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### **FOOD AND NUTRITION**

#### ***Healthy Food Access***

These program areas, funded primarily with private foundation grants, involve a number of initiatives, including linking growers with food security organizations through a comprehensive Gleaning Initiative; connecting individuals and organizations with supplies of healthy food; and supporting food system improvements throughout Hancock and Washington counties in Maine. These programs address hunger and promote food security. During the year ended September 30, 2020 Healthy Acadia raised funds from the community, local businesses and foundations for the purchase of a 2019 Ford Transit Van as an asset to the gleaning and food security efforts. This allows the collection of more produce during gleaning opportunities, bringing more healthy, local produce to food pantries across the region and to feed more families in need. Enough funds were raised to also allow for continued maintenance of the van.

#### ***Supplemental Nutrition Assistance Education Program (SNAP-Ed)***

This program is funded by the Maine Department of Health and Human Services, and United States Department of Agriculture, Food and Nutrition Service. The goal of the Snap-Ed program is to improve the likelihood that persons eligible for SNAP (also known as the Supplemental Nutrition Assistance Program) will make healthy food choices with a limited budget and choose physically active lifestyles consistent with the current Dietary Guidelines for Americans and the USDA food guidance and MyPlate. Snap education classes are offered to disparate, low-income populations in Hancock and Washington counties in Maine. Populations of focus include seniors, youth from 0-18 years of age, those experiencing low-income, and those eligible for Supplemental Nutrition Assistance.

#### ***Let's Go***

This is a program of the Barbara Bush Children's Hospital at Maine Medical Center and is funded by State Fund for Healthy Maine funding through Maine Prevention Services. This program is an important community health improvement initiative whose two major goals are to 1) deploy a consistent message, 5-2-1-0, to guide children and families on how to engage in healthy behaviors, and 2) to work with a network of local Dissemination Partners to implement environmental and policy changes that increase opportunities for healthy eating and active living (HEAL) in multiple settings across a community, including schools, out-of-school programs, child care programs, and health care practices.

#### **NEIGHBOR FOR NEIGHBOR (N4N)**

The purpose of the N4N fund is to provide mini grants to seniors in need across Hancock and Washington Counties. The fund is held as a designated fund by Maine Community Foundation. Healthy Acadia is the beneficiary of a predetermined annual distribution which is used to fund the program. This funding is supplemented by private donations and grants to increase the reach and impact of the fund. Healthy Acadia, along with a volunteer advisory Board, administers the program.

#### **YOU'VE GOT A FRIEND FUND**

This fund is a mini grant program that provides mini-grants of up to \$1,000 to individuals across Hancock County in need of assistance to overcome specific hurdles or setbacks and accomplish goals in order to reach greater self-sufficiency and quality of life. This is funded through private donations.

# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### 1. Summary of Significant Accounting Policies

#### Financial Statement Presentation

Assets and liabilities are recorded and revenues and expenses are recognized by the accrual method of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with the provisions of generally accepted accounting standards:

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 by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. 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 those estimates.

#### Cash

For purposes of the statement of cash flows, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

#### Accounts Receivable

Trade accounts receivable are amounts due for grants from various sources and are stated at the amount management expects to collect from outstanding balances. Management believes all accounts receivable are collectible; accordingly, an allowance for doubtful accounts has not been established. Finance charges are not accrued for overdue accounts.

#### Property and Equipment

Property and equipment is carried at cost or fair market value for donated assets. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. The Organization capitalizes equipment with an estimated useful life longer than one year and a cost greater than \$5,000.

#### Grants and contributions

The Organization's support is recognized primarily from federal, state and local grants and contracts generally structured as reimbursed contracts for services and therefore revenue is recognized based on when their individual allowable budgeted expenditures occur. Federal and state grant and contract revenue comprised approximately 77% and 74% of total revenue in the fiscal years ended September 30, 2021 and 2020, respectively.

Contributions and private grants (support) are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions.

# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### 1. Summary of Significant Accounting Policies

#### Grants and contributions

During the year ended September 30, 2021, the Organization adopted ASU 2018-08, - “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958). The ASU provides guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Application of this update did not result in any changes in the financial statements.

#### Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services based on actual or estimated usage of resources. Allocation of indirect costs is based on a Federal rate obtained after application. The rate for the current year is provisional until the next application is filed, at which time the final rate for the previous period is determined based on actual results, and the provisional rate for the current period is negotiated. Differences between actual indirect costs and costs allocated using the rate are negotiated in determining the next provisional rate.

#### Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not liable for income taxes.

#### Interest in Assets Held by Maine Community Foundation

The organization is an income beneficiary of assets held by Maine Community Foundation (MCF) as a result of making nonreciprocal transfers of unrestricted assets to MCF and specifying itself as the beneficiary. As such, the organization may receive distributions from these assets each year. However, the Board of Trustees of the MCF (Board) has the power to modify, consistent with State law including seeking the approval of the appropriate court or Attorney General, any restriction or condition on the distribution of funds to the organization if, in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The interest is carried at net asset value.

### 2. Property and Equipment

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 36,872	\$ 36,872
Vehicle	35,415	35,415
Less accumulated depreciation	<u>(32,224)</u>	<u>(18,108)</u>
	<u>\$ 40,063</u>	<u>\$ 54,179</u>

### 3. Interest in Assets Held by Maine Community Foundation

In 2016 the Board of Directors voted to establish a BOD designated endowment fund and to transfer \$40,250 of unrestricted funds to the Maine Community Foundation (MCF). MCF is utilized to fund the board designated endowment. The MCF has variance power over these assets.

The investment’s primary purpose is to provide a predicable source of supplemental annual income to support the charitable work of the organization through investing in a socially responsible manner, while the secondary purpose is to realize a long-term total return equal to, or greater than the real rate of inflation. The target investment allocation range is as followed:

- 45% - 75% to Equity
- 15% - 35% to Fixed Income
- 0% - 10% to Alternative Assets
- 0% - 10% to Cash

# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### 3. Interest in Assets Held by Maine Community Foundation

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or its Equivalent)*. This pronouncement removes the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share practical expedient and certain related disclosure requirements. The Organization has implemented ASU 2015-07 in its 2018 financial statements with retrospective application to all periods presented.

The adoption of this pronouncement did not affect the financial statements other than footnote disclosures.

Following is a summary of board designated endowment activity:

	<u>2021</u>	<u>2020</u>
Beginning investment balance	\$ 49,213	\$ 47,235
Contributions	-	-
Interest and dividends	775	879
Gains (losses)	8,214	1,743
Fees	<u>(794)</u>	<u>(644)</u>
Ending investment balance	\$ <u>57,408</u>	\$ <u>49,213</u>

Investments measured at NAV are as follows:

	<u>2021</u>	<u>2020</u>
Interest in assets held by Maine Community Foundation	\$ <u>57,408</u>	\$ <u>49,213</u>

### 4. Line of Credit

The Organization has a \$120,000 bank line of credit with Machias Savings Bank with \$0 outstanding in 2021 and 2020. The agreement is reviewed annually, and the line must be paid off for 30 consecutive days in each year.

### 5. Leases, Commitments, Contingencies and Guarantees

The Organization has certain operating leases for buildings in Ellsworth and Machias and copier leases, under terms of operating leases with various expiration dates. Lease expense was \$196,191 in 2021 and \$100,812 in 2020.

Scheduled payments on operating lease obligations for the next five years are as follows:

<b>2022</b>	\$ 163,400
<b>2023</b>	47,600
<b>2024</b>	2,500
<b>2025</b>	-
<b>2026</b>	-

**HEALTHY ACADIA**

Notes to Financial Statements

September 30, 2021

6. Grants and Gifts

The Organization was awarded grants from various federal and state agencies and from private sources. Revenue was reflected in the financial statements as follows:

	<u>2021</u>	<u>2020</u>
<u>State of Maine Grants (direct and pass-through)</u>		
Maine Department of Health and Human Services (DHHS)		
Let's Go! School Wellness Program	\$ 89,937	\$ 89,873
Supplemental Nutrition Assistance Program	292,123	309,578
Substance abuse recovery coach	794,741	694,309
Tobacco prevention services	208,904	198,413
State wide substance use prevention services	181,357	122,767
Youth engagement and empowerment	85,000	68,648
Hancock County Recovery Center	13,261	-
Maine State Housing Authority Recovery Residence	87,146	
<u>Federal Grants (direct and pass-through)</u>		
Drug Free Communities Support program	139,370	129,896
Rural Healthcare Services Outreach and Planning Grants	299,147	233,572
Rural Healthcare Services Opioid grant	42,621	252,259
Downeast medicated assisted treatment	611,282	533,894
AmeriCorps recovery program	249,128	245,568
Public Health Project	22,031	11,969
Other	27,105	-
Total State and Federal government grants	3,143,153	2,890,746
<u>Other Grants and Contributions</u>		
Private grants and contributions		
- Unrestricted	85,028	173,465
- Restricted	671,008	632,308
	<u>\$ 3,899,189</u>	<u>\$ 3,696,519</u>
Accounts receivable consists of the following:		
	<u>2021</u>	<u>2020</u>
<u>State of Maine Grants (direct and pass-through)</u>		
Maine Department of Health and Human Services (DHHS)	\$ 338,568	\$ 574,726
Other Maine Departments	18,110	
<u>Federal Grants (direct)</u>	216,306	398,568
Total State and Federal government grants	572,984	973,294
<u>Other</u>		
Other amounts	330,847	132,049
	<u>\$ 903,831</u>	<u>\$ 1,105,343</u>
	<u>2021</u>	<u>2020</u>
Deferred revenue represents revenues collected but not earned on cost settled awards as follows:		
State of Maine Grants	\$ -	\$ 51,821
Federal Grants	8,607	-
	<u>\$ 8,607</u>	<u>\$ 51,821</u>

# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### 6. Grants and Gifts

The grants are subject to various federal and state laws, regulations and other provisions covering grant administration, audits and allowable costs. Final settlement of the grants is subject to review by the grantors. The Organization has a provisional indirect federal cost rate used for indirect cost allocations to grants.

### 7. Financial Instruments

The Organization maintains substantially all its cash balances in one financial institution. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

### 8. Net Assets with donor restrictions

Net assets with donor restrictions are as follows:

<u>Subject to expenditure for specified purpose</u>	<u>2021</u>	<u>2020</u>
Administrative operations	\$ 12,011	\$ 12,011
Development	142,065	87,362
Food programs	99,211	132,124
Health programs	247,350	259,291
Other programs	31,815	47,039
	<u>\$ 532,452</u>	<u>\$ 537,827</u>

### 9. Retirement Plan and Bonus

The Organization has a Simple IRA retirement plan and a cash bonus plan. The Organization matches 100% of the employee's Simple IRA contributions up to 3% of employee compensation as well as a year-end retirement bonus payment at the discretion of the Board of Directors. Simple IRA Match expenses was \$40,865 for 2021 and \$35,937 for 2020; the bonuses were \$81,472 in 2021 and \$65,893 in 2020.

### 10. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets available for general use within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Current assets	\$ 1,075,333	\$ 1,199,356
Less: prepaid expenses	<u>(16,224)</u>	<u>(19,790)</u>
Financial assets available to meet cash needs for general purpose within one year	<u>\$ 1,059,110</u>	<u>\$ 1,179,566</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a line of credit totaling \$120,000 which it could draw upon. Additionally, Healthy Acadia has board designated funds for long-term purposes totaling \$57,408 that could be used if necessary.



# HEALTHY ACADIA

## Notes to Financial Statements

September 30, 2021

### 11. Paycheck Protection Program Loan

In April 2020, the Organization received loan proceeds in the amount of \$105,714 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 24 months as long as the borrower uses the loan proceeds for eligible purposes, including payroll, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four month period.

The Organization met the PPP eligibility criteria and the proceeds totaling \$105,714, were recorded as income in the statement of activities in 2020. In April 2021 the loan was forgiven by the Small Business Administration.

### 12. New Pronouncements

#### **Leases:**

On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under the new standard, lessees will be required to recognize lease assets and liabilities for most leases on their statements of financial position. The new standard will be effective for fiscal years beginning after December 15, 2021. The expected impact is being evaluated.

### 13. Effects of COVID-19

The Organization's operations were affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The final impact caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's clients and timely receipt of grant funds necessary to continue, absenteeism in the Organization's labor workforce, and a decline in value of assets held by the Organization. Management is carefully monitoring this situation and considering its options at this time. No adjustments have been made to these financial statements as a result of this uncertainty. Healthy Acadia's funders were very generous in the years ending September 30, 2021 and 2020 due to uncertainties from COVID-19.

### 14. Subsequent Events

Subsequent events have been evaluated through March 3, 2022, which is the date the financial statements were available to be issued and no additional matters were determined to require adjustment or disclosure.



**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  
 Healthy Acadia

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 Healthy Acadia (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 3, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Healthy Acadia’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 Healthy Acadia’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Healthy Acadia’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 Healthy Acadia’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.

*Edwards, Faust + Smith*  
 March 3, 2022



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors  
Healthy Acadia

**Report on Compliance for Each Major Federal Program**

We have audited Healthy Acadia’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 Healthy Acadia’s major federal programs for the year ended September 30, 2021. Healthy Acadia’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 Healthy Acadia’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 200, *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 Healthy Acadia’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 Healthy Acadia’s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Healthy Acadia 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 September 30, 2021.

**Report on Internal Control over Compliance**

Management of Healthy Acadia 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 Healthy Acadia’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 an opinion on the effectiveness of Healthy Acadia’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 over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Edwards, Faust + Smith*  
March 3, 2022

**Healthy Acadia**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021

Grantor/Program Title	Federal ALN / CFDA Number	Grant Number	Federal Disbursements/ Expenditures	Subrecipient Awards
<u>Federal assistance</u>				
U.S. Department of Health and Human Services - Direct				
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	1 D04RH40254-01-00	\$ 42,621	\$ -
Drug-Free Communities Support Program Grants	93.276	1 GA1RH42896-01-00	898	
		1 NH28CE002700-01-00	139,370	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP081695-02	299,147 *	
	93.243	5H79TI081447-03	611,282 *	
Total Direct Funding			<u>1,093,318</u>	<u>-</u>
U.S. Department of Agriculture				
Maine Department of Health and Human Services				
University of New England				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	OFI-20-351	292,123	
Maine Department of Agriculture				
Emergency Food Assistance Program (Administrative Costs)	10.568	CT #: 20210403 2661	10,848	
U.S Department of Health and Human Services				
Maine Department of Health and Human Services				
Opioid STR (State Targeted Response)	93.788	OSA-21-650	566,715	93,116
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	COM-22-5732	5,359	
Maine State Housing Authority				
Opioid STR (State Targeted Response)	93.788		58,097	
University of New England				
Block Grants for Prevention and Treatment of Substance Abuse Substance Abuse and Mental health Services_Projects or Regional and National Significance	93.243	CDO-20-4425	92,812	
Opioid STR (State Targeted Response)	93.788	CDO-20-4425	35,093 *	
The Opportunity Alliance			52,276	
Temporary Assistance for Needy Families	93.558	CDO-20-4416	54,400	
Substance Abuse Block Grant	93.959	CDO-20-4416	4,000	
Opioid STR (State Targeted Response)	93.788	CDO-20-4416	4,800	
Corporation for National Community Service				
Maine Commission for Community Service				
AmeriCorps	94.006	18ACHME001	249,128	
U.S. Department of Treasury				
Maine Department of Agriculture				
Catholic Charities of Maine				
Corona Virus Relief Fund	Covid-19	21.019	SLT0029 and SLT0081	10,000
Town of Bar Harbor				
Corona Virus Relief Fund	Covid-19	21.019	MDI_KeepMEHealthy_BH_HA_2020-01	1,419
Town of Mount Desert				
Corona Virus Relief Fund	Covid-19	21.019	MDI_KeepMEHealthy_MD_HA_2020-04	1,419
Town of Southwest Harbor				
Corona Virus Relief Fund	Covid-19	21.019	MDI-KeepMEHealthy_SWH_HA_2020-02	2,919
Town of Tremont				
Corona Virus Relief Fund	Covid-19	21.019	MDI_KeepMEHealthy_TR_HA_2020_03	3,919
City of Ellsworth				
Corona Virus Relief Fund	Covid-19	21.019	Ellsworth_KeepMEHealthy_HA-2020-01	12,353
Total Pass Through Funding			<u>1,457,680</u>	<u>93,116</u>
Grand Total of Federal Awards Expended			<u>\$ 2,550,998</u>	<u>\$ 93,116</u>
	Federal CFDA Number		Federal Disbursements/ Expenditures	Subrecipient Awards
<u>Total by Catalog of Federal Domestic Assistance</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 292,123	\$ -
Emergency Food Assistance Program (Administrative Costs)	10.568		10,848	
Corona Virus Relief Fund	21.019		32,029	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		945,522 *	
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		5,359	
Drug-Free Communities Support Programs	93.276		139,370	
Temporary Assistance for Needy Families	93.558		54,400	
Opioid STR	93.788		681,888	93,116
Rural Health Care Services Outreach, Rural Health Networks Development and Small Health Care Provider Quality Improvement	93.912		43,519	
Block Grants for Prevention and Treatment of Substance Abuse	93.959		96,812	
Corporation for National and Community Service (CNCS)	94.006		249,128	
			<u>\$ 2,550,998</u>	<u>\$ 93,116</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Healthy Acadia and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

\* - Major programs.

The Organization elected not to use the 10% de minimis indirect cost rate.

**HEALTHY ACADIA**

Schedule of Findings and Questioned Costs

September 30, 2021

**Section I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal Control over financial reporting

Material weakness(es) identified? \_\_\_\_\_ Yes     X     No

Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes     X     No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes     X     No

**Federal Awards**

Internal control over major federal programs:

Material weaknesses identified? \_\_\_\_\_ Yes     X     No

Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes     X     No

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 of Uniform Guidance? \_\_\_\_\_ Yes     X     No

Identification of major programs – The following programs listed in the schedule of expenditures of federal awards were audited as major programs

Department	Program	CFDA
Department of Health and Human Services	Substance Abuse and Mental Health Service	93.243
Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000	
Auditee qualified as low-risk auditee?	<u>    X    </u> Yes	<u>        </u> No

**Section II. Financial Statement Findings**

None

**Section III. Federal Award Findings and Questioned Costs**

None

# **HEALTHY ACADIA**

## **MAAP IV REPORTS**

September 30, 2021

**HEALTHY ACADIA**

September 30, 2021

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- **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR COMMUNITY AGENCIES**
- **INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF DEPARTMENTAL AGREEMENTS**
- Schedule of Expenditures of Departmental Agreements
- Schedule of Findings and Questioned Costs





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR COMMUNITY AGENCIES**

The Board of Directors  
Healthy Acadia

**Report on Compliance for Each Major State Program**

We have audited Healthy Acadia's compliance with the types of compliance requirements described in *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP IV) that could have a direct and material effect on each of Healthy Acadia's major state programs for the year ended September 30, 2021. Healthy Acadia's major state programs are identified in the summary of auditors' 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 state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Healthy Acadia's major state 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 *Maine Uniform Accounting and Auditing Practices for Community Agencies, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and MAAP IV 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 state program occurred. An audit includes examining, on a test basis, evidence about Healthy Acadia'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 state program. However, our audit does not provide a legal determination of Healthy Acadia's compliance.

***Opinion on Each Major State Program***

In our opinion, Healthy Acadia 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 state programs for the year ended September 30, 2021.

**Report on Internal Control Over Compliance**

Management of Healthy Acadia 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 Healthy Acadia's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with MAAP IV, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Healthy Acadia'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 state 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 state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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.

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 MAAP IV. Accordingly, this report is not suitable for any other purpose.

*Edwards, Faust + Smith*

March 3, 2022



***Edwards, Faust & Smith***  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF DEPARTMENTAL AGREEMENTS**

The Board of Directors  
Healthy Acadia

We have audited the financial statements of Healthy Acadia as of and for the year ended September 30, 2021, and have issued our report thereon dated March 3, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of departmental agreements is presented for purposes of additional analysis as required by *Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP IV)* 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 schedule of expenditures of departmental agreements is fairly stated in all material respects in relation to the financial statements as a whole.

*Edwards, Faust + Smith*

March 3, 2022

**Healthy Acadia**  
 Schedule of Expenditures of Department Agreements  
 For the Year Ended September 30, 2021

Department Office	Agreement Number	Federal ALN/CFDA	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenditures	State Expenditures	Total Department Expenditures
<b>DHHS:</b>									
<b>Direct</b>									
Office of Substance Abuse	OSA-21-650	93.788	713,000	07/01/20-06/30/21	Substance Abuse Recovery Coach	Final	\$ 566,715	\$ -	\$ 566,715 *
Office of Substance Abuse	OSA-22-650 A		1,092,333	07/01/21-06/30/22	Substance Abuse Recovery Coach	Interim		228,026	228,026 *
Office of Substance Abuse	OSA-22-791		50,000	7/1/21 - 6/30/22	Hancock County Recovery Center	Interim		13,261	13,261
Health and Human Services	COM-22-5732	93.539	100,000	9/1/21 - 12/31/21	Vaccination Support	Interim	5,359		5,359
<b>Indirect</b>									
University of New England	OFI-20-351	10.561		10/1/20 - 9/30/21	Supplemental Nutrition Assistance Program	Final	292,123		292,123
Barbara Bush Children's Hospital at Maine Medical Center	CD0-20-4568		96,780	10/1/19-9/30/21	Let's Go! School Wellness Program	Final		89,937	89,937
The Opportunity Alliance - Maine Youth Action Network	CD0-20-4416	93.558	59,500	10/1/20-9/30/21	Temporary Assistance for Needy Families	Final	54,400		54,400
The Opportunity Alliance - Maine Youth Action Network	CD0-20-4416	93.788	4,250	10/1/20-9/30/21	Opioid STR (State Targeted Response)	Final	4,800		4,800
					Block Grants for Prevention and Treatment of				
The Opportunity Alliance - Maine Youth Action Network	CD0-20-4416	93.959	4,250	10/1/20-9/30/21	Substance Abuse	Final	4,000		4,000
The Opportunity Alliance - Maine Youth Action Network	CD0-20-4416		17,000	10/1/20-9/30/21	Youth Engage	Final		21,800	21,800
Total CD0-20-4416			85,000				63,200	21,800	85,000
Town of Bar Harbor	BH HA 2020-01		2,500	06/08/20-10/31/20	Coronavirus Relief Fund	Final		1,419	1,419
Town of Mount Desert	MD HA 2020-04		3,000	07/01/20-10/31/20	Coronavirus Relief Fund	Final		1,419	1,419
Town of Southwest Harbor	SWH HA 2020-02		2,500	07/01/20-10/31/20	Coronavirus Relief Fund	Final		2,919	2,919
Town of Tremont	TR HA 2020 03		5,000	07/01/20-10/31/20	Coronavirus Relief Fund	Final		3,919	3,919
City of Ellsworth	HA-2020-01		20,000	08/24/20-10/31/20	Coronavirus Relief Fund	Final		12,353	12,353
Maine State Housing Authority	None provided	93.788	108,933	10/1/2020 - 12/31/21	Recovery Residence Pilot Program	Interim	58,097	29,049	87,146
<b>TOTAL</b>							<u>\$ 985,494</u>	<u>\$ 404,102</u>	<u>\$ 1,389,596</u>

**Disclosures:**

Is your Agency required to have a federal Single Audit?

Yes           X            
 No                           

\* - Tested as Major Program

57.19% tested as major programs

This Schedule of Expenditures of Department Agreements was prepared on the accrual basis of accounting, the same basis used to prepare the financial statements.

# HEALTHY ACADIA

## Schedule of Findings and Responses

September 30, 2021

### Section I – Summary of AUDITOR’S Results

#### Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

#### State Agreements

Internal Control over programs tested:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for programs tested	Unmodified
Any audit finding disclosed that are required to be reported in accordance with MAAP IV regulations?	No
Organization qualifies as a low-risk auditee?	No
Identification of programs tested:	

Department	Program Name	Agreement #
OSA	Substance Abuse Recovery Coach	OSA-21-650
OSA	Substance Abuse Recovery Coach	OSA-22-650