

HEALTHY ACADIA
FINANCIAL STATEMENTS
September 30, 2022
With Independent Auditor's Report

Healthy Acadia
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September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Healthy Acadia

Opinion

We have audited the accompanying financial statements of Healthy Acadia (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Healthy Acadia as of September 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Healthy Acadia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Healthy Acadia's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Healthy Acadia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Healthy Acadia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Healthy Acadia's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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 schedule of expenditures of federal awards 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 22, 2023, 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 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 Healthy Acadia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Healthy Acadia's internal control over financial reporting and compliance.

Edwards, Faust + Smith
March 22, 2023

HEALTHY ACADIA

Statement of Financial Position

September 30, 2022
With comparative totals for 2021

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 84,205 | \$ 155,278 |
| Accounts receivable | 1,176,077 | 903,831 |
| Prepaid expenses | 83,699 | 16,224 |
| Total current assets | <u>1,343,981</u> | <u>1,075,333</u> |
| Interest in assets held by Maine Community Foundation (MCF) | 49,096 | 57,408 |
| Property and equipment, net | <u>38,081</u> | <u>40,063</u> |
| Total assets | <u>\$ 1,431,158</u> | <u>\$ 1,172,804</u> |
| LIABILITIES | | |
| Accounts payable | \$ 207,552 | \$ 222,588 |
| Accrued expenses | 220,432 | 187,930 |
| Deferred revenue | 440 | 8,607 |
| Total current liabilities | <u>428,424</u> | <u>419,125</u> |
| NET ASSETS | | |
| Without donor restrictions | | |
| Available for operations | 215,580 | 163,819 |
| Board designated net assets | <u>49,096</u> | <u>57,408</u> |
| Total net assets without donor restrictions | 264,676 | 221,227 |
| With donor restrictions | | |
| Subject to expenditure for specific purpose | <u>738,058</u> | <u>532,452</u> |
| Total net assets | <u>1,002,734</u> | <u>753,679</u> |
| Total liabilities and net assets | <u>\$ 1,431,158</u> | <u>\$ 1,172,804</u> |

See notes to financial statements

HEALTHY ACADIA

Statement of Activities

Year Ended September 30, 2022
With comparative totals for 2021

| | Without Donor Restrictions | With Donor Restrictions | 2022 | 2021 |
|--------------------------------------|----------------------------------|----------------------------|---------------------|-------------------|
| Revenues | | | | |
| Grants and contributions revenue | \$ 3,576,007 | \$ 820,411 | \$ 4,396,418 | \$ 3,899,189 |
| Other income | 2,207 | 82,430 | 84,637 | 169,453 |
| Interest/dividend income | 868 | | 868 | 794 |
| Realized/Unrealized gains (losses) | (8,208) | - | (8,208) | 8,214 |
| Net assets released from restriction | 697,235 | (697,235) | - | - |
| Total revenues | 4,268,109 | 205,606 | 4,473,715 | 4,077,650 |
| Expenses | | | | |
| Program | | | | |
| Healthy Maine Partnerships | 2,767,202 | | 2,767,202 | 2,649,861 |
| Food and nutrition | 524,988 | | 524,988 | 505,460 |
| Mini grant programs/Other | 90,984 | | 90,984 | 86,788 |
| Management and general | 677,157 | | 677,157 | 602,816 |
| Fundraising and development | 164,329 | | 164,329 | 113,336 |
| Total expenses | 4,224,660 | - | 4,224,660 | 3,958,261 |
| Changes in net assets | 43,449 | 205,606 | 249,055 | 119,389 |
| Net assets, beginning of period | 221,227 | 532,452 | 753,679 | 634,290 |
| Net assets, end of period | \$ <u>264,676</u> | \$ <u>738,058</u> | \$ <u>1,002,734</u> | \$ <u>753,679</u> |

See notes to financial statements

HEALTHY ACADIA

Statement of Functional Expenses

Year Ended September 30, 2022
With comparative totals for 2021

| | Programs | | | | Administration | Fund Raising and Development | 2022 | 2021 |
|------------------------|---------------------|-----------------------|------------------------------|---------------------|-------------------|---------------------------------|---------------------|---------------------|
| | Health | Food and Nutrition | Mini grant programs/Other | Total Programs | | | | |
| Bank charges | \$ - | \$ - | \$ - | \$ - | \$ 3,482 | \$ 22 | \$ 3,504 | \$ 4,029 |
| Professional services | 1,824 | - | - | 1,824 | 110,798 | - | 112,622 | 93,660 |
| Insurance | 2,079 | 1,537 | - | 3,616 | 15,343 | - | 18,959 | 17,310 |
| Occupancy / rent | 38,085 | - | - | 38,085 | 181,945 | - | 220,030 | 214,728 |
| Telephone and internet | 10,039 | - | - | 10,039 | 15,769 | - | 25,808 | 23,954 |
| Consulting services | 144,761 | 1,355 | 14,425 | 160,541 | 6,663 | 12,962 | 180,166 | 423,960 |
| Depreciation expense | - | 7,083 | - | 7,083 | 8,437 | - | 15,520 | 14,117 |
| Material and supplies | 178,395 | 54,774 | 5,451 | 238,620 | 47,275 | 35,454 | 321,349 | 188,984 |
| Miscellaneous | 161,478 | 7,610 | 34,287 | 203,375 | 6,507 | 6,720 | 216,602 | 178,131 |
| Fringe benefits | 562,463 | 135,804 | 10,546 | 708,813 | 91,123 | 31,038 | 830,974 | 701,478 |
| Wages and stipends | 1,512,282 | 311,033 | 24,187 | 1,847,502 | 186,153 | 70,798 | 2,104,453 | 1,945,175 |
| Subcontract costs | 124,108 | - | - | 124,108 | - | - | 124,108 | 127,285 |
| Travel and meetings | 31,688 | 5,792 | 2,088 | 39,568 | 3,662 | 7,335 | 50,565 | 22,357 |
| Uncollectible debt | - | - | - | - | - | - | - | 3,093 |
| Total expenses | \$ 2,767,202 | \$ 524,988 | \$ 90,984 | \$ 3,383,174 | \$ 677,157 | \$ 164,329 | \$ 4,224,660 | \$ 3,958,261 |

See notes to financial statements

HEALTHY ACADIA

Statement of Cash Flows

Year Ended September 30, 2022
With comparative totals for 2021

| | <u>2022</u> | <u>2021</u> |
|--|------------------|-------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 249,055 | \$ 119,389 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 15,520 | 14,117 |
| Change in market value of investments and fees | 8,312 | (8,195) |
| Decrease (increase) in | | |
| Accounts receivable | (272,246) | 201,512 |
| Prepaid expenses | (67,475) | 3,566 |
| Increase (decrease) in | | |
| Accounts payable | (15,035) | (193,159) |
| Accrued expenses | 32,501 | (12,961) |
| Deferred revenue | (8,167) | (43,214) |
| Net cash from operating activities | <u>(57,535)</u> | <u>81,055</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | <u>(13,538)</u> | <u>-</u> |
| Net cash from investment activities | <u>(13,538)</u> | <u>-</u> |
| Net change in cash | (71,073) | 81,055 |
| Cash and cash equivalents, beginning of year | <u>155,278</u> | <u>74,223</u> |
| Cash and cash equivalents, end of year | <u>\$ 84,205</u> | <u>\$ 155,278</u> |

See notes to financial statements

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

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 together, 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 prevention of alcohol, tobacco, marijuana, prescription and other substance use, 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. Healthy Acadia's DFC funding in FY22 was in the 15th year of three 5-year awards, which is the maximum allowed. As a result this is the last year of this funding and programming.

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, 2022

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 region, 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, 2022

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 while supporting vibrant, agricultural economies.

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.

HEALTH EQUITY

We at Healthy Acadia are dedicated to working together with individuals and organizations to address health inequities and build healthy communities for all. We are dedicated to responding to community needs and addressing the many barriers to public health. We partner with and facilitate collaboration among diverse individuals and organizations in order to create sustainable and lasting changes to policies and systems that advance equity, diversity, and inclusion, reduce bias, and address the social determinants of health. Programs include:

Downeast Diversity Project

In July 2021, Downeast Diversity Project, a program of Healthy Acadia, launched a monthly podcast entitled, "Downeast Diversity: Stories of People and Culture." The platform provides an opportunity for the Black, Indigenous, and People of Color (BIPOC) Community in Maine, with a focus on Hancock and Washington counties, to do their own storytelling. This collection of stories will also serve as a record of the BIPOC community's contributions to Maine Culture for generations to come.

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

Downeast Rainbow Discord Server

Healthy and Downeast Rainbow Alliance have joined forces to create the Downeast Rainbow Discord Server, an online space for lesbian, gay, bisexual, transgender, queer, questioning, two-spirit, intersex, asexual, nonbinary, and allied youth and young adults ages 13-22 years living in Washington and Hancock counties. Discord, a free service accessible from mobile and desktop devices, allows users to connect in real-time via voice, text or video. The space is moderated to support youth health and resilience, to ensure safety and positive community for all youth involved.

Juneteenth Downeast

Healthy Acadia serves as the fiscal sponsor of Juneteenth Downeast, a Black-led group of community members with a mission to give people of the African diaspora a place to connect, and opportunities to replenish that which was taken away. Juneteenth Downeast hosted the 2022 Juneteenth event in Ellsworth, in collaboration with Greater Bangor Area Branch NAACP, YWCA MDI, MDI Racial Equity Working Group, Downeast Diversity, and WERU Community Radio, and made possible by multiple sponsors and supporters. The event consists of musicians, poets, speakers, restaurants, artisans and museums to provide an engaging, educational, inspirational and fun experience. The event also offers hands-on activities for both children and adults as well as tables for vendors. Through this event, we commemorate the ending of slavery, honor the dedication and sacrifices of so many in the struggle for racial justice, and raise awareness about Juneteenth and the critical ongoing work to tackle racism and advance racial equity.

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.

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

1. Summary of Significant Accounting Policies

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% of total revenue in the fiscal years ended September 30, 2022, and 2021.

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.

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.

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

2. Property and Equipment

Property and equipment consist of the following:

| | 2022 | 2021 |
|-------------------------------|-------------|-------------|
| Equipment | \$ 50,410 | \$ 36,872 |
| Vehicle | 35,415 | 35,415 |
| Less accumulated depreciation | (47,744) | (32,224) |
| | \$ 38,081 | \$ 40,063 |

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
-

Following is a summary of board designated endowment activity:

| | 2022 | 2021 |
|------------------------------|-------------|-------------|
| Beginning investment balance | \$ 57,408 | \$ 49,213 |
| Interest and dividends | 755 | 775 |
| Gains (losses) | (8,208) | 8,214 |
| Fees | (859) | (794) |
| Ending investment balance | \$ 49,096 | \$ 57,408 |

Investments measured at NAV are as follows:

| | | |
|---|-----------|-----------|
| Interest in assets held by Maine Community Foundation | \$ 49,096 | \$ 57,408 |
|---|-----------|-----------|

4. Line of Credit

The Organization has a \$120,000 bank line of credit with Machias Savings Bank with \$0 outstanding in 2022 and 2021. 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 \$192,975 in 2022 and \$196,191 in 2021.

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

| | | |
|-------------|----|---------|
| 2023 | \$ | 193,600 |
| 2024 | | 138,000 |
| 2025 | | 92,000 |
| 2026 | | 56,000 |
| 2027 | | - |

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

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>2022</u> | <u>2021</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 | \$ 96,655 | \$ 89,937 |
| Supplemental Nutrition Assistance Program | 297,028 | 292,123 |
| Substance abuse recovery coach | 1,175,278 | 794,741 |
| Tobacco prevention services | 220,453 | 208,904 |
| State wide substance use prevention services | 165,927 | 181,357 |
| Youth engagement and empowerment | 95,568 | 85,000 |
| Hancock County Recovery Center | 56,391 | 13,261 |
| Maine State Housing Authority Recovery Residence | 87,146 | 87,146 |
| <u>Federal Grants (direct and pass-through)</u> | | |
| Drug Free Communities Support program | 141,284 | 139,370 |
| Rural Healthcare Services Outreach and Planning Grants | 309,892 | 299,147 |
| Rural Healthcare Services Opioid grant | 186,311 | 42,621 |
| Rural Health Outreach and Network Development | 248,564 | |
| Downeast medicated assisted treatment | - | 611,282 |
| AmeriCorps recovery program | - | 249,128 |
| Vaccination Support | 264,641 | - |
| Other | 51,931 | 49,136 |
| Total State and Federal government grants | <u>3,397,069</u> | <u>3,143,153</u> |
| <u>Other Grants and Contributions</u> | | |
| Private grants and contributions - Unrestricted | 178,938 | 85,028 |
| Private grants and contributions - Restricted | 820,411 | 671,008 |
| | <u>\$ 4,396,418</u> | <u>\$ 3,899,189</u> |
| Accounts receivable consists of the following: | | |
| | <u>2022</u> | <u>2021</u> |
| <u>State of Maine Grants (direct and pass-through)</u> | | |
| Maine Department of Health and Human Services (DHHS) | \$ 552,550 | \$ 338,568 |
| Other Maine Departments | 46,019 | 18,110 |
| <u>Federal Grants (direct)</u> | <u>256,032</u> | <u>216,306</u> |
| Total State and Federal government grants | 854,601 | 572,984 |
| <u>Other</u> | | |
| Other amounts | 321,476 | 330,847 |
| | <u>\$ 1,176,077</u> | <u>\$ 903,831</u> |
| | <u>2021</u> | <u>2020</u> |
| Deferred revenue represents grants collected but not earned | | |
| Federal Grants | \$ 440 | \$ 8,607 |

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

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>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Administrative operations | \$ 8,597 | \$ 12,011 |
| Development | 281,295 | 142,065 |
| Food programs | 76,721 | 99,211 |
| Health programs | 336,407 | 247,350 |
| Other programs | 35,038 | 31,815 |
| | <u>\$ 738,058</u> | <u>\$ 532,452</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 \$47,041 for 2022 and \$40,865 for 2021; the bonuses were \$96,978 in 2022 and \$81,472 in 2021.

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>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Current assets | \$ 1,343,981 | \$ 1,075,334 |
| Less: prepaid expenses | <u>(83,699)</u> | <u>(16,224)</u> |
| Financial assets available to meet cash needs for general purpose within one year | <u>\$ 1,260,282</u> | <u>\$ 1,059,110</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 \$49,096 that could be used if necessary.

HEALTHY ACADIA

Notes to Financial Statements

September 30, 2022

11. 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.

12. Subsequent Events

Subsequent events have been evaluated through March 22, 2023, 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*

To the Board of Directors of
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, 2022, 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 22, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Healthy Acadia's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Edwards, Faust + Smith

March 22, 2023



**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

Opinion on Each Major Federal Program

We have audited Healthy Acadia compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Healthy Acadia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Healthy Acadia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Healthy Acadia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Healthy Acadia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Healthy Acadia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Healthy Acadia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Healthy Acadia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Healthy Acadia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Edwards, Faust + Smith

March 22, 2023

HEALTHY ACADIA

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

| Grantor/Program Title | Federal ALN 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 | \$ 186,311 | \$ - |
| Drug-Free Communities Support Program Grants | 93.276 | 5 NH28CE002700-10-00 | 141,284 | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 5H79SP081695-02 | 309,892 | |
| Telehealth Programs | 93.211 | 1 GA1RH42896-01-00 | 248,564 | |
| Total Direct Funding | | | <u>886,051</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-22-351 | 297,028 * | |
| Maine Department of Agriculture Emergency Food Assistance Program (Administrative Costs) | 10.568 | CT #: 20210406 2661 | 45,994 | |
| U.S. Department of Health and Human Services Maine Department of Health and Human Services Opioid STR (State Targeted Response) | 93.788 | OSA-23-650 | 238,678 | |
| PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance | 93.539 | COM-22-5732 | 264,641 * | |
| Maine State Housing Authority Opioid STR (State Targeted Response) | 93.788 | | 87,146 | |
| University of New England Block Grants for Prevention and Treatment of Substance Abuse | Covid-19 93.959 | CDO-20-4425 | 35,901 | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | CDO-20-4425 | 106,385 | |
| Opioid STR (State Targeted Response) | 93.788 | CDO-20-4425 | 23,641 | |
| The Opportunity Alliance Temporary Assistance for Needy Families | 93.558 | CDO-20-4416 | 64,969 | |
| Substance Abuse Block Grant | 93.959 | CDO-20-4416 | 4,276 | |
| Opioid STR (State Targeted Response) | 93.788 | CDO-20-4416 | 5,593 | |
| University of Massachusetts Medical Library Assistance | 93.879 | 5UG4LM012347-07 | 3,595 | |
| U.S. Department of Treasury Maine Department of Education Coronavirus State and Local Fiscal Recovery Funds | Covid-19 21.027 | 2022081*0348 | 2,343 | |
| Total Pass Through Funding | | | <u>1,180,190</u> | <u>-</u> |
| Grand Total of Federal Awards Expended | | | <u>\$ 2,066,241</u> | <u>\$ -</u> |
| | Federal ALN | | 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 | | \$ 297,028 * | \$ - |
| Emergency Food Assistance Program (Administrative Costs) | 10.568 | | 45,994 | |
| Substance Abuse and Mental Health Services Projects of Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | 2,343 | |
| Telehealth Programs | 93.211 | | 248,564 | |
| Regional and National Significance | 93.243 | | 309,892 | |
| Drug-Free Communities Support Program Grants | 93.276 | | 141,284 | |
| PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance | 93.539 | | 264,641 * | |
| Temporary Assistance for Needy Families | 93.558 | | 64,969 | |
| Opioid STR | 93.788 | | 355,058 | - |
| Medical Library Assistance | 93.879 | | 3,595 | |
| Rural Health Care Services Outreach, Rural Health Networks Development and Small Health Care Provider Quality Improvement | 93.912 | | 186,311 | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | | 146,562 | |
| | | | <u>\$ 2,066,241</u> | <u>\$ -</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, 2022

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 | ALN |
|---|---|--------|
| United States Department of Agriculture | Supplemental Nutrition Assistance Program – Education | 10.561 |
| United States Department of Health and Human Services | Prevention and Public Health Fund: Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance | 93.539 |
| Dollar threshold used to distinguish between Type A and Type B Programs | \$750,000 | |
| Auditee qualified as low-risk auditee? | _____ <u> X </u> Yes _____ No | |

Section II. Financial Statement Findings

None

Section III. Federal Award Findings and Questioned Costs

None