



YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

YOUTH AND FAMILY ALTERNATIVES, INC.

AND SUPPORTING ORGANIZATION

COMBINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Youth and Family Alternatives, Inc.
The Youth and Family Alternatives Foundation, Inc.
New Port Richey, Florida

Report on the Financial Statements

We have audited the accompanying combined financial statements of Youth and Family Alternatives, Inc. (a nonprofit organization) and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization), which comprise the combined statement of financial position as of June 30, 2019, and the related combined statement of activities and changes in net assets, combined statement of functional expenses, and combined statement of cash flows for the year then ended, and the related notes to the combined 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization'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 Organization'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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Reeder + Associates, PA

Certified Public Accountants
November 8, 2019

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019**

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 5,242,414	\$ 10,463	\$ -	\$ 5,252,877
Accounts receivable	1,987,724	-	-	1,987,724
Pledge receivable	25,000	-	-	25,000
Due from Supporting Organization	820	-	(820)	-
Prepaid expenses	135,797	-	-	135,797
Total Current Assets	7,391,755	10,463	(820)	7,401,398
Investments	874,754	908,289	(874,754)	908,289
Beneficial interest in Community Foundation	126,932	-	-	126,932
Deferred compensation plan assets	476,786	-	-	476,786
Property and equipment, net	4,010,681	-	-	4,010,681
Construction in process	1,823,551	-	-	1,823,551
Deposits	29,266	-	-	29,266
Total Assets	\$ 14,733,725	\$ 918,752	\$ (875,574)	\$ 14,776,903
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 1,646,147	\$ -	\$ -	\$ 1,646,147
Deferred revenue	36,874	-	-	36,874
Due to YFA	-	820	(820)	-
Total Current Liabilities	1,683,021	820	(820)	1,683,021
Deferred compensation plan liability	476,786	-	-	476,786
Amounts invested on behalf of YFA	-	874,754	(874,754)	-
Total Liabilities	2,159,807	875,574	(875,574)	2,159,807
Net Assets				
Without donor restrictions:				
Undesignated	6,587,754	43,178	-	6,630,932
Board designated for endowment	126,932	-	-	170,110
Invested in property and equipment	5,834,232	-	-	5,834,232
Total net assets without donor restrictions	12,548,918	43,178	-	12,635,274
With donor restrictions:				
Purpose and time restrictions	25,000	-	-	25,000
Total net assets with donor restrictions	25,000	-	-	25,000
Total Net Assets	12,573,918	43,178	-	12,660,274
Total Liabilities and Net Assets	\$ 14,733,725	\$ 918,752	\$ (875,574)	\$ 14,820,081

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these combined financial statements.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019**

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
Changes in Net Assets Without Donor Restrictions:				
REVENUES				
Grants and contracts	\$ 21,996,120	\$ -	\$ -	\$ 21,996,120
Housing project grants and contracts	987,500	-	-	987,500
United Way	99,405	-	-	99,405
Contributions	120,376	-	-	120,376
In-kind contributions	261,699	-	-	261,699
Other revenue	55,715	-	-	55,715
Investment return	61,936	43,998	-	105,934
	<u>23,582,751</u>	<u>43,998</u>	<u>-</u>	<u>23,626,749</u>
Special events	86,471	-	-	86,471
Less direct cost of special events	(41,437)	-	-	(41,437)
	<u>45,034</u>	<u>-</u>	<u>-</u>	<u>45,034</u>
Net assets released from donor restrictions	750,200	-	-	750,200
Total Revenues	<u>24,377,985</u>	<u>43,998</u>	<u>-</u>	<u>24,421,983</u>
EXPENSES				
Program Services:				
Youth Crisis Shelters	3,171,004	-	-	3,171,004
Prevention	1,916,790	-	-	1,916,790
Foster Care & Adoption Services	14,804,254	-	-	14,804,254
Supportive Housing	164,332	-	-	164,332
	<u>20,056,380</u>	<u>-</u>	<u>-</u>	<u>20,056,380</u>
Support Services:				
Management and general	1,978,008	-	-	1,978,008
Fund development	87,847	820	-	88,667
	<u>2,065,855</u>	<u>820</u>	<u>-</u>	<u>2,066,675</u>
Total Expenses	<u>22,122,235</u>	<u>820</u>	<u>-</u>	<u>22,123,055</u>
Change in Net Assets Without Donor Restrictions	<u>2,255,750</u>	<u>43,178</u>	<u>-</u>	<u>2,298,928</u>
Changes in Net Assets With Donor Restrictions:				
Net assets released from restrictions	(750,200)	-	-	(750,200)
Change in Net Assets With Donor Restrictions	<u>(750,200)</u>	<u>-</u>	<u>-</u>	<u>(750,200)</u>
INCREASE (DECREASE) IN NET ASSETS	1,505,550	43,178	-	1,548,728
NET ASSETS, beginning of year	<u>11,068,368</u>	<u>-</u>	<u>-</u>	<u>11,068,368</u>
NET ASSETS, end of year	<u>\$ 12,573,918</u>	<u>\$ 43,178</u>	<u>\$ -</u>	<u>\$ 12,617,096</u>

Read Report of Independent Certified Public Accountants.
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of these combined financial statements.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Youth Crisis Shelters	SUPPORT SERVICES						Total Support Services	Total Expenses
		Prevention	Foster Care & Adoption Services	Supportive Housing	Total Program Services	Management and General	Fund Development		
Salaries, benefits and payroll taxes	\$ 2,360,021	\$ 1,347,581	\$ 12,637,596	\$ 119,567	\$ 16,464,765	\$ 1,503,832	\$ 77,574	\$ 1,581,406	\$18,046,171
Inkind teacher salaries	-	229,795	-	-	229,795	-	-	-	229,795
Professional fees	8,136	4,644	96,988	3,588	113,356	18,349	155	18,504	131,860
Contract services	17,009	9,464	75,635	25,254	127,362	82,872	823	83,695	211,057
Office expenses	71,107	31,991	220,515	2,159	325,772	102,335	5,587	107,922	433,694
Equipment expenses	62,184	3,415	299,538	50	365,187	22,277	70	22,347	387,534
Occupancy expenses	180,426	64,098	313,053	5,971	563,548	76,709	1,457	78,166	641,714
Donated facilities	-	31,904	-	-	31,904	-	-	-	31,904
Travel expenses	20,951	46,497	426,334	384	494,166	20,473	-	20,473	514,639
Conference and meetings	3,418	2,978	7,307	575	14,278	-	-	-	14,278
Memberships and fees	57,996	24,052	38,995	545	121,588	12,935	2,181	15,116	136,704
Insurance expense	151,973	45,510	580,688	1,596	779,767	14,112	-	14,112	793,879
Program expenses	107,332	71,266	68,579	803	247,980	4,406	-	4,406	252,386
Recruitment costs	13,613	1,411	21,797	14	36,835	-	-	-	36,835
Other operating expenses	5,921	2,184	17,229	3,826	29,160	53,580	820	54,400	83,560
Total expenses before interest and depreciation	3,060,087	1,916,790	14,804,254	164,332	19,945,463	1,911,880	88,667	2,000,547	21,946,010
Depreciation	110,503	-	-	-	110,503	65,714	-	65,714	176,217
Interest	414	-	-	-	414	414	-	414	828
TOTAL EXPENSES	\$ 3,171,004	\$ 1,916,790	\$ 14,804,254	\$ 164,332	\$ 20,056,380	\$ 1,978,008	\$ 88,667	\$ 2,066,675	\$22,123,055

Read Report of Independent Certified Public Accountants.
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**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase (Decrease) in Net Assets	\$ 1,505,550	\$ 43,178	\$ -	\$ 1,548,728
<i>Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:</i>				
Depreciation	176,217	-	-	176,217
Unrealized (gain) loss on investments	1,225	4,212	-	5,437
(Increase) decrease in accounts receivable	(357,616)	-	-	(357,616)
(Increase) decrease in pledge receivable	184,650	-	-	184,650
(Increase) decrease in prepaid expenses	(2,870)	-	-	(2,870)
(Increase) decrease in deposits	4,882	-	-	4,882
Increase (decrease) in accounts payable and accrued expenses	503,450	-	-	503,450
Increase (decrease) in deferred revenue	36,874	-	-	36,874
Total adjustments	546,812	4,212	-	551,024
Net cash provided (used) by operating activities	2,052,362	47,390	-	2,099,752
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for construction in progress	(1,247,676)	-	-	(1,247,676)
Reinvestment of investment interest and gains	(17,171)	(47,390)	-	(64,561)
Reinvestment of interest on beneficial interest in Community Foundation	(4,229)	-	-	(4,229)
Sales of beneficial interest in Community Foundation	7,050	-	-	7,050
Net cash provided (used) by investing activities	(1,262,026)	(47,390)	-	(1,309,416)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments of long term debt	(9,315)	-	-	(9,315)
Net cash provided (used) by financing activities	(9,315)	-	-	(9,315)
Net increase (decrease) in cash and cash equivalents	781,021	-	-	781,021
CASH AND CASH EQUIVALENTS, beginning of year	4,461,393	10,463	-	4,471,856
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,242,414</u>	<u>\$ 10,463</u>	<u>\$ -</u>	<u>\$ 5,252,877</u>
Disclosure of non-cash investing activities:				
Transfer of investments from YFA to Supporting Organization	<u>\$ (379,914)</u>	<u>\$ 379,914</u>	<u>\$ -</u>	<u>\$ -</u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these combined financial statements.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A – DESCRIPTION OF ORGANIZATION

The Organization consists of Youth and Family Alternatives, Inc. and its supporting organization, The Youth and Family Alternatives Foundation, Inc.

Youth and Family Alternatives, Inc. (YFA) was incorporated in August 1970 and operates as a Florida not-for-profit corporation. The Organization is a provider of social services to children and families throughout central Florida and provides the following services:

Youth Crisis Shelters programs include:

The Runaway, Homeless and Youth Crisis Shelters serve youth and their families promoting positive family interactions, resource referrals, and temporary residential care. Our goal is to help families ensure a healthy and safe environment in which to flourish; a nurturing, supportive environment free of drugs and alcohol abuse, of physical, emotional and sexual abuse. These programs assist youth ages 10 through 17 who:

- Are runaway or homeless
- Are “locked out” or “kicked out” of their home by parents or guardians
- Need short-term respite or crisis placement due to family conflict
- Need emergency shelter placement due to abuse and/or neglect
- Need emergency placement due to foster home placement disruption

Runaway, Homeless and Youth Crisis Shelters are there for children who often need an emergency “Safe Place.” Their needs are real, and the protection and care they are given during this transition is critical to their well-being now and for the future.

Prevention programs include:

Family Help is a juvenile justice prevention program designed to assist families who have a child that is a runaway, truant, and/or ungovernable or at-risk of these behaviors. Services are aimed at preventing youth from entering the child welfare and/or the juvenile justice system by providing an array of services to strengthen the family. Services are available to families residing in Pasco, Hernando, Citrus, Sumter, Polk, Highlands, and Hardee Counties.

Caring Schools Community creates a caring school environment characterized by kind and supportive relationships and collaboration among students, staff, and parents. The model is consistent with research-based practices for increasing student achievement. By creating a caring school community, the program seeks to promote pro-social values, increase academic motivation and achievement, and prevent drug use, violence, and delinquency.

Community Partnership Schools program aims to increase academic achievement, bridge the gap between school and home, increase student attendance, increase family engagement, and provide a safe, positive environment for students and families.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A – DESCRIPTION OF ORGANIZATION (continued)

Foster Care and Adoption Services programs include:

Foster Care Case Management Professional case management staff work with families and caregivers to access and coordinate services that are available and appropriate to the child's situation. Service needs for a child in the home with a parent may vary greatly from the needs of a child that has been removed from a parent or caregiver. Case Managers coordinate the delivery of community services to families and caregivers of the children in care. Case Management services are provided to:

- Preserve intact families by strengthening and educating parents and caregivers;
- Reunify children who have been removed from their family;
- Maintain a stable, safe placement for children who are in out-of-home care; and;
- Locate appropriate, safe, and permanent placements for children who cannot be returned to their parents or caregivers.

Case Managers assist parents with accessing a variety of community services that are available and appropriate to their situation. The goal is to ensure parents have the tools, services, and support they need to independently provide a safe, nurturing environment for their children.

Adoption Case Management The Organization works hard to find a loving and nurturing "forever family" for each local foster child who is available to be adopted. There are many children of all ages who are available for adoption. These children deserve a family that will provide a safe and stable environment for them so they can reach their full potential. Adoption Case Managers conduct a comprehensive Child Study of each child that is available for adoption in order to recruit the most appropriate adoptive family. The primary goal is to always recruit adoptive parents that will meet the unique needs of each foster child.

Supportive Housing includes:

The Commons at Speer Village (Speer Village) is a new supportive housing project that will consist of 56 apartments currently under development by YFA. Residents will have annual earnings less than 50% of the HUD median income for the area and/or be homeless, recipients of Medicaid or recipients of HUD 811 funding. Residents will have the support of either an on-site Supported Living Coach or a Case Manager depending on their level of need.

Speer Village Phase I opened in August 2019 and consists of 6 supportive housing units that serve 8 developmentally disabled adults.

Speer Village Phase II is in the development phase and will consist of 50 supportive housing units that will serve over 100 low to moderate income individuals, families and youth aging out of the foster care system.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A – DESCRIPTION OF ORGANIZATION (continued)

The Youth and Family Alternatives Foundation, Inc. (the Supporting Organization) is a supporting organization whose purpose is to receive, hold, manage and invest funds to benefit Youth and Family Alternatives, Inc. The Supporting Organization is a Florida not-for-profit corporation established in 2011.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Combination

The combined financial statements include the accounts of Youth and Family Alternatives, Inc. and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization). The management and control of the supporting organization is at all times to be vested in the persons who control or manage YFA. Fifty percent (50%) of the Board of the Supporting Organization consists of members of the Board of Directors of YFA. As such, combination is required by Financial Accounting Standards Board (FASB) Accounting Standards Codification 958-810 Not-for-Profit Entities Consolidation. All material inter-organizational transactions have been eliminated.

Basis of Presentation

In August 2016, the FASB issued ASU 2016-14 (the ASU), Not-for-Profit Entities (Topic 958), to make improvements to a not-for-profit entity's (NFPs) current financial reporting on net assets, expenses, liquidity, financial performance and cash flows. These improvements are intended to provide more useful information to donors, grantors, creditors and other users of a NFPs financial statements. The ASU is effective for fiscal years beginning after December 15, 2017 and the Organization has adopted the ASU for the year ended June 30, 2019.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that:

- may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- are maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Cash and Cash Equivalents

The Organization considers currency on hand, demand deposits and money market funds as cash. Cash equivalents would consist of highly liquid debt instruments purchased with maturities of three months or less.

Grants and Contracts Receivable

Grants and contracts receivable result from services which have been provided pursuant to various State and Federal grants and contracts, but for which reimbursement has not yet been received at June 30, 2019. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at June 30, 2019.

Grant and Contract Revenues

Revenues from grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. As of June 30, 2019, grants and contracts were 97% of total revenue, with 90% of the funding from four agencies (30%, 24%, 18% and 18%, respectively).

Pledge Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment

Property and equipment are stated at historical cost and depreciated using the straight-line method over the estimated useful lives of each asset ranging from 3 to 39 years. Acquisitions of property and equipment in excess of \$5,000 are capitalized. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in earnings.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Facilities and Services

Donated facilities are reflected in the accompanying financial statements as revenue and expense based on the fair rental value of comparable facilities.

Donated services are recorded at their approximate fair value if they create or enhance non-financial assets, are of a specialized nature, are provided by an individual possessing those skills, and would have been purchased if not donated.

Fair Value of Financial Instruments

Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, grants and contracts receivable, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value due to the short term nature of these instruments.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. The Organization places its cash with creditworthy, high quality financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses from its deposits. The amount in excess of the FDIC limit totaled \$4,945,086 at June 30, 2019.

Additional financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of grant and contract receivables from State of Florida agencies. At June 30, 2019 approximately 78% of grant and contract receivables were from four agencies (14%, 17%, 20%, and 27%, respectively).

Concentration of credit risk with respect to grants receivable is minimized due to the amounts being backed by the government. The Organization has not experienced any material losses with respect to its receivables.

Income Tax Status

The Organization is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions that is has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2016.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses for each year presented. Expenses that are associated with a specific program are charged directly to that program. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, payroll taxes, employee benefits, mileage and travel, employee training, insurance, certain supplies, and dues and subscriptions. Rent, building repair and maintenance, and utilities are allocated on a square footage basis. Depreciation is allocated based on the percentage of non-payroll expenses to total non-payroll expenses for each program and supporting function.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date.

	2019
Financial assets:	
Cash and cash equivalents	\$ 5,252,877
Investments	908,289
Accounts receivable	1,987,724
Pledge receivable	25,000
Beneficial interest in Community Foundation	126,932
 Total financial assets	 8,300,822
 Less those unavailable for general expenditure within one year:	
Investments	(908,289)
Beneficial interest in Community Foundation	(126,932)
	 \$ 7,265,601

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The Organization receives significant grants and contributions restricted by funders and donors. The Organization considers grants and contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with Professional Standards, *Fair Value Measurements* establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under Professional Standards are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used for the assets measured at fair value:

Investments in mutual funds, stocks and money market funds are valued at the closing price on the active market which the individual securities are traded.

Beneficial interest in Community Foundation is valued at the fair value of the investments of the related trust.

Deferred Compensation plan assets are valued at the fair value of the investments of the underlying individual statements of plan participants.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2019:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Short term investments	\$ 10,427	\$ 10,427	\$ -	\$ -
Mutual funds	897,862	897,862	-	-
Deferred compensation plan	446,786	-	-	446,786
Beneficial interest in Community Foundation	126,932	-	-	126,932
Total	<u>\$ 1,482,007</u>	<u>\$ 908,289</u>	<u>\$ -</u>	<u>\$ 573,718</u>

The reconciliation of the changes in the deferred compensation plan and funds held in trust by others measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows:

	<u>Deferred compensation plan</u>	<u>Beneficial interest in Community Foundation</u>
Balance at June 30, 2018	\$ 399,373	\$ 129,753
Contributions to plan	60,000	-
Amounts used for programs	-	(7,050)
Net change (realized and unrealized)	<u>17,413</u>	<u>4,229</u>
Balance at June 30, 2019	<u>\$ 476,786</u>	<u>\$ 126,932</u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE E – BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

The Community Foundation of Tampa Bay, Inc. (Community Foundation) holds funds for which the earnings have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investing purposes.

“Agency restricted funds” which were established for the Organization within the Community Foundation had fair market values of approximately \$126,932 at June 30, 2019.

At June 30, 2019, the Community Foundation held \$47,688 in designated funds for the benefit of the Organization. The Community Foundation has full variance power for directing the use of these funds. As a result, these funds are not recorded on the Organization’s combined financial statements.

NOTE F – PROPERTY AND EQUIPMENT

At June 30, 2019, property and equipment consist of the following:

	2019
Land	\$ 872,323
Building	5,670,736
Furniture and equipment	422,664
Vehicles	129,081
	7,094,804
Less accumulated depreciation	(3,084,123)
Net property and equipment	\$ 4,010,681

NOTE G –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$25,000 at June 30, 2019 are comprised of a pledge receivable due in December 2019 for the supportive housing program.

Net assets with donor restrictions of \$750,200 related to the supportive housing program were released in satisfaction of restrictions during the year ended June 30, 2019.

NOTE H – MATCHING REQUIREMENTS OF FEDERAL AND STATE GRANTS

The Organization has complied with all matching requirements provided for by its Federal and State grants. Accordingly, no match liability exists at June 30, 2019.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE I – DONATED FACILITIES AND SERVICES

Donated facilities and services for the year ended June 30, 2019 consisted of the following:

Prevention Program:

Teacher salaries	\$ 229,795
Use of facilities	<u>31,904</u>
Total	<u>\$ 261,699</u>

NOTE J – EMPLOYEE BENEFIT PLAN

The Organization has a tax deferred annuity plan covering substantially all employees. Annually the Organization may make a discretionary contribution at a rate equal to a percentage of each participant's compensation. Participating employees may also elect to contribute a percentage of their compensation. Participants fully vest in their accounts immediately. During the year ended June 30, 2019, the Organization made contributions totaling \$258,726 to the plan. The Organization incurred no administrative expenses related to the plan during the year ended June 30, 2019.

NOTE K – 457(b) NON-QUALIFIED DEFERRED COMPENSATION PLAN

The Organization has implemented a supplemental retirement plan for its senior staff executives. This plan allows the Organization to make contributions to a 457(b) employee account. The Organization contributed \$60,000 to the plan for the year ended June 30, 2019. The Organization incurred no administrative expenses related to the plan during the year ended June 30, 2019.

NOTE L – LEASES

The Organization leases certain facilities, vehicles and equipment for the operation of its programs under long-term operating leases through 2023. The following is a schedule by year of future minimum lease payments required under such operating leases which have initial or remaining non-cancelable lease terms as of June 30, 2019:

<u>Year ended June 30,</u>	
2020	\$ 413,321
2021	204,453
2022	119,982
2023	30,313

Lease expense incurred for facilities, included in occupancy expense, and vehicle and equipment expenses totaled \$392,487 for the year ended June 30, 2019.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE M – COMMITMENTS AND CONTINGENCIES

The Organization is the recipient of grants and other third-party reimbursement funds that are subject to special compliance audits by the granting agency and other third party agencies that provide these reimbursements. The results of these audits may result in disallowed expense amounts. Disallowed amounts, if any, would constitute a contingent liability of the Organization. Accordingly, such liabilities are not reflected in the financial statements. The Organization does not believe any contingent liabilities, if any to be material.

Contractor and Consultant Agreements

During the year ended June 30, 2018, the Organization entered into a construction contract to build Supportive housing units for individuals with special needs. The project, known as the Commons at Speer Village is being funded by private donations and state and local grants. The total contract commitment with change orders was \$1,431,280. At June 30, 2019, \$1,089,626 was spent on the contract leaving a commitment of \$341,654.

Employment Agreement

In April 2017, the Organization entered into a five-year employment agreement with the Chief Executive Officer (CEO). At June 30, 2019, the amount of commitment remaining on the contract is approximately \$467,500. In the event of termination of the contact by either party, the CEO would only be entitled to compensation accrued through the effective date of the termination.

NOTE N – AVAILABLE LINES OF CREDIT

The Organization has a \$1,000,000 bank line of credit available for its periodic borrowing needs. The line of credit expires January 30, 2020 and is renewable annually. Any borrowings under the line of credit are due on demand and bear interest at Daily LIBOR Rate plus 2.5% (4.702% at June 30, 2019). There were no outstanding borrowings on the line of credit at June 30, 2019.

The Organization has a Visa Commercial Card agreement with a bank. This agreement allows for several cardholders with specified spending limits. The collective credit limit for all cards under the agreement is \$350,000. The balance on the collective account is paid monthly.

NOTE O – DEVELOPER AGREEMENT AND DEFERRED PAYMENT MORTGAGE

During the year ended June 30, 2018, the Organization entered into a developer agreement with Pasco County (the County) to assist the County in utilizing funds provided through the Neighborhood Stabilization Program, the Home Investments Partnership Program, and the State Housing Initiatives Partnership Program. Pursuant to the agreement, the Organization is developing a six unit, eight-person supportive living facility in New Port Richey for developmentally disabled adults. The construction of the rental units was completed in August 2019. The agreement also includes the execution of a 50-year, \$875,000 deferred mortgage and promissory note with the County, secured by the facility. The deferred mortgage and promissory note become payable if the Organization stops using the property as a rental property for the designated income level and persons with special needs or does not properly maintain the property during the 50-year period.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE P – ENDOWMENT

The Organization has established funds functioning as an endowment (the endowment) for a source of operating funds for the future needs of the Organization. Monies designated by the Board to the endowment are unrestricted and donor restricted contributions are limited to the benefit of the building.

The Community Foundation of Tampa Bay (Community Foundation) also holds endowment funds for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investment purposes.

“Agency restricted funds” which were established for the Organization within the Community Foundation had fair market values of \$126,932 at June 30, 2019.

In accordance with professional standards, the Organization provides the composition of the endowment by net asset class and the endowment related activities for the year ended June 30, 2019. No change in the net asset classification of the endowment fund is required.

Endowment Net Asset Composition by Type of Fund as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds – Board designated Registered investment companies	\$ 908,289	\$ -	\$ 908,289
Community Foundation	126,932	-	126,932
Total funds	<u>\$1,035,221</u>	<u>\$ -</u>	<u>\$1,035,221</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 978,918	\$ -	\$ 978,918
Investment Income	11,884	-	11,884
Net appreciation	51,469	-	51,469
Amounts appropriated for expenditure	<u>(7,050)</u>	<u>-</u>	<u>(7,050)</u>
Endowment net assets, end of year	<u>\$ 1,035,221</u>	<u>\$ -</u>	<u>\$ 1,035,221</u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE P – ENDOWMENT (continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide a source of operating funds for the future needs of the Organization. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner to achieve the overall target asset allocation of equity, fixed income and cash, minimize risk and maximize return within acceptable guidelines and achieve a competent rate of return.

Interpretation of Relevant Law

The Board of Directors has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization for the donor's intended purpose. In accordance with Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The purposes of the organization and the donor-restricted endowment fund
- 2) General economic conditions
- 3) The possible effect of inflation and deflation
- 4) The expected total return from income and the appreciation of investments
- 5) Other resources of the organization
- 6) The investment policies of the Organization.

Spending Policy

The original donor restricted contributions to the endowment and subsequent contributions are restricted for the benefit of the building. Amounts designated by the board of directors are for the purpose of building the endowment which revenues will be available for the future core needs of the Organization. Except for Board identified emergency, any designated contributions into the endowment should not be withdrawn. No part of the contributions or the net earnings of the funds shall inure to the benefit of any individual.

NOTE Q – RELATED PARTY TRANSACTIONS

A member of the board of directors is also a commercial lender at one of the financial institutions that the Organization maintains certain of its banking deposits. At June 30, 2019, 9% of all bank account deposits were held at this financial institution.

NOTE R – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 8, 2019, the date the financial statements were available to be issued.

Read Report of Independent Certified Public Accountants.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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 Youth and Family Alternatives, Inc.
The Youth and Family Alternatives Foundation, Inc.
New Port Richey, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Youth and Family Alternatives, Inc. (a nonprofit organization), and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization) which comprise the combined statement of financial position as of June 30, 2019, and the related combined statement of activities and changes in net assets, combined statement of functional expenses, and combined statement of cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

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

Handwritten signature in cursive script that reads "Becker + Associates, PA".

Certified Public Accountants
November 8, 2019

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULES (SAMH)**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
SUPPLEMENTARY INFORMATION – SUBSTANCE ABUSE AND
MENTAL HEALTH SERVICES SCHEDULES**

To Youth and Family Alternatives, Inc.
The Youth and Family Alternatives Foundation, Inc.
New Port Richey, Florida

We have audited the combined financial statements of Youth and Family Alternatives, Inc. (a nonprofit organization) and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization) as of and for the year ended June 30, 2019 and have issued our report thereon dated November 8, 2019. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying Substance Abuse and Mental Health Services schedules presented on pages 25-27 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Reeder & Associates, PA

Certified Public Accountants
November 8, 2019

**YOUTH AND FAMILY ALTERNATIVES, INC.
INDEX TO SUPPLEMENTAL SCHEDULES ON
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
YEAR ENDED JUNE 30, 2019**

	<u>Page</u>
Required Substance Abuse and Mental Health Schedules:	
Schedule of State Earnings	25
Schedule of Related Party Transactions	26
Schedule of Program Actual Revenues and Expenses	27
Schedule of Bed-Day Availability Payments	Not Applicable

**YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2019**

1	Total Expenditures	\$	566,142
2	Less Other State and Federal Funds		(402,417)
3	Less Non-Match SAMH Funds		-
4	Less Unallowable Costs per 65E-14, FAC		<u>-</u>
5	Total Allowable Expenditures (Sum of lines 1,2,3, and 4)	\$	<u>163,725</u>
6	Maximum Available Earnings (Line 5 times 75%)	\$	122,794
7	Amount of State Funds Requiring Match		<u>-</u>
8	(Amount Due to Department) Excess Match (Subtract line 7 from line 6)	\$	<u>122,794</u>

Read Report of Independent Certified Public Accountants on Supplementary Information.

**YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2019**

THIS SCHEDULE IS NOT APPLICABLE

SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS

\$ -

Read Report of Independent Certified Public Accountants on Supplementary Information.

**YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULE OF PROGRAM ACTUAL REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Funding Sources And Revenues</u>	<u>CENTER</u> <u>Prevention</u> <u>(CSC)</u>
STATE SAMH FUNDING	
Central Florida Behavioral Health Network	\$ 402,417
ALL OTHER REVENUES	
In-kind	261,699
TOTAL REVENUES	\$ 664,116
Expense Categories	
Personnel Expense	
Salaries	\$ 244,217
Fringe Benefits	480
Total Personnel Expenses	244,697
Other Expenses	
Building Occupancy	171
Professional Services	691
Travel	975
Equipment	20
Food Services	-
Medical and Pharmacy	-
Subcontracted Services	-
Insurance Expense	13,205
Interest	-
Operating Supplies & Expenses	4,512
Other	-
Donated Items (in-kind)	261,699
Total Other Expenses	281,273
Total Personnel and Other Expenses	525,970
Distributed Indirect Costs	
Administration	\$ 40,172
Total Distributed Indirect Costs	40,172
TOTAL OPERATING EXPENSES	566,142
Unallowable Costs	-
TOTAL ALLOWABLE OPERATING EXPENSES	566,142
Capital Expenditures	-
TOTAL EXPENSES	\$ 566,142

Read Report of Independent Certified Public Accountants on Supplementary Information.

**SINGLE AUDIT REPORT AND
SUPPLEMENTARY INFORMATION**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL
ASSISTANCE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY
UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL,
STATE OF FLORIDA**

To Youth and Family Alternatives, Inc.
New Port Richey, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Youth and Family Alternatives, Inc.'s (YFA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' State Project's Compliance Supplement that could have a direct and material effect on each of the YFA's major federal programs and major state projects for the year ended June 30, 2019. YFA's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the YFA's major federal programs and state projects 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and, Chapter 10.650, Rules of the Auditor General, State of Florida (Chapter 10.650). Those standards, the Uniform Guidance, and Chapter 10.650, 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 or a major state project occurred. An audit includes examining, on a test basis, evidence about YFA'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 and each major state project. However, our audit does not provide a legal determination of the YFA's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, YFA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of YFA 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 YFA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project 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 state project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, 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 YFA'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 or state financial assistance project 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 or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance, and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance Required by Uniform Guidance and Chapter 10.650, Rules of the Auditor General, State of Florida

We have audited the financial statements of YFA and Supporting Organization as of and for the year ended June 30, 2019, and have issued our report thereon dated November 8, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedules of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and Chapter 10.650, Rules of the Auditor General, State of Florida and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Becker + Associates, PA

Certified Public Accountants

February 14, 2020

**YOUTH AND FAMILY ALTERNATIVES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA #	Pass-Through Entity Identifying Number	Federal Expenditures	State Matching Funds for Federal Programs	Total Expenditures
Department of Health and Human Services Direct Programs					
Basic Center Grant	93.623	90CY695902 RAP;90CY696001 GWHYS	\$ 298,173	\$ -	\$ 298,173
Total Department of Health and Human Services Direct Programs			<u>298,173</u>	<u>-</u>	<u>298,173</u>
Department of Health and Human Services Pass-Through Programs From:					
TANF Cluster					
Temporary Assistance for Needy Families	93.558				
Eckerd Community Alternatives, Inc.		ECA-C6-CMO-YFA-FY19	399,333	724,559	1,123,892
Eckerd Community Alternatives, Inc.		ECA- C13-CMO-YFA-FY19	2,441	4,433	6,874
Kids Central, Inc.		C1819-CMA-CH029	928,847	583,343	1,512,190
Sarasota YMCA, Inc.		QJ2B0	289,646	525,540	815,186
Total Temporary Assistance for Needy Families & TANF Cluster			<u>1,620,267</u>	<u>1,837,875</u>	<u>3,458,142</u>
Other Programs					
Department of Health and Human Services Pass-Through Programs From:					
Block Grants for Prevention and Treatment of Substance Abuse	93.959				
Central Florida Behavioral Health Network		MS025	402,417	-	402,417
Adoption Assistance	93.659				
Eckerd Community Alternatives, Inc.		ECA-C6-CMO-YFA-FY19	377,112	377,112	754,224
Eckerd Community Alternatives, Inc.		ECA- C13-CMO-YFA-FY19	2,305	2,307	4,612
Kids Central, Inc.		C1819-CMA-CH029	439,981	439,981	879,962
Sarasota YMCA, Inc.		QJ2B0	273,528	273,528	547,056
Total Adoption Assistance			<u>1,092,926</u>	<u>1,092,928</u>	<u>2,185,854</u>
Promoting Safe and Stable Families	93.556				
Eckerd Community Alternatives, Inc.		ECA-C6-CMO-YFA-FY19	34,456	6,192	40,648
Eckerd Community Alternatives, Inc.		ECA- C13-CMO-YFA-FY19	115	38	153
Kids Central, Inc.		C1819-CMA-CH029	28,973	9,658	38,631
Sarasota YMCA, Inc.		QJ2B0	154,456	4,491	158,947
Total Promoting Safe and Stable Families			<u>218,000</u>	<u>20,379</u>	<u>238,379</u>
Grants to States for Access and Visitation Programs	93.597				
Sarasota YMCA, Inc.		QJ2B0	18,187	2,021	20,208
Total Grants to States for Access and Visitation Programs			<u>18,187</u>	<u>2,021</u>	<u>20,208</u>
Independent Living	93.674				
Sarasota YMCA, Inc.		QJ2B0	10,239	9,996	20,235
Total Independent Living			<u>10,239</u>	<u>9,996</u>	<u>20,235</u>

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.

YOUTH AND FAMILY ALTERNATIVES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA #	Pass-Through Entity Identifying Number	Federal Expenditures	State Matching Funds for Federal Programs	Total Expenditures
Social Services Block Grant	93.667				
Children's Network of SW FI		SBP22	671	-	671
Children's Network of SW FI		SBP07	1,006	-	1,006
Eckerd Community Alternatives, Inc.		ECA-C6-RGC-YFA-FY19	2,417	-	2,417
Eckerd Community Alternatives, Inc.		New Beginnings Youth Shelter	2,952	-	2,952
Eckerd Community Alternatives, Inc.		New Beginnings Youth Shelter	1,547	-	1,547
Eckerd Community Alternatives, Inc.		George Harris Youth Shelter	256	-	256
Heartland For Children		NYF01	40,647	-	40,647
<i>Total Social Services Block Grant</i>			<u>49,496</u>	<u>-</u>	<u>49,496</u>
Stephanie Tubbs Jones Child Welfare	93.645				
Eckerd Community Alternatives, Inc.		ECA-C6-CMO-YFA-FY19	218,011	71,537	289,548
Eckerd Community Alternatives, Inc.		ECA-C13-CMO-YFA-FY19	1,333	438	1,771
Kids Central, Inc.		C1819-CMA-CH029	350,567	87,641	438,208
Sarasota YMCA, Inc.		QJ2B0	158,128	51,887	210,015
<i>Total Stephanie Tubbs Jones Child Welfare Services</i>			<u>728,039</u>	<u>211,503</u>	<u>939,542</u>
Foster Care_Title IV-E	93.658				
Children's Network of SW FI		SBP22	905	1,520	2,425
Children's Network of SW FI		SBP07	1,358	2,280	3,638
Eckerd Community Alternatives, Inc.		ECA-C6-CMO-YFA-FY19	1,713,941	1,499,951	3,213,892
Eckerd Community Alternatives, Inc.		ECA-C6-RGC-YFA-FY19	3,337	4,981	8,318
Eckerd Community Alternatives, Inc.		ECA-C13-CMO-YFA-FY19	10,065	9,041	19,106
Eckerd Community Alternatives, Inc.		George Harris Youth Shelter	353	527	880
Eckerd Community Alternatives, Inc.		New Beginnings Youth Shelter	2,136	3,188	5,324
Eckerd Community Alternatives, Inc.		New Beginnings Youth Shelter	4,075	6,083	10,158
Heartland For Children		NYF01	56,119	83,774	139,893
Kids Central, Inc.		C1819-CMA-CH029	1,875,184	2,133,800	4,008,984
Sarasota YMCA, Inc.		QJ2B0	1,201,440	1,084,689	2,286,129
<i>Total Foster Care-Title IV-E</i>			<u>4,868,913</u>	<u>4,829,834</u>	<u>9,698,747</u>
Total Department of Health and Human Services Pass-Through			<u>9,008,484</u>	<u>8,004,536</u>	<u>17,013,020</u>
Total Department of Health and Human Services			<u>9,306,657</u>	<u>8,004,536</u>	<u>17,311,193</u>
Department of Agriculture Pass-Through Program					
Child and Adult Care Food Program	10.558	H-3653			
State of Florida Department of Health			94,860	-	94,860
Total Department of Agriculture			<u>94,860</u>	<u>-</u>	<u>94,860</u>
Department of Housing and Urban Development Pass-Through Program					
Home Investment Partnerships	14.239				
Pasco County Government		CD17-322	401,447	-	401,447
<i>Total Home Investment Partnerships</i>			<u>401,447</u>	<u>-</u>	<u>401,447</u>
Neighborhood Stabilization	14.256				
Pasco County Government		CD17-322	473,553	-	473,553
<i>Total Neighborhood Stabilization</i>			<u>473,553</u>	<u>-</u>	<u>473,553</u>
Total Department of Housing and Urban Development			<u>875,000</u>	<u>-</u>	<u>875,000</u>
Total Expenditures of Federal Awards			<u>\$ 10,276,517</u>	<u>\$ 8,004,536</u>	<u>\$ 18,281,053</u>

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.

YOUTH AND FAMILY ALTERNATIVES, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

	State CSFA #	Pass-Through Entity Identifying Number	State Expenditures
Florida Department of Children and Families Pass-Through Program			
Out of Home Supports Eckerd Community Alternatives, Inc.	60.074	QJ3E0 New Beginnings Youth Shelter	\$ 349
In Home Supports Eckerd Community Alternatives, Inc.	60.075	ECA-C6-CMO-YFA-FY2019	17,825
Community Based Care - Sexually Exploited Children Heartland for Children, Inc.	60.138	NYF01	5,917
Therapy Services Eckerd Community Alternatives, Inc. Eckerd Community Alternatives, Inc.	60.183	QJ511 George Harris Youth Shelter ECA-C6-RCG-YFA-FY2019	5,605 141,075
Total Therapy Services			146,680
Extended Foster Care Sarasota YMCA	60.141	QJ2B0	16,217
Total Florida Department of Children and Families			186,988
Florida Department of Juvenile Justice Pass-Through Program From:			
Children and Families in Need of Services Florida Network of Youth and Family Services	80.005	N/A	4,032,026
Total Florida Department of Juvenile Justice			4,032,026
Total Expenditures of State Financial Assistance Projects			\$ 4,219,014

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.

**YOUTH AND FAMILY ALTERNATIVES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF
EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2019**

NOTE 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance (the Schedules) include the federal and state award activity of Youth and Family Alternatives, Inc. (YFA) under programs of the federal government and State of Florida for the year ended June 30, 2019. The information in the Schedules is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General of the State of Florida. Because the Schedules present only a selected portion of the operations of YFA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of YFA.

Pursuant to the Uniform Guidance, YFA, as a sub-recipient of federal awards, has provided the name of the pass-through entity and the identifying description and number assigned by the pass-through entity when available from the pass-through entity. YFA has provided the total federal awards expended for each individual federal program and the CFDA number or other identifying information when the CFDA information is not available. The Uniform Guidance does not require YFA to provide this information, nor a breakdown of amounts awarded by CFDA number if that information is not available from the awarding agency.

NOTE 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the accrual basis of accounting.

Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. YFA has elected to use the 10-percent de minimus indirect cost rate for certain contracts as allowed under the Uniform Guidance.

NOTE 3. Sub-Recipients

No awards were passed through to sub-recipients for the year ended June 30, 2019.

NOTE 4. Reconciliation of Sarasota YMCA (YMCA) Expenditures as Reported on the Post Award Notice (PAN) to Expenditures Reported on the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance

YMCA Expenditures per PAN	\$ 4,197,533
Less amounts refunded after June 30, 2019	<u>(123,540)</u>
Total expenditures per SEFA	<u>\$ 4,073,993</u>

Read Report of Independent Certified Public Accountants.

YOUTH AND FAMILY ALTERNATIVES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF
EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2019

NOTE 5. Reconciliation of Eckerd Community Alternatives (ECA) Expenditures as Reported on the Post Award Notice (PAN) to Expenditures Reported on the Schedule of Expenditures of Federal Awards (SEFA) – Contract ECA-C13-CMO-YFA-FY19

ECA Expenditures per PAN	\$ 200,551
Less grant receivable at June 30, 2018	<u>(168,035)</u>
Total expenditures per SEFA	<u>\$ 32,516</u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Youth and Family Alternatives Inc. and Supporting Organization (the Organization) were prepared in accordance with accounting principles generally accepted in the U.S.
2. There were no significant deficiencies disclosed during the audit of the financial statements and no material weaknesses were reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs or major state projects and no material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs and major state projects expresses an unmodified opinion.
6. There were no audit findings relative to the major federal programs or the major state projects.
7. The programs/projects tested as major programs/projects included:

Federal:

US Department of Health and Human Services

93.623 Basic Center Grant

93.659 Adoption Assistance

93.959 Block Grants for Prevention and Treatment of Substance Abuse

US Department of Housing and Urban Development

14.239 Home Investments Partnership Program

State:

Florida Department of Juvenile Justice

80.005 Children and Families in Need of Services

8. The dollar threshold for distinguishing between Type A and Type B federal programs was \$750,000. The threshold for distinguishing between Type A and Type B state financial assistance projects was \$300,000.
9. YFA was determined to be a low-risk auditee pursuant to Uniform Guidance.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

**YOUTH AND FAMILY ALTERNATIVES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

- C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS**
NONE

- D. FINDINGS AND QUESTIONED COSTS–MAJOR STATE FINANCIAL ASSISTANCE PROJECTS**
NONE

- E. OTHER ISSUES**
NONE

- F. PRIOR YEAR FINDINGS**
NONE

- G. MANAGEMENT LETTER (Chapter 10.650, Rules of the Auditor General, State of Florida)**
NO ITEMS REQUIRED TO BE REPORTED.