

**CDS FAMILY & BEHAVIORAL  
HEALTH SERVICES, INC. AND AFFILIATE  
CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
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**JUNE 30, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
CDS Family & Behavioral Health Services, Inc. and Affiliate:

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

We have audited the accompanying consolidated financial statements of CDS Family & Behavioral Health Services, Inc. and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CDS Family & Behavioral Health Services, Inc. and Affiliate as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

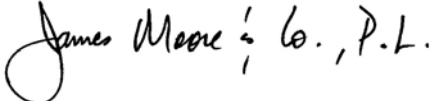
## ***Other Matters***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying additional information on pages 23 – 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is required by certain contracts with the Florida Department of Children and Families and Lutheran Services Florida. The accompanying schedule of expenditures of federal awards and state financial assistance on pages 21 – 22 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying additional information on pages 23 – 25 and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying supplementary information on pages 15 – 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of CDS Family & Behavioral Health Services, Inc. and Affiliate'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 the 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 CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting and compliance.



Gainesville, Florida  
December 10, 2021

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,951,257	\$ 2,022,382
Grants receivable, net	437,509	550,046
Notes receivable, current	29,928	26,716
Other receivable	-	196,072
Prepaid expenses and other	102,432	99,957
Total current assets	2,521,126	2,895,173
<b>Notes receivable, non-current</b>	2,244	32,094
<b>Property and equipment, net</b>	1,456,976	1,257,825
<b>Restricted cash</b>		
Capital campaign	77,500	57,500
Deferred prosecution	174,289	190,408
Total restricted cash	251,789	247,908
<b>Total Assets</b>	<b>\$ 4,232,135</b>	<b>\$ 4,433,000</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 92,541	\$ 220,600
Accrued retirement contribution	77,275	167,342
Refundable advance	-	721,954
Deferred revenue	-	5,109
Accrued compensated absences	187,355	237,780
Total current liabilities	357,171	1,352,785
<b>Deferred prosecution</b>	174,289	190,408
<b>Total liabilities</b>	531,460	1,543,193
<b>Net assets</b>		
Without donor restrictions, undesignated	2,166,199	1,474,482
Without donor restrictions, board designated for capital improvements	-	100,000
Without donor restrictions, invested in property and equipment	1,456,976	1,257,825
Total net assets without donor restrictions	3,623,175	2,832,307
With donor restrictions	77,500	57,500
Total net assets	3,700,675	2,889,807
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,232,135</b>	<b>\$ 4,433,000</b>

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in net assets</b>			
Support and revenue			
Support			
Grants and contracts	\$ 4,502,110	\$ -	\$ 4,502,110
United Way and other contributions	7,716	20,000	27,716
Contributed services of volunteers	35,825	-	35,825
Contributed facilities, materials and supplies	190,136	-	190,136
Total support	<u>4,735,787</u>	<u>20,000</u>	<u>4,755,787</u>
Revenue			
Debt forgiveness income	721,954	-	721,954
Other income	86,764	-	86,764
Total revenue	<u>808,718</u>	<u>-</u>	<u>808,718</u>
Total support and revenue	<u>5,544,505</u>	<u>20,000</u>	<u>5,564,505</u>
Expenses			
Administration	1,044,214	-	1,044,214
Interface/Runaway	2,732,343	-	2,732,343
Prevention	725,832	-	725,832
Independent living	251,248	-	251,248
Total expenses	<u>4,753,637</u>	<u>-</u>	<u>4,753,637</u>
<b>Change in net assets</b>	<u>790,868</u>	<u>20,000</u>	<u>810,868</u>
<b>Net assets - beginning of year</b>	2,832,307	57,500	2,889,807
<b>Net assets - end of year</b>	<u>\$ 3,623,175</u>	<u>\$ 77,500</u>	<u>\$ 3,700,675</u>

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in net assets</b>			
Support and revenue			
Support			
Grants and contracts	\$ 4,467,212	\$ -	\$ 4,467,212
United Way and other contributions	36,898	-	36,898
Contributed services of volunteers	37,623	-	37,623
Contributed facilities, materials and supplies	187,483	-	187,483
Total support	<u>4,729,216</u>	<u>-</u>	<u>4,729,216</u>
Revenue			
Interest	8,179	-	8,179
Gain on sale	5,625	-	5,625
Other income	136,300	-	136,300
Total revenue	<u>150,104</u>	<u>-</u>	<u>150,104</u>
Total support and revenue	<u>4,879,320</u>	<u>-</u>	<u>4,879,320</u>
Expenses			
Administration	1,313,138	-	1,313,138
Interface/Runaway	2,932,845	-	2,932,845
Prevention	754,509	-	754,509
Independent Living	248,836	-	248,836
Total expenses	<u>5,249,328</u>	<u>-</u>	<u>5,249,328</u>
<b>Change in net assets</b>	<u>(370,008)</u>	<u>-</u>	<u>(370,008)</u>
<b>Net assets - beginning of year</b>	3,202,315	57,500	3,259,815
<b>Net assets - end of year</b>	<u>\$ 2,832,307</u>	<u>\$ 57,500</u>	<u>\$ 2,889,807</u>

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Program Services</b>				<b>Total</b>
	<b>Administration</b>	<b>Interface/ Runaway</b>	<b>Prevention</b>	<b>Independent Living</b>	
<b>Expenses</b>					
Salaries and wages	\$ 561,287	\$ 1,881,874	\$ 334,113	\$ 191,961	\$ 2,969,235
Payroll taxes	40,633	157,604	27,213	15,152	240,602
Retirement plan	16,945	44,571	9,786	5,973	77,275
Insurance	55,721	243,832	52,941	26,576	379,070
Travel and conferences	4,494	19,469	4,456	2,372	30,791
Telephone and utilities	25,387	78,120	4,570	3,240	111,317
Office supplies and postage	6,523	18,673	2,697	624	28,517
Auto	804	7,314	-	2,283	10,401
Rent	31,874	10,698	430	-	43,002
Repairs, maintenance and supplies	55,662	85,764	2,492	-	143,918
Professional and contractual services	44,602	29,378	82,599	2,180	158,759
Educational materials and supplies	-	1,761	7,044	-	8,805
Food	2,575	72,910	74	-	75,559
Facilities, materials and supplies-contributed	-	240	189,896	-	190,136
Miscellaneous	37,823	77,394	6,485	887	122,589
Advertising	15,481	2,631	634	-	18,746
Dues	57,268	110	402	-	57,780
Depreciation	87,135	-	-	-	87,135
Total expenses	<u>\$ 1,044,214</u>	<u>\$ 2,732,343</u>	<u>\$ 725,832</u>	<u>\$ 251,248</u>	<u>\$ 4,753,637</u>

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Program Services</b>				<b>Total</b>
	<b>Administration</b>	<b>Interface/ Runaway</b>	<b>Prevention</b>	<b>Independent Living</b>	
<b>Expenses</b>					
Salaries and wages	\$ 624,568	\$ 2,092,084	\$ 383,707	\$ 198,750	\$ 3,299,109
Payroll taxes	45,264	157,378	28,660	15,257	246,559
Retirement plan	167,342	-	-	-	167,342
Insurance	70,561	231,015	49,233	22,341	373,150
Travel and conferences	6,778	21,875	3,644	4,056	36,353
Telephone and utilities	22,770	81,825	3,897	3,045	111,537
Office supplies and postage	10,365	13,480	3,604	125	27,574
Auto	2,761	14,041	-	2,469	19,271
Rent	16,057	23,553	875	-	40,485
Repairs, maintenance and supplies	67,615	102,724	11,344	-	181,683
Professional and contractual services	43,889	28,615	61,948	2,183	136,635
Educational materials and supplies	309	14,667	12,957	-	27,933
Food	6,534	82,376	-	-	88,910
Facilities, materials and supplies-contributed	-	-	187,483	-	187,483
Miscellaneous	72,330	65,539	6,113	10	143,992
Advertising	15,608	3,654	926	-	20,188
Dues	42,312	19	118	600	43,049
Depreciation	98,075	-	-	-	98,075
Total expenses	<u>\$ 1,313,138</u>	<u>\$ 2,932,845</u>	<u>\$ 754,509</u>	<u>\$ 248,836</u>	<u>\$ 5,249,328</u>

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 810,868	\$ (370,008)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	87,135	98,075
Gain on sale of assets	-	(5,625)
Change in certain assets and liabilities:		
Grants receivable	290,465	97,374
Other receivable	-	(177,928)
Prepaid expenses and other	33,605	(19,130)
Deferred revenues	(23,045)	5,109
Accounts payable and accrued expenses	(128,059)	78,196
Accrued compensated absences	(50,425)	42,369
Accrued retirement contribution	(90,067)	167,342
Refundable advance	(721,954)	721,954
Deferred prosecution	(16,119)	(30,088)
Total adjustments	(618,464)	977,648
Net cash provided by operating activities	192,404	607,640
<b>Cash flows from investing activities</b>		
Proceeds from notes receivable	26,638	-
Advances on notes receivable	-	(16,312)
Purchases of property and equipment	(286,286)	-
Net cash used in investing activities	(259,648)	(16,312)
<b>Change in cash and cash equivalents</b>	(67,244)	591,328
<b>Cash and cash equivalents, beginning of year</b>	2,270,290	1,678,962
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,203,046</b>	<b>\$ 2,270,290</b>
<b>Presented on the statement of financial position as:</b>		
Cash and cash equivalents	\$ 1,951,257	\$ 2,022,382
Restricted cash - capital campaign	77,500	57,500
Restricted cash - deferred prosecution	174,289	190,408
	<b>\$ 2,203,046</b>	<b>\$ 2,270,290</b>
<b>Supplemental disclosure of noncash information</b>		
Sale of property and equipment through note receivable	\$ -	\$ 42,500

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

(1) **Summary of Significant Accounting Policies:**

The consolidated financial statements of CDS Family & Behavioral Health Services, Inc. and Affiliate (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

(a) **Principles of consolidation**—The accompanying consolidated financial statements include the accounts of CDS Family & Behavioral Health Services, Inc. and Community Alternative Services Foundation, Inc. (Affiliate). The organizations have common control since the board members of the organization are also board members of the Affiliate. There is also an element of economic interest since the Affiliate is organized to operate exclusively for the benefit of the Organization. Intercompany transactions and balances have been eliminated in consolidation.

(b) **General**—CDS Family & Behavioral Health Services, Inc. was formed as a not-for-profit corporation in 1970 for the primary purpose of operating a suicide prevention, general crisis and drug intervention service for Alachua County and surrounding north central Florida. The objectives of the Organization are accomplished through the following separate programs: Interface/Runaway, Prevention, and Independent Living. Funding sources include grants and contracts, program service revenues, contributions and other income. For the years ended June 30, 2021 and 2020, approximately 81% and 92% of the support and revenue of the Organization was provided by federal and state governmental agencies, respectively.

Community Alternative Services Foundation, Inc. was formed as a not-for-profit corporation in 1980 to operate exclusively for the benefit of CDS Family & Behavioral Health Services, Inc.

(c) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include only investments with original maturities of three months or less.

(d) **Property and equipment**—Property and equipment purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets, which range from three to forty years.

(e) **Net assets**—The Organization's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restrictions.

Net assets without donor restrictions—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific purposes.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

The Organization has net assets with donor restrictions at June 30, 2021 and 2020, of \$77,500 and \$57,500, respectively. All amounts are restricted for capital improvements.

(f) **Deferred prosecution**—The Organization entered into an agreement with the State Attorney Office to collect, maintain, distribute and account for funds generated by the State Attorney Office through deferred prosecution contracts entered into by criminal case defendants. The funds are required to be in a federally insured bank account and shown as a restricted balance separate from other Organization funds. Therefore, the funds are shown as restricted cash on the consolidated statement of financial position.

(g) **Contributed services, facilities, materials and supplies**—The Organization receives contributed services from volunteers, which are used primarily in the Organization's Interface/Runaway, Prevention, and Independent Living programs. Contributed services include services provided by teachers who provide various skills training for elementary and middle school youths. Other non-specialized services are also provided by volunteers who serve to motivate youths, as well as assist in the planning and conducting of special events. The fair value of contributed services received by the Organization during the years ended June 30, 2021 and 2020, totaled approximately \$230,700 and \$251,200, respectively. Specialized services have been recognized by the Organization for the years ended June 30, 2021 and 2020, totaled approximately \$35,800 and \$37,600, respectively.

The Organization occupies without charge certain premises for which the estimated fair rental value is reported as support and expense in the period in which the premises are used. In addition, contributed materials and supplies are reported as support and expense at their estimated fair value in the period in which they are donated. The fair value of contributed facilities, materials, and supplies received by the Organization during the years ended June 30, 2021 and 2020, totaled approximately \$190,100 and \$187,500, respectively.

(h) **Income taxes**—Under Section 501(c)(3) of the Internal Revenue Code and Florida Statutes, the Organization is exempt from taxes on income other than unrelated business income. There is no tax due on the Organization's unrelated business income for the year ended 2021. Therefore, no provision for income taxes has been made in these financial statements.

Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying consolidated financial statements. The Organization's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(i) **Use of estimates**—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Advertising costs**—The Organization expenses advertising costs as incurred. Advertising expenses totaled \$18,746 and \$20,188 for the years ended June 30, 2021 and 2020, respectively.

(k) **Grants receivable**—Grants receivable are stated at the amount management expects to collect from balances at year-end. Based on management’s assessment of the credit history with organizations having outstanding balances and current relationships with them, it has concluded that realized losses on balances outstanding at year-end will be immaterial.

(l) **Other receivable**—Other receivable balance related to an amount owed to the Organization from the retirement provider. The Organization adjusted the employer portion of the retirement contribution resulting in the zero receivable balance for the year ended June 30, 2021.

(m) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated between program and supporting services based on salary expense.

(n) **Subsequent events**—The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 10, 2021, the date the consolidated financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(o) **Recently issued accounting pronouncements**—The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended June 30, 2021. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization’s reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In March 2020, the FASB issued Accounting Standards Update 2020-03: Codification Improvements to Financial Instruments, to improve the Codification and correcting its unintended applications. The new standard is effective for fiscal years beginning after December 15, 2020 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

(2) **Property and Equipment:**

A summary of property and equipment as of June 30 is as follows:

	<b>2021</b>			<b>2020</b>
	<b>CDS Family &amp; Behavioral Health Services, Inc.</b>	<b>Community Alternative Services Foundation, Inc.</b>	<b>Consolidated</b>	
Land	\$ 31,900	\$ 392,306	\$ 424,206	\$ 404,935
Buildings	558,220	1,123,163	1,681,383	1,434,596
Building improvements	648,811	121,964	770,775	756,497
Furniture, equipment and vehicles	700,478	56,133	756,611	750,661
	<u>1,939,409</u>	<u>1,693,566</u>	<u>3,632,975</u>	<u>3,346,689</u>
Less: Accumulated depreciation	1,364,431	811,568	2,175,999	2,088,864
	<u>\$ 574,978</u>	<u>\$ 881,998</u>	<u>\$ 1,456,976</u>	<u>\$ 1,257,825</u>

Depreciation expense totaled \$87,135 and \$98,075 for the years ended June 30, 2021 and 2020, respectively.

Building improvements include approximately \$150,000 received in 2010 from the State of Florida Department of Children and Families for improvements to be made to runaway shelters. The Organization is obligated to operate the facilities as an emergency shelter for a minimum of fifteen years according to the terms of the contract, which will expire in the 2025 fiscal year.

(3) **Leases:**

The Organization leases building space from its Affiliate. The leases were effective on January 1, 2016 and expire on June 30, 2021, with rent payments between \$1,741 and \$3,290. Lease expense paid to the Affiliate was \$85,945 and \$85,946 for the years ended June 30, 2021 and 2020, respectively. The effect of these leases has been eliminated in the accompanying consolidated financial statements.

The Organization is the lessee of six copiers under non-cancellable operating leases under various terms. The Organization entered into a lease agreement for office space in August 2018 expiring June 30, 2020. The lease will automatically renew for each subsequent year unless written notice is received from either party 90 days in advance of June 30. Rent expense recognized on these leases was \$18,621 and \$28,304 for the years ended June 30, 2021 and 2020, respectively.

Minimum future lease payments on non-cancelable copier leases as of June 30, 2021, for each of the next five years and in the aggregate, are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2022	\$ 8,914
2023	7,979
2024	7,903
2025	6,394
2026	3,180
	<u>\$ 34,370</u>

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

(3) **Leases:** (Continued)

The Organization is the lessor of building space under operating leases under various terms. Revenue recognized on these leases was \$39,773 and \$39,279 for the years ended June 30, 2021 and 2020, respectively. The following is a summary of property held for lease by the Affiliate to unrelated parties included in property and equipment at June 30, 2021:

Buildings	\$ 533,382
Building Improvements	68,070
	601,452
Less: Accumulated depreciation	382,444
	\$ 219,008

Minimum future rentals to be received on non-cancelable leases as of June 30, 2021, for each of the next five years and in the aggregate are as follows:

Year Ending June 30,	Amount
2022	\$ 1,781

(4) **Concentrations of Credit Risk:**

Significant concentrations of credit risk for all financial instruments owned by the Organization are as follows:

(a) **Cash in bank**—The Organization has demand and time deposits with a regional bank. The Organization has a policy requiring that all deposits be with FDIC insured financial institutions. These accounts are insured up to FDIC limits.

(b) **Grants receivable**—Substantially all of the Organization’s receivables are for amounts due from federal, state and local governmental agencies under cost reimbursement and service grants and contracts related to various health and welfare activities. The Organization has no policy requiring collateral or other security to support its receivables. For the years ended June 30, 2021 and 2020, the Organization had 92% and 91% of grant receivable from three contracts, respectively.

(c) **Notes receivable**—The Organization’s note receivable is due from a foundation. The Organization has a policy of requiring collateral to support the note receivable.

(d) **Significant funding source**—For the years ended June 30, 2021 and 2020, the Organization received approximately 80% and 83%, respectively, of its funding from two contracts, respectively.

(5) **Retirement Plan:**

The Organization has an Internal Revenue Code section 403(b) retirement savings plan covering all eligible employees. Employees are eligible to participate upon attaining the age of 21 and 1,000 hours of service, and must be employed on the last day of the fiscal year. The Organization may contribute discretionary contributions to the Plan at the option of the Organization’s board of directors. Vesting in the Organization’s contribution portion of participant accounts is based on years of service. Employees complete a year of service upon attaining 1,000 hours of service. A participant is 100% vested after three years of service. Forfeited non-vested accounts may be used to reduce future contributions by the Organization. In the year ended June 30, 2021 and 2020, the Organization elected to contribute \$77,275 and \$167,342 to the Plan, respectively.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

(6) **Note Receivable:**

The Organization entered into an agreement with a foundation to purchase a portable building and provide startup funding. The note bears interest at 3.5%, secured by interest in the portable, due and payable in monthly payments of \$2,356 including interest, through July 2022.

(7) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<b>2021</b>	<b>2020</b>
Financial assets available within one year, at year end:		
Cash and cash equivalents - unrestricted	\$ 1,951,257	\$ 2,022,382
Grants receivable	447,915	550,046
Notes receivable, current	29,928	26,716
Other receivable	-	177,928
Less those unavailable for general expenditures within one year, due to:		
Board designated funds	-	(100,000)
Refundable advance	-	(721,954)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,429,100</u>	<u>\$ 1,955,118</u>

As shown in the table above, the Organization has adequate financial assets available to meet liquidity needs. The Organization receives significant grant funds each year, which are entirely available to meet annual cash needs for general and program expenditures. The Organization is reliant on this grant funding to meet liquidity needs, as discussed in Note 4.

(8) **Refundable Advance/Debt Forgiveness Income:**

On April 21, 2020, the Company received loan proceeds in the amount of \$721,954, pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the terms of the PPP, loan proceeds and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the Company maintains its payroll levels as described in the CARES Act. The full amount of the loan plus accrued interest at a rate of 1% was forgiven in May 2021, and the extinguishment of debt is shown separately in the statement of activities.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**

<u>ASSETS</u>	<u>CDS Family &amp; Behavioral Health Services, Inc.</u>	<u>Community Alternative Services Foundation, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,874,318	\$ 76,939	\$ -	\$ 1,951,257
Grants receivable, net	437,509	-	-	437,509
Notes receivable, current	29,928	-	-	29,928
Prepaid expenses and other	97,037	5,395	-	102,432
Total current assets	<u>2,438,792</u>	<u>82,334</u>	<u>-</u>	<u>2,521,126</u>
<b>Notes receivable, non-current</b>	<u>2,244</u>	<u>-</u>	<u>-</u>	<u>2,244</u>
<b>Property and equipment, net</b>	<u>574,978</u>	<u>881,998</u>	<u>-</u>	<u>1,456,976</u>
<b>Restricted cash</b>				
Capital campaign	77,500	-	-	77,500
Deferred prosecution	174,289	-	-	174,289
Total restricted cash	<u>251,789</u>	<u>-</u>	<u>-</u>	<u>251,789</u>
<b>Total Assets</b>	<u>\$ 3,267,803</u>	<u>\$ 964,332</u>	<u>\$ -</u>	<u>\$ 4,232,135</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 90,505	\$ 2,036	\$ -	\$ 92,541
Accrued retirement contribution	77,275	-	-	77,275
Accrued compensated absences	187,355	-	-	187,355
Total current liabilities	<u>355,135</u>	<u>2,036</u>	<u>-</u>	<u>357,171</u>
<b>Deferred prosecution</b>	<u>174,289</u>	<u>-</u>	<u>-</u>	<u>174,289</u>
<b>Total liabilities</b>	<u>529,424</u>	<u>2,036</u>	<u>-</u>	<u>531,460</u>
<b>Net assets</b>				
Without donor restrictions, undesignated	2,085,901	80,298	-	2,166,199
Without donor restrictions, invested in property and equipment	574,978	881,998	-	1,456,976
Total net assets without donor restrictions	<u>2,660,879</u>	<u>962,296</u>	<u>-</u>	<u>3,623,175</u>
With donor restrictions	77,500	-	-	77,500
Total net assets	<u>2,738,379</u>	<u>962,296</u>	<u>-</u>	<u>3,700,675</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,267,803</u>	<u>\$ 964,332</u>	<u>\$ -</u>	<u>\$ 4,232,135</u>

See Independent Auditors' Report

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>CDS Family &amp; Behavioral Health Services, Inc. Total</b>	<b>Community Alternative Services Foundation, Inc. Total</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Changes in net assets</b>				
Support and revenue				
Support				
Grants and contracts	\$ 4,502,110	\$ -	\$ -	\$ 4,502,110
United Way and other contributions	27,716	-	-	27,716
Contributed services of volunteers	35,825	-	-	35,825
Contributed facilities, materials and supplies	190,136	-	-	190,136
Total support	<u>4,755,787</u>	<u>-</u>	<u>-</u>	<u>4,755,787</u>
Revenue				
Debt forgiveness revenue	721,954	-	-	721,954
Other income	25,814	196,895	(135,945)	86,764
Total revenue	<u>747,768</u>	<u>196,895</u>	<u>(135,945)</u>	<u>808,718</u>
Total support and revenue	<u>5,503,555</u>	<u>196,895</u>	<u>(135,945)</u>	<u>5,564,505</u>
Expenses				
Administration	1,071,618	61,484	(88,888)	1,044,214
Interface/Runaway	2,762,670	-	(30,327)	2,732,343
Prevention	729,329	-	(3,497)	725,832
Independent Living	264,481	-	(13,233)	251,248
Total expenses	<u>4,828,098</u>	<u>61,484</u>	<u>(135,945)</u>	<u>4,753,637</u>
<b>Change in net assets</b>	<u>675,457</u>	<u>135,411</u>	<u>-</u>	<u>810,868</u>
<b>Net assets - beginning of year</b>	2,062,922	826,885	-	2,889,807
<b>Net assets - end of year</b>	<u>\$ 2,738,379</u>	<u>\$ 962,296</u>	<u>\$ -</u>	<u>\$ 3,700,675</u>

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**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>CDS Family &amp; Behavioral Health Services, Inc.</b>	<b>Community Alternative Services Foundation, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Cash flows from operating activities</b>				
Change in net assets	\$ 675,457	\$ 135,411	\$ -	\$ 810,868
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization	64,864	22,271	-	87,135
Gain on disposal of assets	-			-
Change in certain assets and liabilities:				
Due from affiliate	1,473	-	(1,473)	-
Grants receivable	290,465	-	-	290,465
Other receivable	-	-	-	-
Prepaid expenses and other	11,623	21,982	-	33,605
Deferred revenues	(9,233)	(13,812)	-	(23,045)
Accounts payable and accrued expenses	(128,504)	445	-	(128,059)
Due to affiliate	-	(1,473)	1,473	-
Accrued compensated absences	(50,425)	-	-	(50,425)
Accrued retirement contribution	(90,067)	-	-	(90,067)
Refundable advance	(721,954)	-	-	(721,954)
Deferred prosecution	(16,119)	-	-	(16,119)
Total adjustments	(647,877)	29,413	-	(618,464)
Net cash provided by operating activities	27,580	164,824	-	192,404
<b>Cash flows from investing activities</b>				
Proceeds from notes receivable	26,638	-	-	26,638
Purchase of property and equipment	(5,949)	(280,337)	-	(286,286)
Net cash provided by (used in) investing activities	20,689	(280,337)	-	(259,648)
<b>Change in cash and cash equivalents</b>	48,269	(115,513)	-	(67,244)
<b>Cash and cash equivalents, beginning of year</b>	2,077,838	192,452	-	2,270,290
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,126,107</u>	<u>\$ 76,939</u>	<u>\$ -</u>	<u>\$ 2,203,046</u>
<b>Presented on the statement of financial position as:</b>				
Cash and cash equivalents	\$ 1,874,318	\$ 76,939	\$ -	\$ 1,951,257
Restricted cash - capital campaign	77,500	-	-	77,500
Restricted cash - deferred prosecuitor	174,289	-	-	174,289
	<u>\$ 2,126,107</u>	<u>\$ 76,939</u>	<u>\$ -</u>	<u>\$ 2,203,046</u>

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**COMMUNITY ALTERNATIVE SERVICES FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Changes in without donor restriction net assets</b>		
Revenue		
Rental and other income	\$ 196,895	\$ 147,079
Expenses		
Operating	39,213	114,812
Depreciation	22,271	28,253
Total expenses	<u>61,484</u>	<u>143,065</u>
<b>Increase in net assets without donor restrictions</b>	<u>135,411</u>	<u>4,014</u>
<b>Net assets - without donor restrictions, beginning of year</b>	826,885	822,871
<b>Net assets - without donor restrictions, end of year</b>	<u><u>\$ 962,296</u></u>	<u><u>\$ 826,885</u></u>

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**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.**  
**STATEMENT OF ACTIVITIES BY FUNCTION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Program Services</b>				<b>Total</b>
	<b>Administration</b>	<b>Interface/ Runaway</b>	<b>Prevention</b>	<b>Independent Living</b>	
<b>Support and revenue</b>					
Grants and contracts	\$ 35,458	\$ 3,470,657	\$ 708,157	\$ 287,838	\$ 4,502,110
United Way and other contributions	-	27,716	-	-	27,716
Contributed services of volunteers	-	35,825	-	-	35,825
Contributed facilities, materials and supplies	-	240	189,896	-	190,136
Debt forgiveness revenue	721,954	-	-	-	721,954
Other income	10,690	15,124	-	-	25,814
Total support and revenue	<u>768,102</u>	<u>3,549,562</u>	<u>898,053</u>	<u>287,838</u>	<u>5,503,555</u>
<b>Expenses</b>					
Salaries and wages	561,287	1,881,874	334,113	191,961	2,969,235
Payroll taxes	40,633	157,604	27,213	15,152	240,602
Retirement plan	16,945	44,571	9,786	5,973	77,275
Insurance	55,721	243,832	52,941	26,576	379,070
Travel and conferences	4,494	19,469	4,456	2,372	30,791
Telephone and utilities	25,387	78,120	4,570	3,240	111,317
Office supplies and postage	6,523	18,673	2,697	624	28,517
Auto	804	7,314	-	2,283	10,401
Rent	58,338	41,025	3,927	13,233	116,523
Repairs, maintenance and supplies	46,630	85,764	2,492	-	134,886
Professional and contractual services	43,052	29,378	82,599	2,180	157,209
Educational materials and supplies	-	1,761	7,044	-	8,805
Food	2,575	72,910	74	-	75,559
Facilities, materials and supplies-contributed	-	240	189,896	-	190,136
Miscellaneous	71,616	77,394	6,485	887	156,382
Advertising	15,481	2,631	634	-	18,746
Dues	57,268	110	402	-	57,780
Depreciation	64,864	-	-	-	64,864
Total expenses	<u>1,071,618</u>	<u>2,762,670</u>	<u>729,329</u>	<u>264,481</u>	<u>4,828,098</u>
<b>Change in net assets</b>	<u>\$ (303,516)</u>	<u>\$ 786,892</u>	<u>\$ 168,724</u>	<u>\$ 23,357</u>	<u>\$ 675,457</u>

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**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.**  
**STATEMENT OF ACTIVITIES BY FUNCTION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services				Total
	Administration	Interface/ Runaway	Prevention	Independent Living	
<b>Support and revenue</b>					
Grants and contracts	\$ 2,614	\$ 3,490,196	\$ 678,862	\$ 295,540	\$ 4,467,212
United Way and other contributions	-	36,898	-	-	36,898
Contributed services of volunteers	-	37,623	-	-	37,623
Contributed facilities, materials and supplies	-	-	187,483	-	187,483
Interest	8,179	-	-	-	8,179
Other income	104,833	45,959	-	-	150,792
Total support and revenue	<u>115,626</u>	<u>3,610,676</u>	<u>866,345</u>	<u>295,540</u>	<u>4,888,187</u>
<b>Expenses</b>					
Salaries and wages	624,568	2,092,084	383,707	198,750	3,299,109
Payroll taxes	45,264	157,378	28,660	15,257	246,559
Retirement plan	167,342	-	-	-	167,342
Insurance	70,561	231,015	49,233	22,341	373,150
Travel and conferences	6,778	21,875	3,644	4,056	36,353
Telephone and utilities	22,770	81,825	3,897	3,045	111,537
Office supplies and postage	10,365	13,480	3,604	125	27,574
Auto	2,761	14,041	-	2,469	19,271
Rent	38,605	57,762	4,740	13,385	114,492
Repairs, maintenance and supplies	59,017	102,724	11,344	-	173,085
Professional and contractual services	40,173	28,615	61,948	2,183	132,919
Educational materials and supplies	309	14,667	12,957	-	27,933
Food	6,534	82,376	-	-	88,910
Facilities, materials and supplies-contributed	-	-	187,483	-	187,483
Miscellaneous	51,771	65,539	6,113	10	123,433
Advertising	15,608	3,654	926	-	20,188
Dues	42,312	19	118	600	43,049
Depreciation	69,822	-	-	-	69,822
Total expenses	<u>1,274,560</u>	<u>2,967,054</u>	<u>758,374</u>	<u>262,221</u>	<u>5,262,209</u>
<b>Change in net assets</b>	<u>\$ (1,158,934)</u>	<u>\$ 643,622</u>	<u>\$ 107,971</u>	<u>\$ 33,319</u>	<u>\$ (374,022)</u>

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**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-Through Grantor/State Grantor Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through State of Florida, Department of Children and Families, Lutheran Services Block Grants for Prevention and Treatment of Substance Abuse (SAMH)	93.959	ME008	\$ 708,157
Basic Center Grant	93.623	90CY6937	79,990
Basic Center Grant	93.623	90CY7251	129,414
Basic Center Grant	93.623	90CY7252	81,569
			<u>290,973</u>
Passed through State of Florida, Department of Children and Families, Partnership for Strong Families: John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	PCM753	166,870
Social Services Block Grant	93.667	PCM753	9,870
Foster Care - Title IV-E	93.658	PCM753	126,694
Passed through Kids First of Florida, Inc: Social Services Block Grant	93.667	11572	1,243
Foster Care - Title IV-E	93.658	11572	2,957
<b>Total U.S. Department of Health and Human Services</b>			<u>1,306,764</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 1,306,764</u>

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(Continued)

<u>Federal Grantor/Pass-Through Grantor/State Grantor Program Title</u>	<u>CSFA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<b>STATE FINANCIAL ASSISTANCE</b>			
<b><u>State of Florida Department of Juvenile Justice -</u></b>			
Passed through Florida Network of Youth and Family Services:			
Children and Families in Need of Services	80.005	10128	\$ 3,093,665
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<u>\$ 3,093,665</u>
<b>TOTAL AWARDS</b>			<u>\$ 4,400,429</u>

**Note 1:** The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal awards and State financial assistance activity of CDS Family & Behavioral Health Services, Inc. under programs of the Federal and State government for the year ended June 30, 2021 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) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of CDS Family & Behavioral Health Services, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of CDS Family & Behavioral Health Services, Inc..

**Note 2:** Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3:** De Minimis Indirect Cost Rate Election - CDS Family & Behavioral Health Services, Inc. has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE  
SUPPLEMENTAL SCHEDULES AS REQUIRED BY  
SUBSTANCE ABUSE AND MENTAL  
HEALTH (SAMH) SERVICES CONTRACT NO. ME008**

**FOR THE YEAR ENDED JUNE 30, 2021**

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.**  
**SCHEDULE OF STATE EARNINGS FOR SUBSTANCE ABUSE AND MENTAL**  
**HEALTH SERVICES REQUIRED BY CONTRACT NO. ME008**  
**FISCAL YEAR ENDED JUNE 30, 2021**

1 Total Expenditures	<u>\$ 4,828,098</u>
2 Less Other State & Federal Funds	<u>\$ (3,692,635)</u>
3 Less Non-Match SAMH Funds	<u>\$ (569,010)</u>
4 Less Unallowable Costs per 65E-14, F.A.C.	<u>\$ 257,516</u>
5 Total Allowable Expenditures (Sum of lines 1,2,3, & 4)	<u>\$ 823,969</u>
6 Maximum Available Earnings (Line 5 times 75%)	<u>\$ 617,977</u>
7 Amount of State Funds Requiring Match	<u>\$ 34,787</u>
8 Amount Due to Department (Subtract line 7 from line 6)	<u>\$ - 0 -</u>

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES FOR**  
**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES REQUIRED BY CONTRACT NO. ME008**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**Part I: ACTUAL FUNDING SOURCES AND REVENUES**

Funding Sources & Revenues	SAMH Covered Services							Non-SAMH Covered Services	Total Funding
	State SAMH - Funded Covered Services			Total for Non- State-Funded Covered Services	Total for All Covered Services				
	ASA Program	CSA Program	Total for State SAMH-Funded Covered Services						
Prevention	Prevention								
<b>IA. State SAMH funding</b>									
(1)	\$ 139,149	\$ 569,008	\$ 708,157	\$ -	\$ 708,157	\$ -	\$ 708,157		
(2)	-	-	-	-	-	-	-		
(3)	-	-	-	-	-	-	-		
<b>Total State SAMH funding</b>	<b>139,149</b>	<b>569,008</b>	<b>708,157</b>	<b>-</b>	<b>708,157</b>	<b>-</b>	<b>708,157</b>		
<b>IB. Other Govt. Funding</b>									
Other state funding	-	-	-	-	-	3,375,601	3,375,601		
Local government	-	-	-	-	-	-	-		
Federal grants	-	-	-	-	-	317,034	317,034		
<b>Total other govt. funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,692,635</b>	<b>3,692,635</b>		
<b>IC. All other revenues</b>									
1st/3rd party	-	-	-	-	-	-	-		
Contributions and donations	-	-	-	-	-	135,514	135,514		
Other	-	-	-	-	-	741,288	741,288		
In-kind	106,596	-	106,596	-	106,596	119,365	225,961		
Change in insurance value	-	-	-	-	-	-	-		
<b>Total all other revenue</b>	<b>106,596</b>	<b>-</b>	<b>106,596</b>	<b>-</b>	<b>106,596</b>	<b>996,167</b>	<b>1,102,763</b>		
<b>Total Funding</b>	<b>\$ 245,745</b>	<b>\$ 569,008</b>	<b>\$ 814,753</b>	<b>\$ -</b>	<b>\$ 814,753</b>	<b>\$ 4,688,802</b>	<b>\$ 5,503,555</b>		

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES FOR**  
**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES REQUIRED BY CONTRACT NO. ME008**  
**FOR THE YEAR ENDED JUNE 30, 2021**

(Continued)

**Part II: ACTUAL EXPENSES**

Expense Categories	State-Designated SAMH Cost Centers						Non SAMH Covered Services	Administration	Total Expenses
	State SAMH - Funded Cost Centers		Total for State SAMH-Funded Covered Services	Total for Non- State-Funded Covered Services	Total for All Covered Services				
	ASA Program Prevention	CSA Program Prevention							
<b>I.A. PERSONNEL EXP</b>									
1. Salaries	\$ 63,659	\$ 315,113	\$ 378,772	\$ -	\$ 378,772	\$ 2,032,435	\$ 522,205	\$ 2,933,412	
2. Fringe benefits	12,472	81,525	93,997	-	93,997	418,992	97,570	610,559	
<b>TOTAL PERSONNEL EXPENSES</b>	<b>76,131</b>	<b>396,638</b>	<b>472,769</b>	<b>-</b>	<b>472,769</b>	<b>2,451,427</b>	<b>619,775</b>	<b>3,543,971</b>	
<b>I.B. Other Expenses</b>									
1. Bldg occupancy	169	8,290	8,459	-	8,459	157,968	132,470	298,897	
2. Professional services	75,997	6,737	82,734	-	82,734	31,558	43,052	157,344	
3. Travel	3,180	1,577	4,757	-	4,757	40,331	5,298	50,386	
4. Equipment	-	2,390	2,390	-	2,390	23,453	15,528	41,371	
5. Food services	-	74	74	-	74	70,203	2,575	72,852	
6. Medical and pharmacy	-	-	-	-	-	-	-	-	
7. Subcontracted services	-	-	-	-	-	-	937	937	
8. Insurance	324	5,326	5,650	-	5,650	60,666	15,727	82,043	
9. Interest paid	-	-	-	-	-	-	-	-	
10. Operating supplies and expenses	3,361	15,389	18,750	-	18,750	93,645	183,919	296,314	
11. Other	-	197	197	-	197	44,602	13,223	58,022	
12. Donated items	106,596	83,300	189,896	-	189,896	36,065	-	225,961	
<b>TOTAL OTHER EXPENSES</b>	<b>189,627</b>	<b>123,280</b>	<b>312,907</b>	<b>-</b>	<b>312,907</b>	<b>558,491</b>	<b>412,729</b>	<b>1,284,127</b>	
<b>TOTAL PERSONNEL AND OTHER EXPENSES</b>	<b>\$ 265,758</b>	<b>\$ 519,918</b>	<b>\$ 785,676</b>	<b>\$ -</b>	<b>\$ 785,676</b>	<b>\$ 3,009,918</b>	<b>\$ 1,032,504</b>	<b>\$ 4,828,098</b>	
<b>I.C. DISTRIBUTED INDIRECT COSTS</b>	<b>\$ 90,324</b>	<b>\$ 176,706</b>	<b>\$ 267,030</b>	<b>\$ -</b>	<b>\$ 267,030</b>	<b>\$ 1,022,990</b>	<b>\$ (1,290,020)</b>	<b>\$ -</b>	
<b>I.D. UNALLOWABLE COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 257,516</b>	<b>\$ 257,516</b>	
							Grand Total:	<b>\$ 5,085,614</b>	

**INDEPENDENT AUDITORS' 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,  
CDS Family & Behavioral Health Services, Inc. and Affiliate:

We have audited 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, the consolidated financial statements of CDS Family & Behavioral Health Services, Inc. and Affiliate, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated December 10, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of CDS Family & Behavioral Health Services, Inc. and Affiliate'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 consolidated 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

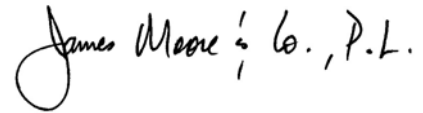
2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CDS Family & Behavioral Health Services, Inc. and Affiliate's consolidated 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 consolidated financial statements 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida  
December 10, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA**

To the Board of Directors,  
CDS Family & Behavioral Health Services, Inc. and Affiliate:

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the compliance of CDS Family & Behavioral Health Services, Inc. and Affiliate with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the *Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended June 30, 2021. CDS Family & Behavioral Health Services, Inc. and Affiliate's major federal awards programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of CDS Family & Behavioral Health Services, Inc. and Affiliate'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; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, 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 major state project occurred. An audit includes examining, on a test basis, evidence about CDS Family & Behavioral Health Services, Inc. and Affiliate'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 state project. However, our audit does not provide a legal determination of CDS Family & Behavioral Health Services, Inc. and Affiliate's compliance.

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### ***Opinion on Each Major Federal Program and State Project***

In our opinion, CDS Family & Behavioral Health Services, Inc. and Affiliate complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal awards programs and state projects for the year ended June 30, 2021.

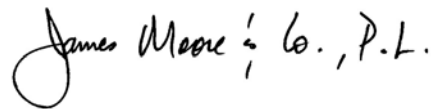
### **Report on Internal Control over Compliance**

Management of CDS Family & Behavioral Health Services, Inc. and Affiliate is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our compliance audit, we considered CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General, State of Florida*, 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 CDS Family & Behavioral Health Services, Inc. and Affiliate'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 project 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 or state 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 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 would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Section 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida  
December 10, 2021

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS  
AND STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Section I. Summary of Auditors' Results:**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None noted

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None noted

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs: CFDA No. 93.959, Block Grants for Prevention and Treatment of Substance Abuse (SAMH)

Dollar threshold used to distinguish between the type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee?  Yes  No

**State Financial Assistance**

Internal control over major state financial assistance projects:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None noted

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS**  
**AND STATE FINANCIAL ASSISTANCE PROJECTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(Continued)

Type of auditors' report issued on compliance for major state financial assistance projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Rules of the Auditor General Chapter 10.650?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Identification of major state financial assistance projects:	CSFA No. 80.005, Children and Families in Need of Services
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
<b>Section II. Findings relating to the Financial Statements Which are Required to be Reported in Accordance with <i>Government Auditing Standards</i></b>	None
<b>Section III. Findings and Questioned Costs for Federal Awards:</b>	None
<b>Section IV. Findings and Questioned Costs for State Financial Assistance:</b>	None
<b>Section V. Prior Audit Findings and Corrective Action Plan for Federal Awards for the Year Ended June 30, 2020:</b>	None
<b>Section VI. Prior Audit Findings and Corrective Action Plan for State Financial Assistance for the Year Ended June 30, 2020:</b>	None
<b>Section VII. Management Letter</b>	No management letter pursuant to Sections 215.97(9)(f) and 215.97(10)(d), Florida Statutes is required since there are no items related to state financial assistance required to be reported in the management letter, not already reported in this schedule