



YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

YOUTH AND FAMILY ALTERNATIVES, INC.

AND SUPPORTING ORGANIZATION

COMBINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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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

Opinion

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, 2022, and the related combined statements 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.

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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022 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.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022**

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 7,113,574	\$ 10,614	\$ -	\$ 7,124,188
Grants and contracts receivable	1,876,810	-	-	1,876,810
Due from Supporting Organization	3,050	-	(3,050)	-
Prepaid expenses	52,328	-	-	52,328
Total Current Assets	9,045,762	10,614	(3,050)	9,053,326
Investments	874,754	1,107,202	(874,754)	1,107,202
Beneficial interest in Community Foundation	121,890	-	-	121,890
Deferred compensation plan assets	236,194	-	-	236,194
Property and equipment, net	6,447,400	-	-	6,447,400
Construction in progress	1,364,575	-	-	1,364,575
Deposits	29,241	-	-	29,241
Total Assets	\$ 18,119,816	\$ 1,117,816	\$ (877,804)	\$ 18,359,828
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 293,160	\$ -	\$ -	\$ 293,160
Accrued expenses	905,268	-	-	905,268
Deferred revenue	15,780	-	-	15,780
Current portion of long-term debt	37,453	-	-	37,453
Due to YFA	-	3,050	(3,050)	-
Total Current Liabilities	1,251,661	3,050	(3,050)	1,251,661
Rental deposits	4,200	-	-	4,200
Deferred compensation plan liability	236,194	-	-	236,194
Long-term debt	683,685	-	-	683,685
Amounts invested on behalf of YFA	-	874,754	(874,754)	-
Total Liabilities	2,175,740	877,804	(877,804)	2,175,740
Net Assets				
Without donor restrictions:				
Undesignated	8,241,616	240,012	-	8,481,628
Board designated for capital reserves	489,733	-	-	489,733
Board designated for endowment	121,890	-	-	121,890
Invested in property and equipment	7,090,837	-	-	7,090,837
Total net assets without donor restrictions	15,944,076	240,012	-	16,184,088
With donor restrictions:				
Purpose and time restrictions	-	-	-	-
Total net assets with donor restrictions	-	-	-	-
Total Net Assets	15,944,076	240,012	-	16,184,088
Total Liabilities and Net Assets	\$ 18,119,816	\$ 1,117,816	\$ (877,804)	\$ 18,359,828

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, 2022**

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
Changes in Net Assets Without Donor Restrictions:				
REVENUES				
Grants and contracts	\$ 19,186,383	\$ -	\$ -	\$ 19,186,383
United Way	62,496	-	-	62,496
Contributions	145,586	-	-	145,586
In-kind contributions	404,800	-	-	404,800
Program revenue	145,317	-	-	145,317
Rental income	113,289	-	-	113,289
Other revenue	18,490	-	-	18,490
Interest income	-	5	-	5
Investment return on beneficial interest in Community Foundation	(20,383)	-	-	(20,383)
Investment return	-	(120,658)	-	(120,658)
	<u>20,055,978</u>	<u>(120,653)</u>	<u>-</u>	<u>19,935,325</u>
Special events	68,852	-	-	68,852
Less: direct costs of special events	(33,708)	-	-	(33,708)
	<u>35,144</u>	<u>-</u>	<u>-</u>	<u>35,144</u>
Total Unrestricted Revenues	<u>20,091,122</u>	<u>(120,653)</u>	<u>-</u>	<u>19,970,469</u>
EXPENSES				
Program Services:				
Youth Crisis Shelters	2,740,516	-	-	2,740,516
Prevention	2,166,948	-	-	2,166,948
Foster Care & Adoption Services	11,994,020	-	-	11,994,020
Supportive Housing	273,787	-	-	273,787
Behavior Health Services	149,272	-	-	149,272
	<u>17,324,543</u>	<u>-</u>	<u>-</u>	<u>17,324,543</u>
Support Services:				
Management and general	1,644,378	-	-	1,644,378
Fund development	52,777	-	-	52,777
	<u>1,697,155</u>	<u>-</u>	<u>-</u>	<u>1,697,155</u>
Total Expenses	<u>19,021,698</u>	<u>-</u>	<u>-</u>	<u>19,021,698</u>
Change in Net Assets Without Donor Restrictions	1,069,424	(120,653)	-	948,771
NET ASSETS, beginning of year	<u>14,874,652</u>	<u>360,665</u>	<u>-</u>	<u>15,235,317</u>
NET ASSETS, end of year	<u>\$ 15,944,076</u>	<u>\$ 240,012</u>	<u>\$ -</u>	<u>\$ 16,184,088</u>

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of these combined financial statements.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	SUPPORT SERVICES									Total Expenses
	Youth Crisis Shelters	Prevention	Foster Care & Adoption Services	Supportive Housing	Behavior Health Services	Total Program Services	Management and General	Fund Development	Total Support Services	
Salaries	\$ 1,663,582	\$ 1,173,467	\$ 8,193,581	\$ 48,271	\$ 23,077	\$ 11,101,978	\$ 963,182	\$ 12,224	\$ 975,406	\$ 12,077,384
Employee benefits and payroll taxes	348,377	338,088	2,256,071	18,539	9,759	2,970,834	251,243	2,598	253,841	3,224,675
Total employee costs	2,011,959	1,511,555	10,449,652	66,810	32,836	14,072,812	1,214,425	14,822	1,229,247	15,302,059
In-kind teacher salaries	-	356,816	-	-	-	356,816	-	-	-	356,816
Professional fees	8,124	4,671	52,572	18,104	99,593	183,064	24,990	34,000	58,990	242,054
Contract services	2,608	990	58,543	9,847	86	72,074	5,743	-	5,743	77,817
Office expenses	43,224	59,511	50,778	634	9,346	163,493	94,758	18	94,776	258,269
Occupancy expenses	156,995	23,564	131,089	23,332	4,993	339,973	34,916	-	34,916	374,889
Donated facilities	-	47,984	-	-	-	47,984	-	-	-	47,984
Travel and transportation costs	9,778	21,927	292,301	454	179	324,639	5,815	3,937	9,752	334,391
Equipment expenses	23,816	4,240	9,910	2,773	211	40,950	9,363	-	9,363	50,313
Conference and meetings	220	1,552	1,995	337	12	4,116	3,995	-	3,995	8,111
Dues and memberships	3,441	1,977	16,881	196	84	22,579	48,539	-	48,539	71,118
Insurance expense	171,120	58,315	385,145	35,785	462	650,827	97,444	-	97,444	748,271
Program expenses	61,295	3,177	-	3,750	-	68,222	-	-	-	68,222
Other employee and recruitment costs	49,155	21,688	158,870	434	1,470	231,617	30,667	-	30,667	262,284
Other operating expenses	117,857	48,981	375,571	33,769	-	576,178	-	-	-	576,178
Total expenses before depreciation and interest	2,659,592	2,166,948	11,983,307	196,225	149,272	17,155,344	1,570,655	52,777	1,623,432	18,778,776
Depreciation	70,211	-	-	77,562	-	147,773	73,723	-	73,723	221,496
Interest	10,713	-	10,713	-	-	21,426	-	-	-	21,426
TOTAL EXPENSES	\$ 2,740,516	\$ 2,166,948	\$ 11,994,020	\$ 273,787	\$ 149,272	\$ 17,324,543	\$ 1,644,378	\$ 52,777	\$ 1,697,155	\$ 19,021,698

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 STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase (Decrease) in Net Assets	\$ 1,069,424	\$ (120,653)	\$ -	\$ 948,771
<i>Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:</i>				
Depreciation	221,496	-	-	221,496
Unrealized (gain) loss on investments	-	204,284	-	204,284
Unrealized (gain) loss on beneficial interest in Community Foundation	26,659	-	-	26,659
Paycheck Protection Program loan forgiveness	(1,019,600)	-	-	(1,019,600)
(Increase) decrease in grants and contracts receivable	(625,317)	-	-	(625,317)
(Increase) decrease in prepaid expenses	8,186	-	-	8,186
(Increase) decrease in deposits	22,292	-	-	22,292
Increase (decrease) in accounts payable and accrued expenses	256,554	-	-	256,554
Total adjustments	(1,109,730)	204,284	-	(905,446)
Net cash provided (used) by operating activities	(40,306)	83,631	-	43,325
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property	-	-	-	-
Cash payments for construction in progress	(767,524)	-	-	(767,524)
Cash payments for property and equipment	(313,286)	-	-	(313,286)
Reinvestment of investment interest and gains	-	(83,626)	-	(83,626)
Reinvestment of interest on beneficial interest in Community Foundation	(7,277)	-	-	(7,277)
Sales of beneficial interest in Community Foundation	1,000	-	-	1,000
Net cash provided (used) by investing activities	(1,087,087)	(83,626)	-	(1,170,713)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments on long-term debt	(31,112)	-	-	(31,112)
Proceeds from issuance of long term debt	221,000	-	-	221,000
Net cash provided (used) by financing activities	189,888	-	-	189,888
Net increase (decrease) in cash and cash equivalents	(937,505)	5	-	(937,500)
CASH AND CASH EQUIVALENTS, beginning of year	8,051,079	10,609	-	8,061,688
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 7,113,574</u>	<u>\$ 10,614</u>	<u>\$ -</u>	<u>\$ 7,124,188</u>
<u>SUPPLEMENTAL DISCLOSURES</u>				
Cash paid for interest	<u>\$ 21,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,426</u>
Transfer of deposits to construction in progress	<u>\$ 20,551</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,551</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, 2022**

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, 2022**

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 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, 2022**

NOTE A – DESCRIPTION OF ORGANIZATION (continued)

Behavior Health Services is dedicated to providing the highest quality service to every single person by treating the whole person through collaboration and evidenced based therapeutic practices. Services provided include:

- Individual Therapy for ages 4 -64; Family & Siblings Therapy
- Group Therapy
- Grief, Loss, Trauma, Anxiety, Depression & Behavioral Issues in Children
- Expressive Arts Therapy

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

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, 2022**

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 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, 2022. 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, 2022.

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, 2022, grants and contracts were 96% of total revenue, with 87% of the funding from four agencies (34%, 17%, 18% and 18%, respectively).

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.

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.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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 \$6,929,199 at June 30, 2022.

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. Concentration of credit risk with respect to grants and contracts 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. At June 30, 2022 approximately 82% of grant and contract receivables were from three agencies (39%, 32% and 11%, respectively).

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 it 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, 2019.

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.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses , continued

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.

	2022
Financial assets:	
Cash and cash equivalents	\$ 7,124,188
Investments	1,107,202
Grants and contracts receivable	1,876,810
Beneficial interest in Community Foundation	121,890
 Total financial assets	 10,230,090
 Less those unavailable for general expenditure within one year:	
Investments	(1,107,202)
Beneficial interest in Community Foundation	(121,890)
 Financial assets available to meet general expenditures within one year	 \$ 9,000,998

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.

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.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

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.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2022:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Short term investments	\$ 10,595	\$ 10,595	\$ -	\$ -
Mutual funds	627,889	627,889	-	-
Equities	281,231	281,231	-	-
Bonds	187,487	-	187,487	-
Deferred compensation plan	236,194	-	-	236,194
Beneficial interest in Community Foundation	121,890	-	-	121,890
Total	<u>\$ 1,465,286</u>	<u>\$ 919,715</u>	<u>\$ 187,487</u>	<u>\$ 358,084</u>

The reconciliation of the changes in the deferred compensation plan and beneficial interest in Community Foundation 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, 2021	\$ 240,973	\$ 147,043
Contributions to plan	39,500	-
Withdrawals	-	-
Amounts used for programs	-	(4,770)
Net change (realized and unrealized)	<u>(44,279)</u>	<u>(20,383)</u>
Balance at June 30, 2022	<u>\$ 236,194</u>	<u>\$ 121,890</u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE E – PROPERTY AND EQUIPMENT

At June 30, 2022, property and equipment consist of the following:

	<u>2022</u>
Land	\$ 872,359
Building	8,501,306
Furniture and equipment	554,889
Vehicles	<u>129,081</u>
	10,057,635
Less accumulated depreciation	<u>(3,610,235)</u>
Net property and equipment	<u>\$ 6,447,400</u>

NOTE F – LONG-TERM DEBT

The Organization's obligations under long-term debt consist of the following at June 30, 2022:

Note payable to bank, \$3,809 total monthly payments including interest of 3.49%, due June 2036, secured by land and building with a net book value of \$640,000.	\$ 503,906
Note payable to bank, \$1,688 total monthly payments including interest of 3.99%, due July 2036, secured by land.	<u>217,232</u>
	721,138
Less amounts due within one year	<u>(37,453)</u>
	<u>\$ 683,685</u>

Future scheduled maturities of long-term debt are as follows:

For the years ending December 31:	
2023	\$ 37,453
2024	38,785
2025	40,304
2026	41,812
2027	43,376
Thereafter	<u>519,408</u>
Total	<u>\$ 721,138</u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE G – ENDOWMENT

The Community Foundation of Tampa Bay (Community Foundation) 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 \$121,890 at June 30, 2022.

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, 2022. 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, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beneficial interest in Community Foundation	<u>\$ 121,890</u>	<u>\$ -</u>	<u>\$ 121,890</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 147,043	\$ -	\$ 147,043
Net appreciation	(20,383)	-	(20,383)
Amounts appropriated for expenditure	<u>(4,770)</u>	<u>-</u>	<u>(4,770)</u>
Endowment net assets, end of year	<u>\$ 121,890</u>	<u>\$ -</u>	<u>\$ 121,890</u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE G – ENDOWMENT (continued)

Return Objectives and Risk Parameters

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.

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 Community Foundation can make annual distributions to the Organization of no less than 5% of the fund’s fair market value upon written request from The Organization. For the year ended June 30, 2022, the Organization took \$4,770 in distributions from the funds.

NOTE H – PAYCHECK PROTECTION PROGRAM

During fiscal 2020, the Organization obtained a Paycheck Protection Program (PPP) loan under the CARES Act of \$1,019,600 to help keep their workforce employed during the COVID-19 crisis. In accordance with ASC 958-605-25 Not-For-Profit Entities Revenue Recognition, the Organization accounted for the funds as a conditional grant for which it believes all conditions have been met. For the year ended June 30, 2022, the Organization recognized \$1,019,600 in grant revenue. The loan was forgiven on August 3, 2021.

NOTE I – DONATED FACILITIES AND SERVICES

Donated facilities and services for the year ended June 30, 2022 consisted of the following:

Prevention Program:

Teacher salaries	\$ 356,816
Use of facilities	<u>47,984</u>
Total	<u><u>\$ 404,800</u></u>

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE J – 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, 2022.

NOTE K – 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, 2022, the Organization made contributions totaling \$234,190 to the plan. The Organization incurred no administrative expenses related to the plan during the year ended June 30, 2022.

NOTE L – 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 \$39,500 to the plan for the year ended June 30, 2022. The Organization incurred no administrative expenses related to the plan during the year ended June 30, 2022.

NOTE M – LEASES

The Organization leases certain facilities, vehicles and equipment for the operation of its programs under long-term operating leases through 2026. 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, 2022:

<u>Year ended June 30,</u>	
2023	\$ 101,556
2024	78,561
2025	8,570
2026	2,900

Lease expense incurred for facilities, included in occupancy expense, totaled \$114,875 for the year ended June 30, 2022. Vehicle and equipment lease expenses, included in equipment expenses, totaled \$140,104 for the year ended June 30, 2022.

Read Report of Independent Certified Public Accountants.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE N – 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.

NOTE O – 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, 2023 and is renewable annually. Any borrowings under the line of credit are due on demand and bear interest at the Prime Rate (4.75% at June 30, 2022). There were no outstanding borrowings on the line of credit at June 30, 2022.

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 P – 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 developed 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.

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE Q – SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which may negatively impact revenue and support. The Organization has been responsive to the COVID-19 crisis including providing clients virtual services. As the Organization continues to evaluate its response and the community's response to COVID-19, there could be additional impact which is unknown at this time.

Management has evaluated subsequent events through December 7, 2022, the date the financial statements were available to be issued.



**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, 2022, 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 December 7, 2022.

Report on 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.

Report on 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.

Reeder & Associates, PA

Certified Public Accountants

December 7, 2022

**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, 2022 and have issued our report thereon dated December 7, 2022. 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 26-29 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
December 7, 2022

**YOUTH AND FAMILY ALTERNATIVES, INC.
INDEX TO SUPPLEMENTAL SCHEDULES ON
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
YEAR ENDED JUNE 30, 2022**

	<u>Page</u>
Required Substance Abuse and Mental Health Schedules:	
Schedule of State Earnings	26
Schedule of Related Party Transactions	27
Summary Schedule of Program Actual Revenues and Expenses	28
Detailed Schedule of Program Actual Revenues and Expenses	29
Schedule of Bed Day Availability Payments	30

**YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2022**

1	Total Expenditures	\$	775,565
2	Less Other State and Federal Funds		(404,800)
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>370,765</u>
6	Maximum Available Earnings (Line 5 times 75%)	\$	278,074
7	Amount of State Funds Requiring Match		<u>-</u>
8	(Amount Due to Department) Excess Match (Subtract line 7 from line 6)	\$	<u>278,074</u>

**YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022**

<u>Funding Sources And Revenues</u>	<u>CENTER</u>
	<u>Prevention (CSC)</u>
STATE SAMH FUNDING	
Central Florida Behavioral Health Network	\$ 377,405
ALL OTHER REVENUES	
In-kind	404,800
TOTAL REVENUES	\$ 782,205
Expense Categories	
Personnel Expense	
Salaries	\$ 231,086
Fringe Benefits	50,727
Total Personnel Expenses	281,813
Other Expenses	
Building Occupancy	509
Professional Services	5,334
Travel	1,051
Equipment	38
Food Services	-
Medical and Pharmacy	-
Subcontracted Services	-
Insurance Expense	34,463
Interest	-
Operating Supplies & Expenses	13,819
Other	-
Donated Items (in-kind)	404,800
Total Other Expenses	460,014
Total Personnel and Other Expenses	741,827
Distributed Indirect Costs	
Administration	\$ 33,738
Total Distributed Indirect Costs	33,738
TOTAL OPERATING EXPENSES	775,565
Unallowable Costs	-
TOTAL ALLOWABLE OPERATING EXPENSES	775,565
Capital Expenditures	-
TOTAL EXPENSES	\$ 775,565

Read Report of Independent Certified Public Accountants on Supplementary Information.

YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
DETAILED SCHEDULE OF PROGRAM ACTUAL REVENUE AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

FUNDING SOURCES & REVENUES	49 Selective Prevention	51 Universal Indirect Prevention	Total for State Funded SAMH Cost Centers	Non- State Funded SAMH Cost	Total All SAMH Cost Centers	Total Revenue	Total Agency
IA. STATE SAMH FUNDING							
(1) Central Florida Behavioral Health Network	\$ 350,663	\$ 26,742	\$ 377,405	\$ -	\$ 377,405	\$377,405	\$377,405
MH025	350,663	26,742	377,405	-	377,405	377,405	377,405
IB. OTHER GOVT. FUNDING							
(1) Other State Agency Funding							
(2) Medicaid							
(3) Local Government							
(4) Federal Grants and Contracts							19,056,485
(5) In-kind from local government only	404,800	-	404,800	-	404,800	404,800	404,800
TOTAL GOVERNMENT FUNDING =	<u>404,800</u>	<u>-</u>	<u>404,800</u>	<u>-</u>	<u>404,800</u>	<u>404,800</u>	<u>19,838,690</u>
IC. ALL OTHER REVENUES							
(1) 1st & 2nd Party Payments							
(2) 3rd Party Payments (except Medicare)							
(3) Medicare							
(4) Contributions and Donations							
(5) Other							131,779
(6) In-kind	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES =	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,779</u>
TOTAL ACTUAL FUNDING =	\$ 755,463	\$ 26,742	\$ 782,205	\$ -	\$ 782,205	\$782,205	\$ 19,970,469
PART II: ACTUAL EXPENSES							
IIA. PERSONNEL EXPENSES							
(1) Salaries	214,910	16,176	231,086	-	231,086		12,077,384
(2) Fringe Benefits	47,133	3,594	50,727	-	50,727		3,224,675
TOTAL PERSONNEL EXPENSES =	<u>262,043</u>	<u>19,770</u>	<u>281,813</u>	<u>-</u>	<u>281,813</u>		<u>15,302,059</u>
IIB. OTHER EXPENSES							
(1) Building Occupancy	471	36	507	-	507		374,889
(2) Professional Services	4,956	378	5,334	-	5,334		242,054
(3) Travel	977	75	1,052	-	1,052		334,391
(4) Equipment	35	3	38	-	38		50,313
(5) Food Services	-	-	-	-	-		-
(6) Medical and Pharmacy	-	-	-	-	-		-
(7) Subcontracted Services	-	-	-	-	-		-
(8) Insurance	32,021	2,442	34,463	-	34,463		748,271
(9) Interest Paid	-	-	-	-	-		21,426
(10) Operating Supplies & Expenses	12,840	979	13,819	-	13,819		793,805
(11) Donated Items (In Kind Salaries)	-	-	404,800	-	404,800		356,816
(12) Other Expense	-	-	-	-	-		797,674
TOTAL OTHER EXPENSES =	<u>51,300</u>	<u>3,913</u>	<u>460,013</u>	<u>-</u>	<u>460,013</u>		<u>3,719,639</u>
TOTAL PERSONNEL & OTHER EXPENSES =	313,343	23,683	741,826	-	741,826		19,021,698
IIC. DISTRIBUTED INDIRECT COSTS							
(b) Administration	31,348	2,391	33,739	-	33,739		-
TOTAL DISTRIBUTED INDIRECT COSTS =	<u>31,348</u>	<u>2,391</u>	<u>33,739</u>	<u>-</u>	<u>33,739</u>		<u>-</u>
TOTAL ACTUAL OPERATING EXPENSES =	344,691	26,074	775,565	-	775,565		19,021,698
IID. UNALLOWABLE COSTS							
IIE. CAPITAL EXPENDITURES							
TOTAL ALLOWABLE OPERATING EXPENSES =	\$ 344,691	\$ 26,074	\$ 775,565	\$ -	\$ 775,565		\$ 19,021,698

**YOUTH AND FAMILY ALTERNATIVES, INC.
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
SCHEDULE OF BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Program	Covered Service	Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department (D-E)	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F (F x C)	Amount Owed to Department (G-H or \$0, whichever is greater)
A	B	C	D	E	F	G	H	I
Children's MH	Crisis Stabilization Unit	N/A			0		\$0.00	\$0.00
Adult MH	Crisis Stabilization Unit	N/A			0		\$0.00	\$0.00
Children's SA	Substance Abuse Detox	N/A			0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox	N/A			0		\$0.00	\$0.00
Adult MH	Short-term Residential Treatment	N/A			0		\$0.00	\$0.00
		N/A			0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
						Total Amount Owed to Department =		\$0.00

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 REQUIRED BY
UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL,
STATE OF FLORIDA**

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited Youth and Family Alternatives, Inc. (a nonprofit organization), and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization's) compliance with the types of compliance requirements identified as subject to audit 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 Organization's major federal programs and major state projects for the year ended June 30, 2022. The Organization'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.

In our opinion, the Organization 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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and, *Chapter 10.650, Rules of the Auditor General, State of Florida* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and each state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650 but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance 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 the Organization as of and for the year ended June 30, 2022, and have issued our report thereon dated December 7, 2022, 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 schedule 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 expenditures 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.

Reeder & Associates, PA

Certified Public Accountants
March 17, 2023

**YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal ALN	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	90CY696003;90CY695903	\$ 21,433	\$ -	\$ 21,433
Total Department of Health and Human Services Direct Programs			<u>21,433</u>	<u>-</u>	<u>21,433</u>
Department of Health and Human Services Pass-Through Programs From:					
Temporary Assistance for Needy Families	93.558				
Family Support Services		FSS-C6-CMO-YFA-FY22	298,792	308,505	607,297
Eckerd Connects		ECA-C6-CMO-YFA-FY22	311,905	234,059	545,964
Kids Central, Inc.		CH029	<u>746,516</u>	<u>430,607</u>	<u>1,177,123</u>
<i>Total Temporary Assistance for Needy Families</i>			<u>1,357,213</u>	<u>973,171</u>	<u>2,330,384</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		QG057	<u>377,405</u>	<u>-</u>	<u>377,405</u>
Adoption Assistance	93.659				
Family Support Services		FSS-C6-CMO-YFA-FY22	60,363	60,363	120,726
Eckerd Connects		ECA-C6-CMO-YFA-FY22	54,267	54,267	108,534
Kids Central, Inc.		CH029	<u>315,682</u>	<u>315,682</u>	<u>631,364</u>
<i>Total Adoption Assistance</i>			<u>430,312</u>	<u>430,312</u>	<u>860,624</u>
Promoting Safe and Stable Families	93.556				
Family Support Services		FSS-C6-CMO-YFA-FY22	11,073	3,691	14,764
Eckerd Connects		ECA-C6-CMO-YFA-FY22	170,001	3,853	173,854
Kids Central, Inc.		CH029	<u>374,767</u>	<u>8,600</u>	<u>383,367</u>
<i>Total Promoting Safe and Stable Families</i>			<u>555,841</u>	<u>16,144</u>	<u>571,985</u>
Grants to States for Access and Visitation Programs	93.597				
Kids Central, Inc.		CH029	<u>20,462</u>	<u>-</u>	<u>20,462</u>
<i>Total Grants to States for Access and Visitation Programs</i>			<u>20,462</u>	<u>-</u>	<u>20,462</u>
Medicaid Cluster					
Medical Assistance Program	93.778				
Kids Central, Inc.		CH029	<u>31,007</u>	<u>31,007</u>	<u>62,014</u>
<i>Total Medicaid Cluster</i>			<u>31,007</u>	<u>31,007</u>	<u>62,014</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.
AND SUPPORTING ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal ALN	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		SBR34	\$ 1,071	\$ -	\$ 1,071
Children's Network of SW FI		SBR14	1,022	-	1,022
Family Support Services		RAP	3,423	-	3,423
Heartland For Children		QYF01	10,554	-	10,554
Heartland For Children		RYF01	24,048	-	24,048
<i>Total Social Services Block Grant</i>			<u>40,118</u>	<u>-</u>	<u>40,118</u>
Stephanie Tubbs Jones Child Welfare	93.645				
Family Support Services		FSS-C6-CMO-YFA-FY22	174,616	58,205	232,821
Eckerd Connects		ECA-C6-CMO-YFA-FY22	182,280	60,760	243,040
Kids Central, Inc.		CH029	421,943	140,648	562,591
<i>Total Stephanie Tubbs Jones Child Welfare Services</i>			<u>778,839</u>	<u>259,613</u>	<u>1,038,452</u>
Foster Care-Title IV-E	93.658				
Family Support Services		RAP	65,247	31,803	97,050
Family Support Services		FSS-C6-CMO-YFA-FY22	682,212	682,212	1,364,424
Eckerd Connects		ECA-C6-CMO-YFA-FY22	613,314	613,314	1,226,628
Children's Network of SW FI		SBR34	694	338	1,032
Heartland For Children		QYF01	25,179	12,273	37,452
Heartland For Children		RYF01	57,375	27,965	85,340
Kids Central, Inc.		CH029	1,321,509	1,321,509	2,643,018
<i>Total Foster Care-Title IV-E</i>			<u>2,765,530</u>	<u>2,689,414</u>	<u>5,454,944</u>
Total Department of Health and Human Services Pass-Through			<u>6,356,727</u>	<u>4,399,661</u>	<u>10,756,388</u>
Total Department of Health and Human Services			<u>6,378,160</u>	<u>4,399,661</u>	<u>10,777,821</u>
Department of Agriculture Pass-Through Program					
Child and Adult Care Food Program	10.558				
State of Florida Department of Health			74,672	-	74,672
Total Department of Agriculture			<u>74,672</u>	<u>-</u>	<u>74,672</u>
Department of Housing and Urban Development Pass-Through Program					
Home Investment Partnership Program	14.239				
Pasco County Government	Loan		875,000	-	875,000
Total Department of Treasury			<u>875,000</u>	<u>-</u>	<u>875,000</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.
AND SUPPORTING ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

GRANTOR/PASS-THROUGH GRANTOR/ OR CLUSTER TITLE	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures	State Matching Funds for Federal Programs	Total Expenditures
State of Florida Matching Funds - No ALN Number Identified - To be Tested Pursuant to OCA Activity	90.XXX				
Family Support Services		FSS-C6-RGC-YFA-FY22	\$ -	\$ 783,173	\$ 783,173
Eckerd Connects		ECA-C6-RGC-YFA-FY22	-	668,209	668,209
Family Support Services		RAP	-	14,727	14,727
Children's Network of SW FI		SBR14	-	4,605	4,605
Children's Network of SW FI		SBR34	-	4,396	4,396
Heartland For Children		QYF01	-	53,844	53,844
Heartland For Children		RYF01	-	122,692	122,692
Kids Central, Inc.		CH029	-	1,456,917	1,456,917
<i>Total State of Florida Matching</i>			-	3,108,563	3,108,563
Cash to accrual conversion - No ALN Number Identified	XX.XXX				
Kids Central, Inc.		CH029	-	99,986	99,986
Family Support Center		RAP	-	55,350	55,350
<i>Total Cash to Accrual Conversion</i>			-	155,336	155,336
Total Expenditures of Federal Awards			\$ 7,327,832	\$ 7,663,560	\$ 14,991,392

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, 2022**

GRANTOR/PASS-THROUGH GRANTOR/PROJECT	State CSFA #	Pass-Through Entity Identifying Number	State Expenditures
Florida Department of Juvenile Justice Pass-Through Programs From:			
Children and Families in Need of Services Florida Network of Youth and Family Services	80.005	N/A	<u>3,366,935</u>
Total Florida Department of Juvenile Justice			<u>3,366,935</u>
Florida Department of Children and Families Pass-Through Programs From:			
Out of Home Supports Family Support Services	60.074	RAP	<u>675</u>
Total Out of Home Supports			<u>675</u>
Total Florida Department of Children and Families			<u>675</u>
Total Expenditures of State Financial Assistance Projects			<u><u>\$ 3,367,610</u></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.
AND SUPPORTING ORGANIZATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF
EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022**

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. and its supporting organization, the Youth and Family Alternatives Foundation, Inc. (collectively, the Organization) and under programs of the federal government and State of Florida for the year ended June 30, 2022. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Pursuant to the Uniform Guidance, the Organization, 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. The Organization has provided the total federal awards expended for each individual federal program and the ALN number or other identifying information when the ALN information is not available. The Uniform Guidance does not require the Organization to provide this information, nor a breakdown of amounts awarded by ALN 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. The Organization has elected to use the 10-percent de minimus indirect cost rate for certain contracts as allowed under the Uniform Guidance.

NOTE 3. 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 developed 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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

93.645 Stephanie Tubbs Jones Child Welfare Services Program

US Department of Housing and Urban Development

14.239 Home Investment Partnerships 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 \$750,000.
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.
AND SUPPORTING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED JUNE 30, 2022**

- 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.