

**CDS FAMILY & BEHAVIORAL
HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**



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

Opinion

We have audited the consolidated financial statements of CDS Family & Behavioral Health Services, Inc., and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2023, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of CDS Family & Behavioral Health Services, Inc. and Affiliate, as of June 30, 2023, 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 (GAAS) 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 CDS Family & Behavioral Health Services, Inc., and Affiliate 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 the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 CDS Family & Behavioral Health Services, Inc., and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 CDS Family & Behavioral Health Services, Inc. and Affiliate’s internal control. Accordingly, no such opinion is expressed. In circumstances in which the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the consolidated financial statements, omit the following: “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, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CDS Family & Behavioral Health Services, Inc. and Affiliate’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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying additional information on pages 32 – 37 is presented for purposes of additional analysis and is not a required part of the consolidated 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 29 – 30 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

The CDS Family & Behavioral Health Services, Inc., and Affiliate 2022 financial statements were audited, on a comparative basis, by another firm who expressed an unmodified audit opinion on those audited financial statements in a report dated December 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting and compliance.



Thomas & Company CPA P.A.
Cooper City, Florida
February 12, 2024

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	\$ 1,892,899	\$ 1,779,909
Grants Receivables, Net	664,100	794,314
Other Receivables	600	-
Notes Receivable, Current	-	4,482
Prepaid Expenses and Other	118,643	100,050
Restricted Cash		
Deferred Prosecution	162,334	184,416
Capital Campaign	84,439	64,439
Operating Reserve	260,000	-
Total Current Assets	<u>3,183,015</u>	<u>2,927,610</u>
Non-Current Assets		
Property and Equipment, Net	1,451,585	1,433,597
Finance Lease Asset (ROU)	15,797	-
Total Non-Current Assets	<u>1,467,382</u>	<u>1,433,597</u>
TOTAL ASSETS	<u>4,650,397</u>	<u>4,361,207</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable & Accrued Expenses	30,129	279,969
Accrued Compensated Absences	163,076	197,149
Current Portion of Finance Lease Liability	7,256	-
Total Current Liabilities	<u>200,461</u>	<u>477,118</u>
Non-Current Liabilities		
Deferred Prosecution Liability	162,334	184,416
Non - Current Portion of Finance Lease Liability	8,708	-
Total Non-Current Liabilities	<u>171,042</u>	<u>184,416</u>
TOTAL LIABILITIES	<u>371,503</u>	<u>661,534</u>
NET ASSETS		
Without Donor Restrictions		
Undesignated	2,167,309	1,866,076
Board Designated for Capital Improvements	315,561	315,561
Invested in Property and Equipment	1,451,585	1,433,597
Board Designated for Reserve	260,000	-
Total Net Assets Without Donor Restrictions	<u>4,194,455</u>	<u>3,615,234</u>
With Donor Restrictions	<u>84,439</u>	<u>84,439</u>
TOTAL NET ASSETS	<u>4,278,894</u>	<u>3,699,673</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,650,397</u>	<u>\$ 4,361,207</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, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>Total</u>
SUPPORT AND REVENUE			
SUPPORT			
Grants and Contracts	\$ 4,908,464	\$ -	\$ 4,908,464
United Way and Other Contributions	69,988	-	69,988
Contributed Facilities, Materials and Supplies	260,352	-	260,352
TOTAL SUPPORT	<u>5,238,804</u>	<u>-</u>	<u>5,238,804</u>
REVENUE			
Gain on Sale	233,345	-	233,345
Other Income	84,851	-	84,851
TOTAL REVENUE	<u>318,196</u>	<u>-</u>	<u>318,196</u>
TOTAL SUPPORT AND REVENUE	<u>5,557,000</u>	<u>-</u>	<u>5,557,000</u>
Net Assets Released From Restrictions:			
Satisfaction of Purpose or Time Restriction:	-	-	-
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	<u>5,557,000</u>	<u>-</u>	<u>5,557,000</u>
EXPENSES:			
Administration	1,087,310	-	1,087,310
Interface/Runway	2,688,422	-	2,688,422
Prevention	925,217	-	925,217
Independent Living	276,607	-	276,607
TOTAL EXPENSES	<u>4,977,556</u>	<u>-</u>	<u>4,977,556</u>
CHANGE IN NET ASSETS	<u>579,444</u>	<u>-</u>	<u>579,444</u>
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>3,615,234</u>	<u>84,439</u>	<u>3,699,673</u>
PRIOR PERIOD ADJUSTMENT (LEASE IMPLEMENTATION)	<u>(223)</u>	<u>-</u>	<u>(223)</u>
NET ASSETS AT BEGINNING OF YEAR (RESTATEd)	<u>3,615,011</u>	<u>84,439</u>	<u>3,699,450</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,194,455</u>	<u>\$ 84,439</u>	<u>\$ 4,278,894</u>

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	Total
SUPPORT AND REVENUE			
SUPPORT			
Grants and Contracts	\$ 4,549,934	\$ -	\$ 4,549,934
United Way and Other Contributions	12,061	6,939	19,000
Contributed Services of Volunteers	49,570	-	49,570
Contributed Facilities, Materials and Supplies	231,517	-	231,517
TOTAL SUPPORT	4,843,082	6,939	4,850,021
REVENUE			
Gain on Sale	229,345	-	229,345
Other Income	95,648	-	95,648
TOTAL REVENUE	324,993	-	324,993
TOTAL SUPPORT AND REVENUE	5,168,075	6,939	5,175,014
Net Assets Released From Restrictions:			
Satisfaction of Purpose or Time Restriction:	-	-	-
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	5,168,075	6,939	5,175,014
EXPENSES:			
Administration	1,132,747	-	1,132,747
Interface/Runway	2,712,671	-	2,712,671
Prevention	1,067,061	-	1,067,061
Independent Living	263,536	-	263,536
TOTAL EXPENSES	5,176,015	-	5,176,015
CHANGE IN NET ASSETS	(7,940)	6,939	(1,001)
NET ASSETS AT THE BEGINNING OF THE YEAR	3,623,174	77,500	3,700,674
NET ASSETS AT END OF YEAR	\$ 3,615,234	\$ 84,439	\$ 3,699,673

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>				Total
	Administration	Interface / Runaway	Prevention	Independent Living	
Operating Expenses					
Salaries and Wages	\$ 490,677	\$ 2,004,001	\$ 570,792	\$ 233,540	\$ 3,299,010
Payroll Taxes	45,101	147,968	40,007	16,567	249,643
Insurance	17,678	114,270	18,406	6,493	156,847
Travel and Conferences	9,904	19,367	9,259	5,000	43,530
Telephone and Utilities	19,134	72,487	12,140	4,250	108,011
Office Supplies and Postage	9,070	29,377	6,648	700	45,795
Auto	5,128	16,444	-	407	21,979
Rent	26,548	38,334	18,720	7,650	91,252
Repairs, Maintenance and Supplies	15,438	60,266	3,361	-	79,065
Professional and Contractual Services	311,407	27,172	9,338	2,000	349,917
Educational Materials and Supplies	150	1,392	5,738	-	7,280
Food	4,864	74,683	6,646	-	86,193
Facilities, Materials and Supplies - Contributed	-	46,267	214,085	-	260,352
Miscellaneous	25,995	4,427	987	-	31,409
Advertising	8,058	22,645	5,819	-	36,522
Dues	17,099	9,322	3,271	-	29,692
Depreciation	72,884	-	-	-	72,884
Interest Expenses	165	-	-	-	165
Amortization Expenses	8,010	-	-	-	8,010
Total Operating Expenses	\$ 1,087,310	\$ 2,688,422	\$ 925,217	\$ 276,607	\$ 4,977,556

"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, 2022

	Program Services				Total
	Administration	Interface / Runaway	Prevention	Independent Living	
Operating Expenses					
Salaries and Wages	\$ 583,505	\$ 1,930,526	\$ 402,435	\$ 199,391	\$ 3,115,857
Payroll Taxes	38,788	154,067	31,218	15,271	239,344
Retirement Plan	25,000	-	-	-	25,000
Insurance	77,251	194,516	46,082	26,700	344,549
Travel and Conferences	7,738	16,512	5,445	2,080	31,775
Telephone and Utilities	27,902	77,486	5,389	6,212	116,989
Office Supplies and Postage	7,354	15,363	3,607	1,462	27,786
Auto	6,178	17,260	-	1,471	24,909
Rent	41,073	23,914	2,337	6,583	73,907
Repairs, Maintenance and Supplies	56,685	78,183	6,274	-	141,142
Professional and Contractual Services	48,127	23,595	306,556	1,801	380,079
Educational Materials and Supplies	-	3,334	12,005	-	15,339
Food	5,343	71,085	80	-	76,508
Facilities, Materials and Supplies - Contributed	-	550	230,967	-	231,517
Miscellaneous	59,835	95,621	13,515	1,765	170,736
Advertising	28,268	9,308	949	-	38,525
Dues	37,719	76	202	800	38,797
Depreciation	81,981	1,275	-	-	83,256
Total Operating Expenses	\$ 1,132,747	\$ 2,712,671	\$ 1,067,061	\$ 263,536	\$ 5,176,015

"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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 579,444	\$ (1,001)
Adjustment to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	72,884	81,981
Gain on sale of assets	(233,345)	(229,345)
Interest Expenses	164	-
Amortization Expenses	8,010	-
Decrease / (Increase) in Grants Receivable	130,214	(356,805)
Decrease / (Increase) in Other Receivables	(600)	
Decrease / (Increase) in Prepaid Expenses and Other	(18,593)	2,382
(Decrease) / Increase in Accounts Payable & Accrued Expenses	(249,840)	187,427
(Decrease) / Increase in Accrued Compensated Absences	(34,073)	9,794
(Decrease) / Increase in Accrued Retirement Contribution	-	(77,275)
(Decrease) / Increase in Deferred Prosecution Liability	(22,082)	10,127
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	232,183	(372,715)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Notes Receivable	4,482	27,690
Proceeds from sale of Property and Equipment	318,760	299,716
Purchases of Property and Equipment	(176,287)	(128,973)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	146,955	198,433
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Finance Lease	(8,230)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(8,230)	-
 NET INCREASE IN CASH	370,908	(174,282)
CASH AT THE BEGINNING OF THE YEAR	2,028,764	2,203,046
CASH AT THE END OF THE YEAR	\$ 2,399,672	\$ 2,028,764
 Presented on the Statement of Financial Position as :		
Cash and cash equivalents	\$ 1,892,899	\$ 1,779,909
Restricted cash - Capital Campaign	84,439	64,439
Restricted cash - Deferred Prosecution	162,334	184,416
Restricted cash - Operating Reserve	260,000	-
	\$ 2,399,672	\$ 2,028,764

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 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.

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.

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, 2023, approximately 90% 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.

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, whereby the donor has stipulated the funds be maintained in perpetuity.

The Organization has net assets with donor restrictions at June 30, 2023, of \$84,439. All amounts are restricted for capital improvements.

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

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.

Concentration of Credit Risk

CDS Family & Behavioral Health Services, Inc. and affiliate's major source of support and revenue consists of grants from Federal and State Governments. Accordingly, the Organization's ability to continue operating is dependent on funding from the above funding sources, which is expected to continue.

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.

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 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, 2023, totaled approximately \$260,352.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income taxes

CDS Family & Behavioral Health Services, Inc. and affiliate is exempt from Federal Income taxes under Section 501(c) 3 of the Internal Revenue Code and is not a private foundation accordingly no provision for income taxes is provided. Accordingly, no provision for income taxes is required for the Organization during the year ended June 30, 2023.

Additionally, Topic 740 provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In accordance with the disclosure requirements, the Organization's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of total interest expense and other expense, respectively. On June 30, 2023, the Organization did not have any uncertain tax positions and thus has not recognized any interest or penalties in these financial statements.

Advertising costs

The Organization expenses advertising costs as incurred. Advertising expenses totaled \$36,522 for the year ended June 30, 2023.

Grants receivable

Grants receivables 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.

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.

Subsequent events

ASC Topic 855, Subsequent Events, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued.

For the year ended June 30, 2023, CDS Family & Behavioral Health Services, Inc. and affiliate has evaluated all subsequent events through February 12, 2024, which is the date the financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies (Cont.)

New Accounting Standards Update

In February 2016, the FASB issued ASU No. 2016-02, Leases. ASU No. 2016-02 requires a lessee to recognize a liability to make lease payments and an asset representing its right to use the underlying asset for the lease term in the statement of financial position for both operating and capital (finance) leases. Topic 842 was subsequently amended by ASU 2018-01, Easement practical expedient for Transition to Topic 842; ASU 2018-10, codification Improvements to Topic 842; Leases and ASU No. 2018-11, Target Improvements. The new standard establishes a right-of-use (ROU) model that requires lessees to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. The Organization adopted the new standard on July 1, 2022, and has used that as the date of the initial application. Adoption of this standard as of July 1, 2022, resulted in a recognition of Operating Lease Assets and Operating Lease Liabilities and Finance Lease Assets and Finance Lease Liabilities. See Note 7 for additional information.

The adoption of the new lease standards resulted in the following change to the net assets as of July 1, 2022:

	<u>2023</u>	<u>2022</u>
Net Assets at Beginning of Year	\$ 3,699,673	\$ 3,700,674
Prior Period Adjustment (Lease implementation)	(223)	
Net Assets at Beginning of Year (Restated)	<u>3,699,450</u>	<u>3,700,674</u>

The effect of the adoption is a decrease in 2022 net assets by \$223 and a recording of Finance Lease Assets by \$23,807, Finance Lease Liabilities by \$24,030.

The retrospective method of transition requires disclosing the effect of applying the new guidance on each item included in the combined financial statements. Following are the line items from the combined balance sheet as of July 1, 2022, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance.

STATEMENT OF FINANCIAL POSITION

	<u>Amounts that would have been Reported</u>	<u>Effects of applying New Guidance</u>	<u>As Reported</u>
Non-Current Assets			
Finance Lease Asset (ROU)	\$ -	\$ 23,807	\$ 23,807
Current Liabilities			
Current Portion of Finance Lease Liability	-	(8,066)	(8,066)
Non-Current Liabilities			
Non-Current Portion of Finance Lease Liability	-	(15,964)	(15,964)
Net Assets at Beginning of Year	<u>\$ 3,699,673</u>	<u>\$ (223)</u>	<u>\$3,699,450</u>

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies (Cont.)

New Accounting Standards Update (Cont.)

The following are the line items from the statement of activities and the statement of cash flows for the year ended June 30, 2023, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts that would have been reported under the new guidance:

STATEMENT OF ACTIVITIES

	Amounts that would have been Reported	Effects of applying New Guidance	As Reported
Office Supplies and Postage	\$ 54,025	\$ (8,230)	\$ 45,795
Interest Expenses	-	165	165
Amortization Expenses	-	8,010	8,010
Change in Net Assets	\$ 579,499	\$ (55)	\$ 579,444

STATEMENT OF CASH FLOWS

	Amounts that would have been Reported	Effects of applying New Guidance	As Reported
Change in Net Assets	\$ 579,499	\$ (55)	\$ 579,444
Adjustment to reconcile change in net assets to net cash provided by operating activities			
Interest Expenses	-	165	165
Amortization Expenses	-	8,010	8,010
Cash Flows from Financing Activities			
Repayments of Finance Lease	\$ -	\$ (8,230)	\$ (8,230)

Note 2 - Grants Receivable

Grants receivable at June 30, 2023 comprise the following:

Florida Department of Juvenile Justice Grant	\$ 450,132
BCG	82,548
Domestic Violence Respite	10,935
SNAP	29,411
Independent Living	26,834
SAMH	64,240
TOTAL	\$ 664,100

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 3 - Property, Plant and Equipment

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

DESCRIPTION	2023			2022 Consolidated
	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Consolidated	
Land	\$ 31,900	\$ 253,286	\$ 285,186	\$ 355,186
Buildings	558,220	901,010	1,459,230	1,547,839
Building Improvements	653,651	89,122	742,773	780,047
Furniture, Equipment and Vehicles	702,626	56,133	758,759	756,611
Total	1,946,397	1,299,551	3,245,948	3,439,683
Plus: Construction in Process	283,410		283,410	109,271
Less: Accumulated Depreciation	1,466,511	611,262	2,077,773	2,115,357
Property and Equipment, Net	\$ 763,296	\$ 688,289	\$ 1,451,585	\$ 1,433,597

Depreciation expense totaled \$72,884 for the year ended June 30, 2023.

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.

Note 4 - Cash and cash equivalents

Cash and cash equivalents consist of cash held in Business checking and Business money market account and investments with original maturities of three months or less. At year end and throughout the year, the organization's cash balances were deposited in bank accounts at the institution and are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of the report date, the Organization had cash balance more than federally insured limits. Management believes the organization is not exposed to any significant credit risk on cash and cash equivalents.

Note 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.

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 5 - Retirement Plan (Cont.)

A participant is 100% vested after three years of service. Forfeited non-vested accounts may be used to reduce future contributions by the Organization.

Note 6 - Liquidity

The Organization's main source of revenue is contributions and grants. These sources of revenue are what will be used to fund the Organization operations; the remainder of the revenue is from contributions from various sources. The Organization considers contributions without donor restrictions, program income and other miscellaneous income for use in programs that are ongoing, major, and central to its annual operations as available to meet cash needs for general expenditures. General expenditure includes general and administrative expenses, program costs, and other administrative costs which are necessary to sustain operations and is expected to be paid in the subsequent year. Annual operations are defined as total expense related to both program services and supporting services activities. The Organization manages its cash available to meet general expenditures through the following three guiding principles:

1. Operating within a prudent range of financial soundness and stability
2. Maintaining adequate liquid assets
3. Maintaining sufficient reserves to provide reasonable assurance that long-term agreements or other commitments and obligations will continue to be met, thereby ensuring the sustainability of the Organization.

The Assets which are listed on the balance sheet as current assets (Cash, Grants Receivable and Other Current Assets) are all assets available for general expenditure. Although, complete receivables may not be fully collectible (expected to collect 100%), the net realizable value of Accounts Receivable is available for general expenditures.

Liquidity Management

The Organization maintains a policy of structuring financial assets to be available as general expenditures, liabilities, and other obligations become due.

Note 7 – Lease

Under FASB ASC Topic 842, Leases, lessees that are not public business entities are permitted to use a practical expedient that allows them to make an accounting policy election to use a risk-free rate as the discount rate for all leases. This practical expedient is applied to the class of underlying leased assets which are not owned including real estate, rental equipment and vehicles given their physical nature and similar characteristics of these assets. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Variable lease payments are payments that cannot be forecasted and based on specific milestones unrelated to the fixed costs associated with the lease. The Organization has elected the hindsight practical expedient to determine the lease term for existing contracts as of the adoption date.

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7 – Lease (Cont.)

Short-Term Lease

As per FASB ASC 842, a short-term lease is a lease that, at the commencement date, has a ‘lease term’ of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. Although short-term leases are in the scope of Topic 842, a simplified form of accounting is permitted. A lessor that has a short-term lease may elect on a lease by-lease basis not to recognize assets and liabilities arising from a short-term lease in the statement of financial position. CDS believes that the short-term lease exemption is appropriate for its month-to-month leases because the leases have a short term and they do not have any significant intention to exercise any renewal options.

The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which allowed the Organization to elect not to record “short-term” leases on the balance sheet. These practical expedients are applied to the class of underlying leased assets which are not owned including real estate, rental equipment and vehicles given their physical nature and similar characteristics of these assets.

Finance Lease

As of June 30, 2023, the organization had entered into a Finance Leases.

The contract details are as follows:

1. On January 12, 2021, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 60 months with monthly lease payments of \$ 398. The risk-free rate used to discount the future cash flows as of the implementation date is 0.50%.
2. On May 26, 2021, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 60 months with monthly lease payments of \$ 72. The risk-free rate used to discount the future cash flows as of the implementation date is 0.80%.
3. On April 17, 2019, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 60 months with monthly lease payments of \$ 187. The risk-free rate used to discount the future cash flows as of the implementation date is 2.40%.
4. On August 18, 2018, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 48 months with monthly lease payments of \$ 327. The risk-free rate used to discount the future cash flows as of the implementation date is 2.72%.

The leases do not provide an implicit interest rate and as such, CDS Family & Behavioral Health Services, Inc. and affiliate calculates the lease liability at lease commencement or remeasurement date as the present value of unpaid lease payments using risk-free rates. The risk-free rate is the theoretical rate of return that would be received on an investment with zero risk.

US Treasury rates are commonly used as risk-free rates and consequently estimates it would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term, based on information available at the time of commencement or remeasurement. The remaining weighted average lease term for the finance leases is 2 years. The Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization’s assets and liabilities.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 7 – Lease (Cont.)

Finance Lease (Cont.)

The following is an analysis of the leased assets:

Finance Lease Asset:	<u>2023</u>
Recognized during the year	\$ 23,807
Accumulated Amortization	<u>8,010</u>
Finance Lease Asset (ROU), Net	<u>\$ 15,797</u>

The following is an analysis of the finance lease cost:

Finance Lease Cost:	<u>2023</u>
Amortization of Right-of-Use Assets	\$ 8,010
Interest on Lease Liabilities	<u>165</u>
Total Finance Lease Cost	<u>\$ 8,175</u>

The following is a schedule by years of future minimum payments required under the lease:

<i>Year ending June 30,</i>	<u>Amount</u>
2024	\$ 7,338
2025	5,640
2026	<u>3,108</u>
Total Lease Payments	<u>16,086</u>
Less: Imputed Interest	<u>122</u>
Present Value of Lease Obligation	<u>\$ 15,964</u>

Note 8 – In-kind Contribution

During the year ended June 30, 2023, the value of contributed services meeting the requirements for recognition in the financial statements are recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization at the facilities. The In-Kind Contributions for the year ended June 30, 2023, was \$ 260,352.

Contributions of Non-Financial Assets				
Non-Financial Asset	June 30, 2023	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated Materials	\$260,352	All program activities and administration	Without Donor Restrictions	The Organization estimated the fair value of the contributed items based on estimation of the market value

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2023

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
June 30, 2023

Schedule I

	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Eliminations	Consolidated
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 1,068,609	\$ 824,290	\$ -	\$ 1,892,899
Grants Receivables, Net	664,100	-	-	664,100
Other Receivables	-	600	-	600
Prepaid Expenses and Other	118,643	-	-	118,643
Restricted Cash				
Deferred Prosecution	162,334	-	-	162,334
Capital Campaign	84,439	-	-	84,439
Operating Reserve	260,000	-	-	260,000
Total Current Assets	2,358,125	824,890	-	3,183,015
Long-Term Assets				
Property and Equipment, Net	763,296	688,289	-	1,451,585
Finance Lease Asset (ROU)	15,797	-	-	15,797
Total Long-Term Assets	779,093	688,289	-	1,467,382
TOTAL ASSETS	3,137,218	1,513,179	-	4,650,397
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts Payable & Accrued Expenses	16,213	13,916	-	30,129
Accrued Compensated Absences	163,076	-	-	163,076
Current Portion of Finance Lease Liability	7,256	-	-	7,256
Total Current Liabilities	186,545	13,916	-	200,461
Non-Current Liabilities				
Deferred Prosecution Liability	162,334	-	-	162,334
Non - Current Portion of Finance Lease Liability	8,708	-	-	8,708
Total Non-Current Liabilities	171,042	-	-	171,042
TOTAL LIABILITIES	357,587	13,916	-	371,503
NET ASSETS				
Without Donor Restrictions				
Undesignated	1,356,335	810,974	-	2,167,309
Board Designated for Capital Improvements	315,561	-	-	315,561
Invested in Property and Equipment	763,296	688,289	-	1,451,585
Board Designated for Reserve	260,000	-	-	260,000
Total Net Assets Without Donor Restrictions	2,695,192	1,499,263	-	4,194,455
With Donor Restrictions	84,439	-	-	84,439
TOTAL NET ASSETS	2,779,631	1,499,263	-	4,278,894
TOTAL LIABILITIES AND NET ASSETS	\$ 3,137,218	\$ 1,513,179	\$ -	\$ 4,650,397

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Schedule II

	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Eliminations	Consolidated
SUPPORT AND REVENUE				
SUPPORT				
Grants and Contracts	\$ 4,908,464	\$ -	\$ -	\$ 4,908,464
United Way and Other Contributions	69,988	-	-	69,988
Contributed Facilities, Materials and Supplies	260,352	-	-	260,352
TOTAL SUPPORT	5,238,804	-	-	5,238,804
REVENUE				
Gain on Sale	-	233,345	-	233,345
Other Income	8,643	119,560	(43,352)	84,851
TOTAL REVENUE	8,643	352,905	(43,352)	318,196
TOTAL SUPPORT AND REVENUE	5,247,447	352,905	(43,352)	5,557,000
Net Assets Released From Restrictions:				
Satisfaction of Purpose or Time Restriction:	-	-	-	-
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	5,247,447	352,905	(43,352)	5,557,000
EXPENSES:				
Administration	1,000,279	99,644	(12,613)	1,087,310
Interface/Runway	2,706,633	-	(18,211)	2,688,422
Prevention	934,110	-	(8,893)	925,217
Independent Living	280,242	-	(3,635)	276,607
TOTAL EXPENSES	4,921,264	99,644	(43,352)	4,977,556
CHANGE IN NET ASSETS	326,183	253,261	-	579,444
NET ASSETS AT THE BEGINNING OF THE YEAR	2,453,671	1,246,002	-	3,699,673
PRIOR PERIOD ADJUSTMENT (LEASE IMPLEMENTATION)	(223)	-	-	(223)
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	2,453,448	1,246,002	-	3,699,450
NET ASSETS AT END OF YEAR	\$ 2,779,631	\$ 1,499,263	\$ -	\$ 4,278,894

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023

Schedule III

	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ 326,183	\$ 253,261	-	\$ 579,444
Adjustment to reconcile decrease in net assets to net cash used in operating activities:				
Depreciation	46,445	26,439	-	72,884
Gain on sale of assets	-	(233,345)	-	(233,345)
Interest Expenses	164	-	-	164
Amortization Expenses	8,010	-	-	8,010
Decrease / (Increase) in Grants Receivable	130,214	-	-	130,214
Decrease / (Increase) in Other Receivable	-	(600)	-	(600)
Decrease / (Increase) in Prepaid Expenses and Other	(18,593)	10,377	-	(8,216)
(Decrease) / Increase in Accounts Payable & Accrued Expenses	(260,217)	-	-	(260,217)
(Decrease) / Increase in Accrued Compensated Absences	(34,073)	-	-	(34,073)
(Decrease) / Increase in Deferred Prosecution Liability	(22,082)	-	-	(22,082)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	176,051	56,132	-	232,183
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Notes Receivable	4,482	-	-	4,482
Proceeds from sale of Property and Equipment	-	318,760	-	318,760
Purchases of Property and Equipment	(176,287)	-	-	(176,287)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(171,805)	318,760	-	146,955
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of Finance Lease	(8,230)	-	-	(8,230)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(8,230)	-	-	(8,230)
NET INCREASE IN CASH	(3,984)	374,892	-	370,908
CASH AT THE BEGINNING OF THE YEAR	1,579,366	449,398	-	2,028,764
CASH AT THE END OF THE YEAR	\$ 1,575,382	\$ 824,290	\$ -	\$ 2,399,672
Presented on the Statement of Financial Position as :				
Cash and cash equivalents	\$ 1,068,609	\$ 824,290	\$ -	\$ 1,892,899
Restricted cash - Capital Campaign	84,439	-	-	84,439
Restricted cash - Deferred Prosecution	162,334	-	-	162,334
Restricted cash - Operating Reserve	260,000	-	-	260,000
	\$ 1,575,382	\$ 824,290	\$ -	\$ 2,399,672

COMMUNITY ALTERNATIVE SERVICES FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

Schedule IV

	2023	2022
REVENUE		
Rental and Other Income	\$ 119,560	\$ 138,103
Gain on sale of property	233,345	229,345
TOTAL REVENUE	352,905	367,448
EXPENSES		
Operating	73,205	56,120
Depreciation	26,439	27,621
TOTAL EXPENSES	99,644	83,741
Increase in Net Assets without Donor Restrictions	253,261	283,707
Net Assets - without donor restrictions, beginning of the year	1,246,002	962,295
Net Assets - without donor restrictions, end of the year	\$ 1,499,263	\$ 1,246,002

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

Schedule V

	Program Services				Total
	Administration	Interface / Runaway	Prevention	Independent Living	
Support and Revenue					
Grants and Contracts	-	3,234,488	1,351,975	322,001	4,908,464
United Way and Other Contributions	51,188	18,800	-	-	69,988
Contributed Facilities, Materials and Supplies	-	46,267	214,085	-	260,352
Other Income	8,643	-	-	-	8,643
Total Support and Revenue	59,831	3,299,555	1,566,060	322,001	5,247,447
Expenses					
Salaries and Wages	490,677	2,004,001	570,792	233,540	3,299,010
Payroll Taxes	45,101	147,968	40,007	16,567	249,643
Insurance	17,678	114,270	18,406	6,493	156,847
Travel and Conferences	9,904	19,367	9,259	5,000	43,530
Telephone and Utilities	17,528	72,487	12,140	4,250	106,405
Office Supplies and Postage	9,070	29,377	6,648	700	45,795
Auto	121	16,444	-	407	16,972
Rent	39,161	56,545	27,613	11,285	134,604
Repairs, Maintenance and Supplies	10,442	60,266	3,361	-	74,069
Professional and Contractual Services	258,060	27,172	9,338	2,000	296,570
Educational Materials and Supplies	150	1,392	5,738	-	7,280
Food	4,864	74,683	6,646	-	86,193
Facilities, Materials and Supplies - Contributed	-	46,267	214,085	-	260,352
Miscellaneous	17,781	4,427	987	-	23,195
Advertising	8,058	22,645	5,819	-	36,522
Dues	17,064	9,322	3,271	-	29,657
Depreciation	46,445	-	-	-	46,445
Interest Expenses	165	-	-	-	165
Amortization Expenses	8,010	-	-	-	8,010
Total Expenses	1,000,279	2,706,633	934,110	280,242	4,921,264
Change in Net Assets	\$ (940,448)	\$ 592,922	\$ 631,950	\$ 41,759	\$ 326,183

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

Schedule V

	Program Services				Total
	Administration	Interface / Runaway	Prevention	Independent Living	
Support and Revenue					
Grants and Contracts	6,515	3,129,668	1,118,211	295,540	4,549,934
United Way and Other Contributions	1,583	17,417	-	-	19,000
Contributed Services of Volunteers	-	49,570	-	-	49,570
Contributed Facilities, Materials and Supplies	-	550	230,967	-	231,517
Other Income	28,572	-	-	-	28,572
Total Support and Revenue	36,670	3,197,205	1,349,178	295,540	4,878,593
Expenses					
Salaries and Wages	583,505	1,930,526	402,435	199,391	3,115,857
Payroll Taxes	38,788	154,067	31,218	15,271	239,344
Retirement Plan	25,000	-	-	-	25,000
Insurance	77,251	194,516	46,082	26,700	344,549
Travel and Conferences	7,738	16,512	5,445	2,080	31,775
Telephone and Utilities	27,902	77,486	5,389	6,212	116,989
Office Supplies and Postage	7,354	15,363	3,607	1,462	27,786
Auto	3,250	17,260	-	1,471	21,981
Rent	58,667	56,381	5,464	12,446	132,958
Repairs, Maintenance and Supplies	46,776	78,183	6,274	-	131,233
Professional and Contractual Services	33,881	23,595	306,556	1,801	365,833
Educational Materials and Supplies	-	3,334	12,005	-	15,339
Food	5,343	71,085	80	-	76,508
Facilities, Materials and Supplies - Contributed	-	550	230,967	-	231,517
Miscellaneous	42,774	95,621	13,515	1,765	153,675
Advertising	28,268	9,308	949	-	38,525
Dues	37,719	76	202	800	38,797
Depreciation	54,360	1,275	-	-	55,635
Total Expenses	1,078,576	2,745,138	1,070,188	269,399	5,163,301
Change in Net Assets	\$ (1,041,906)	\$ 452,067	\$ 278,990	\$ 26,141	\$ (284,708)

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

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

FOR THE YEAR ENDED JUNE 30, 2023

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/State Grantor Program Title	ALN/ CSFA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Health and Human Services</u>			
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	\$ 1,063,254
Basic Center Grant	93.623	90CY7251	146,415
Basic Center Grant	93.623	90CY7252	131,789
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			
Temporary Assistance For Needy Families Block Grant	93.558	PCM770	85,784
Foster Care-Title IV-E	93.658	PCM770	200,022
Promoting Safe And Stable Families	93.556	PCM770	1,867
Child Welfare Services-State Grants	93.645	PCM770	23,843
Adoption Assistance	93.659	PCM770	10,485
TOTAL FEDERAL AWARDS			<u>\$ 1,663,459</u>
STATE FINANCIAL ASSISTANCE			
<u>State of Florida Department of Juvenile Justice</u>			
Direct Programs Children and Families in Need of Services	80.005	10730	237,739
Passed through Florida Network of Youth and Family Services: Children and Families in Need of Services	80.005	10128	2,910,858
Passed through State of Florida Department of Children and Families, Partnership for Strong Families: Out-of-Home Supports	60.074	PCM953	2,415
The Independent Living and Road-to-Independent Program	60.112	PCM953	1,545
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 3,152,557</u>
TOTAL AWARDS			<u>\$ 4,816,016</u>

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note A- Basis of Presentation

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. and affiliate under programs of the Federal and State government for the year ended June 30, 2023 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. and affiliate.

Note B- Summary of Significant Accounting Policies

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 allowable or are limited as to reimbursement.

Note C – Federal Indirect Rate

CDS Family & Behavioral Health Services, Inc. and affiliate 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, 2023**

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2023

1 Total Expenditures	\$ 4,921,264
2 Less: Other State and Federal Funds	(3,702,716)
3 Less: Non Match SAMH Funds	(338,983)
4 Less: Unallowable Costs per 65E-14, F.A.C.	-
5 Net Allowable Expenditures	879,565
6 Maximum Available earnings (Line 5 time 75 %)	659,674
7 Amount of Funds requiring local match	180,821
8 Amount of Maximum Available (earnings in excess of) State funds received	\$ -

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Not Applicable

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Not Applicable

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES FOR
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
FOR THE YEAR ENDED JUNE 30, 2023**

Funding Sources & Revenues	SAMH Covered Services						
	State SAMH - Funded Covered Services			Total for Non- State Funded Covered Services	Total for All Covered Services	Non-SAMH Covered Services	Total Funding
	Substance Abuse		Total for State SAMH - Funded Covered Services				
	Prevention - Universal Direct	Prevention - Universal Indirect					
IA. State SAMH Funding							
(1)	\$ 777,728	\$ 285,526	\$ 1,063,254	\$ -	\$ 1,063,254	\$ -	\$ 1,063,254
(2)	-	-	-	-	-	-	-
(3)	-	-	-	-	-	-	-
Total State SAMH Funding	777,728	285,526	1,063,254	-	1,063,254	-	1,063,254
IB. Other Govt. Funding							
Other State Funding	-	-	-	-	-	3,245,005	3,245,005
Local Government	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	600,205	600,205
Total Other Govt. Funding	-	-	-	-	-	3,845,210	3,845,210
IC. All Other Revenues							
1st/3rd party	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	69,988	69,988
Other	-	-	-	-	-	8,643	8,643
In-Kind	214,085	-	214,085	-	214,085	46,267	260,352
Change in Insurance value	-	-	-	-	-	-	-
Total All Other Revenues	214,085	-	214,085	-	214,085	124,898	338,983
Total Funding	\$ 991,813	\$ 285,526	\$ 1,277,339	\$ -	\$ 1,277,339	\$ 3,970,108	\$ 5,247,447

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES FOR
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
FOR THE YEAR ENDED JUNE 30, 2023

(Continued)

PART II: ACTUAL EXPENSES

Funding Sources & Revenues	State-Designated SAMH Cost Centers						Non-SAMH Covered Services	Administration	Total Expenses
	State SAMH - Funded Cost Centers			Total for Non-State Funded Covered Services	Total for All Covered Services				
	Substance Abuse								
	Prevention - Universal Direct	Prevention - Universal Indirect	Total for State SAMH - Funded Covered Services						
IIA. PERSONNEL EXP									
Salaries	\$ 420,827	\$ 10,790	\$ 431,617	\$ 431,617	\$ 431,617	\$ 2,397,638	\$ 490,677	\$ 3,319,932	
Fringe benefits	76,691	1,966	78,657	78,657	78,657	104,963	45,101	228,721	
TOTAL PERSONNEL EXPENSES	497,518	12,756	510,274	510,274	510,274	2,502,601	535,778	3,548,653	
IIB. Other Expenses									
1. Bldg occupancy	26,182	-	26,182	26,182	26,182	69,261	39,161	134,604	
2. Professional services	9,887	-	9,887	9,887	9,887	28,623	258,060	296,570	
3. Travel	5,317	-	5,317	5,317	5,317	28,309	9,904	43,530	
4. Equipment	-	-	-	-	-	-	-	-	
5. Food services	-	-	-	-	-	81,329	4,864	86,193	
6. Medical and pharmacy	-	-	-	-	-	-	-	-	
7. Subcontracted services	-	219,482	219,482	219,482	219,482	-	-	219,482	
8. Insurance	9,731	-	9,731	9,731	9,731	129,438	17,678	156,847	
9. Interest paid	-	-	-	-	-	-	165	165	
10. Operating supplies and expenses	19,831	-	19,831	19,831	19,831	10,856	9,070	39,757	
11. Other	-	-	-	-	-	-	125,599	125,599	
12. Donated items	197,407	72,457	269,864	269,864	269,864	-	-	269,864	
TOTAL OTHER EXPENSES	268,355	291,939	560,294	560,294	560,294	347,816	464,501	1,372,611	
TOTAL PERSONNEL AND OTHER EXPENSES	\$ 765,873	\$ 304,695	\$ 1,070,568	\$ 1,070,568	\$ 1,070,568	\$ 2,850,417	\$ 1,000,279	\$ 4,921,264	
IIIC. DISTRIBUTED INDIRECT COSTS	69,406	25,476	94,882	94,882	94,882	905,397	(1,000,279)	-	

Grand Total : **\$ 4,921,264**

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
NOTE TO THE SCHEDULES OF STATE EARNINGS, COVERED SERVICES ACTUAL
EXPENSES AND REVENUE AND BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

General

The Schedules of Related Party Transactions, State Earnings, Covered Services Actual Expenses and Revenues and Bed-day Availability payments were prepared in accordance with the requirements included in the State Contracts.



**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 (the Organization), which comprise the statement of financial position as of June 30, 2023 and the related 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 February 12, 2024.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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. 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 blue ink that reads "Thomas & Company CPA P.A." with a stylized flourish at the end.

Thomas & Company CPA P.A
Cooper City, Florida
February 12, 2024



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

Opinion on Each Major Federal Program and Major State Project

We have audited CDS Family & Behavioral Health Services, Inc., and Affiliate's (the Organization) 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 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, 2023. The Organization's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 programs and major state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 major 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, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditors' 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 GAAS, Government Auditing Standards, Chapter 10.650, Rules of the Auditor General, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, Chapter 10.650, Rules of the Auditor General, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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, Rules of the Auditor General, 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 on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable

possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Thomas & Company CPA P.A
Cooper City, Florida
February 12, 2024

**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, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditors Report Issued:

Unmodified

Internal Control over Financial Reporting:

- Significant deficiency(es) identified?	_____	Yes	X	No
- Material weakness(es) identified?	_____	Yes	X	No
- Non Compliance material to financial statement noted?	_____	Yes	X	No

Federal Awards

Internal Control over Major Federal Programs :

- Significant deficiency(es) identified?	_____	Yes	X	No
- Material weakness(es) identified?	_____	Yes	X	No

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 200.516(a) Uniform Guidance?	_____	Yes	X	No
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Identification of Major Programs

Federal

AL /CFDA	Name of Federal Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SAMH)

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

Auditee qualified as low-risk auditee?	X	Yes	_____	No
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State Financial Assistance

Internal control over major state financial assistance projects:

- Significant deficiency(es) identified?	_____	Yes	X	No
- Material weakness(es) identified?	_____	Yes	X	No

Type of Auditors Report issued on Compliance for major Programs:

Unmodified

Any Audit findings disclosed that are required to be reported in accordance with Rules of the Auditor General Chapter 10.650?	_____	Yes	X	No
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Section I - Summary of Auditor's Results (Cont.)

Identification of major state financial assistance projects

State	
CSFA#	Name of State Project
80.005	Children and Families in Need of Services

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

Section II - Findings Relating To The Financial Statements Which Are Required To Be Reported

The audit disclosed no matters that are reportable.

Section III – Findings and Questioned Costs for Federal Awards:

The audit disclosed no matters that are reportable.

Section IV – Findings and Questioned Costs for State Financial Assistance:

The audit disclosed no matters that are reportable.

Section V – Prior Audit Findings and Corrective Action Plan for Federal Awards for the Year Ended June 30, 2022:

No prior audit findings were reported.

Section VI – Prior Audit Findings and Corrective Action Plan for State Financial Assistance for the Year Ended June 30, 2022:

During the year 2022, the Organization received funding from the State on a cost reimbursement basis to fund the construction of a new building. The management did not understand that the State contract was a grant contract with a CSFA number. As a result revenue and accounts receivable were understated by \$96,210 for the year 2022. The prior year auditor recommended management to review all funding contracts that come in to determine if they have Federal or State listing numbers. During the year, the Management reviewed all funding contracts and recognized revenue and corresponding accounts receivables properly on accrual basis.

Section VII - Management letter

Management letter is issued



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

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

Report on the Financial Statements

We have audited the financial statements of the CDS Family and Behavioral Health Services Inc. and Affiliate (the "Organization"), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated February 12, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated as of June 30, 2023 (issued February 12, 2024) should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Thomas & Company CPA PA

Cooper City, Florida
February 12, 2024