

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
SUNCOAST CENTER, INC. AND SUBSIDIARY  
June 30, 2023

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Suncoast Center, Inc. and Subsidiary

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

#### ***Opinion***

We have audited the consolidated financial statements of Suncoast Center, Inc. and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the consolidated financial statements (collectively, the consolidated financial statements).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in their net assets and their 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 the *Government Auditing Standards*, issued by the Comptroller of the United States of America. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of consolidated 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Prior Period Financial Statements***

The consolidated financial statements of Suncoast Center, Inc. and Subsidiary as of June 30, 2022 were audited by other auditors whose report dated December 14, 2022 expressed an unmodified opinion on those statements. The comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited consolidated financial statement from which it has been derived.

### ***Management's Responsibility for the Consolidated 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 consolidated 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 consolidated financial statements are available to be issued.

### ***Auditor's Responsibility for the Audit of the Consolidated 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 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 in 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 judgement made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risk. 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 consolidated financial statements.
- Conclude whether, in our judgement, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance and related notes, as required by Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis 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 procedure applied in the audits 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information on pages 31 through 38 is presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the Organization's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Suncoast Center, Inc. and Subsidiary'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 the Organization's internal control over financial reporting and compliance.

Tampa, Florida  
December 7, 2023



Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2023	2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,476,484	\$ 3,711,625
Accounts receivable	2,417,046	2,627,371
Medication inventory	36,160	98,053
Prepaid expenses and current other assets	268,487	276,203
Total current assets	6,198,177	6,713,252
Property and equipment, net	4,453,806	4,521,885
Right of use asset - operating leases	262,743	-
Investments	2,243,505	1,930,613
Investments designated for deferred compensation	1,019,201	864,332
Endowed investments	334,182	334,182
Total investments	3,596,888	3,129,127
Other assets	97,057	80,688
<b>TOTAL ASSETS</b>	<b>\$ 14,608,671</b>	<b>\$ 14,444,952</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 336,755	\$ 57,971
Accrued expenses	588,198	829,228
Deferred revenue	876	17,761
Current portion of operating leases payable	102,089	-
Total current liabilities	1,027,918	904,960
Deferred compensation payable	1,019,201	864,332
Non-current portion of operating leases payable	164,527	-
Total liabilities	2,211,646	1,769,292
Net assets		
Without donor restrictions	12,046,133	12,321,050
With donor restrictions	350,892	354,610
Total net assets	12,397,025	12,675,660
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,608,671</b>	<b>\$ 14,444,952</b>

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

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF ACTIVITIES

June 30, 2023

(With summarized comparative information for the year ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Public support and revenues				
Contributions	\$ 101,047	\$ -	\$ 101,047	\$ 141,451
Special event revenue, net	37,857	-	37,857	27,009
In-kind contributions	326,956	10,959	337,915	560,536
Program service fees	4,335,400	-	4,335,400	4,264,894
Governmental and other agencies	13,499,559	-	13,499,559	13,108,160
Gain on sale of property and equipment	-	-	-	954,800
Employee retention credit income	1,965,582	-	1,965,582	-
Other income (loss)	329,247	-	329,247	(240,274)
Net assets released from restriction	14,677	(14,677)	-	-
	<u>20,610,325</u>	<u>(3,718)</u>	<u>20,606,607</u>	<u>18,816,576</u>
Expenses				
Program Services	<u>18,310,636</u>	<u>-</u>	<u>18,310,636</u>	<u>17,303,647</u>
Supporting services				
Administrative and general	2,514,421	-	2,514,421	2,074,209
Fundraising and Development	60,185	-	60,185	114,013
Total supporting services	<u>2,574,606</u>	<u>-</u>	<u>2,574,606</u>	<u>2,188,222</u>
Total expenses	<u>20,885,242</u>	<u>-</u>	<u>20,885,242</u>	<u>19,491,869</u>
Change in net assets	(274,917)	(3,718)	(278,635)	(675,293)
Net assets at the beginning of year	<u>12,321,050</u>	<u>354,610</u>	<u>12,675,660</u>	<u>13,350,953</u>
Net assets at end of year	<u>\$ 12,046,133</u>	<u>\$ 350,892</u>	<u>\$ 12,397,025</u>	<u>\$ 12,675,660</u>

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

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions	\$ 101,274	\$ 40,177	\$ 141,451
Special event revenue, net	27,009	-	27,009
In-kind contributions	560,536	-	560,536
Program service fees	4,264,894	-	4,264,894
Governmental and other agencies	13,108,160	-	13,108,160
Gain on sale of property and equipment	954,800	-	954,800
Other (loss) income	(240,274)	-	(240,274)
Net assets released from restrictions:	42,979	(42,979)	-
	<u>18,819,378</u>	<u>(2,802)</u>	<u>18,816,576</u>
Expenses			
Program Services	<u>17,303,647</u>	<u>-</u>	<u>17,303,647</u>
Supporting services			
Administrative and general	2,074,209	-	2,074,209
Fundraising and Development	114,013	-	114,013
Total supporting services	<u>2,188,222</u>	<u>-</u>	<u>2,188,222</u>
Total expenses	<u>19,491,869</u>	<u>-</u>	<u>19,491,869</u>
Change in net assets	(672,491)	(2,802)	(675,293)
Net assets at the beginning of year	<u>12,993,541</u>	<u>357,412</u>	<u>13,350,953</u>
Net assets at end of year	<u>\$ 12,321,050</u>	<u>\$ 354,610</u>	<u>\$ 12,675,660</u>

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

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program Services										
	Case Management	Community Intensive Services	Adult Integrated Services	Intensive Family Services	CCBHC	Forensic Services	Family Integrated Services	Early Childhood Services	Childhood Protection Team	Wellness Connection	Total Family Strategy
Salaries	\$ 438,014	\$ 695,713	\$ 3,351,768	\$ 157,369	\$ 460,046	\$ 507,360	\$ 2,007,604	\$ 880,312	\$ 739,088	\$ 52,035	\$ 1,527,865
Fringes	109,873	158,690	769,970	36,833	108,637	119,245	501,711	224,500	185,331	11,831	359,670
Psychiatric consultants	-	-	-	-	-	-	-	-	500	-	-
Total Salaries and related expenses	547,887	854,403	4,121,738	194,202	568,683	626,605	2,509,315	1,104,812	924,919	63,866	1,887,535
Building occupancy	24,361	33,588	159,569	7,290	32,782	17,295	92,692	67,349	50,442	-	84,672
Professional services	30,852	41,256	232,930	107,723	36,139	35,004	141,589	57,836	38,103	-	101,907
Travel and training	17,032	21,691	2,418	79	13,233	31,335	8,556	27,997	3,730	-	16,269
Equipment costs	13,261	26,994	46,169	2,493	7,410	7,832	32,852	11,909	14,710	308	22,807
Medical and pharmacy	-	678	158,118	383	-	-	-	-	12,439	-	-
Insurance	20,108	17,240	72,183	1,058	11,806	11,162	42,399	17,744	151,896	-	32,960
Interest and amortization	-	728	-	-	-	-	-	-	-	-	-
Operating supplies and expenses	122,829	275,348	104,394	74,808	12,780	15,780	76,716	32,287	29,776	-	39,696
Other	-	-	-	-	-	-	-	-	-	-	-
In-kind expense	-	-	327,000	-	-	-	-	-	-	-	-
Total operating expenses	228,443	417,523	1,102,781	193,834	114,150	118,408	394,804	215,122	301,096	308	298,311
Total expenses	\$ 776,330	\$ 1,271,926	\$ 5,224,519	\$ 388,036	\$ 682,833	\$ 745,013	\$ 2,904,119	\$ 1,319,934	\$ 1,226,015	\$ 64,174	\$ 2,185,846

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2023

	Program Services			Supporting Services		Total Year Ended June 30, 2023
	Trauma Services	Suncoast Center Properties, Inc.	Total Program Services	Fundraising and Development	Administrative and General	
Salaries	\$ 892,847	\$ -	\$ 11,710,021	\$ 28,172	\$ 1,416,114	\$ 13,154,307
Fringes	188,203	-	2,774,494	11,712	337,637	3,123,843
Psychiatric consultants	-	-	500	-	-	500
Total Salaries and related expenses	1,081,050	-	14,485,015	39,884	1,753,751	16,278,650
Building occupancy	56,770	174,255	801,065	2,017	42,591	845,673
Professional services	89,535	-	912,874	11,995	495,507	1,420,376
Travel and training	8,474	-	150,814	1	26,571	177,386
Equipment costs	13,791	-	200,536	303	17,453	218,292
Medical and pharmacy	2,308	-	173,926	-	10	173,936
Insurance	19,553	37,946	436,055	529	42,705	479,289
Interest and amortization	-	-	728	-	-	728
Operating supplies and expenses	25,387	1,907	811,708	5,456	135,671	952,835
Other	-	-	-	-	162	162
In-kind expense	10,915	-	337,915	-	-	337,915
Total operating expenses	226,733	214,108	3,825,621	20,301	760,670	4,606,592
Total expenses	\$ 1,307,783	\$ 214,108	\$ 18,310,636	\$ 60,185	\$ 2,514,421	\$ 20,885,242

The accompanying notes are an integral part of this consolidated financial statement.

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

	Program Services									
	Case Management	Community Intensive Services	Adult Integrated Services	Intensive Family Services	Forensic Services	Family Integrated Services	Early Childhood Services	Childhood Protection Team	Wellness Connection	Total Family Strategy
Salaries	\$ 476,807	\$ 569,859	\$ 3,434,079	\$ 498,860	\$ 462,808	\$ 1,849,970	\$ 876,205	\$ 675,382	\$ 54,208	\$ 1,418,987
Fringes	112,749	132,176	757,356	104,447	123,139	444,988	220,035	156,189	10,164	364,607
Psychiatric consultants	-	-	-	-	-	-	-	6,200	-	-
Total Salaries and related expenses	589,556	702,035	4,191,435	603,307	585,947	2,294,958	1,096,240	837,771	64,372	1,783,594
Building occupancy	20,757	36,177	163,940	30,127	16,910	74,548	51,577	42,241	-	99,829
Professional services	15,280	42,195	109,587	14,595	15,191	104,557	27,406	23,190	123,224	44,272
Travel and training	12,381	21,718	4,530	7,123	23,374	9,436	20,499	7,947	-	17,832
Equipment costs	11,051	23,436	54,553	6,729	7,942	33,845	14,371	13,859	949	22,101
Medical and pharmacy	-	480	71,810	-	-	105	-	19,044	-	-
Insurance	13,412	19,277	51,447	6,332	7,002	26,481	13,100	94,540	1,191	19,922
Interest and amortization	-	1,159	-	-	-	-	-	-	-	-
Operating supplies and expenses	137,580	189,321	132,074	16,989	24,026	89,170	35,853	28,774	5,384	44,951
other	157	12,859	5,006	516	-	2,612	917	940	-	91
In-kind expense	-	-	532,510	-	-	-	-	-	-	-
Total operating expenses	210,618	346,622	1,125,457	82,411	94,445	340,754	163,723	230,535	130,748	248,998
Total expenses	\$ 800,174	\$ 1,048,657	\$ 5,316,892	\$ 685,718	\$ 680,392	\$ 2,635,712	\$ 1,259,963	\$ 1,068,306	\$ 195,120	\$ 2,032,592

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2022

	Program Services			Supporting Services		
	Trauma Services	Suncoast Center Properties, Inc.	Total Program Services	Fundraising and Development	Administrative and General	Total Year Ended June 30, 2022
Salaries	\$ 902,410	\$ -	\$ 11,219,575	\$ 68,874	\$ 1,307,457	\$ 12,595,906
Fringes	196,955	-	2,622,805	21,615	266,052	2,910,472
Psychiatric consultants	-	-	6,200	-	-	6,200
<b>Total Salaries and related expenses</b>	<b>1,099,365</b>	<b>-</b>	<b>13,848,580</b>	<b>90,489</b>	<b>1,573,509</b>	<b>15,512,578</b>
Building occupancy	55,094	151,455	742,655	2,462	38,707	783,824
Professional services	56,569	55,297	631,363	13,328	213,241	857,932
Travel and training	9,425	-	134,265	250	12,953	147,468
Equipment costs	15,944	-	204,780	1,285	23,451	229,516
Medical and pharmacy	10,687	-	102,126	-	49	102,175
Insurance	13,827	41,977	308,508	952	33,538	342,998
Interest and amortization	-	-	1,159	-	-	1,159
Operating supplies and expenses	38,734	3,716	746,572	5,247	168,188	920,007
other	105	-	23,203	-	10,473	33,676
In-kind expense	27,926	-	560,436	-	100	560,536
<b>Total operating expenses</b>	<b>228,311</b>	<b>252,445</b>	<b>3,455,067</b>	<b>23,524</b>	<b>500,700</b>	<b>3,979,291</b>
<b>Total expenses</b>	<b>\$ 1,327,676</b>	<b>\$ 252,445</b>	<b>\$ 17,303,647</b>	<b>\$ 114,013</b>	<b>\$ 2,074,209</b>	<b>\$ 19,491,869</b>

The accompanying notes are an integral part of this consolidated financial statement.

Suncoast Center, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (278,635)	\$ (675,293)
Adjustments to reconcile change in net assets to net cash provided (used in) by operating activities:		
Depreciation	349,343	338,673
Gain on sale of property and equipment	-	(954,800)
Right of use asset amortization	99,962	-
Change in value of charitable remainder trusts	-	6,496
Net realized and unrealized (gains) losses on investments	(210,689)	10,224
(Increase) decrease in assets		
Accounts receivable	210,325	(644,668)
Medication inventory	61,893	(25,290)
Prepaid expenses and other current assets	(8,653)	314,573
Increase (decrease) in operating liabilities		
Accounts payable	278,784	4,100
Accrued expenses	(241,030)	23,974
Deferred revenue	(16,885)	(121,309)
Deferred compensation payable	154,869	(110,262)
Operating leases payable	(96,089)	-
Net cash provided (used in) by operating activities	<u>303,195</u>	<u>(1,833,582)</u>
Cash flows from investing activities		
Purchase of property and equipment	(281,264)	(349,711)
Proceeds from sale of property and equipment	-	1,251,711
Purchase of investments	(317,546)	(1,309,436)
Sales of investments	60,474	1,144,963
Net cash (used in) provided by investing activities	<u>(538,336)</u>	<u>737,527</u>
Net change in cash and cash equivalents	(235,141)	(1,096,055)
Cash and cash equivalents at beginning of year	<u>3,711,625</u>	<u>4,807,680</u>
Cash and cash equivalents at end of year	<u>\$ 3,476,484</u>	<u>\$ 3,711,625</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing activities		
Right of use assets recognized	<u>\$ 362,705</u>	<u>\$ -</u>

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

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the Organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follow:

1. Nature of Organization

Suncoast Center, Inc. (Suncoast) was chartered as a nonprofit Florida corporation on June 3, 1981. Suncoast administers and provides a full spectrum of programs designed to resolve clients' emotional and behavioral problems arising from mental health issues, substance abuse and neglect, lack of parenting skills, financial challenges, and domestic violence. Clients receiving services include children, adults, seniors, and families. Suncoast continually evolves to meet the multifaceted and frequently interrelated behavioral, psychological and financial needs of individual and families. Suncoast has the ability to provide a full continuum of care through integrated services and programs, with results that include providing a greater level of access for individuals and families. In addition, Suncoast is one of the only certified Rape Crisis Treatment Centers and certified Children's Advocacy Centers in Pinellas County, Florida. Suncoast furthers its commitment to the mission of strengthening, protecting, and restoring lives for a health community through the participation in numerous outreach and educational activities. Services are primarily provided to individuals and families residing in Pinellas County and Tampa Bay region of Florida. Suncoast is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF).

Suncoast Center Properties, Inc. (Properties) was chartered as a title-holding Florida 501 (c)(2) corporation on April 29, 1996. Properties holds title to certain real property in Pinellas County, Florida for Suncoast. Suncoast maintains a majority voting interest in Properties.

2. Principles of Consolidation

The accompanying consolidated financial statements include the activities of Suncoast and Properties (collectively, the "Organization"). All significant inter-Organization accounts and transactions have been eliminated in consolidation.

3. Basis of Accounting

A nonprofit organization is required to report information regarding its financial position and activities according to two classes of net assets. 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:

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- Net Assets without Donor Restrictions: Net assets are not subject to donor or grantor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and or Board of Directors.
- Net Assets with Donor Restrictions: Net assets are subject to restrictions imposed by donors or grants. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

4. Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

5. Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less, such as money market accounts, to be cash equivalents.

6. Accounts Receivable

Client fees receivable are stated at the estimated transaction price.

Governmental and other agency receivables are due in less than one year. Management believes receivables under governmental and other agencies are fully collectible and thus has not factored in any implicit price concessions when determining the transaction price.

7. Medication Inventory

Medication inventory is stated at the lower of cost or net realizable value. Cost, including the value of donated medication, is determined by the first-in, first-out (FIFO) method.

Medication donated to the Organization by pharmaceutical companies that are intended for other beneficiaries are not recorded by the Organization.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Property and Equipment

Property and equipment are carried at cost if purchased or at estimated fair value at date of receipt if acquired by gift, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 43 ½ years.

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred.

The Organization evaluates the recoverability of its long-lived assets whenever adverse events or changes in the business climate indicate that the expected undiscounted future cash flow from the related asset may be less than previously anticipated. If the total of the future cash flows is less than the carrying amount of those assets, the Organization recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Management has determined that there is no indication that any long-lived assets are impaired at June 30, 2023 or 2022.

9. Investments

Investments are comprised of fixed income, annuities, stocks, mutual funds corporate bonds, other investments, and beneficial interest in assets held by a foundation. Investments are reported at fair value.

10. Revenue Recognition

All contributions are considered to be available without restriction of use unless specifically restricted by the donor. Contributions that are rescripted by the donor are reported as increases in net assets without donor restriction if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions.

The Organization first determines if a transaction represents an exchange transaction and if so, accounts for the transaction under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which provided a five-step model for recognizing revenue from contracts with customers as follows:

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when or as performance obligations are satisfied.

Net revenue from special events, contributions, in-kind contributions, governmental and other agencies revenue and other income are accounted for under Topic 958. The Organization receives funding under both performance and expense reimbursement contracts and grants. Performance contract and grant revenue is recognized when the unit of service has been provided or the performance objective has been completed. Cost reimbursement contract revenue is recognized when the allowable costs, as defined by the funder, are incurred. Payments received in advance are deferred to the applicable period in when the related serviced are performed, or expenditure are incurred.

Reimbursement of direct and indirect costs of providing services to clients (client service fee revenue) is accounted for under Topic 606. The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. Client visits are considered a self-contained episode of care and each visit would be considered one contract with a single performance obligation satisfied at a point in time, as such visit is generally billed separately. Accordingly, there are no performance obligations that are unsatisfied or partially unsatisfied as the end of the reporting period with respect to client service fee revenue. The Organization believes that this method provides a faithful depiction of the transfer of services for the performance obligation based on the inputs needed to satisfy the obligation. Revenues are recorded in the period in which performance obligations are satisfied at established billing rates less implicit and explicit price concessions.

The Organization applied the portfolio approach as the practical expedient to group client service fee contracts with similar characteristics, such that revenue for a given portfolio would not be materially different than if it were evaluated on an individual contract basis. The grouping is based upon the third-party payor.

The Organization determines transaction price based on original charge for the service provided less contractual adjustments and other stated discounts (explicit price concessions) and implicit price concessions. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to clients and the amounts expected to collect based on the Organization's collection history with similar class of clients. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to client service fee revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay and are deemed uncollectible are recorded as a bad debt expense.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Bad expense for the years ended June 30, 2023 and 2022, was not significant. Recoveries of receivables previously written off are recorded as a reduction of the provision for bad debt expense when received. Bad debt expense is recognized as an operating expense.

11. Donated Goods and Services

Donations of goods are recorded as support at their estimated fair value at the date of donation. Donated professional services are recorded as support at the respective fair values of services received.

A number of full-time and part-time volunteers have made contributions of their time to maintain the Organization's program. The value of this contributed time is not reflected in these consolidated financial statements since these services do not meet recognition requirements.

12. Income Taxes

Suncoast and Properties are nonprofit entities exempt from federal income tax under Sections 501(c)(3) and 501(c)(2), respectively, of the Internal Revenue Code (IRC), and from Florida income tax under Chapter 220 of the Florida Statutes. The Organization follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determine that there were no such matters requiring recognition in the accompanying consolidated financial statements.

13. Functional Allocation of Expenses

The cost of providing the various programs and other activities have been reported on a functional basis in the consolidated statements of functional expenses. Expenses that can be identified with a specific program or support are charged directly to the function. Certain other cost has been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The expenses that are allocated include the following:

<b>Expense</b>	<b>Method of Allocation</b>
Salaries	Time and effort
Fringes	Time and effort
Psychiatric consultants	Time and effort
Building occupancy	Square footage
Professional services	Direct costs
Travel and training	Direct costs
Equipment cost	Direct costs
Medical and pharmacy	Direct costs
Insurance	Direct costs
Interest and amortization	Direct costs
Operating supplies and expenses	Direct costs
Other	Direct costs
In-kind expense	Direct costs

14. Recently Adopted Accounting Pronouncement

Effective July 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases*, (Topic 842), and related subsequent amendments, which supersedes the existing guidance under Topic 840, *Leases*. Under the new guidance, lessees are required to recognize right to use assets and lease liabilities for operating leases with terms longer than 12 months on the statement of financial position. Leases are classified either as operating or finance leases. The accounting for finance (formally capital) leases remained substantially unchanged.

A modified retrospective transition approach is required for lessees for capital and operating leases at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. There was no cumulative effect of applying the new standard and accordingly there was no adjustment to the Organization's net assets upon adoption. The comparative information presented has not been restated and continues to be reported under the accounting standards in effect for those periods.

15. Reclassifications

Certain reclassifications were made to the prior year consolidated financial statements to conform to the 2023 presentation, with no effect on previously reported change in net assets net assets or cash flow.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at June 30,:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 3,476,484	\$ 3,711,625
Accounts receivable, net	2,417,046	2,627,371
Investments	3,596,888	3,129,127
	<u>9,490,418</u>	<u>9,468,123</u>
Less donor-imposed restrictions:		
Funds subject to time and purpose restrictions	16,710	20,428
Endowment funds restricted in perpetuity	334,182	334,182
	<u>350,892</u>	<u>354,610</u>
Less designated investments	<u>1,019,201</u>	<u>864,332</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 8,120,325</u>	<u>\$ 8,249,181</u>

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Governmental and other agencies	\$ 1,388,003	\$ 1,543,886
Client fees	811,170	624,983
Other	217,873	458,502
	<u>\$ 2,417,046</u>	<u>\$ 2,627,371</u>

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Land	\$ 2,304,669	\$ 2,304,669
Land improvements	260,190	235,249
Building improvements	4,432,327	4,385,496
Furniture and equipment	3,450,855	4,433,144
Vehicles	119,864	119,864
Construction in progress	<u>108,250</u>	<u>30,580</u>
	10,676,155	11,509,002
Less: accumulated depreciation	<u>(6,222,349)</u>	<u>(6,987,117)</u>
	<u>\$ 4,453,806</u>	<u>\$ 4,521,885</u>

Depreciation expense was approximately \$349,000 and \$339,000 for the years ended June 30, 2023 and 2022, respectively.

NOTE E - LEASES

The Organization leases a building and certain office equipment. In accordance with ASC 842, *Leases*, the Organization recorded a right of use asset of \$362,705, and a lease liability of \$362,705 at July 1, 2022, which is the net present value of future minimum lease payments of the various leases using the risk-free discount rate of 2.88%, according to the Organization's elected policy. Leases with a term of 12 months or less are not recorded on the statement of financial position. The leases all represent non-cancelable operating leases, and many have renewal options.

The right of use operating lease asset is amortized using the straight-line method over the lease term. The right of use operating lease asset consists of the following as of June 30, 2023:

Operating lease right of use assets	\$ 362,705
Less accumulated amortization	<u>(99,962)</u>
	<u>\$ 262,743</u>

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - LEASES - Continued

Additional information about the Organization's leases is as follows:

Office and retail space (included in operating expenses):	
Operating lease cost	<u>\$ 109,157</u>
Total lease costs	<u><u>\$ 109,157</u></u>

Other Information:

Cash paid for amounts included in measuring operating lease liabilities:

Operating cash flows from leases	\$ 105,284
Right of use asset obtained in exchange for new operating leases payable	\$ 362,705
Weighted-average remaining lease term (years)	3.50
Weighted-average discount rate	2.88%

Future minimum lease payments under the operating lease agreements are as follows:

<u>Year ending December 31,</u>	
2024	\$ 108,438
2025	111,671
2026	<u>56,657</u>
Total future minimum payments	276,766
Less: amount representing interest	<u>(10,150)</u>
Operating leases payable	<u><u>\$ 266,616</u></u>

Total rent expense for the year ended June 30, 2023 was approximately \$189,000.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE F - INVESTMENTS

Investments, including investments designated for deferred compensation, and endowed investments consists of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Fixed income annuities	\$ 211,619	\$ 207,854
Investments designated for deferred compensation - mutual funds	1,019,201	864,332
Stocks and mutual funds	1,708,147	1,800,824
Corporate bonds	648,840	246,229
Beneficial interests in assets held by foundation	<u>9,081</u>	<u>9,888</u>
	<u>\$ 3,596,888</u>	<u>\$ 3,129,127</u>

The amounts classified as beneficial interest in assets held by foundation include amounts held by Community Foundation of Tampa Bay, Inc (CFTB). Distributions from CFTB are made as set forth in each agreement.

Investment earnings included in other income (loss) in the consolidated statements of activities consist of the following for the years ended June 30,:

	<u>2023</u>	<u>2022</u>
Net realized and unrealized gains (losses)	\$ 67,236	\$ (10,224)
Interest and dividend income	<u>143,453</u>	<u>115,270</u>
	<u>\$ 210,689</u>	<u>\$ 105,046</u>

NOTE G - FAIR VALUE

The Organization defines fair value in accordance with accounting principles generally accepted in the United States of America, which specify a hierarchy of valuation techniques. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Organization's significant assumptions.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE G - FAIR VALUE - Continued

The Organization measures investments at fair value on a recurring basis. The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

- Level 1: Unadjusted quote market prices for identical assets in active markets which are accessible by the Organization.
- Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.
- Level 3: Unobservable inputs based on the Organization's own judgement as to assumptions a market participant would use, including inputs derived from extrapolation that are not corroborated by observable market data.

The Organization evaluated the various types of financial assets to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

A review of fair value hierarchy classifications is conducted on an annual basis. The following tables provide information about the Organization's financial instruments measured on a recurring basis as of June 30,:

	2023			
	Fair Value	Level 1	Level 2	Level 3
Fixed income annuities	\$ 211,619	\$ -	\$ -	\$ 211,619
Investments designated for deferred compensation	1,019,201	1,019,201	-	-
Stocks and mutual funds	1,708,147	1,708,147	-	-
Corporate bonds	648,840	-	648,840	-
Beneficial interests in assets held by foundation	9,081	-	-	9,081
	<u>\$ 3,596,888</u>	<u>\$ 2,727,348</u>	<u>\$ 648,840</u>	<u>\$ 220,700</u>

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE G - FAIR VALUE - Continued

	2022			
	Fair Value	Level 1	Level 2	Level 3
Fixed income annuities	\$ 207,854	\$ -	\$ -	\$ 207,854
Investments designated for deferred compensation	864,332	864,332	-	-
Stocks and mutual funds	1,800,824	1,800,824	-	-
Corporate bonds	246,229	-	246,229	-
Beneficial interests in assets held by foundation	9,888	-	-	9,888
	<u>\$ 3,129,127</u>	<u>\$ 2,665,156</u>	<u>\$ 246,229</u>	<u>\$ 217,742</u>

Financial assets classified as Level 1 in the fair hierarchy include investments designated for deferred compensation and stocks and mutual funds which are measured at fair value based on quoted market prices in an active market. Fair value for corporate bonds are classified as Level 2 and are valued using a market value pricing model. Fair values for beneficial interest in assets held by foundation are classified as Level 2 and recorded based on the statements received from CFTB. Fair values for fixed income annuities are classified as Level 3 and are determined by the accumulation of benefits derived from the guaranteed contract interest rate. Fair value for charitable remainder trust were recorded at fair value based on the underlying value of the assets in the trust. The trusts are managed by third parties and are invested in stocks, mutual funds and fixed income securities that are traded in active markets with observable inputs, which would result in Level 1 and Level 2 hierarchal reporting and real estate which would result in Level 3 hierarchal reporting. Since the Organization does not own or control the trust assets, these trusts are reported as Level 3.

NOTE H - ENDOWMENT FUNDS

The Organization has interpreted the wishes of donors and state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable and classified as net assets. However, certain of the Organization's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - ENDOWMENT FUNDS - Continued

The Organization tracks the net investment income attributed to each component of the endowment fund. Income earned from the endowment is available for general or specific purposes.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Donor desires and restrictions
- General economic conditions
- Historical and expected returns of investments
- Preservation and protection of assets

*Return Objectives and Risk Parameters:* The Organization has invested endowment assets in a manner that attempts to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the value of the endowment assets.

*Strategies Employed for Achieving Objectives:* To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy whereby investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation.

*Spending Policy and how the Investment Objectives Relate to Spending Policy:* The Organization's objective is to maintain endowment assets, as well as to provide additional real growth through investment return.

Composition of endowment net assets and changes in endowment net assets are as follows as of and for the years ended June 30,:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ -	\$ 334,182	\$ 334,182
Investment income	434	3,331	3,765
Amounts released for expenditure	(434)	(3,331)	(3,765)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 334,182</u>	<u>\$ 334,182</u>

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - ENDOWMENT FUNDS - Continued

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ -	\$ 334,182	\$ 334,182
Investment income	421	3,234	3,655
Amounts released for expenditure	<u>(421)</u>	<u>(3,234)</u>	<u>(3,655)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 334,182</u>	<u>\$ 334,182</u>

NOTE I - LONG-TERM DEBT

The Organization maintains a line of credit agreement through a large commercial bank which allows the Organization to borrow up to \$1,000,000 at prime rate of interest (5.5% at June 30, 2023). The Organization renewed their line of credit on February 27, 2022, and the line of credit matures on February 27, 2024. Amounts drawn on the line of credit are due on demand. No amounts were drawn down during the years ended June 30, 2023 or 2022. There were no amounts outstanding under the line of credit at June 30, 2023 or 2022.

NOTE J - IN-KIND REVENUE AND EXPENSES

Certain goods and services are provided to the Organization gratis or at a cost substantially less than fair market value. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The difference between the actual charge and the estimated fair value is reflected as in-kind revenue and expense in the accompanying consolidated financial statements. In-kind revenue and expenses consist of the following for the years ended June 30,:

	2023	2022
Salary and benefits	\$ 10,915	\$ 28,026
Pharmaceuticals	<u>327,000</u>	<u>532,510</u>
	<u>\$ 337,915</u>	<u>\$ 560,536</u>

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE J - IN-KIND REVENUE AND EXPENSES - Continued

Pharmaceuticals include donated drug samples from pharmaceutical companies. The contributed pharmaceuticals were provided to patients serviced in the community intensive, adult integrated and trauma program services. In valuing contributed pharmaceuticals otherwise legally permissible for sale in the United States, the Organization used a third party pharmaceutical company's listed drug prices as of each month end during the years ended June 30, 2023 and 2022, to determine the approximate wholesale prices in the United States for the month in which the drugs were provided. Contributed salary and benefits recognized comprise professional services from therapist and counselors providing services to the Organization on various community intensive, adult integrated, and trauma program services. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current payroll salary rates and benefits for similar employee services.

The Organization has no plans or policies to monetize the in-kind goods and services provided.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are composed of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Medical equipment	\$ -	\$ 3,512
Suicide prevention initiatives	16,710	16,916
	<u>16,710</u>	<u>20,428</u>
Endowment - subject to spending policy and appropriation	<u>334,182</u>	<u>334,182</u>
	<u>\$ 350,892</u>	<u>\$ 354,610</u>

Net assets with donor restrictions released from restrictions are composed of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Restricted for future periods		
Suicide prevention initiatives	\$ 11,165	\$ 32,751
Medical equipment	3,512	2,732
Young scholarship	-	1,000
Other	-	6,496
	<u>\$ 14,677</u>	<u>\$ 42,979</u>

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE L - COMMITMENTS AND CONTINGENCIES

Grantors: The Organization routinely enter into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs or providing certain program services of the Organization.

Grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's consolidated financial statement cannot be determined at this time and no provision has been made for any such adjustment in the accompanying consolidated financial statements.

Litigation: In the normal course of business, the Organization is a named defendant in various litigation related to professional liability matters, which the Organization maintains insurance policies for. Management is of the opinion that the final disposition of these matters will not have a materially adverse effect on the Organization's consolidated financial statements.

NOTE M - RETIREMENT PLANS

The Organization has a 403(b) Tax Deferred Annuity (403(b) Plan) covering substantially all employees. The 403(b) Plan provides for employee salary deferrals that are limited to the maximum amount allowable under the IRC and a discretionary match that is available to all employees after one year of service.

For 2023 and 2022, the discretionary match was a dollar-for-dollar match of the amount a participant deferred into the 403(b) Plan, up to a maximum of 3% of the participant's salary. Retirement plan expense was approximately \$330,000 and \$218,000 for the years ended June 30, 2023 and 2022, respectively.

The Organization maintains a nonqualified retirement plan as inducement and motivation to managerial and highly compensated employees pursuant to Section 457(b) of the IRC of 1986. Key managerial employees, as are determined by sole discretion of the board of trustees, are eligible to participate. The Organization's contribution to the plan is discretionary and is limited to the maximum amount allowable under the IRC. Contributions of approximately \$54,000 for the years ended June 30, 2023 and 2022, were allocated to participants as determined by the board of trustees.

NOTE N - CONCENTRATIONS AND RISK

The Organization received substantially all of its support directly from federal, state, and local government agencies or as pass-through government funding awards from other local agencies. Continuation of the Organization's program services is greatly dependent upon the fiscal ability of these agencies (federal, state and local) to continue to provide support.

Suncoast Center, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE N - CONCENTRATIONS AND RISK - Continued

At June 30, 2023 and 2022, amounts due from governmental and other agencies, include in accounts receivable on the consolidated statements of financial position, of \$1,388,003 and \$1,543,886, respectively, consist almost entirely of amounts due from Central Florida Behavioral Health Network, Pinellas County Board of County Commissioners, State of Florida Department of Health and Juvenile Welfare Board of Pinellas County.

Financial instruments that potentially subject the Organization to significant concentration of credit risk consist principally of cash, investments and accounts receivable. Concentrations of credit risk with respect to accounts receivable are considered minimal, as the amounts related to grants from federal and state governmental agencies.

The Organization maintains its demand deposit accounts at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 or the Securities Investor Protection Corporation up to \$500,000. Account balances periodically exceed the federally insured limits.

NOTE O - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 7, 2023, which is the date the consolidated financial statements were available to be issued. There were no subsequent events which would require disclosure in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

Suncoast Center, Inc. and Subsidiary

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER ACTUAL REVENUES AND EXPENSES (UNAUDITED)

For the Budget Period: July 1, 2022 to June 30, 2023

Part I: Actual Funding Sources and Revenues	State Designated SAMH Cost Centers											Total for State SAMH-Funded Cost Centers	Total for Nonstate SAMH Cost Centers	Total for All State Designated SAMH Cost Centers	Non-SAMH Cost Centers	Total Revenue
	State SAMH - Funded Cost Centers															
	SAMH															
	Assessment	Case Management	In Home and On Site	Intervention	Medical Services	Outpatient	Outreach	Incidental Expenses	B3 Cost Reimbursement	FACT						
<b>IA. State SAMH Funding</b>																
(1) From Central Florida Behavioral Health Network	\$ 101,479	\$ 630,808	\$ 22,423	\$ 539,339	\$ 499,469	\$ 657,617	\$ 144,846	\$ 375,721	\$ 63,534	\$ 456,324	\$ 3,491,560	\$ -	\$ 3,491,560	\$ -	\$ 3,491,560	
(2) From State IDP Line of Credit	-	-	-	-	93,019	-	-	-	-	-	93,019	-	93,019	-	93,019	
<b>Total State SAMH Funding</b>	<b>101,479</b>	<b>630,808</b>	<b>22,423</b>	<b>539,339</b>	<b>592,488</b>	<b>657,617</b>	<b>144,846</b>	<b>375,721</b>	<b>63,534</b>	<b>456,324</b>	<b>3,584,579</b>	<b>-</b>	<b>3,584,579</b>	<b>-</b>	<b>3,584,579</b>	
<b>IB. Other Government Funding</b>																
(1) Other State Agency Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	1,226,175	1,226,175	
(2) Medicaid	-	330,258	151,359	3,426	448,553	660,343	-	-	-	554,544	2,148,483	880,199	3,028,682	139,833	3,168,515	
(3) Local Government	-	321,251	870,210	78,062	1,005	2,075	-	-	-	-	1,272,603	5,335,075	6,607,678	1,118,962	7,726,640	
(4) Federal Grants & Contracts	-	224,096	72,364	29,193	244,169	218,991	114,746	-	-	3,045	906,604	697,746	1,604,350	1,228,119	2,832,469	
<b>Total Other Government Funding</b>	<b>-</b>	<b>875,605</b>	<b>1,093,933</b>	<b>110,681</b>	<b>693,727</b>	<b>881,409</b>	<b>114,746</b>	<b>-</b>	<b>-</b>	<b>557,589</b>	<b>4,327,690</b>	<b>6,913,020</b>	<b>11,240,710</b>	<b>3,713,089</b>	<b>14,953,799</b>	
<b>IC. All Other Revenues</b>																
(1) 1st & 2nd Party Payments	-	2,029	3,160	6	34,372	41,372	-	-	-	-	80,939	5,088	86,027	33	86,060	
(2) 3rd Party Payments (except Medicare)	-	(16)	14,114	58	118,354	200,628	-	-	-	-	333,138	98,246	431,384	36,981	468,365	
(3) Medicare	-	1,558	(202)	(11)	326,516	276,096	-	-	-	-	603,957	8,203	612,160	300	612,460	
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-	-	-	850	850	89,183	90,033	
(5) Other	-	-	-	-	-	31,959	-	-	-	-	31,959	1,400	33,359	440,037	473,396	
(6) In-Kind	-	-	-	-	327,000	-	-	-	-	-	327,000	10,915	337,915	-	337,915	
<b>Total All Other Revenues</b>	<b>-</b>	<b>3,571</b>	<b>17,072</b>	<b>53</b>	<b>806,242</b>	<b>550,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,376,993</b>	<b>124,702</b>	<b>1,501,695</b>	<b>566,534</b>	<b>2,068,229</b>	
<b>Total Funding</b>	<b>\$ 101,479</b>	<b>\$ 1,509,984</b>	<b>\$ 1,133,428</b>	<b>\$ 650,073</b>	<b>\$ 2,092,457</b>	<b>\$ 2,089,081</b>	<b>\$ 259,592</b>	<b>\$ 375,721</b>	<b>\$ 63,534</b>	<b>\$ 1,013,913</b>	<b>\$ 9,289,262</b>	<b>\$ 7,037,722</b>	<b>\$ 16,326,984</b>	<b>\$ 4,279,623</b>	<b>\$ 20,606,607</b>	

See independent auditors report.

Suncoast Center, Inc. and Subsidiary

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER ACTUAL REVENUES AND EXPENSES (UNAUDITED) - CONTINUED

For the Budget Period: July 1, 2022 to June 30, 2023

Expense Categories	State Designated SAMH Cost Centers															
	State SAMH - Funded Cost Centers															
	SAMH															
	Assessment	Case Management	In Home and On Site	Intervention	Medical Services	Outpatient	Outreach	Incidental	B3 Cost Reimbursement	FACT	Total for State SAMH-Funded Cost Centers	Total for Nonstate Funded SAMH Cost Centers	Total for All State Designated SAMH Cost Centers	Non-SAMH Cost Centers	Admin	Total Expenses
<b>Part II: Actual Expenses</b>																
<b>IIA. Personnel Expenses</b>																
(1) Salaries	\$ 75,126	\$ 822,179	\$ 750,501	\$ 361,572	\$ 1,021,507	\$ 2,119,698	\$ 91,041	\$ -	\$ 44,897	\$ 674,347	\$ 5,960,868	\$ 4,059,552	\$ 10,020,420	\$ 1,717,895	\$ 1,415,992	\$ 13,154,307
(2) Fringe Benefits	9,052	296,415	150,432	72,463	329,327	420,476	125,715	-	5,409	84,293	1,493,582	460,546	1,954,128	832,077	337,637	3,123,842
(3) Psychiatric Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-	500
<b>Total Personnel Expenses</b>	<b>84,178</b>	<b>1,118,594</b>	<b>900,933</b>	<b>434,035</b>	<b>1,350,834</b>	<b>2,540,174</b>	<b>216,756</b>	<b>-</b>	<b>50,306</b>	<b>758,640</b>	<b>7,454,450</b>	<b>4,520,098</b>	<b>11,974,548</b>	<b>2,550,472</b>	<b>1,753,629</b>	<b>16,278,649</b>
<b>IIB. Other Expense</b>																
(1) Building Occupancy	4,436	48,542	44,310	20,058	60,311	125,149	5,375	2,651	39,813	350,645	193,976	544,621	258,461	46,464	849,546	
(2) Professional Services	7,419	81,191	74,113	33,548	100,875	209,322	8,990	4,434	66,592	586,484	245,867	832,351	92,518	495,507	1,420,376	
(3) Travel	1,180	12,918	11,792	5,338	16,049	33,304	1,430	705	10,595	93,311	41,099	134,410	16,405	26,571	177,386	
(4) Equipment	1,590	17,406	15,888	7,192	21,626	44,875	1,927	950	14,278	125,732	51,171	176,903	23,936	17,453	218,292	
(5) Medical and Pharmacy	-	-	-	-	158,118	-	-	-	678	158,796	666	159,462	14,464	10	173,936	
(6) Insurance	2,135	23,367	21,330	9,655	29,032	60,243	2,587	1,276	19,165	168,790	65,821	234,611	201,973	42,705	479,289	
(7) Interest Paid	-	-	-	-	-	-	-	-	728	728	-	728	-	-	728	
(8) Operating Supplies & Expenses	7,327	24,711	33,985	4,791	40,442	54,758	10,433	375,721	2,307	26,860	581,335	181,208	762,543	54,621	135,671	952,835
(9) Other	-	(1,704)	(854)	-	(5,247)	(7,503)	-	-	-	(15,308)	(5,227)	(20,535)	16,347	478	(3,710)	-
(10) Donated Items	-	-	-	-	327,000	-	-	-	-	327,000	10,915	337,915	-	-	337,915	-
<b>Total Other Expenses</b>	<b>24,087</b>	<b>206,431</b>	<b>200,564</b>	<b>80,582</b>	<b>748,206</b>	<b>520,148</b>	<b>30,742</b>	<b>375,721</b>	<b>12,323</b>	<b>178,709</b>	<b>2,377,513</b>	<b>785,496</b>	<b>3,163,009</b>	<b>678,725</b>	<b>764,859</b>	<b>4,606,593</b>
<b>Total Personnel &amp; Other Expenses</b>	<b>108,265</b>	<b>1,325,025</b>	<b>1,101,497</b>	<b>514,617</b>	<b>2,099,040</b>	<b>3,060,322</b>	<b>247,498</b>	<b>375,721</b>	<b>62,629</b>	<b>937,349</b>	<b>9,831,963</b>	<b>5,305,594</b>	<b>15,137,557</b>	<b>3,229,197</b>	<b>2,518,488</b>	<b>20,885,242</b>
<b>IIC. Distributed Indirect Costs</b>																
(a) Other Support Costs (optional)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Administration	12,900	141,182	128,873	62,088	175,409	363,987	15,633	-	7,710	115,796	1,023,578	697,092	1,720,670	294,991	(2,015,661)	-
<b>Total Distributed Indirect Costs</b>	<b>12,900</b>	<b>141,182</b>	<b>128,873</b>	<b>62,088</b>	<b>175,409</b>	<b>363,987</b>	<b>15,633</b>	<b>-</b>	<b>7,710</b>	<b>115,796</b>	<b>1,023,578</b>	<b>697,092</b>	<b>1,720,670</b>	<b>294,991</b>	<b>(2,015,661)</b>	<b>-</b>
<b>Total Actual Operating Expense</b>	<b>121,165</b>	<b>1,466,207</b>	<b>1,230,370</b>	<b>576,705</b>	<b>2,274,449</b>	<b>3,424,309</b>	<b>263,131</b>	<b>375,721</b>	<b>70,339</b>	<b>1,053,145</b>	<b>10,855,541</b>	<b>6,002,686</b>	<b>16,858,227</b>	<b>3,524,188</b>	<b>502,827</b>	<b>20,885,242</b>
<b>IID. Unallowable Costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Allowable Operating Expense</b>	<b>121,165</b>	<b>1,466,207</b>	<b>1,230,370</b>	<b>576,705</b>	<b>2,274,449</b>	<b>3,424,309</b>	<b>263,131</b>	<b>375,721</b>	<b>70,339</b>	<b>1,053,145</b>	<b>10,855,541</b>	<b>6,002,686</b>	<b>16,858,227</b>	<b>3,524,188</b>	<b>502,827</b>	<b>20,885,242</b>
<b>IIF. Capital expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors report.

Suncoast Center, Inc. and Subsidiary

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER ACTUAL REVENUES AND EXPENSES (UNAUDITED) -  
CONTINUED

For the Budget Period: July 1, 2022 to June 30, 2023

Provider Name: Suncoast Center, Inc.

Audit Period 07/01/22 TO 06/30/23

PART III: UNEARNED FUNDS, FUNDING ALLOCATIONS, AND EXCESS FUNDS

STATE-DESIGNATED SAMH COST CENTERS		
STATE SAMH-FUNDED COST CENTERS		
MENTAL HEALTH	SUBSTANCE ABUSE	Totals for State SAMH Funded Cost Centers
III.A. Unearned Funds	\$ -	\$ -
III.B. Funding Allocations	-	-
III.C. Excess Funds	\$ -	\$ -

See independent auditors report.

Suncoast Center, Inc. and Subsidiary

SCHEDULE OF STATE EARNINGS FOR SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES (UNAUDITED)

Year Ended June 30, 2023

Total Expenditures	\$ 20,885,244
Less other state and federal funds	(5,154,316)
Less nonmatch SAMH funds	(1,979,323) *
Less unallowable costs	<u>-</u>
Total Allowable Expenditures	<u>13,751,605</u>
Maximum Available Earnings (75%)	10,313,704
Amount Of State Funds Requiring Match (total of invoices paid and submitted to be paid, less Line 3)	<u>2,582,550</u> *
Amount Due To The Department (Subtract Line 7 from Line 6. If negative, the amount of the difference is due to the Department up to the amount of Line 6.)	<u>\$ -</u>
Other State And Federal Funds	
Central Florida Behavioral Health Network (Federal portion)	-
Central Florida Behavioral Health Network (State portion)	-
Department of Transportation (Federal portion)	-
Department of Health (Federal portion)	366,988
Department of Health (State portion)	506,813
Office of the Attorney General	109,872
Pinellas County Justice Coordination	29,919
Healthy Start Coalition of Pinellas	23,963
Florida Council Against Sexual Violence	143,279
Florida Network for Children's Advocacy	168,720
Department of Health and Human Services	636,247
Medicaid	<u>3,168,515</u>
Total Other State And Federal Funds	<u>\$ 5,154,316</u>

\* CFBHN contract #QB046

See independent auditors report.

Suncoast Center, Inc. and Subsidiary

SCHEDULE OF SUPPORT AND REVENUE (UNAUDITED)

Year Ended June 30, 2023

<hr/>	
State SAMH Funding	
Central Florida Behavioral Network, Inc	
Community Mental health Services	\$ 3,491,560
IDP Line of Credit	93,019
Total State SAMH Funding	<u>3,584,579</u>
Other Government Funding	
Local Government Grants	
Juvenile Welfare Board of Pinellas County	5,932,090
Department of Health (including federal funds of \$366,988)	872,303
Certified Community Behavioral Health Clinic (including federal funds of \$506,714)	506,714
Victims of Crime Act (including federal funds of \$109,872)	109,872
Pinellas County, Florida (including federal funds of \$29,919)	879,512
Pinellas County School Board	367,845
PEMHS	330,326
Lutheran Services	21,100
ARPA	216,894
US Department of Treasury - Employee Retention Tax Credits	1,965,582
Medicaid	3,168,516
Governmental Funding Passed Through Local Agencies	
Florida Council Against Sexual Violence	143,279
Florida Network for Children's Advocacy	168,724
Department of Justice - Comp Victim Exams	244,000
Pinellas County Job Corps	3,079
Healthy Start Coalition (including federal funds of \$23,963)	23,963
Total Other Government Funding	<u>14,953,799</u>
All Other Funding and Revenues	
Medicare	612,460
First and Third Party Fees	554,425
Contributions, Donations and Bequests	139,454
In-Kind Revenues	337,915
Other Revenues	423,975
Total Nongovernment Funding	<u>2,068,229</u>
Total Support and Revenue	<u><u>\$ 20,606,607</u></u>

See independent auditors report.

Suncoast Center, Inc. and Subsidiary

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
SCHEDULE OF BED – DAY AVAILABILITY PAYMENTS (UNAUDITED)

Budget Period From: July 1, 2022 to June 30, 2023

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Total Services Paid for by Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
Children's MH	Crisis Stabilization Unit	\$ -	-	-	-	\$ -	\$ -	\$ -
Adult MH	Crisis Stabilization Unit	-	-	-	-	-	-	-
Children's SA	Substance Abuse Detox	-	-	-	-	-	-	-
Adult SA	Substance Abuse Detox	-	-	-	-	-	-	-
Adult MH	Short-Term Residential Treatment	-	-	-	-	-	-	-
<b>Total amount owed to department</b>								<b>\$ -</b>

Suncoast Center, Inc. and Subsidiary

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
 SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENT (UNAUDITED)

Budget Period From: July 1, 2022 to June 30, 2023

	Related Party	Allocation of related-Party Transactions State - Designated Cost Centers				Total
		1	2	3	4	
Revenues from grantee:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	-	-	-	-	-	-
Services	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenue from grantee</b>	-	-	-	-	-	-
Expenses associated with grantee transactions:						
Personnel services	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total associated expenses</b>	-	-	-	-	-	-
<b>Related-party transaction adjustment</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## COMPLIANCE REPORTS

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*

SUNCOAST CENTER, INC. AND SUBSIDIARY

JUNE 30, 2023



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

Board of Trustees  
Suncoast Center, Inc. and Subsidiary

We have audited, in accordance with auditing standards 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 Suncoast Center, Inc. and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated December 7, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Suncoast Center, Inc. and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Suncoast Center, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Suncoast Center, Inc. and Subsidiary'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 combination of deficiencies in internal control, such that there is a reasonable probability that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



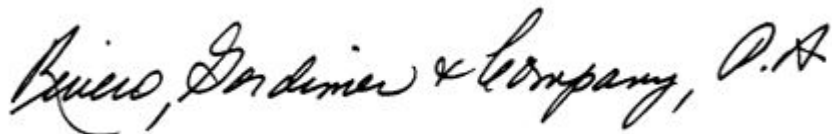
## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed test 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 amount. 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 test 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 Suncoast Center, Inc. and Subsidiary's internal control or no compliance. The 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.

Tampa, Florida  
December 7, 2023

A handwritten signature in cursive script that reads "Benicio, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location text.

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

SUNCOAST CENTER, INC. AND SUBSIDIARY

June 30, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Board of Trustees  
Suncoast Center, Inc. and Subsidiary

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

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

We have audited Suncoast Center, Inc. and Subsidiary'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 State of Florida 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 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, 2023.

***Basis for Opinion of 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; 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 the State of Florida *Chapter 10.650, Rules of the Auditor General (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 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 provision 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation 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 judgement made by a reasonable use of the report on compliance about the Organization's compliance with the requirements of each major federal program and state financial assistance 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 judgement 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 procedure responsive to those risks. Such procedure includes examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedure 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 weakness in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

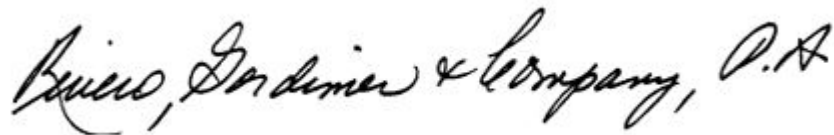
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement 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 or state project will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 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.

Tampa, Florida  
December 7, 2023



Suncoast Center, Inc. and Subsidiary

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
<b>Federal</b>				
<u>U.S. Department of Justice</u>				
<i>Passed through the State of Florida Office of the Attorney General</i>				
Crime Victim Assistance	16.575	VOCA-2022-778	\$ -	\$ 109,872
<i>Passed through Pinellas County Justice Coordination</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00241-MUMU	-	29,919
Total U.S. Department of Justice			-	139,791
<u>U.S. Department of Health and Human Services</u>				
Department of Health and Human Services				
COVID-19: Provider Relief Fund and American Rescue Plan (ARP)				
Rural Distribution	93.498	N/A	-	129,533
Certified Community Behavioral Health Clinic Expansion Grant	93.696	1H79SM086671-01	-	506,714
				636,247
<i>Passed through the State of Florida Department of Health</i>				
Social Services Block Grant	93.667	CP15A	-	366,988
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>				
Block grants for community mental health services	93.958	QG046	-	561,942
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>				
Block grants for community mental health services	93.958	N/A	-	20,935
Total block grants for community mental health services			-	582,877
<i>Passed through Healthy Start Coalition of Pinellas, Inc.</i>				
Medical assistance program	93.778	N/A	-	23,963
Total U.S. Department of Health and Human Services			-	1,610,075
Total expenditures of federal awards			\$ -	\$ 1,749,866

Suncoast Center, Inc. and Subsidiary

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE- CONTINUED

For the year ended June 30, 2023

State Grantor/Pass-through Grantor/Program or Cluster Title	State CSFA Number	Pass-through Entity Identifying Number	Passed- Through to Subrecipients	Total State Expenditures
<b>State</b>				
<u>State of Florida Justice Administration</u>				
<i>Passed through the Florida Network for Children's Advocacy Centers</i>				
Florida Network of Children's Advocacy Centers	41.031	22/23-GR-CAC16	\$ -	\$ 166,171
<u>State of Florida Department of Legal Affairs and Attorney General</u>				
<i>Passed through Florida Council Against Sexual Violence</i>				
Florida Council Against Sexual Violence	41.010	22OAG13	-	14,439
<u>State of Florida Department of Children and Families</u>				
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>				
Forensic Services and Competency Restoration Training	60.114	QG046	-	64,877
<u>State of Florida Department of Health</u>				
Direct Funding				
Medical Services for Abused and Neglected Children	64.006	CP15A	-	506,813
<i>Passed through Florida Council Against Sexual Violence</i>				
Rape Crisis Program Trust Fund -				
Sexual Battery Victims' Access to Services Act	64.061	16TFGR13	-	39,602
<i>Passed through Florida Council Against Sexual Violence</i>				
Rape Crisis Center				
	64.069	16TFGR13	-	67,198
<i>Passed through Florida Council Against Sexual Violence</i>				
Rape Crisis Center - GR				
	64.xxx	16TFGR13	-	22,040
Total State of Florida Department of Health			-	635,653
<u>State of Florida Department of Highway Safety and Motor Vehicles</u>				
<i>Passed through Florida Network for Children's Advocacy Centers</i>				
Child Abuse Prevention and Intervention License Plate Project	76.067	22-23-LPVC-CAC-16	-	1,719
Passed through Florida Network for Children's Advocacy Centers				
Florida Network for Children's Advocacy Center Voluntary Contribution	76.123	22-23-LPVC-CAC-16	-	830
Total State of Florida Department of Highway Safety and Motor Vehicles			-	2,549
Total state financial assistance			\$ -	\$ 883,689

Suncoast Center, Inc. and Subsidiary

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2023

NOTE A - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state award activity of Suncoast Center, Inc. and Subsidiary under programs of the federal government and the State of Florida for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the schedule presents only a selected portion of the operations of Suncoast Center, Inc. and Subsidiary, it is not intended to and does not present the financial position, changes in net assets or cash flow of Suncoast Center, Inc. and Subsidiary.

Some amounts presented in the schedule may differ from amounts presented or used in the preparation of the consolidated financial statements.

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 and cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization did not pass through any federal award amounts to subrecipients during the year ended June 30, 2023.

NOTE B - INDIRECT COSTS

The Organization elected to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance for federal awards.

NOTE C - SUPPORT REQUIRING MATCHING FUNDS

From time to time, Suncoast, Inc. and Subsidiary receive funding from various sources that require the Organization to obtain matching funds. During the year ended June 30, 2023, Suncoast Center, Inc. and Subsidiary obtained matching funds of the required amount.

Suncoast Center, Inc. and Subsidiary

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended June 30, 2023

NOTE D - CONTINGENCIES

Grant expenditures are subject to audit and possible disallowance by the grantor agencies. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of Suncoast Center, Inc. and Subsidiary. In the opinion of management, all grant expenditures included on the accompanying schedule of expenditures of federal awards and state financial assistance, are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE E - AMERICAN RESCUE PLAN (ARP) RURAL DISTRIBUTIONS

The following entity within the Organization received American Rescue Plan (ARP) Rural Distributions funds:

<u>Entity</u>	<u>Tax ID</u>
Suncoast Center Inc.	59-2092717

Suncoast Center, Inc. and Subsidiary

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified?      yes   X   no  
 Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards and State Projects**

Internal control over major programs/projects:  
 Material weakness(es) identified?      yes   X   no  
 Significant deficiency(ies) identified?      yes   X   none reported

Type of auditors' report issued on compliance for major Federal programs and State projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.656 Rules of the Auditor General?      yes   X   no

Identification of major programs/projects:

**Federal Program or Cluster**

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
93.696	Certified Community Behavioral Health Clinic Expansion Grant

**State Project**

<u>CSFA Number</u>	<u>Name of State Project</u>
41.031	Florida Network of Children's Advocacy Centers
64.006	Medical Services for Abused and Neglected Children

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

Dollar threshold used to distinguish between type A and type B programs - State projects: \$ 300,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance (not applicable for State projects)?   X   yes      no

Suncoast Center, Inc. and Subsidiary

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

June 30, 2023

**Section II - Financial Statement Findings**

No matters were reported for the year ended June 30, 2023.

**Section III - Federal Award and State Financial Assistance Findings and Questioned Costs**

No matters were reported for the year ended June 30, 2023.

**Other Issues**

- a) A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)).
- b) A summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to Federal programs or State projects (see AG Rules 10.557(3)(e)5. and 10.656(3)(d)5.).