

COMBINED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YOUTH AND FAMILY ALTERNATIVES, INC.
AND SUPPORTING ORGANIZATION

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth and Family Alternatives, Inc.
The Youth and Family Alternatives Foundation, Inc.

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Youth and Family Alternatives, Inc. (a nonprofit organization) and The Youth and Family Alternatives Foundation, Inc. (collectively, the "Organization"), which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined 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 combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

The other supplementary information on pages 37 through 47 is presented for purposes of additional analysis and is also not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic combined 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 March 29, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Tampa, Florida
March 29, 2024

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

Youth and Family Alternatives, Inc. and Supporting Organization

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2023

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 9,378,871	\$ 10,800	\$ -	\$ 9,389,671
Grants and contracts receivable	1,331,815	-	-	1,331,815
Due from supporting organization	3,050	-	(3,050)	-
Prepaid expenses	87,137	-	-	87,137
Total current assets	<u>10,800,873</u>	<u>10,800</u>	<u>(3,050)</u>	<u>10,808,623</u>
Investments	874,754	1,212,211	(874,754)	1,212,211
Beneficial interest in Community Foundation	126,560	-	-	126,560
Deferred compensation plan assets	337,905	-	-	337,905
Property and equipment, net	6,470,694	-	-	6,470,694
Construction in progress	1,364,575	-	-	1,364,575
Right of use assets, operating	315,789	-	-	315,789
Deposits	28,241	-	-	28,241
Total assets	<u>\$ 20,319,391</u>	<u>\$ 1,223,011</u>	<u>\$ (877,804)</u>	<u>\$ 20,664,598</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 882,172	\$ -	\$ -	\$ 882,172
Accrued expenses	1,010,935	-	-	1,010,935
Deferred revenue	179,780	-	-	179,780
Current portion of long-term debt	41,438	-	-	41,438
Operating lease liability, current portion	91,707	-	-	91,707
Due to YFA	-	3,050	(3,050)	-
Total current liabilities	<u>2,206,032</u>	<u>3,050</u>	<u>(3,050)</u>	<u>2,206,032</u>
Rental deposits	4,350	-	-	4,350
Deferred compensation plan liability	337,905	-	-	337,905
Long-term debt	639,695	-	-	639,695
Operating lease liability, long-term portion	224,082	-	-	224,082
Amounts invested on behalf of YFA	-	874,754	(874,754)	-
Total liabilities	<u>3,412,064</u>	<u>877,804</u>	<u>(877,804)</u>	<u>3,412,064</u>
Net Assets				
Without donor restrictions:				
Undesignated	9,141,568	345,207	-	9,486,775
Board designated for capital reserves	489,733	-	-	489,733
Board designated for endowment	121,890	-	-	121,890
Invested in property and equipment	7,154,136	-	-	7,154,136
Total net assets without donor restrictions	<u>16,907,327</u>	<u>345,207</u>	<u>-</u>	<u>17,252,534</u>
Total net assets	<u>16,907,327</u>	<u>345,207</u>	<u>-</u>	<u>17,252,534</u>
Total liabilities and net assets	<u>\$ 20,319,391</u>	<u>\$ 1,223,011</u>	<u>\$ (877,804)</u>	<u>\$ 20,664,598</u>

The accompanying notes are an integral part to this financial statement.

Youth and Family Alternatives, Inc. and Supporting Organization

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
Change in net assets without donor restrictions:				
Revenues:				
Grants and contracts	\$ 24,957,721	\$ -	\$ -	\$ 24,957,721
United Way	62,864	-	-	62,864
Contributions	19,390	-	-	19,390
In-kind contributions	400,874	-	-	400,874
Program revenue	203,498	-	-	203,498
Rental income	155,258	-	-	155,258
Other revenue	27,446	-	-	27,446
Interest income	-	181	-	181
Investment return on beneficial interest in Community Foundation	81,737	-	-	81,737
Investment return	-	105,014	-	105,014
	<u>25,908,788</u>	<u>105,195</u>	<u>-</u>	<u>26,013,983</u>
Special events:	52,631	-	-	52,631
Less: direct costs of special events	<u>(48,748)</u>	<u>-</u>	<u>-</u>	<u>(48,748)</u>
	<u>3,883</u>	<u>-</u>	<u>-</u>	<u>3,883</u>
Total unrestricted revenues	<u>25,912,671</u>	<u>105,195</u>	<u>-</u>	<u>26,017,866</u>
Expenses:				
Program services:				
Youth crisis shelters	3,651,814	-	-	3,651,814
Prevention	1,402,831	-	-	1,402,831
Foster care and adoption services	16,418,059	-	-	16,418,059
Supportive housing	149,671	-	-	149,671
Behavioral health services	1,026,014	-	-	1,026,014
Candace behavioral health services	376,975	-	-	376,975
Total program services	<u>23,025,364</u>	<u>-</u>	<u>-</u>	<u>23,025,364</u>
Support services:				
Management and general	1,903,412	-	-	1,903,412
Fund development	20,644	-	-	20,644
Total support services	<u>1,924,056</u>	<u>-</u>	<u>-</u>	<u>1,924,056</u>
Total expenses	<u>24,949,420</u>	<u>-</u>	<u>-</u>	<u>24,949,420</u>
Change in net assets without donor restrictions	963,251	105,195	-	1,068,446
Net assets, beginning of year	<u>15,944,076</u>	<u>240,012</u>	<u>-</u>	<u>16,184,088</u>
Net assets, end of year	<u>\$ 16,907,327</u>	<u>\$ 345,207</u>	<u>\$ -</u>	<u>\$ 17,252,534</u>

The accompanying notes are an integral part to this financial statement.

Youth and Family Alternatives, Inc. and Supporting Organization

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program Services						Support Services			Total Expenses	
	Youth Crisis Shelters	Prevention	Foster Care and Adoption Services	Supportive Housing	Behavior Health Services	Candace Behavioral Health	Total Program Services	Management and General	Fund Development		Total Support Services
Salaries	\$ 2,111,885	\$ 854,737	\$ 11,362,217	\$ 427	\$ 454,980	\$ 215,620	\$ 14,999,866	\$ 1,042,379	\$ -	\$ 1,042,379	\$ 16,042,245
Employee benefits and payroll taxes	381,450	216,403	2,711,638	3,891	93,707	51,616	3,458,705	333,504	-	333,504	3,792,209
Total employee costs	2,493,335	1,071,140	14,073,855	4,318	548,687	267,236	18,458,571	1,375,883	-	1,375,883	19,834,454
In-kind teacher salaries	-	-	-	-	352,890	-	352,890	-	-	-	352,890
Professional fees	38,346	10,027	113,134	19,808	3,195	68,603	253,113	46,832	19,500	66,332	319,445
Contract services	14,740	661	211,672	7,365	80	202	234,720	39,196	-	39,196	273,916
Office expenses	68,464	52,347	113,730	483	5,620	11,980	252,624	36,415	-	36,415	289,039
Occupancy expenses	277,202	73,477	137,182	18,722	1,150	4,031	511,764	85,038	-	85,038	596,802
Donated facilities	-	-	-	-	47,984	-	47,984	-	-	-	47,984
Travel and transportation costs	8,495	31,474	362,229	36	967	7,186	410,387	8,543	-	8,543	418,930
Equipment expenses	72,567	3,195	428,905	1,048	600	144	506,459	48,172	-	48,172	554,631
Conference and meetings	2,679	1,183	6,779	35	283	369	11,328	9,018	-	9,018	20,346
Dues and memberships	53,323	21,258	32,727	2,619	1,163	1,274	112,364	6,507	-	6,507	118,871
Insurance expense	181,365	34,718	473,896	39,354	41,013	2,443	772,789	84,523	-	84,523	857,312
Program expenses	147,491	33,993	213,356	499	17,178	5,399	417,916	72,341	1,144	73,485	491,401
Other employee and recruitment costs	118,211	59,564	176,659	284	5,180	4,104	364,002	38,530	-	38,530	402,532
Other operating expenses	72,331	9,794	26,599	3,932	24	4,004	116,684	11,745	-	11,745	128,429
Total expenses before depreciation and interest	3,548,549	1,402,831	16,370,723	98,503	1,026,014	376,975	22,823,595	1,862,743	20,644	1,883,387	24,706,982
Depreciation	103,265	-	47,336	51,168	-	-	201,769	40,669	-	40,669	242,438
TOTAL EXPENSES	\$ 3,651,814	\$ 1,402,831	\$ 16,418,059	\$ 149,671	\$ 1,026,014	\$ 376,975	\$ 23,025,364	\$ 1,903,412	\$ 20,644	\$ 1,924,056	\$ 24,949,420

The accompanying notes are an integral part to this financial statement.

Youth and Family Alternatives, Inc. and Supporting Organization

COMBINED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Youth and Family Alternatives	The Youth and Family Alternatives Foundation	Eliminations	Total
Cash flows from operating activities				
Change in net assets	\$ 963,251	\$ 105,195	\$ -	\$ 1,068,446
Adjustments to reconcile increase in net assets to net cash provided by operating activities:				
Depreciation	242,438	-	-	242,438
Unrealized gain on investments	-	(28,319)	-	(28,319)
Unrealized gain on beneficial interest in Community Foundation	(10,016)	-	-	(10,016)
Decrease in grants and contracts receivable	544,995	-	-	544,995
Decrease in prepaid expenses	(34,809)	-	-	(34,809)
Decrease in deposits	1,000	-	-	1,000
Increase in accounts payable and accrued expenses	694,679	-	-	694,679
Increase in deferred revenue	164,000	-	-	164,000
Increase in rental deposits	150	-	-	150
Total adjustments	1,602,437	(28,319)	-	1,574,118
Net cash provided by operating activities	2,565,688	76,876	-	2,642,564
Cash flows from investing activities				
Cash payments for property and equipment	(265,732)	-	-	(265,732)
Reinvestment of investment interest and gains	-	(76,690)	-	(76,690)
Reinvestment of interest on beneficial interest in Community Foundation	(1,430)	-	-	(1,430)
Sales of beneficial interest in Community Foundation	6,776	-	-	6,776
Net cash used by investing activities	(260,386)	(76,690)	-	(337,076)
Cash flows from financing activities				
Principal payments on long-term debt	(40,005)	-	-	(40,005)
Net cash provided used by financing activities	(40,005)	-	-	(40,005)
Net increase in cash and cash equivalents	2,265,297	186	-	2,265,483
Cash and cash equivalents, beginning of year	7,113,574	10,614	-	7,124,188
Cash and cash equivalents, end of year	\$ 9,378,871	\$ 10,800	\$ -	\$ 9,389,671
<u>SUPPLEMENTAL DISCLOSURES</u>				
Cash paid for interest	\$ 25,952	\$ -	\$ -	\$ 25,952
Acquisition of right of use operating assets	\$ 570,894	\$ -	\$ -	\$ 570,894

The accompanying notes are an integral part to this financial statement.

Youth and Family Alternatives, Inc. and Supporting Organization

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2023

NOTE A - DESCRIPTION OF ORGANIZATION

The Organization consists of Youth and Family Alternatives, Inc. and its supporting organization, The Youth and Family Alternatives Foundation, Inc. (collectively the "Organization").

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

Youth Crisis Shelters programs include:

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

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

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

Prevention programs include:

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

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

Youth and Family Alternatives, Inc. and Supporting Organization
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE A - DESCRIPTION OF ORGANIZATION - Continued

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

Foster Care and Adoption Services programs include:

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

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

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

Adoption Case Management: When family reunification is not a safe or viable option for children and families served through foster care case management, YFA's adoption case managers work to find a loving and nurturing "forever family" for each local foster child who is available to be adopted. There are many children of all ages who are available for adoption. These children deserve a family that will provide a safe and stable environment for them so they can reach their full potential. Adoption Case Managers conduct a comprehensive Child Study of each child that is available for adoption in order to recruit the most appropriate adoptive family. The primary goal is to always recruit adoptive parents that will meet the unique needs of each foster child.

Supportive Housing includes:

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

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

Youth and Family Alternatives, Inc. and Supporting Organization

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE A - DESCRIPTION OF ORGANIZATION - Continued

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

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

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Combination

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

2. Basis of Presentation

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

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

Youth and Family Alternatives, Inc. and Supporting Organization
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

3. Estimates

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

4. Cash and Cash Equivalents

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

5. Grants and Contracts Receivable

Grants and contracts receivable result from services which have been provided pursuant to various State and Federal grants and contracts, but for which reimbursement has not yet been received at June 30, 2023. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at June 30, 2023.

6. Grant and Contract Revenues

Revenues from grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. As of June 30, 2023, grants and contracts were 96% of total revenue, with 93% of the funding from three agencies.

Youth and Family Alternatives, Inc. and Supporting Organization
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Property and Equipment

Property and equipment are stated at historical cost and depreciated using the straight-line method over the estimated useful lives of each asset ranging from 3 to 39 years. Acquisitions of property and equipment in excess of \$5,000 are capitalized. Maintenance and repairs are charged to operations when incurred.

8. Donated Facilities and Services

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

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

9. Fair Value of Financial Instruments

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

10. Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. The Organization places its cash with creditworthy, high quality financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses from its deposits. The amount in excess of the FDIC limit was approximately \$9,200,000 at June 30, 2023.

Additional financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of grant and contract receivables from State of Florida agencies. Concentration of credit risk with respect to grants and contracts receivable is minimized due to the amounts being backed by the government. The Organization has not experienced any material losses with respect to its receivables. At June 30, 2023 approximately 80% of grant and contract receivables were from two agencies.

Youth and Family Alternatives, Inc. and Supporting Organization
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Income Tax Status

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

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2019.

12. Functional Allocation of Expenses

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

Rent, building repair and maintenance, and utilities are allocated on a square footage basis. Depreciation is allocated based on the percentage of non-payroll expenses to total non-payroll expenses for each program and supporting function.

13. Adoption of New Accounting Standards

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 the new guidance, lessees are required to recognize right of 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 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.

Youth and Family Alternatives, Inc. and Supporting Organization
 NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Effective July 1, 2022, the Organization adopted the provisions of FASB ASU 2020-07, Not-for-Profit Entities (Topic 958) *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Financial assets:	
Cash and cash equivalents	\$ 9,389,671
Investments	1,212,211
Grants and contracts receivable	1,331,815
Beneficial interest in Community Foundation	<u>126,560</u>
Total financial assets	12,060,257
Less those unavailable for general expenditure within one year:	
Investments	(1,212,211)
Beneficial interest in Community Foundation	<u>(126,560)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 10,721,486</u>

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

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

Youth and Family Alternatives, Inc. and Supporting Organization
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE D - INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with professional standards, Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under Professional Standards are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

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

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

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

Youth and Family Alternatives, Inc. and Supporting Organization
 NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE D - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2023:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Short term investments	\$ 10,986	\$ 10,986	\$ -	\$ -
Mutual funds	682,402	682,402	-	-
Equities	311,294	311,294	-	-
Bonds	207,529	-	207,529	-
Deferred compensation plan	337,905	-	-	337,905
Beneficial interest in Community Foundation	126,560	-	-	126,560
Total	<u>\$ 1,676,676</u>	<u>\$ 1,004,682</u>	<u>\$ 207,529</u>	<u>\$ 464,465</u>

The reconciliation of the changes in the deferred compensation plan and beneficial interest in Community Foundation measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows:

	Deferred Compensation Plan	Beneficial interest in Community Foundation
Balance at June 30, 2022	\$ 236,194	\$ 121,890
Contributions to plan	54,750	-
Withdrawals	-	-
Amounts used for programs	-	(6,776)
Net change (realized and unrealized)	<u>46,961</u>	<u>11,446</u>
Balance at June 30, 2023	<u>\$ 337,905</u>	<u>\$ 126,560</u>

Youth and Family Alternatives, Inc. and Supporting Organization
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE E - PROPERTY AND EQUIPMENT

At June 30, 2023, property and equipment consist of the following:

Land	\$	1,138,091
Building		8,501,306
Furniture and equipment		554,889
Vehicles		129,081
		10,323,367
Less accumulated depreciation		(3,852,673)
Net property and equipment	\$	6,470,694

Depreciation expense was \$242,438 for the year ended June 30, 2023.

NOTE F - LONG-TERM DEBT

The Organization's obligations under long-term debt consist of the following at June 30, 2023:

Note payable to bank, \$3,809 total monthly payments including interest of 3.49%, due June 2036, secured by land and building with a net book value of \$640,000.	\$	475,579
Note payable to bank, \$1,688 total monthly payments including interest of 3.99%, due July 2036, secured by land.		205,554
		681,133
Less amounts due within one year		(41,438)
	\$	639,695

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

For the years ending June 30:

2024	\$	41,438
2025		43,059
2026		44,674
2027		46,350
2028		48,041
Thereafter		457,571
	\$	681,133

Youth and Family Alternatives, Inc. and Supporting Organization
 NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE G - ENDOWMENT

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

“Agency restricted funds” which were established for the Organization within the Community Foundation had fair market values of \$126,560 at June 30, 2023.

In accordance with professional standards, the Organization provides the composition of the endowment by net asset class and the endowment related activities for the year ended June 30, 2023. No change in the net asset classification of the endowment fund is required.

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Beneficial interest in Community Foundation	\$ 126,560	\$ -	\$ 126,560

Changes in endowment net assets for the fiscal year ended June 30, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 121,890	\$ -	\$ 121,890
Net appreciation	11,446	-	11,446
Amounts appropriated for expenditure	(6,776)	-	(6,776)
Endowment net assets, end of year	\$ 126,560	\$ -	\$ 126,560

Return Objectives and Risk Parameters

Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investment purposes.

Youth and Family Alternatives, Inc. and Supporting Organization
 NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE G - ENDOWMENT - Continued

Interpretation of Relevant Law

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

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

Spending Policy

The Community Foundation can make annual distributions to the Organization of no less than 5% of the fund’s fair market value upon written request from The Organization. For the year ended June 30, 2023, the Organization took \$6,776 in distributions from the funds.

NOTE H - DONATED FACILITIES AND SERVICES

Donated facilities and services, if any, are recorded and reflected in the accompanying combined financial statements at their fair values at the date of receipt. Donated facilities and services for the year ended June 30, 2023 consisted of the following:

Prevention Program		
Teacher salaries	\$	352,890
Use of facilities		47,984
Total	\$	400,874

NOTE I - MATCHING REQUIREMENTS OF FEDERAL AND STATE GRANTS

The Organization has materially complied with all matching requirements provided for by its Federal and State grants. Accordingly, no match liability exists at June 30, 2023.

Youth and Family Alternatives, Inc. and Supporting Organization
 NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE J - EMPLOYEE BENEFIT PLAN

The Organization has a tax deferred annuity plan covering substantially all employees. Annually the Organization may make a discretionary contribution at a rate equal to a percentage of each participant's compensation. Participating employees may also elect to contribute a percentage of their compensation. Participants fully vest in their accounts immediately. During the year ended June 30, 2023, the Organization made contributions totaling \$271,920 to the plan. The Organization incurred no administrative expenses related to the plan during the year ended June 30, 2023.

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

The Organization has implemented a supplemental retirement plan for its senior staff executives. This plan allows the Organization to make contributions to a 457 (b) employee account. The Organization contributed \$54,750 to the plan for the year ended June 30, 2023. The Organization incurred no administrative expenses related to the plan during the year ended June 30, 2023.

NOTE L - OPERATING LEASES

The Organization leases certain vehicles and equipment for the operation of its programs under long-term operating leases through 2029. In accordance with ASC 842, *Leases*, the Organization recorded a right to use operating asset and operating lease payable of \$125,668 at July 1, 2022, which is the net present value of future minimum lease payments at the time the accounting standard was implemented using a discount rate of 4.12%, the Organization's estimated incremental borrowing rate at the time the accounting standard was implemented. At June 30, 2023 the weighted-average remaining lease term is 3.62 years and the weighted-average discount rate is 5.29%.

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

Vehicles	\$	762,623
Office equipment		<u>75,532</u>
		838,155
Less: accumulated amortization		<u>(522,366)</u>
	\$	<u><u>315,789</u></u>

Youth and Family Alternatives, Inc. and Supporting Organization
 NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE L - OPERATING LEASES - Continued

Future minimum lease payments under the non-cancelable operating leases are as follows:

<u>Year ending June 30:</u>	
2024	\$ 106,318
2025	96,497
2026	95,940
2027	27,787
2028	21,111
2029	<u>3,009</u>
Total minimum lease payments	350,662
Less amount representing interest	<u>(34,873)</u>
Operating lease obligation	<u><u>\$ 315,789</u></u>

Lease expense incurred for facilities, included in occupancy expense, totaled \$103,273 for the year ended June 30, 2023. Vehicle and equipment lease expenses, included in equipment expenses, totaled \$193,141 for the year ended June 30, 2023.

NOTE M - COMMITMENTS AND CONTINGENCIES

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

NOTE N - AVAILABLE LINES OF CREDIT

The Organization has a \$1,000,000 bank line of credit available for its periodic borrowing needs. The line of credit expires January 30, 2023 and is renewable annually. Any borrowings under the line of credit are due on demand and bear interest at the Prime Rate (8.25% at June 30, 2023). There were no outstanding borrowings on the line of credit at June 30, 2023.

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

Youth and Family Alternatives, Inc. and Supporting Organization

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE O - DEVELOPER AGREEMENT AND DEFERRED PAYMENT MORTGAGE

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

NOTE P - SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2023 as of March 29, 2024 which is the date the combined financial statements were available to be issued.

COMPLIANCE REPORTS

INDEPENDENT AUDITOR'S 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*



RIVERO, GORDIMER & COMPANY, P.A.

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

Michael E. Helton
James K. O'Connor
David M. Bohnsack
Julie A. Davis

INDEPENDENT AUDITOR'S 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 Directors
Youth and Family Alternatives, Inc.
The Youth and Family Alternatives Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Youth and Family Alternatives, Inc. (a nonprofit organization) and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization) which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated March 29, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tampa, Florida
March 29, 2024

INDEPENDENT AUDITOR'S 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



INDEPENDENT AUDITOR'S 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 Directors
Youth and Family Alternatives, Inc.
The Youth and Family Alternatives Foundation, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Youth and Family Alternatives, Inc. (a nonprofit organization), and The Youth and Family Alternatives Foundation, Inc. (collectively the Organization's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the requirements described in the Department of Financial Services' State Project's Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended June 30, 2023. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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



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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

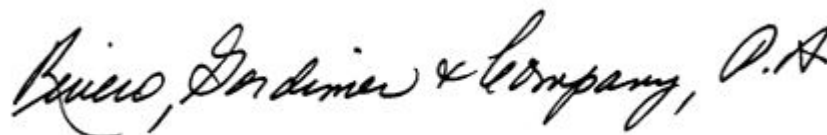
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

Tampa, Florida
March 29, 2024

Handwritten signature in cursive script that reads "Buco, Gardner & Company, P.A."

Youth and Family Alternatives, Inc. and Supporting Organization

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS

For the year ended 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? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards and State Projects

Internal control over major Federal Programs and State 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 and State Projects:

Federal Program or Cluster

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
93.623	Basic Center Grant
93.658	Foster Care - Title IV-E

State Project

<u>CSFA Number</u>	<u>Name of State Project</u>
60.074	Out of Home Supports
80.005	Children and Families in Need of Services (CINS/FINS)

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 programs: \$ 750,000

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

Youth and Family Alternatives, Inc. and Supporting Organization
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS - CONTINUED

For the year ended June 30, 2023

Section II - Financial Statement Findings

Finding 2023-01 – Significant Deficiency related to Financial Close

Criteria: The financial close process should be designed to identify potential misstatements and ensure the accuracy of the Organization’s financial statements.

Condition: During the audit, we identified that the worker’s compensation liability was over accrued by \$178,599.

Cause: The worker’s comp rate in the payroll software was not updated to reflect the current rate. The payroll software is used to generate the amount of the accrual recorded for each payroll period. The Organization experienced turnover in its accounting department and did not reconcile the accrual in a timely manner.

Effect: The misstatement was not identified and detected in a timely manner. Actual expenditures reported to funders were overstated.

Recommendation: The Organization should review its current policies and procedures over accounting and financial reporting, including its review its monthly close process. Financial close procedures should be designed to identify potential misstatements.

Views of Responsible Officials and Planned Corrective Actions: Management concurs. See corrective action plan.

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)(e)).
- 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.).



CORRECTIVE ACTION PLAN

March 19, 2024

Department of Health & Human Services

Youth and Family Alternatives, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2023.

INSPIRATION

Name and address of independent public accounting firm:

Rivero, Gordimer & Company

INTEGRITY

201 North Franklin Street, Suite 2600 Tampa, FL

Audit period: July 1, 2022, through June 30, 2023

IMPACTFUL

The finding from the June 30, 2023 schedule of findings and questioned overstatement are discussed below. The finding is numbered consistently with the number assigned in the schedule.

INTEGRATED

FINDING-FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY RELATED TO FINANCIAL CLOSE

INNOVATIVE

2023-01 Workers Compensation over accrued by \$178,599 across all programs.

Recommendation: The organization should review its current policies and procedures for accounting and financial reporting, including its review for its monthly closing process. Financials close procedures should be designed to identify potential misstatements.





Action Taken: YFA immediately issued a credit that was allocated to each funder in FY24, and significant credits were communicated out to the individual funders. Fiscal has improved their reconciliation process and has dual approvals for GL Reconciliations.

INSPIRATION

If the Department of Health & Human Services has questions regarding this plan, please call Nicole Greene at 813-210-4246.

INTEGRITY

IMPACTFUL

Sincerely yours,

INTEGRATED

Karen Maziarz

Chief Financial Officer

INNOVATIVE



SUPPLEMENTARY INFORMATION

Youth and Family Alternatives, Inc. and Supporting Organization
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the year ended June 30, 2023

<u>Federal/State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed- Through to Subrecipients</u>	<u>Total Expenditures</u>
Federal				
U.S. Department of Agriculture Indirect program				
Passed-through the Florida Department of Health Child and Adult Care Food Program	10.558	H3653	\$ -	\$ 99,721
Total U.S. Department of Agriculture			-	99,721
U.S. Department of Housing and Urban Development Indirect program				
Passed-through Pasco County Government Home Investment Partnerships Program	14.239	Loan	-	875,000
Total U.S. Department of Housing and Urban Development			-	875,000
U.S. Department of Health and Human Services Direct Program				
Basic Center Grant	93.623	90CY7419-01-00, 90CY7245-03-00, 90CY7245-02-00	-	222,798
Total U.S. Department of Health and Human Services - Direct Programs			-	222,798
U.S. Department of Health and Human Services Indirect Programs				
Passed-through programs from :				
MaryLee Allen Promoting Safe and Stable Families Programs	93.556			
Family Support Services, Inc.		FSS-RHG-YFA-FY23, FSS-RHG-YFA-FY22	-	38,425
Family Support Services, Inc.		ECA-C6-CMO-YFA-FY22	-	68,755
Kids Central, Inc.		C2223-CMA-CH029	-	223,383
Heartland for Children, Inc.		SYF01	-	12,070
Children's Network of Southwest Florida, Inc.		SAU11	-	10,301
			-	352,934
Temporary Assistance for Needy Families	93.558		-	-
Family Support Services, Inc.		ECA-C6-CMO-YFA-FY22	-	1,750,620
Kids Central, Inc.		C2223-CMA-CH029	-	1,293,027
			-	3,043,647
Grants to States for Access and Visitation Programs				
Kids Central, Inc.	93.597	C2223-CMA-CH029	-	74,884

The accompanying notes are an integral part of this schedule.

Youth and Family Alternatives, Inc. and Supporting Organization
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - CONTINUED**

For the year ended June 30, 2023

<u>Federal/State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed- Through to Subrecipients</u>	<u>Total Expenditures</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645			
Family Support Services, Inc.		ECA-C6-CMO-YFA-FY22	-	337,971
Kids Central, Inc.		C2223-CMA-CH029	-	249,492
			<u>-</u>	<u>587,463</u>
Foster Care - Title IV-E	93.658			
Family Support Services, Inc.		FSS-RHG-YFA-FY23, FSS-RHG-YFA-FY22	-	99,126
Family Support Services, Inc.		ECA-C6-CMO-YFA-FY22	-	2,218,705
Kids Central, Inc.		C2223-CMA-CH029	-	1,613,739
Heartland for Children, Inc.		SYF01	-	102,663
Children's Network of Southwest Florida, Inc.		SAU11	-	273
			<u>-</u>	<u>4,034,506</u>
Adoption Assistance	93.659			
Family Support Services, Inc.		ECA-C6-CMO-YFA-FY22	-	186,913
Kids Central, Inc.		C2223-CMA-CH029	-	351,992
			<u>-</u>	<u>538,905</u>
Social Services Block Grant	93.667			
Kids Central, Inc.		C2223-CMA-CH029	-	61,740
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674			
Family Support Services, Inc.		FSS-RHG-YFA-FY23, FSS-RHG-YFA-FY22	-	1,000
Medical Assistance Program	93.778			
Kids Central, Inc.		C2223-CMA-CH029	-	37,092
Block Grants for Prevention and Treatment of Substance Abuse	93.959			
Central Florida Behavioral Health Network		QG057	-	507,471
Total U.S. Department of Health and Human Services - Indirect Programs			<u>-</u>	<u>9,239,642</u>
Total expenditures of federal awards			<u>-</u>	<u>10,437,161</u>

The accompanying notes are an integral part of this schedule.

Youth and Family Alternatives, Inc. and Supporting Organization
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - CONTINUED**

For the year ended June 30, 2023

<u>Federal/State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>CSFA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed- Through to Subrecipients</u>	<u>Total Expenditures</u>
State				
Florida Department of Education and Commissioner of Education				
Indirect Projects				
Passed through University of Central Florida				
School and Instructional Enhancement Programs	48.040	n/a	-	184,583
Total Florida Department of Education and Commissioner of Education			-	184,583
Florida Department of Children and Families				
Indirect Projects				
Passed-through programs from :				
Out of Home Supports	60.074			
Family Support Services, Inc.		FSS-RHG-YFA-FY23, FSS-RHG-YFA-FY22	-	565,423
Kids Central, Inc.		C2223-CMA-CH029	-	69,771
Children's Network of Southwest Florida, Inc.		SAU11	-	24,449
			-	659,643
Family Finders Program	60.206			
Kids Central, Inc.		C2223-CMA-CH029	-	53,317
Total Florida Department of Children and Families - Indirect Projects			-	712,960
Florida Department of Juvenile Justice				
Indirect Projects				
Passed through Florida Network of Youth and Family Services, Inc.				
Children and Families in Need of Services (CINS/FINS)	80.005	n/a	-	4,146,206
Total Florida Department of Education and Commissioner of Education			-	4,146,206
Total expenditures of state financial assistance			-	5,043,749
Total expenditures of federal awards and state financial assistance			\$ -	\$ 15,480,910

The accompanying notes are an integral part of this schedule.

Youth and Family Alternatives, Inc. and Supporting Organization

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

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) include the federal and state award activity of Youth and Family Alternatives, Inc. and its supporting organization, the Youth and Family Alternatives Foundation, Inc. (collectively, the "Organization") and under programs of the federal government and State of Florida for the year ended June 30, 2023. The information in the Schedules is presented in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General of the State of Florida. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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

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

NOTE B - INDIRECT COST RATE

The Organization negotiates the allowable indirect cost rate on direct and indirect funding received from state or local government and non-governmental sources with the awarding agency. For federal awards received, the Organization has elected to not use the 10 percent de minimis indirect cost rate under the Uniform Guidance.

NOTE C - DEVELOPER AGREEMENT AND DEFERRED PAYMENT MORTGAGE

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

Youth and Family Alternatives, Inc. and Supporting Organization

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

June 30, 2023

NOTE D - CONTINGENCIES

Federal programs and state projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Organization's continued participation in specific programs. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Youth and Family Alternatives, Inc. and Supporting Organization

SCHEDULE OF STATE EARNINGS (UNAUDITED)

For the year ended June 30, 2023

1.	Total expenditures	\$ 555,185
2.	Less other state and federal funds	-
3.	Less non-match SAMH Funds	-
4.	Less unallowable costs per 65E-14, FAC	-
5.	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$ 555,185
6.	Total amount of state earnings (Line 5 times 75%)	416,389
7.	Amount of state funds requiring match	-
8.	Amount due to department	\$ -

(Subtract line 7 from line 6. If negative, the amount of the difference is due the department up to the amount of line 7)

Youth and Family Alternatives, Inc. and Supporting Organization
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS (UNAUDITED)

For the year ended June 30, 2023

*** This schedule does not apply for the year ended June 30, 2023*

Youth and Family Alternatives, Inc. and Supporting Organization
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS (UNAUDITED)

For the year ended June 30, 2023

*** This schedule does not apply for the year ended June 30, 2023*

Youth and Family Alternatives, Inc. and Supporting Organization

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED)

For the year ended June 30, 2023

ACTUAL OPERATING REVENUE & EXPENSES												
CONTRACT #												
PART I: ACTUAL FUNDING SOURCES & REVENUES												
FUNDING SOURCES & REVENUES	49 Selective Prevention	51 Universal Indirect Prevention	Total for State Funded SAMH Cost Centers	Non-State Pasco School District	Non-State Hillsborough School District	Non-State Other	Total for Non-State Funded SAMH Cost Centers	Total All SAMH Cost Centers	Non-SAMH Cost Center	Total Revenue	Administration	Total Expenses
IA. STATE SAMH FUNDING												
(1) Central Florida Behavioral Health Network	442,086	65,385	507,471				-	507,471		507,471		
MH000	-	-	-							-		
MS025	330,458	46,947	377,405							377,405		
MS252	62,927	7,089	70,016							70,016		
MS25S	48,701	11,349	60,050							60,050		
IB. OTHER GOVT. FUNDING												
(1) Other State Agency Funding			-				-	-	-	-		
(2) Medicaid			-				-	-	-	-		
(3) Local Government			-				-	-	-	-		
(4) Federal Grants and Contracts			-				-	-	-	-		
(5) In-kind from local government only	400,874		400,874				-	400,874	-	400,874		
TOTAL GOVERNMENT FUNDING =	400,874	-	400,874	-	-	-	-	400,874	-	400,874		
IC. ALL OTHER REVENUES												
(1) 1st & 2nd Party Payments			-				-	-	-	-		
(2) 3rd Party Payments (except Medicare)			-				-	-	-	-		
(3) Medicare			-				-	-	-	-		
(4) Contributions and Donations			-				-	-	-	-		
(5) Other			-				-	-	-	-		
(6) In-kind			-				-	-	-	-		
TOTAL ALL OTHER REVENUES =	-	-	-	-	-	-	-	-	-	-		
TOTAL ACTUAL FUNDING =	842,960	65,385	908,345	-	-	-	-	908,345	-	908,345		

Youth and Family Alternatives, Inc. and Supporting Organization

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED) - CONTINUED

For the year ended June 30, 2023

PART II: ACTUAL EXPENSES												
EXPENSE CATEGORIES	49 Prevention Selective	51 Prevention Universal Indirect	Total for State Funded SAMH Cost Centers	Non-State Pasco School District	Non-State Hillsborough School District	Non-State Other	Total for Non-State Funded SAMH Cost Centers	Total SAMH Cost Centers	Non-SAMH Cost Center		Administration	Total Expenses
IIA. PERSONNEL EXPENSES												
(1) Salaries	309,697	23,311	333,008	-	-	-	-	333,008	-		-	333,008
(2) Fringe Benefits	60,056	4,520	64,576					64,576	-			64,576
TOTAL PERSONNEL EXPENSES =	369,753	27,831	397,584	-	-	-	-	397,584	-		-	397,584
IIB. OTHER EXPENSES												
(1) Building Occupancy	778	59	837					837	-			837
(2) Professional Services	7,299	549	7,848					7,848	-			7,848
(3) Travel	600	45	645					645	-			645
(4) Equipment			-					-	-			-
(5) Food Services			-					-	-			-
(6) Medical and Pharmacy			-					-	-			-
(7) Subcontracted Services			-					-	-			-
(8) Insurance	31,119	2,342	33,461					33,461	-			33,461
(9) Interest Paid			-					-	-			-
(10) Operating Supplies & Expenses	13,060	983	14,043					14,043	-			14,043
(11) Donated Items			-					-	-			-
(12) Other Expense	50,800	3,824	54,624					54,624	-			54,624
TOTAL OTHER EXPENSES =	103,656	7,802	111,458	-	-	-	-	111,458	-		-	111,458
TOTAL PERSONNEL & OTHER EXPENSES =	473,409	35,633	509,042	-	-	-	-	509,042	-		-	509,042
IIC. DISTRIBUTED INDIRECT COSTS												
(b) Administration	42,913	3,230	46,143					46,143	-			46,143
TOTAL DISTRIBUTED INDIRECT COSTS =	42,913	3,230	46,143	-	-	-	-	46,143	-		-	46,143
TOTAL ACTUAL OPERATING EXPENSES =	516,322	38,863	555,185	-	-	-	-	555,185	-		-	555,185
III. UNALLOWABLE COSTS			-					-	-			-
III. CAPITAL EXPENDITURES			-					-	-			-
TOTAL ALLOWABLE OPERATING EXPENSES =	516,322	38,863	555,185	-	-	-	-	555,185	-		-	555,185