

**CDS FAMILY & BEHAVIORAL
HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**



CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
TABLE OF CONTENTS
JUNE 30, 2024

	<u>Page(s)</u>
Independent Auditors' Report	3-5
Financial Statements	
Consolidated Statements of Financial Position	6
Consolidated Statements of Activities	7 – 8
Consolidated Statements of Functional Expenses	9 – 10
Consolidated Statements of Cash Flows	11
Notes to Consolidated Financial Statements	12 – 19
Supplementary Information	
Schedule I – Consolidating Statement of Financial Position	21
Schedule II – Consolidating Statement of Activities	22
Schedule III – Consolidating Statement of Cash Flows	23
Schedule IV – Community Alternative Services Foundation, Inc. – Statements of Activities	24
Schedule V – CDS Family & Behavioral Health Services, Inc. – Statements of Functional Expenses	25 – 26
Schedule of Expenditures of Federal Awards and State Financial Assistance	28 – 29
Schedule of State Earnings	31
Schedule of Bed Day Availability Payments	32
Schedule of Related Party Transaction Adjustments	33
Program Cost Center Actual Expense and Revenue Schedule (MH-1037)	34 – 35
Notes to the Schedules of Related Party Transaction Adjustments, State Earnings, Covered Services Actual Expenses and Revenue and Bed Day Availability Payments	36
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 <i>Government Auditing Standards</i>	37 – 38
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, State of Florida	39 – 41
Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance Projects	42 – 44
Corrective Action Plan	45



Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CDS Family & Behavioral Health Services, Inc., and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of CDS Family & Behavioral Health Services, Inc. and Affiliate, as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CDS Family & Behavioral Health Services, Inc. and Affiliate’s internal control. Accordingly, no such opinion is expressed. In circumstances in which the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the consolidated financial statements, omit the following: “but not for the purpose of expressing an opinion on the effectiveness of CDS Family & Behavioral Health Services, Inc., and Affiliate’s internal control. Accordingly, no such opinion is expressed.”
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CDS Family & Behavioral Health Services, Inc. and Affiliate’s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying additional information on pages 31 – 36 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements but is required by certain contracts with the Florida Department of Children and Families and Lutheran Services Florida.

Supplementary Information (Continued)

The accompanying schedule of expenditures of federal awards and state financial assistance on pages 28 – 29 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the CDS Family & Behavioral Health Services, Inc., and Affiliate 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2024, on our consideration of CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering CDS Family & Behavioral Health Services, Inc. and Affiliate's internal control over financial reporting and compliance.



Thomas & Company CPA P.A.
Cooper City, Florida
December 5, 2024

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	\$ 1,811,163	\$ 1,892,899
Grants Receivables, Net	2,302,736	664,100
Other Receivables	600	600
Prepaid Expenses and Other	78,937	118,643
Restricted Cash		
Deferred Prosecution	1,196	162,334
Capital Campaign	84,439	84,439
Operating Reserve	260,000	260,000
Total Current Assets	<u>4,539,071</u>	<u>3,183,015</u>
Non-Current Assets		
Property and Equipment, Net	4,595,350	1,451,585
Finance Lease Asset (ROU)	8,630	15,797
Total Non-Current Assets	<u>4,603,980</u>	<u>1,467,382</u>
TOTAL ASSETS	<u>9,143,051</u>	<u>4,650,397</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Payroll Liabilities	96,634	-
Accounts Payable & Accrued Expenses	796,169	30,129
Loans	900,000	-
Accrued Compensated Absences	159,916	163,076
Current Portion of Loan	7,816	-
Current Portion of Finance Lease Liability	5,606	7,256
Total Current Liabilities	<u>1,966,141</u>	<u>200,461</u>
Non-Current Liabilities		
Deferred Prosecution Liability	1,196	162,334
Non-Current Portion of Loan	37,724	-
Non - Current Portion of Finance Lease Liability	3,102	8,708
Total Non-Current Liabilities	<u>42,022</u>	<u>171,042</u>
TOTAL LIABILITIES	<u>2,008,163</u>	<u>371,503</u>
NET ASSETS		
Without Donor Restrictions		
Undesignated	1,879,538	2,167,309
Board Designated for Capital Improvements	315,561	315,561
Invested in Property and Equipment	4,595,350	1,451,585
Board Designated for Reserve	260,000	260,000
Total Net Assets Without Donor Restrictions	<u>7,050,449</u>	<u>4,194,455</u>
With Donor Restrictions	<u>84,439</u>	<u>84,439</u>
TOTAL NET ASSETS	<u>7,134,888</u>	<u>4,278,894</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,143,051</u>	<u>\$ 4,650,397</u>

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

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE			
SUPPORT			
Grants and Contracts	\$ 7,470,294	\$ -	\$ 7,470,294
Contributed Facilities, Materials and Supplies	288,002	-	288,002
TOTAL SUPPORT	7,758,296	-	7,758,296
REVENUE			
Gain on Sale	494,857	-	494,857
Other Income	1,097,042	-	1,097,042
TOTAL REVENUE	1,591,899	-	1,591,899
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	9,350,195	-	9,350,195
EXPENSES:			
Administration	1,367,765	-	1,367,765
Interface/Runway	3,257,557	-	3,257,557
Prevention	1,557,646	-	1,557,646
Independent Living	311,233	-	311,233
TOTAL EXPENSES	6,494,201	-	6,494,201
CHANGE IN NET ASSETS	2,855,994	-	2,855,994
NET ASSETS AT THE BEGINNING OF THE YEAR	4,194,455	84,439	4,278,894
NET ASSETS AT END OF YEAR	\$ 7,050,449	\$ 84,439	\$ 7,134,888

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

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

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

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

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Total
	Administration	Interface / Runaway	Prevention	Independent Living	
Operating Expenses					
Salaries and Wages	\$ 643,506	\$ 2,129,038	\$ 443,817	\$ 219,893	\$ 3,436,254
Payroll Taxes	79,081	314,110	63,647	31,134	487,972
Insurance	47,820	120,409	28,526	16,528	213,283
Travel and Conferences	15,126	32,278	10,644	4,066	62,114
Telephone and Utilities	39,719	110,303	7,671	8,844	166,537
Office Supplies and Postage	34,222	71,491	16,785	6,803	129,301
Auto	2,608	13,850	-	1,180	17,638
Rent	69,493	67,451	2,744	15,137	154,825
Repairs, Maintenance and Supplies	65,628	91,137	7,314	-	164,079
Professional and Contractual Services	113,414	51,168	664,790	3,905	833,277
Educational Materials and Supplies	-	1,444	5,198	-	6,642
Food	8,987	119,575	135	-	128,697
Facilities, Materials and Supplies - Contributed	-	684	287,318	-	288,002
Miscellaneous	60,128	126,754	17,915	2,340	207,137
Advertising	23,482	7,732	788	-	32,002
Dues	66,116	133	354	1,403	68,006
Depreciation	71,137	-	-	-	71,137
Interest Expenses	20,132	-	-	-	20,132
Amortization Expenses	7,166	-	-	-	7,166
Total Operating Expenses	\$ 1,367,765	\$ 3,257,557	\$ 1,557,646	\$ 311,233	\$ 6,494,201

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

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

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

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,855,994	\$ 579,444
Adjustment to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	71,137	72,884
Gain on sale of assets	(494,857)	(233,345)
Interest Expenses	19,218	164
Amortization Expenses	7,166	8,010
Decrease / (Increase) in Grants Receivable	(1,638,636)	130,214
Decrease / (Increase) in Other Receivables	-	(600)
Decrease / (Increase) in Prepaid Expenses and Other	39,706	(18,593)
(Decrease) / Increase in Accounts Payable & Accrued Expenses	766,040	(249,840)
(Decrease) / Increase in Accrued Compensated Absences	(3,160)	(34,073)
(Decrease) / Increase in Deferred Prosecution Liability	(161,138)	(22,082)
(Decrease) / Increase in Payroll Liability	96,634	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,558,104	232,183
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Notes Receivable	-	4,482
Proceeds from sale of Property and Equipment	496,411	318,760
Purchase of Van	(57,370)	-
Purchases of Property and Equipment	(3,159,086)	(176,287)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(2,720,045)	146,955
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loan	900,000	-
Repayments of Loan	(18,000)	(8,230)
Proceeds from Van Loan	47,370	-
Repayments of Van Loan	(3,048)	-
Repayments of Finance Lease	(7,255)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	874,745	(8,230)
 NET INCREASE IN CASH	(242,874)	370,908
CASH AT THE BEGINNING OF THE YEAR	2,399,672	2,028,764
CASH AT THE END OF THE YEAR	\$ 2,156,798	\$ 2,399,672
 Presented on the Statement of Financial Position as :		
Cash and cash equivalents	\$ 1,811,163	\$ 1,892,899
Restricted cash - Capital Campaign	84,439	84,439
Restricted cash - Deferred Prosecution	1,196	162,334
Restricted cash - Operating Reserve	260,000	260,000
	\$ 2,156,798	\$ 2,399,672

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies

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

Principles of consolidation

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

General

CDS Family & Behavioral Health Services, Inc. was formed as a not-for-profit corporation in 1970 for the primary purpose of operating a suicide prevention, general crisis and drug intervention service for Alachua County and surrounding north central Florida. The objectives of the Organization are accomplished through the following separate programs: Interface/Runaway, Prevention, and Independent Living. Funding sources include grants and contracts, program service revenues, contributions and other income. For the years ended June 30, 2024, approximately 90% of the support and revenue of the Organization was provided by federal and state governmental agencies, respectively.

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

Net assets

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

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

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

The Organization has net assets with donor restrictions at June 30, 2024, of \$84,439. All amounts are restricted for capital improvements.

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

Property and equipment

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

Concentration of Credit Risk

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

Deferred prosecution

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

Contributed services, facilities, materials and supplies

The Organization receives contributed services from volunteers, which are used primarily in the Organization's Interface/Runaway, Prevention, and Independent Living programs. Contributed services include services provided by teachers who provide various skills training for elementary and middle school youths. Other non-specialized services are also provided by volunteers who serve to motivate youths, as well as assist in the planning and conducting of special events.

The Organization occupies without charge certain premises for which the estimated fair rental value is reported as support and expense in the period in which the premises are used. In addition, contributed materials and supplies are reported as support and expense at their estimated fair value in the period in which they are donated. The fair value of contributed facilities, materials, and supplies received by the Organization during the years ended June 30, 2024, totaled approximately \$ 288,002.

Use of estimates

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

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

Income taxes

CDS Family & Behavioral Health Services, Inc., and affiliate is exempt from Federal Income taxes under Section 501(c) 3 of the Internal Revenue Code and is not a private foundation accordingly no provision for income taxes is provided. Accordingly, no provision for income taxes is required for the Organization during the year ended June 30, 2024.

Additionally, Topic 740 provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In accordance with the disclosure requirements, the Organization's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of total interest expense and other expense, respectively. On June 30, 2024, the Organization did not have any uncertain tax positions and thus has not recognized any interest or penalties in these financial statements.

Advertising costs

The Organization expenses advertising costs as incurred. Advertising expenses totaled \$ 32,002 for the year ended June 30, 2024.

Grants receivable

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

Functional allocation of expenses

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

Adoption of New Accounting Standards

FASB ASC 326 - Financial Instruments - Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to guidance in FASB ASC 326 were accounts receivable.

CDS adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 2 - Grants Receivable

Grants receivable at June 30, 2024 comprise the following:

Florida Department of Juvenile Justice Grant	\$ 1,296,365
ERTC Receivable	900,000
BCG	82,548
SNAP	21,388
Domestic Violence Respite	2,435
TOTAL	<u><u>\$ 2,302,736</u></u>

Note 3 - Property, Plant and Equipment

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

DESCRIPTION	2024			2023 Consolidated
	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Consolidated	
Land	\$ 31,900	\$ 253,286	\$ 285,186	\$ 285,186
Buildings	558,220	696,304	1,254,524	1,459,230
Building Improvements	658,204	64,039	722,243	742,773
Furniture, Equipment and Vehicles	759,996	56,133	816,129	758,759
Total	<u>2,008,320</u>	<u>1,069,762</u>	<u>3,078,082</u>	<u>3,245,948</u>
Plus : Construction in Process	3,437,944	-	3,437,944	283,410
Less : Accumulated Depreciation	1,513,699	406,977	1,920,676	2,077,773
Property and Equipment, Net	<u><u>\$ 3,932,565</u></u>	<u><u>\$ 662,785</u></u>	<u><u>\$ 4,595,350</u></u>	<u><u>\$ 1,451,585</u></u>

Depreciation expenses totaled \$71,137 for the year ended June 30, 2024.

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

Note 4 - Cash and cash equivalents

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

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 5 - Retirement Plan

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

Note 6 - Liquidity

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

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

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

Liquidity Management

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

Note 7 – Lease

Under FASB ASC Topic 842, Leases, lessees that are not public business entities are permitted to use a practical expedient that allows them to make an accounting policy election to use a risk-free rate as the discount rate for all leases. This practical expedient is applied to the class of underlying leased assets which are not owned including real estate, rental equipment and vehicles given their physical nature and similar characteristics of these assets. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

Note 7 – Lease (Cont.)

Variable lease payments are payments that cannot be forecasted and based on specific milestones unrelated to the fixed costs associated with the lease. The Organization has elected the hindsight practical expedient to determine the lease term for existing contracts as of the adoption date.

Short-Term Lease

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

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

Finance Lease

As of June 30, 2024, the organization had entered into a Finance Leases.

The contract details are as follows:

1. On January 12, 2021, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 60 months with monthly lease payments of \$ 398. The risk-free rate used to discount the future cash flows as of the implementation date is 0.50%.
2. On May 26, 2021, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 60 months with monthly lease payments of \$ 72. The risk-free rate used to discount the future cash flows as of the implementation date is 0.80%.
3. On April 17, 2019, the Organization entered a finance lease with RJ Young Company to lease a Copier. The lease term is for 60 months with monthly lease payments of \$ 187. The risk-free rate used to discount the future cash flows as of the implementation date is 2.40%. No lease liability remained outstanding as of June 30, 2024.

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

US Treasury rates are commonly used as risk-free rates and consequently estimates it would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term, based on information available at the time of commencement or remeasurement.

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

Note 7 – Lease (Cont.)

Finance Lease (Cont.)

The remaining weighted average lease term for the finance leases is 2 years. The Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization’s assets and liabilities.

The following is an analysis of the leased assets:

Finance Lease Asset:	2024
Finance Lease Asset (ROU)	\$ 15,796
Amortization	7,166
Finance Lease Asset (ROU), Net	\$ 8,630

The following is an analysis of the finance lease cost:

Finance Lease Cost:	2024
Amortization of Right-of-Use Assets	\$ 7,166
Interest on Lease Liabilities	82
Total Finance Lease Cost	\$ 7,248

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

<i>Year ending June 30,</i>	Amount
2025	\$ 5,640
2026	3,108
Total Lease Payments	8,748
Less: Imputed Interest	40
Present Value of Lease Obligation	\$ 8,708

Note 8 - ERTC Loan

On May 8, 2024, the Organization entered into an agreement with Cross Riverbank to obtain a loan to the extent of \$900,000. The Loan is secured by the borrower’s business assets and all Employee Retention Tax Credit proceeds borrower is entitled to receive from the U.S Internal Service (IRS) relating to the 2021 tax year. The loan proceeds are to be used exclusively for working capital and other business purposes in Borrower’s business. During the first 12 months, an amount of \$18,000 per month will be paid on account of interest. The principal payment will only start after 12 months. During the year an amount of \$18,000 was paid on account of interest. As of June 30, 2024, the Loan had a balance of \$900,000.

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

Note 9 – In-kind Contribution

During the year ended June 30, 2024, the value of contributed services meeting the requirements for recognition in the financial statements are recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization at the facilities. The In-Kind Contributions for the year ended June 30, 2024, was \$ 288,002.

Contributions of Non-Financial Assets				
Non-Financial Asset	June 30,2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated Materials	\$288,002	All program activities and administration	Without Donor Restrictions	The Organization estimated the fair value of the contributed items based on estimation of the market value

Note 10 - Subsequent events

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

For the year ended June 30, 2024, CDS Family & Behavioral Health Services, Inc. and affiliate has evaluated all subsequent events through December 5, 2024, which is the date the financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

Note 11 – Vehicle Loan

The Organization has entered into a loan agreement to finance the purchase of a vehicle costing \$57,370, with \$47,370 financed after a down payment of \$10,000. The loan carries an annual interest rate of 10.24%, resulting in a total finance charge of \$13,610 over a 60-month term. Monthly payments will begin on April 2, 2024, for the duration of the loan. The loan is secured by the vehicle and the company is in compliance with all loan terms. The total amount outstanding under this loan as of June 30, 2024 is \$ 45,540.

The following is the repayment Schedule:

<i>Year ending June 30,</i>	Amount
2025	\$ 12,196
2026	12,196
2027	12,196
2028	12,196
2029	9,147
Total Loan Payments	57,931
Less: Interest	12,391
Vehicle Loan	\$ 45,540

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2024

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Eliminations	Consolidated
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 1,485,041	\$ 326,122	\$ -	\$ 1,811,163
Grants Receivables, Net	2,302,736	-	-	2,302,736
Other Receivables	-	600	-	600
Prepaid Expenses and Other	78,937	-	-	78,937
Due To / Due From	-	495,043	(495,043)	-
Restricted Cash				
Deferred Prosecution	1,196	-	-	1,196
Capital Campaign	84,439	-	-	84,439
Operating Reserve	260,000	-	-	260,000
Total Current Assets	4,212,349	821,765	(495,043)	4,539,071
Long-Term Assets				
Property and Equipment, Net	3,932,565	662,785	-	4,595,350
Finance Lease Asset (ROU)	8,630	-	-	8,630
Total Long-Term Assets	3,941,195	662,785	-	4,603,980
TOTAL ASSETS	8,153,544	1,484,550	(495,043)	9,143,051
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts Payable & Accrued Expenses	796,169	-	-	796,169
Due To / Due From	495,043	-	(495,043)	-
Loans	900,000	-	-	900,000
Accrued Compensated Absences	159,916	-	-	159,916
Payroll Liabilities	96,634	-	-	96,634
Current Portion of Loan	7,816	-	-	7,816
Current Portion of Finance Lease Liability	5,606	-	-	5,606
Total Current Liabilities	2,461,184	-	(495,043)	1,966,141
Non-Current Liabilities				
Deferred Prosecution Liability	1,196	-	-	1,196
Non-Current Portion of Loan	37,724	-	-	37,724
Non - Current Portion of Finance Lease Liability	3,102	-	-	3,102
Total Non-Current Liabilities	42,022	-	-	42,022
TOTAL LIABILITIES	2,503,206	-	(495,043)	2,008,163
NET ASSETS				
Without Donor Restrictions				
Undesignated	1,057,773	821,765	-	1,879,538
Board Designated for Capital Improvements	315,561	-	-	315,561
Invested in Property and Equipment	3,932,565	662,785	-	4,595,350
Board Designated for Reserve	260,000	-	-	260,000
Total Net Assets Without Donor Restrictions	5,565,899	1,484,550	-	7,050,449
With Donor Restrictions	84,439	-	-	84,439
TOTAL NET ASSETS	5,650,338	1,484,550	-	7,134,888
TOTAL LIABILITIES AND NET ASSETS	\$ 8,153,544	\$ 1,484,550	\$ (495,043)	\$ 9,143,051

See Independent Auditors' Report

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Eliminations	Consolidated
SUPPORT AND REVENUE				
SUPPORT				
Grants and Contracts	\$ 7,470,294	\$ -	\$ -	\$ 7,470,294
Contributed Facilities, Materials and Supplies	288,002	-	-	288,002
TOTAL SUPPORT	7,758,296	-	-	7,758,296
REVENUE				
Gain on Sale	-	494,857	-	494,857
Other Income	1,549,868	65,261	(518,087)	1,097,042
TOTAL REVENUE	1,549,868	560,118	(518,087)	1,591,899
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	9,308,164	560,118	(518,087)	9,350,195
EXPENSES:				
Administration	1,297,732	574,831	(504,798)	1,367,765
Interface/Runway	3,264,951	-	(7,394)	3,257,557
Prevention	1,562,155	-	(4,509)	1,557,646
Independent Living	312,619	-	(1,386)	311,233
TOTAL EXPENSES	6,437,457	574,831	(518,087)	6,494,201
CHANGE IN NET ASSETS	2,870,707	(14,713)	-	2,855,994
NET ASSETS AT THE BEGINNING OF THE YEAR	2,779,631	1,499,263	-	4,278,894
NET ASSETS AT END OF YEAR	\$ 5,650,338	\$ 1,484,550	\$ -	\$ 7,134,888

See Independent Auditors' Report

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	CDS Family & Behavioral Health Services, Inc.	Community Alternative Services Foundation, Inc.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ 2,870,707	\$ (14,713)	-	\$ 2,855,994
Adjustment to reconcile decrease in net assets to net cash used in operating activities:				
Depreciation	47,187	23,950	-	71,137
Gain on sale of assets	-	(494,857)	-	(494,857)
Interest Expenses	19,218	-	-	19,218
Amortization Expenses	7,166	-	-	7,166
Due To / Due From	495,043	(495,043)	-	-
Decrease / (Increase) in Grants Receivable	(1,638,636)	-	-	(1,638,636)
Decrease / (Increase) in Prepaid Expenses and Other	39,706	-	-	39,706
(Decrease) / Increase in Accounts Payable & Accrued Expenses	779,956	(13,916)	-	766,040
(Decrease) / Increase in Accrued Compensated Absences	(3,160)	-	-	(3,160)
(Decrease) / Increase in Deferred Prosecution Liability	(161,138)	-	-	(161,138)
(Decrease) / Increase in Payroll Liability	96,634	-	-	96,634
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,552,683	(994,579)	-	1,558,104
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Property and Equipment	-	496,411	-	496,411
Purchase of Van	(57,370)	-	-	(57,370)
Purchases of Property and Equipment	(3,159,086)	-	-	(3,159,086)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(3,216,456)	496,411	-	(2,720,045)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Loan	900,000	-	-	900,000
Repayments of Loans	(18,000)	-	-	(18,000)
Proceeds from Van Loan	47,370	-	-	47,370
Repayments of Van Loan	(3,048)	-	-	(3,048)
Repayments of Finance Lease	(7,255)	-	-	(7,255)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	919,067	-	-	919,067
NET INCREASE IN CASH	255,294	(498,168)	-	(242,874)
CASH AT THE BEGINNING OF THE YEAR	1,575,382	824,290	-	2,399,672
CASH AT THE END OF THE YEAR	\$ 1,830,676	\$ 326,122	\$ -	\$ 2,156,798
Presented on the Statement of Financial Position as :				
Cash and cash equivalents	\$ 1,485,041	\$ 326,122	\$ -	\$ 1,811,163
Restricted cash - Capital Campaign	84,439	-	-	84,439
Restricted cash - Deferred Prosecution	1,196	-	-	1,196
Restricted cash - Operating Reserve	260,000	-	-	260,000
	\$ 1,830,676	\$ 326,122	\$ -	\$ 2,156,798

COMMUNITY ALTERNATIVE SERVICES FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUE		
Rental and Other Income	\$ 65,261	\$ 119,560
Gain on sale of property	494,857	233,345
TOTAL REVENUE	<u>560,118</u>	<u>352,905</u>
EXPENSES		
Operating	550,881	73,205
Depreciation	23,950	26,439
TOTAL EXPENSES	<u>574,831</u>	<u>99,644</u>
Increase in Net Assets without Donor Restrictions	(14,713)	253,261
Net Assets - without donor restrictions, beginning of the year	<u>1,499,263</u>	<u>1,246,002</u>
Net Assets - without donor restrictions, end of the year	<u>\$ 1,484,550</u>	<u>\$ 1,499,263</u>

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Total
	Administration	Interface / Runaway	Prevention	Independent Living	
Support and Revenue					
Grants and Contracts	\$ -	\$ 5,687,830	\$ 1,636,060	\$ 146,404	\$ 7,470,294
Contributed Facilities, Materials and Supplies	-	4,155	283,847	-	288,002
Other Income	1,543,128	6,550	190	-	1,549,868
Total Support and Revenue	1,543,128	5,698,535	1,920,097	146,404	9,308,164
Expenses					
Salaries and Wages	643,506	2,129,038	443,817	219,893	3,436,254
Payroll Taxes	79,081	314,110	63,647	31,134	487,972
Insurance	47,820	120,409	28,526	16,528	213,283
Travel and Conferences	15,126	32,278	10,644	4,066	62,114
Telephone and Utilities	39,719	110,303	7,671	8,844	166,537
Office Supplies and Postage	34,222	71,491	16,785	6,803	129,301
Auto	2,608	13,850	-	1,180	17,638
Rent	77,880	74,845	7,253	16,523	176,501
Repairs, Maintenance and Supplies	54,526	91,137	7,314	-	152,977
Professional and Contractual Services	73,474	51,168	664,790	3,905	793,337
Educational Materials and Supplies	-	1,444	5,198	-	6,642
Food	8,987	119,575	135	-	128,697
Facilities, Materials and Supplies - Contributed	-	684	287,318	-	288,002
Miscellaneous	56,700	126,754	17,915	2,340	203,709
Advertising	23,482	7,732	788	-	32,002
Dues	66,116	133	354	1,403	68,006
Depreciation	47,187	-	-	-	47,187
Interest Expenses	20,132	-	-	-	20,132
Amortization Expenses	7,166	-	-	-	7,166
Total Expenses	1,297,732	3,264,951	1,562,155	312,619	6,437,457
Change in Net Assets	\$ 245,396	\$ 2,433,584	\$ 357,942	\$ (166,215)	\$ 2,870,707

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

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

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

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

FOR THE YEAR ENDED JUNE 30, 2024

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/State Grantor Program Title	ALN/ CSFA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Florida, Department of Children and Families, Lutheran Services Block Grants for Prevention and Treatment of Substance Abuse (SAMH)	93.959	ME008	\$ 1,054,319
Basic Center Grant	93.623	90CY7525	45,989
Basic Center Grant	93.623	90CY7530	34,039
Passed through State of Florida, Department of Children and Families, Partnership for Strong Families John H. Chafee Foster Care Program for Successful Transition to Adulthood			
Temporary Assistance For Needy Families Block Grant	93.558	PCM770	42,892
Foster Care-Title IV-E	93.658	PCM770	100,011
Promoting Safe And Stable Families	93.556	PCM770	934
Child Welfare Services-State Grants	93.645	PCM770	11,921
Adoption Assistance	93.659	PCM770	5,243
TOTAL FEDERAL AWARDS			<u>\$ 1,295,348</u>
STATE FINANCIAL ASSISTANCE			
<u>State of Florida Department of Juvenile Justice</u>			
Direct Programs Children and Families in Need of Services	80.005	10730	986,947
Passed through Florida Network of Youth and Family Services: Children and Families in Need of Services	80.005	10128	5,085,045
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 5,085,045</u>
TOTAL AWARDS			<u>\$ 6,380,393</u>

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Note A- Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal awards and State financial assistance activity of CDS Family & Behavioral Health Services, Inc. and affiliate under programs of the Federal and State government for the year ended June 30, 2024 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of CDS Family & Behavioral Health Services, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of CDS Family & Behavioral Health Services, Inc. and affiliate.

Note B- Summary of Significant Accounting Policies

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

Note C – Federal Indirect Rate

CDS Family & Behavioral Health Services, Inc. and affiliate has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
SUPPLEMENTAL SCHEDULES AS REQUIRED BY
SUBSTANCE ABUSE AND MENTAL
HEALTH (SAMH) SERVICES CONTRACT NO. ME008
FOR THE YEAR ENDED JUNE 30, 2024**

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
SCHEDULE OF STATE EARNINGS FOR SUBSTANCE ABUSE AND MENTAL
HEALTH SERVICES REQUIRED BY CONTRACT NO. ME008
FISCAL YEAR ENDED JUNE 30, 2024

1	Total Expenditures	\$ 1,504,160
2	Less: Other State and Federal Funds	-
3	Less: Non-Match SAMH Funds	-
4	Less: Unallowable Costs per 65E-14, F.A.C.	-
5	Net Allowable Expenditures	1,504,160
6	Maximum Available earnings (Line 5 time 75 %)	1,128,120
7	Amount of Funds requiring local match	180,822
8	Amount of Maximum Available (earnings in excess of) State funds received (line 6 less Line 7)	\$ 947,298

CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Not Applicable

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Not Applicable

Provider Name: CDS Family and Behavioral Health Services, Inc.
 Audit Period: 7/1/2023 - 6/30/2024

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES SCHEDULE**



FUNDING SOURCES & REVENUES		STATE-FUNDED				Total for State SAMH-Funded Covered Services or Projects	Total for Non-State-Funded Covered Services or Projects	Total for All Covered Services or Projects	Non-SAMH Covered Services or Projects	Total Funding
		Mental Health	Substance Abuse							
A	B	50	51	C0	C	(B+C)	E	(D+E)	G	(F+G)
IA. STATE SAMH FUNDING										
Current Year Funding										
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State								
MSO25	ME008	F	\$ -	\$ 611,230.00	\$ 87,047.29	\$ 698,277.29	\$ 698,277.29	\$ 698,277.29		\$ 698,277.29
MS252	ME008	F	\$ -	\$ 104,640.96	\$ 106,212.59	\$ 210,853.55	\$ 210,853.55	\$ 210,853.55		\$ 210,853.55
MSONQ	ME008	S	\$ -		\$ 297,964.08	\$ 297,964.08	\$ 297,964.08	\$ 297,964.08		\$ 297,964.08
MSPP2	ME008	F	\$ -	\$ 133,640.71	\$ 21,915.00	\$ 155,555.71	\$ 155,555.71	\$ 155,555.71		\$ 155,555.71
MSSP6	ME008	F	\$ -	\$ 141,509.71		\$ 141,509.71	\$ 141,509.71	\$ 141,509.71		\$ 141,509.71
Total Current Year Funding			\$ -	\$ 991,021.38	\$ 215,174.88	\$ 297,964.08	\$ 1,504,160.34	\$ 1,504,160.34		\$ 1,504,160.34
Carry Forward Funding										
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State								
Total Carry Forward Funding			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
TOTAL STATE SAMH FUNDING =			\$ -	\$ 991,021.38	\$ 215,174.88	\$ 297,964.08	\$ 1,504,160.34	\$ 1,504,160.34		\$ 1,504,160.34
IB. OTHER GOVERNMENT FUNDING										
(1) Other State Agency Funding			\$ -			\$ -	\$ -	\$ -		\$ -
(2) Medicaid			\$ -			\$ -	\$ -	\$ -		\$ -
(3) Local Government			\$ -			\$ -	\$ -	\$ -		\$ -
(4) Federal Grants and Contracts			\$ -			\$ -	\$ -	\$ -		\$ -
(5) In-kind from local govt. only			\$ -			\$ -	\$ -	\$ -		\$ -
TOTAL OTHER GOVERNMENT FUNDING =			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
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 FUNDING =			\$ -	\$ 991,021.38	\$ 215,174.88	\$ 297,964.08	\$ 1,504,160.34	\$ 1,504,160.34	\$ -	\$ 1,504,160.34

Provider Name: CDS Family and Behavioral Health Services, Inc.
 Audit Period: 7/1/2023 - 6/30/2024

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES SCHEDULE**



SAMH COVERED SERVICES												
EXPENSE CATEGORIES A	Mental Health Total B	Substance Abuse				Total for State SAMH-Funded Covered Services D	Total for Non- State-Funded Covered Services E	Total for All Covered Services F (D+E)	Non-SAMH Covered Services G	Other Support Costs (optional) H	Administration I	Total Expenses (F+G+H+I+J) J
		Prevention - Universal Direct 50	Prevention - Universal Indirect 51	Other Bundled Projects C0	Substance Abuse Total C							
IIA. PERSONNEL EXPENSES												
(1) Salaries	\$ -	\$ 406,974.02	\$ -	\$ -	\$ 406,974.02	\$ 406,974.02		\$ 406,974.02				\$ 406,974.02
(2) Fringe Benefits	\$ -	\$ 86,298.92	\$ -	\$ -	\$ 86,298.92	\$ 86,298.92		\$ 86,298.92				\$ 86,298.92
TOTAL PERSONNEL EXPENSES =	\$ -	\$ 493,272.94	\$ -	\$ -	\$ 493,272.94	\$ 493,272.94	\$ -	\$ 493,272.94	\$ -	\$ -	\$ -	\$ 493,272.94
IIIB. OTHER EXPENSES												
(1) Building Occupancy	\$ -	\$ 10,994.00	\$ -	\$ -	\$ 10,994.00	\$ 10,994.00		\$ 10,994.00				\$ 10,994.00
(2) Professional Services	\$ -	\$ 5,500.00	\$ -	\$ -	\$ 5,500.00	\$ 5,500.00		\$ 5,500.00				\$ 5,500.00
(3) Travel	\$ -	\$ 9,867.72	\$ -	\$ -	\$ 9,867.72	\$ 9,867.72		\$ 9,867.72				\$ 9,867.72
(4) Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -				\$ -
(5) Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -				\$ -
(6) Medical and Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -				\$ -
(7) Subcontracted Services	\$ -	\$ 151,479.75	\$ 202,674.88	\$ 270,898.30	\$ 625,052.93	\$ 625,052.93		\$ 625,052.93				\$ 625,052.93
(8) Insurance	\$ -	\$ 9,441.12	\$ -	\$ -	\$ 9,441.12	\$ 9,441.12		\$ 9,441.12				\$ 9,441.12
(9) Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -				\$ -
(10) Operating Supplies & Expenses	\$ -	\$ 40,490.00	\$ -	\$ -	\$ 40,490.00	\$ 40,490.00		\$ 40,490.00				\$ 40,490.00
(11) Other-Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -				\$ -
(12) Donated Items	\$ -	\$ 214,556.04	\$ -	\$ -	\$ 214,556.04	\$ 214,556.04		\$ 214,556.04				\$ 214,556.04
TOTAL OTHER EXPENSES =	\$ -	\$ 442,328.63	\$ 202,674.88	\$ 270,898.30	\$ 915,901.81	\$ 915,901.81	\$ -	\$ 915,901.81	\$ -	\$ -	\$ -	\$ 915,901.81
TOT. PERSONNEL & OTH. EXP. =	\$ -	\$ 935,601.57	\$ 202,674.88	\$ 270,898.30	\$ 1,409,174.75	\$ 1,409,174.75	\$ -	\$ 1,409,174.75	\$ -	\$ -	\$ -	\$ 1,409,174.75
IIIC. DISTRIBUTED INDIRECT COSTS												
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	\$ -	\$ -
(b) Administration	\$ -	\$ 55,419.81	\$ 12,500.00	\$ 27,065.78	\$ 94,985.59	\$ 94,985.59		\$ 94,985.59		\$ -	\$ -	\$ 94,985.59
TOT. DISTR'D INDIRECT COSTS =	\$ -	\$ 55,419.81	\$ 12,500.00	\$ 27,065.78	\$ 94,985.59	\$ 94,985.59	\$ -	\$ 94,985.59	\$ -	XXXXXXXXXX	XXXXXXXXXX	\$ -
TOTAL ACTUAL OPER. EXPENSES =	\$ -	\$ 991,021.38	\$ 215,174.88	\$ 297,964.08	\$ 1,504,160.34	\$ 1,504,160.34	\$ -	\$ 1,504,160.34	\$ -	\$ 0.00	\$ 0.00	\$ 1,504,160.34
IIID. UNALLOWABLE COSTS												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		XXXXXXXXXX	XXXXXXXXXX	\$ -
TOT. ALLOWABLE OPER. EXP. =	\$ -	\$ 991,021.38	\$ 215,174.88	\$ 297,964.08	\$ 1,504,160.34	\$ 1,504,160.34	\$ -	\$ 1,504,160.34	\$ -	XXXXXXXXXX	XXXXXXXXXX	\$ 1,504,160.34
IIIE. CAPITAL EXPENDITURES												
	\$ -				\$ -	\$ -		\$ -				\$ -

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC. AND AFFILIATE
NOTE TO THE SCHEDULES OF STATE EARNINGS, COVERED SERVICES ACTUAL
EXPENSES AND REVENUE AND BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

General

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



Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of CDS Family & Behavioral Health Services, Inc. and Affiliate (the Organization), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated December 5, 2024.

Internal Control over Financial Reporting

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

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

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

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 tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2024 - 001

Purpose of This Report

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

A handwritten signature in blue ink that reads "Thomas S. Cooper CPA PA".

Thomas & Company CPA P.A
Cooper City, Florida
December 5, 2024



Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and Major State Project

We have audited CDS Family & Behavioral Health Services, Inc., and Affiliate's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended June 30, 2024. The Organization's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2024.

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

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in blue ink that reads "Thomas S. Cooper CPA PA". The signature is written in a cursive style.

Thomas & Company CPA P.A
Cooper City, Florida
December 5, 2024

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

SUMMARY OF AUDITORS' RESULTS

Section I - Summary of Auditors Results

Financial Statements

Type of Auditors Report Issued: Unmodified

Internal Control over Financial Reporting:

- Significant deficiency(es) identified? ___ Yes X None
- Material weakness identified? ___ Yes X No
- Non-Compliance to financial statement noted? X Yes ___ No

Federal Awards

Internal Control over Major Federal Programs:

- Significant deficiency(es) identified? ___ Yes, X None
- Material weakness identified? ___ Yes, X No

Type of Auditors Report issued on Compliance for major Programs: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a) Uniform Guidance? ___ Yes X No

Identification of Major Programs:

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

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

Auditee qualified as low risk auditee? X Yes ___ No

State Financial Assistance

Internal Control over Major State Financial Assistance Projects:

- Significant deficiency(es) identified? ___ Yes, X None
- Material weakness identified? ___ Yes, X No

Type of Auditors Report issued on Compliance for major Programs: Unmodified

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditors Results (Cont.)

Any audit findings disclosed that are required to be reported in Accordance with Rules of the Auditor General Chapter 10.650? ___ Yes X No

Identification of Major State Financial Assistance Projects:

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

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

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

See page 44.

Section III – Findings and Questioned Costs for Federal Awards:

The audit disclosed no matters that are reportable.

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

The audit disclosed no matters that are reportable.

Section V – Prior Audit Findings and Corrective Action Plan for Federal Awards for the Year Ended June 30, 2023:

No prior audit findings were reported.

Section VI – Prior Audit Findings and Corrective Action Plan for State Financial Assistance for the Year Ended June 30, 2023:

No prior audit findings were reported.

Section VII - Management letter

Management letter is issued

**CDS FAMILY & BEHAVIORAL HEALTH SERVICES, INC., AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section II – Compliance and other matter findings

2024 – 001 Failure to Timely File Employment Tax Return

Finding: The Organization’s failure to file Employment Federal Tax Return, for the quarters ending September 2023, December 2023 and March 2024.

Criteria: Form 941 must be filed by the due date according to IRS Code Regulations, which is typically the last day of the month following the end of the quarter. Late filing may result in penalties and interest.

Condition: The Organization failed to file Form 941 timely for periods ending in September 2023, December 2023 and March 2024 by the required due dates.

Cause: The previous CFO resigned and was unable to fulfill her duties prior to her resignation. Consequently, the organization missed the filing deadlines for the duties.

Effect: The late filing of Form 941 may result in penalties and interest assessed by the IRS. Employees Tax liabilities may not be adequately processed by the IRS leading to the employee’s tax compliance.

Recommendation: We recommend the Organization implement procedures to ensure timely filing of all required tax returns. Review and update internal calendars to prevent future late filings and file any corresponding Employment tax returns promptly.

Management Response: The Organization agrees with the recommendation. The Management will work to ensure that the timely filing of all required tax returns is met.



MISSION
"Empowering Youth & Building Strong Families for a Brighter Tomorrow"

YOUTH SHELTER
Short-term residential care for youth in crisis

Truancy Services
Safe Place

COUNSELING
Services for troubled youth and their families

Family Action

PREVENTION
Educating the community, focusing on substance abuse, and reducing juvenile crime with a focus on high-risk youth

Drug Free Community Coalition Partners

Evidenced-Based School Prevention Programs

SNAP
Stop Now And Plan

Corrective Action Plan:

Darla Morgan
Comptroller
CDS Family & Behavioral Health Services, Inc.
3615 SW 13th St.
Gainesville, FL. 32608
Office: (352) 244-0628 ext. 3725

Reference to Finding 2024 – 001

Management's Corrective Action Plan:

We have already immediately identified the issue upon the hiring of the new CFO. Once the issue was identified we immediately filed the returns. Since then, we updated our internal calendars to be mindful of due dates and have informed several other different members of the organization regarding the procedures for e-filing form 941 to ensure future compliance.

Thank you,
Darla Morgan



CDS Family & Behavioral Health Services, Inc.
3615 SW 13th Street, Suite 7 • Gainesville, FL 32608
Tel: (352) 244-0628 • Fax: (352) 244-0668
www.cdsfl.org

Major support from: Florida Department of Juvenile Justice; Florida Network of Youth & Family Services, Inc.; Florida Department of Children & Families; LSF Health Systems; Partnership for Strong Families; U.S. Department of Health & Human Services; United Way of North Central Florida; United Way of Suwannee Valley; Individual Contributions