



**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Financial Statements, Supplementary Financial Information  
and Reports as Required by the Comptroller General of  
the United States, the Uniform Guidance, and  
Chapter 10.650, *Rules of the Auditor General***

**June 30, 2025 and 2024  
(With Independent Auditors' Report Thereon)**

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditors' Report on Financial Statements and Supplementary Financial Information	1 - 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 24
Supplementary Financial Information:	
Schedule of Expenditures of Federal Awards and State Financial Assistance	25
Schedule of Expenditures of Federal Awards and State Financial Assistance Summarized by Federal Program and State Project	26
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	27
Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules:	
Part I: Actual Funding Sources and Revenues	28 - 29
Part II: Actual Expenses	30 - 31
Schedule of State Earnings	32
Schedule of Bed-Day Availability Payments	33
Schedule of Related Party Transaction Adjustments	34
Internal Control and Compliance:	
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>	35 - 36
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, <i>Rules of the State of Florida Auditor General</i>	37 - 39
Schedule of Findings and Questioned Costs	40 - 41
Management Letter	42



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## **Independent Auditors' Report on Financial Statements and Supplementary Financial Information**

The Board of Directors  
Agency for Community Treatment Services, Inc.:

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

#### ***Opinion***

We have audited the financial statements of Agency for Community Treatment Services, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information appearing on pages 28 through 34 and the schedules 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 State of Florida Auditor General* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025 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 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

December 1, 2025  
St. Petersburg, Florida

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Statements of Financial Position**

**June 30, 2025 and 2024**

<b>Assets</b>	<u><b>2025</b></u>	<u><b>2024</b></u>
Current assets:		
Cash and cash equivalents	\$ 3,934,642	6,336,750
Accounts receivable:		
Funding contracts, net	2,971,225	2,957,560
First and third party, net	71,067	99,648
Accrued interest	786	12,650
Current portion of gifted facility	133,810	80,371
Inventories	68,788	55,152
Prepaid expenses	<u>1,199,408</u>	<u>925,253</u>
Total current assets	8,379,726	10,467,384
Investments	5,445,155	3,181,250
Property held for sale	487,096	487,096
Property and equipment, net	8,818,183	8,358,722
Gifted facility, less current portion	599,425	-
Right-of-use assets under operating leases	3,082,143	2,884,446
Other assets	<u>265,297</u>	<u>266,882</u>
	\$ <u><u>27,077,025</u></u>	\$ <u><u>25,645,780</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of operating lease liabilities	\$ 436,098	263,405
Current portion of finance lease liabilities	23,378	30,280
Current installments of long-term debt	324,709	310,425
Accounts payable	782,904	822,636
Accrued salaries and payroll related expenses	550,813	261,216
Other liabilities	<u>107,803</u>	<u>111,724</u>
Total current liabilities	2,225,705	1,799,686
Operating lease liabilities, excluding current portion	2,878,281	2,655,777
Finance lease liabilities, excluding current portion	120,199	-
Long-term debt, net of unamortized issuance costs, excluding current installments	1,293,337	1,614,479
Deferred payment mortgages	<u>287,943</u>	<u>287,943</u>
Total liabilities	6,805,465	6,357,885
Net assets:		
Without donor restrictions:		
Undesignated	12,769,708	13,091,929
Net investment in property and equipment	<u>6,710,803</u>	<u>6,039,031</u>
	19,480,511	19,130,960
With donor restrictions	<u>791,049</u>	<u>156,935</u>
Total net assets	<u><u>20,271,560</u></u>	<u><u>19,287,895</u></u>
	\$ <u><u>27,077,025</u></u>	\$ <u><u>25,645,780</u></u>

See accompanying independent auditors' report and notes to financial statements.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Statement of Activities**

**Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2025</u>	<u>2024</u>
Operating support, revenue, and gains:				
Contributions	\$ 50,242	734,987	785,229	106,092
In-kind contributions	1,372,549	-	1,372,549	1,350,090
Grants and contracts	27,260,374	-	27,260,374	27,700,468
Patient service fees, net	132,205	-	132,205	204,265
Rental income	369,708	-	369,708	336,115
Investment return, net	392,523	-	392,523	240,625
Other income	37,908	-	37,908	22,726
	<u>29,615,509</u>	<u>734,987</u>	<u>30,350,496</u>	<u>29,960,381</u>
Net assets released from restrictions:				
Expiration of time restrictions on capital assets	18,750	(18,750)	-	-
Expiration of time restrictions on gifted facility leases	82,123	(82,123)	-	-
	<u>100,873</u>	<u>(100,873)</u>	<u>-</u>	<u>-</u>
Total operating support, revenue, and gains	29,716,382	634,114	30,350,496	29,960,381
Operating expenses:				
Program services	24,596,800	-	24,596,800	24,309,485
Supporting services	5,006,433	-	5,006,433	4,329,252
Total operating expenses	<u>29,603,233</u>	<u>-</u>	<u>29,603,233</u>	<u>28,638,737</u>
Change in net assets before other changes	113,149	634,114	747,263	1,321,644
Other changes:				
Governmental grants to acquire and improve capital assets	231,452	-	231,452	69,869
Forgiveness of debt	-	-	-	262,500
Gain on disposal of capital assets	4,950	-	4,950	1,328,686
Change in net assets	349,551	634,114	983,665	2,982,699
Net assets at beginning of year	<u>19,130,960</u>	<u>156,935</u>	<u>19,287,895</u>	<u>16,305,196</u>
Net assets at end of year	<u>\$ 19,480,511</u>	<u>791,049</u>	<u>20,271,560</u>	<u>19,287,895</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Statement of Activities**

**Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support, revenue, and gains:			
Contributions	\$ 101,194	4,898	106,092
In-kind contributions	1,350,090	-	1,350,090
Grants and contracts	27,700,468	-	27,700,468
Patient service fees, net	204,265	-	204,265
Rental income	336,115	-	336,115
Investment return, net	240,625	-	240,625
Other income	22,726	-	22,726
	<u>29,955,483</u>	<u>4,898</u>	<u>29,960,381</u>
Net assets released from restrictions:			
Expiration of time restrictions on capital assets	18,750	(18,750)	-
Expiration of time restrictions on gifted facility leases	92,123	(92,123)	-
	<u>110,873</u>	<u>(110,873)</u>	<u>-</u>
Total operating support, revenue, and gains	30,066,356	(105,975)	29,960,381
Operating expenses:			
Program services	24,309,485	-	24,309,485
Supporting services	4,329,252	-	4,329,252
	<u>28,638,737</u>	<u>-</u>	<u>28,638,737</u>
Change in net assets before other changes	1,427,619	(105,975)	1,321,644
Other changes:			
Governmental grants to acquire and improve capital assets	69,869	-	69,869
Forgiveness of debt	262,500	-	262,500
Gain on disposal of capital assets	1,328,686	-	1,328,686
	<u>3,088,674</u>	<u>(105,975)</u>	<u>2,982,699</u>
Net assets at beginning of year	<u>16,042,286</u>	<u>262,910</u>	<u>16,305,196</u>
Net assets at end of year	<u>\$ 19,130,960</u>	<u>156,935</u>	<u>19,287,895</u>

See accompanying independent auditors' report and notes to financial statements.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Statement of Functional Expenses**

**Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	Program Services								Supporting Services	Total Expenses		
	Adult Substance Abuse	Children's Substance Abuse	Adult Mental Health	Juvenile Justice	Jail Diversion	Child Welfare	Housing	Special Projects	Total Program Services	General and Administrative	2025	2024
Salaries	\$ 4,873,420	1,157,133	362,683	1,321,222	97,224	522,594	2,009,216	29,441	10,372,933	2,327,404	12,700,337	11,506,236
Payroll taxes and employee benefits	1,207,549	255,046	90,987	334,596	21,947	144,320	557,783	5,612	2,617,840	668,190	3,286,030	2,739,071
Total salaries and related expenses	6,080,969	1,412,179	453,670	1,655,818	119,171	666,914	2,566,999	35,053	12,990,773	2,995,594	15,986,367	14,245,307
Occupancy	536,740	112,112	63,810	95,965	71,295	71,033	2,718,637	42,459	3,712,051	568,631	4,280,682	3,864,376
Professional services	477,014	226,187	15,514	6,941	683	4,362	25,275	71	756,047	137,478	893,525	1,326,218
Travel	12,162	29,619	623	6,912	1,593	316	54,104	3	105,332	59,553	164,885	139,908
Equipment costs	93,815	11,949	12,284	12,292	1,758	13,442	49,436	4,025	199,001	42,681	241,682	437,267
Food	872,983	18,008	141,241	12,286	-	40,595	323,722	-	1,408,835	20,904	1,429,739	1,464,401
Medical and pharmacy	461,791	8,298	26,918	346	-	-	709	338,859	836,921	39	836,960	1,520,051
Subcontractors	7,698	28,050	-	309,321	56,250	-	-	26,974	428,293	81,000	509,293	521,481
Insurance	435,888	49,095	31,151	47,865	3,169	77,265	215,931	941	861,305	268,392	1,129,697	1,052,322
Operating supplies and expenses	663,862	83,364	32,518	58,549	16,361	48,624	284,738	49,214	1,237,230	611,676	1,848,906	1,766,666
In-kind expenses	403,618	868,027	100,904	-	-	-	-	-	1,372,549	-	1,372,549	1,350,090
Interest	38,751	1,508	1	4	-	5,857	4	-	46,125	80,969	127,094	137,212
Other	806	15	196	395	-	-	54,923	-	56,335	35,073	91,408	182,252
Total expenses before depreciation and amortization	10,086,097	2,848,411	878,830	2,206,694	270,280	928,408	6,294,478	497,599	24,010,797	4,901,990	28,912,787	28,007,551
Depreciation and amortization	370,899	9,182	11,607	52,158	81	30,897	107,096	4,083	586,003	104,443	690,446	631,186
Total expenses before allocation of general and administrative expenses	10,456,996	2,857,593	890,437	2,258,852	270,361	959,305	6,401,574	501,682	24,596,800	5,006,433	29,603,233	28,638,737
Allocation of general and administrative expenses	2,128,417	581,635	181,240	459,767	55,029	195,257	1,302,976	102,112	5,006,433	(5,006,433)	-	-
Total expenses	\$ 12,585,413	3,439,228	1,071,677	2,718,619	325,390	1,154,562	7,704,550	603,794	29,603,233	-	29,603,233	28,638,737

See accompanying independent auditors' report and notes to financial statements.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Statement of Functional Expenses**

**Year Ended June 30, 2024**

	Program Services								Supporting Services	Total Expenses	
	Adult Substance Abuse	Children's Substance Abuse	Adult Mental Health	Juvenile Justice	Jail Diversion	Child Welfare	Housing	Special Projects	Total Program Services		General and Administrative
	Salaries	\$ 5,006,848	984,166	325,125	1,187,138	120,894	245,980	1,506,733	600		9,377,484
Payroll taxes and employee benefits	1,152,171	216,296	85,607	273,394	24,119	46,721	393,277	63	2,191,648	547,423	2,739,071
Total salaries and related expenses	6,159,019	1,200,462	410,732	1,460,532	145,013	292,701	1,900,010	663	11,569,132	2,676,175	14,245,307
Occupancy	705,582	136,221	50,910	121,329	50,195	92,157	2,488,917	-	3,645,311	219,065	3,864,376
Professional services	700,719	387,945	8,503	6,536	810	1,724	64,723	-	1,170,960	155,258	1,326,218
Travel	19,332	30,613	730	5,573	3,018	333	47,302	-	106,901	33,007	139,908
Equipment costs	202,763	10,550	21,037	17,306	2,520	37,316	45,586	-	337,078	100,189	437,267
Food	1,070,351	25,611	102,845	12,396	154	13,248	212,616	-	1,437,221	27,180	1,464,401
Medical and pharmacy	1,030,080	9,274	62,423	225	-	85	2,557	415,072	1,519,716	335	1,520,051
Subcontractors	51,429	14,897	1,309	296,786	67,500	-	-	-	431,921	89,560	521,481
Insurance	456,362	65,276	23,309	47,831	2,734	43,670	165,767	-	804,949	247,373	1,052,322
Operating supplies and expenses	696,600	92,508	28,877	53,714	17,944	42,479	265,211	-	1,197,333	569,333	1,766,666
In-kind expenses	453,151	868,014	28,925	-	-	-	-	-	1,350,090	-	1,350,090
Interest	41,025	21,530	2	43	-	5,585	32	-	68,217	68,995	137,212
Other	46,580	-	131	-	-	-	69,976	-	116,687	65,565	182,252
Total expenses before depreciation and amortization	11,632,993	2,862,901	739,733	2,022,271	289,888	529,298	5,262,697	415,735	23,755,516	4,252,035	28,007,551
Depreciation and amortization	324,123	27,554	8,312	49,416	1,365	28,113	115,086	-	553,969	77,217	631,186
Total expenses before allocation of general and administrative expenses	11,957,116	2,890,455	748,045	2,071,687	291,253	557,411	5,377,783	415,735	24,309,485	4,329,252	28,638,737
Allocation of general and administrative expenses	2,129,431	514,758	133,219	368,945	51,869	99,269	957,723	74,038	4,329,252	(4,329,252)	-
Total expenses	\$ 14,086,547	3,405,213	881,264	2,440,632	343,122	656,680	6,335,506	489,773	28,638,737	-	28,638,737

See accompanying independent auditors' report and notes to financial statements.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Statements of Cash Flows**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 983,665	2,982,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	690,446	629,563
Amortization of debt issuance costs	1,623	1,623
Non-cash lease expense	451,774	131,387
Gain on disposal of assets	(4,950)	(1,328,686)
Forgiveness of debt	-	(262,500)
Cash received under capital grants	-	(69,869)
(Increase) decrease in assets:		
Accounts receivable	26,780	963,151
Gifted facilities	(652,864)	77,224
Inventories	(13,636)	(3,754)
Prepaid expenses and other assets	(272,570)	(271,923)
Increase (decrease) in liabilities:		
Accounts payable	(39,732)	(178,846)
Accrued expenses	285,676	9,045
Operating lease liabilities	<u>(254,274)</u>	<u>(105,226)</u>
Net cash provided by operating activities	1,201,938	2,573,888
Cash flows from investing activities:		
Purchases of investments	(7,777,221)	(2,936,844)
Proceeds from sale of investments	5,513,316	2,755,081
Purchases of property and equipment	(1,017,536)	(1,781,494)
Proceeds from sale of property and equipment	<u>27,984</u>	<u>1,551,867</u>
Net cash used in investing activities	(3,253,457)	(411,390)
Cash flows from financing activities:		
Cash received under capital grants	-	69,869
Principal payments on long-term debt	(308,481)	(293,575)
Principal payments on finance lease liabilities	<u>(42,108)</u>	<u>(74,737)</u>
Net cash used in by financing activities	<u>(350,589)</u>	<u>(298,443)</u>
Net (decrease) increase in cash and cash equivalents	(2,402,108)	1,864,055
Cash and cash equivalents at beginning of year	<u>6,336,750</u>	<u>4,472,695</u>
Cash and cash equivalents at end of year	\$ <u>3,934,642</u>	\$ <u>6,336,750</u>
Supplemental cash flow information:		
Cash paid for interest	\$ <u>127,300</u>	<u>129,400</u>
Change in property and equipment attributable to reclassification of property held for sale	\$ <u>-</u>	<u>487,096</u>
Additions to operating lease right-of-use assets in exchange for operating lease liabilities	\$ <u>649,471</u>	<u>2,796,692</u>
Additions to finance lease right-of-use assets in exchange for finance lease liabilities	\$ <u>155,405</u>	<u>-</u>
Non-cash governmental grants received to acquire and improve capital assets	\$ <u>231,452</u>	<u>-</u>

See accompanying independent auditors' report and notes to financial statements.

# AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### (1) **Description of Organization and Summary of Significant Accounting Policies**

#### (a) **Description of Organization**

Agency for Community Treatment Services, Inc. (“ACTS” or the “Organization”) was incorporated as a Florida not-for-profit organization in 1978. The mission of ACTS is to increase public awareness of substance abuse and its effects and to provide and manage a range of prevention, intervention, treatment, psychosocial and supportive services related to substance abuse and mental health. In addition to substance abuse and mental health services, ACTS administers program services related to child welfare, the homeless, juvenile offenders and others. ACTS provides these services throughout central and south Florida.

Funding is provided by the State of Florida Department of Children and Families, Central Florida Behavioral Health Network, Inc., the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services, the Veteran’s Administration, Hillsborough County, the State of Florida Department of Juvenile Justice, City of Tampa, Managed Care Medicaid Plans, commercial insurance plans, and program service fees and contributions.

#### (b) **Basis of Accounting**

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on ACTS as a whole and to present net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net Assets Without Donor Restrictions* include net assets that are not subject to donor-imposed stipulations and net assets that have been designated for a specific purpose by the Board of Directors of the Organization.

*Net Assets With Donor Restrictions* represent those amounts which are not available until future periods or are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as released from restrictions.

#### (c) **Estimates in Financial Statements**

The preparation of financial statements in conformity 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

# AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

## Notes to Financial Statements - Continued

### (1) Description of Organization and Summary of Significant Accounting Policies - Continued

#### (d) Cash Equivalents

For purposes of the statements of cash flows, ACTS considers all highly liquid investments with a maturity of three months or less at time of purchase to be cash equivalents.

#### (e) Inventories

Inventories consist of pharmacy and drug testing supplies and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

#### (f) Contributions

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of approximately \$3,766,000 that have not been recognized at June 30, 2025 because qualifying expenditures have not yet been incurred.

#### (g) Revenue Recognition

The Organization provides substance abuse and mental health treatment services paid for by clients or certain third-party payers (including health insurers and government programs). Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing treatment services. Fees for treatment services are recognized over time when the treatments are provided based on standard charges, net of any contractual adjustments under insurance contracts. Treatment services are billed monthly, and amounts collected in advance are recorded as deferred revenue. Additionally, the Organization contracts with the State of Florida to provide detention center services under a vendor agreement. Detention center service revenue is recognized over time when the Organization operates the detention facility based on a contracted fixed daily rate. Revenue for other fee-based services is recognized as services are provided.

AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

Notes to Financial Statements - Continued

(1) **Description of Organization and Summary of Significant Accounting Policies - Continued**

(h) **Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are stated at unpaid balances, less an allowance for credit losses. ACTS provides for losses on accounts receivable using the allowance method. The allowance is based on uncollected funds from billings to patients, insurance companies, Medicaid or governmental agencies for services provided to patients. Funding contracts receivable represents uncollected funds from various grants and contracts for services provided to patients. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms.

An allowance for credit losses related to accounts receivable is established based upon historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Organization periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. Management's estimate of the allowance for credit losses was \$344,128 and \$221,091 at June 30, 2025 and 2024, respectively.

The following schedule summarizes the allowance for credit losses activity for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Allowance for credit losses, beginning of year	\$ 220,091	178,082
Provision for credit losses	598,935	598,751
Charge-offs	<u>(474,898)</u>	<u>(556,742)</u>
Allowance for credit losses, end of year	<u>\$ 344,128</u>	<u>220,091</u>

(i) **Property and Equipment**

Property and equipment with a cost in excess of \$1,000 are capitalized, if purchased, or at estimated market value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, except for leasehold improvements, which are amortized over the shorter of the lease term or the useful life of the leased asset. Equipment held under finance leases is amortized straight-line over the estimated useful life of the leased asset. The Organization reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Property acquired with governmental funds is considered to be owned by ACTS while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds therefrom is subject to applicable regulations.

# AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

## Notes to Financial Statements - Continued

### (1) **Description of Organization and Summary of Significant Accounting Policies - Continued**

#### (j) **Income Taxes**

ACTS has been recognized as exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been presented in these financial statements. ACTS has not reported any unrelated business income; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities.

The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax filings for tax year 2022 and thereafter remain subject to examination by federal and state taxing authorities.

#### (k) **Functional Expense Allocations**

The costs of providing ACTS' programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Direct expenses are specifically identified with a particular program or supporting service. Indirect costs that benefit multiple functional areas are allocated among those areas using a multi-tiered approach, based on the nature of the cost. Occupancy-related expenses are allocated using a square footage analysis, personnel-related costs are allocated based on employee time and effort, and lastly, general and administrative overhead is allocated to programs based on each program's proportionate share of total expenses. Management believes this methodology results in a systematic and rational allocation of shared costs.

#### (l) **Fair Value of Financial Instruments**

The fair values of ACTS financial instruments which include cash and cash equivalents, funding contracts receivable, patient accounts receivable, other receivables, accounts payable, and long-term debt approximate their carrying amounts as presented in the accompanying statements of financial position.

#### (m) **Going Concern Evaluation**

On an annual basis, as required by Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Management's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the financial statements were available for issuance.

AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

Notes to Financial Statements - Continued

(1) **Description of Organization and Summary of Significant Accounting Policies - Continued**

(n) **Donated Materials, Facilities and Services**

Donated materials are reflected in the accompanying financial statements at their estimated fair market value at date of receipt. Donated facilities represent the estimated fair rental value of facilities leased by ACTS under original lease terms of less than one year. Donations of services are recorded as support at their estimated fair value if the services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

(o) **Leases**

The Organization leases office space and certain office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities on the accompanying statement of financial position. Finance leases are included in property and equipment and finance lease liabilities on the accompanying statement of financial position.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization’s leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise the option.

The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(2) **Investments**

Investments, stated at fair value, consist of the following at June 30, 2025 and 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash, money market funds	\$ 106,056	106,056	3,181,250	3,181,250
Equity securities	2,760,199	2,835,941	-	-
Mutual funds	1,521,894	2,503,158	-	-
	<u>\$ 4,388,149</u>	<u>5,445,155</u>	<u>3,181,250</u>	<u>3,181,250</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(2) Investments - Continued**

Investment return for the years ended June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Interest income:		
Bank accounts	\$ 60,963	61,113
Investment holdings	240,275	199,490
Realized gains	112,540	-
Less investment expenses	<u>(21,255)</u>	<u>(19,978)</u>
	<u>\$ 392,523</u>	<u>240,625</u>

**(3) Property and Equipment**

Property and equipment consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Estimated Useful Lives</u>
Land	\$ 1,782,782	1,782,782	-
Buildings and improvements	13,162,836	12,168,930	10 - 40 years
Vehicles	684,091	549,981	5 - 10 years
Leasehold improvements	1,141,175	1,112,950	5 - 15 years
Equipment and furniture	2,875,009	2,898,761	4 - 5 years
Construction in progress	<u>251,702</u>	<u>-</u>	-
	19,897,595	18,513,404	
Less accumulated depreciation and amortization	<u>11,079,412</u>	<u>10,154,682</u>	
	<u>\$ 8,818,183</u>	<u>8,358,722</u>	

For the year ended June 30, 2025, depreciation and amortization expense was \$608,248 and \$82,198, respectively. For the year ended June 30, 2024, depreciation and amortization expense was \$569,314 and \$60,249, respectively.

Certain capital improvements at 201 E. Yukon Street, FL 33610 were funded by the U.S. Department of Housing and Urban Development. Under the terms of the funding agreements, the Organization is required to continue to use the property to provide program services under a land use restriction by the federal government until March 31, 2039. If the Organization disposes of any of the properties prior to expiration of the land use restrictions, the Organization may be required to refund a portion of the funds received. The net book value of the improvements was approximately \$2,908,000 and \$3,169,000 as of June 30, 2025 and 2024, respectively.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(4) Property Held For Sale**

As part of the Organization's relocation of its administrative office following a new lease agreement in fiscal 2024, the Board of Directors approved the sale of its existing administrative office building and related land. During the year ended June 30, 2024, the Organization reclassified \$487,096 from property and equipment to assets held for sale and depreciation on the building ceased. The estimated fair value of the assets held for sale less costs to sell was determined to exceed the carrying amount of the building and land. As a result, no impairment loss was recognized. The property was subject to a mortgage note payable further described in Note 7 with an outstanding balance of approximately \$457,000 and \$690,000 as of June 30, 2025 and 2024, respectively.

**(5) Gifted Facilities**

Gifted facilities represent the present value of the excess of the aggregate fair rental value of building leases over below market rent payments due under two leases with original lease terms in excess of one year. In 2000, ACTS executed a lease for 18,650 square feet in the Drew Park area of Tampa, Florida for approximately \$5 per square foot. In June 2015, the Drew Park lease was extended to June 2025. In May of 2025, the lease was extended to June 2030.

Recognition of the fair value of these leases as of and for the years ended June 30, 2025 and 2024 is summarized below:

	<b>Drew Park Facility</b>
Balances at June 30, 2023	\$ 157,595
Recognition of annual fair value of gifted building leases	4,899
Recognition of rent expense for the year ended June 30, 2024	(82,123)
Balances at June 30, 2024	80,371
Recognition of annual fair value of gifted building leases	1,752
Recognition of rent expense for the year ended June 30, 2025	(82,123)
Renewal of gifted facility lease	733,235
Balances at June 30, 2025	733,235
Current portion of gifted facility	133,810
Gifted facility, less current portion	\$ 599,425

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(6) Deferred Payment Mortgages**

In 2012, ACTS assumed responsibility for a deferred payment mortgage funded by the Hillsborough Achievement and Resource Center, Inc. provided through Hillsborough County. In 2015, the deferred payment mortgage was modified to increase the indebtedness to \$287,943, funded by the Neighborhood Stabilization Program. As a condition of the funding, ACTS must acquire and rehabilitate apartments which will be rented to persons earning less than 120% of the area median income, with 3 units being limited to persons earning less than 50% of the area median income. ACTS must provide affordable supportive housing for a period of fifteen years.

In 2014, ACTS assumed responsibility for a \$262,500 deferred payment mortgage funded by the Home Investment Partnership Program provided through the City of Tampa. As a condition of the funding, ACTS must provide three residential units which will be rented to persons with disabilities or mental illness and provide case management and support services. ACTS must provide affordable supportive housing and supporting services at this location through March 2024. In fiscal 2024, the loan was forgiven upon satisfaction of that requirement.

**(7) Long-Term Debt**

Long-term debt consists of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
4.95% mortgage note payable to a commercial bank due in monthly installments of \$21,834, including interest, through February 2027; secured by real property.	\$ 457,562	690,203
4.62% mortgage note payable to a commercial bank due in monthly installments of \$3,555, including interest, through January 2027; secured by real property.	376,581	400,973
5.50% mortgage note payable to a commercial bank due in monthly installments of \$2,707, including interest, through February 2029; secured by real property.	313,812	328,351
3.80% mortgage note payable to a commercial bank due in monthly installments of \$4,658, including interest, through September 2030; secured by real property.	<u>472,660</u>	<u>509,569</u>
Total long-term debt	1,620,615	1,929,096
Less current installments	324,709	310,425
Less unamortized debt issuance costs	<u>2,569</u>	<u>4,192</u>
Long-term debt, excluding current installments	<u>\$ 1,293,337</u>	<u>1,614,479</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(7) Long-Term Debt - Continued**

ACTS maintains a revolving line of credit with Truist Bank, which allows ACTS to borrow up to \$1,500,000 at the bank's prime rate (7.5% at June 30, 2025). The line matures in April 2026 and is secured by all of ACTS accounts receivable and depository accounts. There was no outstanding balance on the line of credit at June 30, 2025 or 2024.

The 4.95% mortgage note payable agreement with Truist Bank includes covenants that require ACTS to maintain certain financial ratios and restrict the ability of ACTS to, among other things, incur additional debt. ACTS was in compliance with these covenants at June 30, 2025. The 4.95% mortgage note payable also includes prepayment penalties of 5% in the first year after the date of the note, then prepayment penalties decrease by one percent each year thereafter and then finally 1% in years five through seven.

The aggregate maturities of long-term debt for each of the five years subsequent to June 30, 2025 and thereafter are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 324,709
2027	618,664
2028	59,478
2029	306,685
2030	45,035
Thereafter	<u>266,044</u>
	\$ <u><u>1,620,615</u></u>

**(8) Leases**

ACTS is obligated under finance leases for office equipment that expire in fiscal 2030 and under operating leases for program office space with remaining lease terms ranging from five to seven years. Leases with initial terms of 12 months or less are not recorded in the statement of financial position. Expense under these short-term leases is recognized on a straight-line basis over the lease term. Security deposits related to such leases are included in other assets.

The weighted average lease terms and discount rates as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease terms:		
Operating leases	6.1 years	7.1 years
Finance leases	4.4 years	0.4 years
Weighted average discount rates:		
Operating leases	4.30%	4.36%
Finance leases	18.00%	9.05%

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(8) Leases - Continued**

The following summarizes the line items in the accompanying statements of financial position as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating leases:		
Operating lease right-of-use assets	\$ <u>3,082,143</u>	<u>2,884,446</u>
Current portion of operating lease liabilities	\$ 436,098	263,405
Operating lease liabilities, less current portion	<u>2,878,281</u>	<u>2,655,777</u>
	\$ <u>3,314,379</u>	<u>2,919,182</u>
Finance leases:		
Property and equipment	\$ 493,633	338,228
Accumulated amortization	<u>(356,434)</u>	<u>(312,977)</u>
Property and equipment, net	\$ <u>137,199</u>	<u>25,251</u>
Current portion of finance lease liabilities	\$ 23,378	30,280
Finance lease liabilities, less current portion	<u>120,199</u>	<u>-</u>
	\$ <u>143,577</u>	<u>30,280</u>

For the years ended June 30, 2025 and 2024 the components of lease costs under operating and finance leases were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 579,366	141,686
Short-term leases	2,251,094	1,960,922
Variable lease costs	<u>-</u>	<u>32,042</u>
Total lease costs	\$ <u>2,830,460</u>	<u>2,134,650</u>
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	\$ 43,457	67,646
Interest on lease liabilities included in interest expense	<u>22,561</u>	<u>6,765</u>
	\$ <u>66,018</u>	<u>74,411</u>

Short-term leases include a significant number of month-to-month lease agreements operated under the Organization's Housing program.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(8) Leases - Continued**

The following summarizes cash flow information related to leases for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 380,271	115,529
Operating cash flows from finance leases	22,561	6,765
Financing cash flows from finance leases	42,108	74,737
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ 649,471	2,796,692
finance leases	155,405	-

The maturities of lease liabilities as of June 30, 2025 were as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>	<u>Finance</u>
2026	\$ 570,366	47,355
2027	590,023	47,355
2028	610,372	47,355
2029	631,445	47,355
2030	653,412	19,732
Thereafter	<u>728,269</u>	<u>-</u>
Total payments	3,783,887	209,152
Less interest	<u>(469,508)</u>	<u>(65,575)</u>
Present value of lease liabilities	\$ <u>3,314,379</u>	<u>143,577</u>

**(9) Fair Value Measurements**

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Valuation is based on unobservable inputs.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(9) Fair Value Measurements - Continued**

There have been no changes in the valuation methodologies used at June 30, 2025 and 2024 and there have been no transfers between levels during the years then ended. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

At June 30, 2025 and 2024 the Organization's investments in money market funds, equity securities, and mutual funds are considered to be Level 1 fair value measurements.

**(10) Net Assets With Donor Restrictions**

Net assets with donor restrictions as of June 30, 2025 and 2024 relate to the following:

	<u>2025</u>	<u>2024</u>
Gifted facilities	\$ 733,235	80,371
Facilities and equipment subject to time restrictions	<u>57,814</u>	<u>76,564</u>
	<u>\$ 791,049</u>	<u>156,935</u>

**(11) Contingencies**

The Organization has been notified of potential claims arising in the ordinary course of its operations including certain claims which are covered under the Organization's insurance policies. Management believes that any liability incurred in connection with these claims would be nominal in amount because the claims are without merit or would be limited to the insurance deductible.

The Organization routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying financial statements.

**(12) Credit and Funding Concentrations**

The Organization maintains several deposit accounts with what management believes to be a high credit quality financial institution. The total of these balances exceeded federal insurance limits by approximately \$3,722,000 and \$6,136,000 as of June 30, 2025 and 2024, respectively.

AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

Notes to Financial Statements - Continued

(12) Credit and Funding Concentrations - Continued

Substantially all of the Organization’s activities are supported by funds provided by the State of Florida, including pass-through awards received from Central Florida Behavioral Health Network, Inc., under performance and fixed-rate contracts. The Organization also receives direct federal support from the U.S. Department of Housing and Urban Development, and local support from Hillsborough County. At June 30, 2025, the Organization’s receivables from two funding sources represented approximately 81% of funding contract receivables. Revenues from three local, state, and federal contract awards represented approximately 89% of total support and revenue for the year ended June 30, 2025. At June 30, 2024, the Organization’s receivables from two funding sources represented approximately 77% of funding contract receivables. Revenues from three local, state, and federal contract awards represented approximately 89% of total support and revenue for the year ended June 30, 2024.

(13) In-Kind Contributions

The values of in-kind contributions and the corresponding in-kind expenses recognized within the statements of activities for the years ended June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Consultants	\$ 868,027	868,015
Facilities and landscaping	<u>504,522</u>	<u>482,075</u>
	<u>\$ 1,372,549</u>	<u>1,350,090</u>

The Organization was provided professional security services at no cost at the Hillsborough County juvenile assessment center from the Hillsborough County Sheriff’s Office (“HCSO”). The Organization was also provided counseling services from the School Board of Hillsborough County (“SBHC”) for use within the children’s substance abuse programs. Contributed services are valued at the estimated fair value based on current rates for similar security and counseling services as reported by the HSCO and SBHC. Additionally, donated food and supplies are used within the children’s program and are valued on the basis of estimates of wholesale values that would be received for selling similar items in the United States. For the years ended June 30, 2025 and 2024, the Organization recognized in-kind contributions within the children’s substance abuse program of \$868,027 and \$868,015, respectively.

The Organization requires the use of residential facilities across the adult residential treatment program. Certain residential facilities are provided at no cost to the Organization. In valuing the contributed rent, the Organization estimated fair value on the basis of recent comparable rental prices in the real estate market surrounding the residential facilities. Based on current market rates for rental facilities, the Organization recognized in-kind rent within the adult substance abuse and mental health programs of \$504,522 and \$482,075 for the years ended June 30, 2025 and 2024, respectively.

## AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

### Notes to Financial Statements - Continued

#### (14) **Pension Plan**

Effective January 1991, the Organization adopted a 403(b) retirement plan (the “Plan”) under which employees may contribute the maximum allowed by the Internal Revenue Code. Employees are eligible for matching contributions once they have attained the age of 18 years and completed two months of service. Participants’ rights to matching contributions vest over a three-year period. The Plan required matching contributions of 100% of the first 4% of participant contributions. Effective January 1, 2025, the plan was amended, and the employer match was changed to 100% of the first 5% of participant contributions. For the years ended June 30, 2025 and 2024, retirement plan expense was approximately \$340,000 and \$256,000, respectively.

#### (15) **Matching Requirements**

The Organization receives a substantial portion of its support from various funding sources which required a local match. These funding sources include: the State of Florida Department of Children and Families, Central Florida Behavioral Health Network, Inc., and HUD under the Supportive Housing Program. The Organization has satisfied all matching requirements through local grants and by incurring sufficient eligible expenses.

#### (16) **Joint Ownership and Occupancy Agreement**

Under a revised joint ownership and occupancy agreement, ACTS and Cove Behavioral Health, Inc. (“Cove”), a nonprofit corporation, operate a facility at 3107 North 50<sup>th</sup> Street in Tampa, Florida. ACTS provides substance abuse treatment services at the facility and Cove operates a residential program for the Department of Corrections.

During fiscal 2013, ACTS and Cove amended this agreement in connection with capital improvements funded in disproportionate amounts. As a result, the amended agreement redefines ownership interests used to calculate each entity’s share of sales proceeds upon the future sale of the property such that Cove would be entitled to its original 50% share plus the unamortized balance of the fair value of their improvements made during fiscal 2014.

#### (17) **Liquidity and Availability of Resources**

The Organization is supported by contributions with and without donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash, cash equivalents, and a revolving line of credit (described in Note 7).

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Financial Statements - Continued**

**(17) Liquidity and Availability of Resources - Continued**

As of June 30, 2025 and 2024, the Organization's financial assets available to meet general expenditures within one year were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 3,934,642	6,336,750
Grants and funding contracts receivable	2,971,225	2,957,560
Other receivables	71,853	112,298
Investments	<u>5,445,155</u>	<u>3,181,250</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,422,875</u>	<u>12,587,858</u>

**(18) Subsequent Events**

ACTS has evaluated subsequent events through December 1, 2025, the date the financial statements were available for issuance.

On July 15, 2025, the Organization sold the property held-for-sale described in Note 4 for a gross purchase price of \$3,900,000. The sale proceeds were used to fully repay the outstanding mortgage described in Note 7. The transaction will be recognized in the Organization's fiscal 2026 financial statements, including recognition of the gain on disposal of approximately \$3,250,000. The gain is calculated as gross sale proceeds less the net book value at the date the asset was classified as held for sale and selling costs.

**SUPPLEMENTARY FINANCIAL INFORMATION**

# AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.

## Schedule of Expenditures of Federal Awards and State Financial Assistance

**Year Ended June 30, 2025**

Federal/State Agency/ Pass-through Entity/ Federal Program/State Project	Federal Assistance Listing/ CSFA Number	Contract/Grant Number	Total Expenditures	Transfers to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>				
Direct federal award:				
Continuum of Care (COC) Program	14.267	FL0011L4H012316	\$ 173,700	-
		FL0048L4H032314	88,554	-
		FL0048L4H032213	46,537	-
		FL0499L4H012209	855,985	-
		FL0499L4H012310	1,313,757	-
		FL0384L4H032211	92,702	-
		FL0384L4H032312	163,865	-
		FL0553L4H032207	49,885	-
		FL0553L4H032308	243,952	-
Passed-through Tampa Hillsborough Homeless Initiative:				
Emergency Solutions Grant Program	14.231	E-19-UC-12-0002	91,999	-
Continuum of Care (COC) Program				
	14.267	FL0547L4H012106	511,987	-
Passed-through Hillsborough County, Florida:				
Neighborhood Stabilization Program	14.264	N/A	<u>287,943</u>	<u>-</u>
<b>Subtotal - U.S. Department of Housing and Urban Development</b>			3,920,866	-
<b>U.S. Department of Justice</b>				
Passed-through Hillsborough County, Florida:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BOCC 24-0784	<u>205,701</u>	<u>-</u>
<b>Subtotal - U.S. Department of Justice</b>			205,701	-
<b>U.S. Department of Health and Human Services</b>				
Passed-through Central Florida Behavioral Health Network, Inc.:				
Temporary Assistance for Needy Families (TANF)	93.558	QG001	206,612	-
Opioid STR	93.788	QG001	1,503,583	-
Block Grants for Community Mental Health Services	93.958	QG001	265,638	-
Block Grants for Substance Use Prevention, Treatment, and Recovery Services	93.959	QG001	5,642,801	-
Passed-through Florida Alcohol and Drug Abuse Association:				
Opioid State Targeted Response	93.788	N/A	45,720	-
Block Grants for Substance Use Prevention, Treatment, and Recovery Services	93.959	N/A	<u>100,898</u>	<u>-</u>
<b>Subtotal - U.S. Department of Health and Human Services</b>			<u>7,765,252</u>	<u>-</u>
<b>Total Federal Expenditures</b>			<u>\$ 11,891,819</u>	<u>-</u>
<b>State of Florida, State Courts System</b>				
Passed-through Hillsborough County, Florida:				
Problem Solving Courts	22.029	n/a	\$ 137,495	-
Passed-through Florida Alcohol and Drug Abuse Association:				
Naltrexone	22.022	n/a	237,581	-
Medically Assisted Drug Treatment Program	22.030	n/a	<u>70,570</u>	<u>-</u>
<b>Subtotal - State Court Systems</b>			445,646	-
<b>State of Florida, Department of Children and Families</b>				
Direct state award:				
Agency for Community Treatment - ACTIS Outpatient Clinic	60.332	WG099	81,718	-
Agency for Community Treatment and Services	60.333	WG100	149,734	-
Passed-through Central Florida Behavioral Health Network, Inc.:				
Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services	60.155	QG001	282,924	-
Substance Abuse and Mental Health - Community Services	60.153	QG001	500,000	-
State Opioid Settlement Trust Fund Services	60.355	QG001	107,447	-
Passed-through Tampa Hillsborough Homeless Initiative:				
Homeless Challenge Grant	60.014	QPZ05	<u>115,171</u>	<u>-</u>
<b>Subtotal - State of Florida, Department of Children and Families</b>			<u>1,236,994</u>	<u>-</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 1,682,640</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Schedule of Expenditures of Federal Awards and State Projects  
Summarized by Federal Program and State Project**

**Year Ended June 30, 2025**

<u>AL/CSFA Number</u>	<u>Federal Program/State Project</u>	<u>Total</u>
14.264	Neighborhood Stabilization Program	\$ 287,943
14.267	Continuum of Care (COC) Program	3,540,924
14.231	Emergency Solutions Grant Program	91,999
16.738	Edward Byrne Memorial Justice Assistance Grant Program	205,701
93.558	Temporary Assistance for Needy Families (TANF)	206,612
93.788	Opioid State Targeted Response	1,549,303
93.958	Block Grants for Community Mental Health Services	265,638
93.959	Block Grants for Substance Use Prevention, Treatment, and Recovery Services	<u>5,743,699</u>
	Total Federal Expenditures	\$ <u>11,891,819</u>
22.022	Naltrexone	\$ 237,581
22.029	Problem Solving Courts	137,495
22.030	Medically Assisted Drug Treatment Program	70,570
60.014	Homeless Challenge Grant	115,171
60.153	Substance Abuse And Mental Health-Community Services	500,000
60.155	Substance Abuse And Mental Health - Crisis Prevention and Stabilization Services	282,924
60.332	Agency for Community Treatment - Acts Outpatient Clinic	81,718
60.333	Agency for Community Treatment Services	149,734
60.355	State Opioid Settlement Trust Fund Services	<u>107,447</u>
	Total State Financial Assistance	\$ <u>1,682,640</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance**

**Year Ended June 30, 2025**

**(1) Basis of Presentation**

The accompanying schedules of Expenditures of Federal Awards and State Financial Assistance (the “Schedules”) includes the federal grant and state grant activity of Agency for Community Treatment Services, Inc. (the “Organization”) under programs of the federal government and State of Florida for the year ended June 30, 2025. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedules present only a selected portion of the operations of Agency for Community Treatment Services, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Agency for Community Treatment Services, Inc.

**(2) 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.

**(3) Indirect Cost Rate**

Agency for Community Treatment Services, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(4) Loans**

Loans outstanding at the beginning of the year and loans received during the year, if any, are included in the federal expenditures presented in the Schedule. The balance of outstanding loans as of June 30, 2025 consists of:

<b>Federal Assistance Listing Number</b>	<b>Federal Program</b>	<b>Balance at June 30, 2025</b>
14.264	Neighborhood Stabilization Program	\$ 287,943

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules**

**Part I: Actual Funding Sources and Revenues**

**Year Ended June 30, 2025**

Funding Sources and Revenue	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers												
	Mental Health					Substance Abuse							
	Medical Services	Residential Level I	Residential Level II	Residential Level III	Incidental Expenses	Clubhouse Services	Other Bundered Projects	Assessment	Case Management	Intervention - Individual	Medical Services	Outpatient - Individual	Outreach
<b>IA. State SAMH Funding</b>													
QG001	\$ 18,542	691,115	814,932	76,663	31,255	223,147	500,000	-	51,762	1,216,630	1,048,708	319,000	532,462
WG099	-	-	-	-	-	-	-	-	-	-	-	-	-
WG110	-	-	-	-	-	-	-	-	-	-	-	-	-
Total State SAMH funding	18,542	691,115	814,932	76,663	31,255	223,147	500,000	-	51,762	1,216,630	1,048,708	319,000	532,462
<b>IB. Other Government Funding</b>													
(1) Other state agency funding	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) Medicaid	38	110	(36)	-	-	-	-	-	-	53	1,872	304	-
(3) Local governments	-	-	267,625	-	-	-	-	-	-	-	-	-	-
(4) Federal contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) In-kind from local government	-	-	100,904	-	-	-	-	-	-	-	-	-	-
Total other government funding	38	110	368,493	-	-	-	-	-	-	53	1,872	304	-
<b>IC. All Other Revenues</b>													
(1) 1st and 2nd party payments	-	-	-	-	-	2,132	-	7,690	-	-	-	260	-
(2) 3rd party payments	3	-	30,648	4	-	-	-	-	(171)	44	124	629	-
(3) Medicare	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) Contributions	-	-	-	-	-	5,142	-	-	-	-	-	-	-
(5) Other	-	-	27,022	10,475	-	-	-	-	-	-	-	2,390	-
(6) In-kind	-	-	-	-	-	-	-	-	-	868,027	-	-	-
Total for all other revenues	3	-	57,670	10,479	-	7,274	-	7,690	(171)	868,071	124	3,279	-
Total funding	\$ 18,583	691,225	1,241,095	87,142	31,255	230,421	500,000	7,690	51,591	2,084,754	1,050,704	322,583	532,462

(Continued)

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules**

**Part I: Actual Funding Sources and Revenues - Continued**

Funding Sources and Revenue	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers Substance Abuse								Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Total for All State Designated SAMH Cost Centers	Non-SAMH Cost Center	Total Funding
	Residential Level II	Residential Level III	Substance Abuse Detox	Incidental Expenses	Outpatient - Group	Recovery Support - Individual	Recovery Support - Group	Prevention Universal Direct					
<b>IA. State SAMH Funding</b>													
QG001	\$ 3,198,361	68,476	4,184,668	556,675	75,899	83,659	41,881	158,513	13,892,348	-	13,892,348	-	13,892,348
WG099	-	-	-	-	-	-	-	-	-	-	-	149,734	149,734
WG110	-	-	-	-	-	-	-	-	-	-	-	81,718	81,718
Total State SAMH funding	3,198,361	68,476	4,184,668	556,675	75,899	83,659	41,881	158,513	13,892,348	-	13,892,348	231,452	14,123,800
<b>IB. Other Government Funding</b>													
(1) Other state agency funding	-	-	-	-	-	-	-	-	-	-	-	2,400,582	2,400,582
(2) Medicaid	(144)	-	(11,495)	-	71	383	188	-	(8,656)	-	(8,656)	50	(8,606)
(3) Local governments	1,070,500	-	-	-	-	-	-	-	1,338,125	-	1,338,125	5,217,405	6,555,530
(4) Federal contracts	-	-	-	-	-	-	-	-	-	-	-	3,632,923	3,632,923
(5) In-kind from local government	403,618	-	-	-	-	-	-	-	504,522	-	504,522	-	504,522
Total other government funding	1,473,974	-	(11,495)	-	71	383	188	-	1,833,991	-	1,833,991	11,250,960	13,084,951
<b>IC. All Other Revenues</b>													
(1) 1st and 2nd party payments	-	-	-	-	-	-	-	-	10,082	-	10,082	369,708	379,790
(2) 3rd party payments	122,591	4	(21,905)	-	769	164	81	-	132,985	-	132,985	-	132,985
(3) Medicare	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) Contributions	-	-	-	-	-	-	-	-	5,142	-	5,142	780,087	785,229
(5) Other	108,086	9,290	-	-	-	-	-	-	157,263	-	157,263	1,049,903	1,207,166
(6) In-kind	-	-	-	-	-	-	-	-	868,027	-	868,027	-	868,027
Total for all other revenues	230,677	9,294	(21,905)	-	769	164	81	-	1,173,499	-	1,173,499	2,199,698	3,373,197
Total funding	\$ 4,903,012	77,770	4,151,268	556,675	76,739	84,206	42,150	158,513	16,899,838	-	16,899,838	13,682,110	30,581,948

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules**

**Part II: Actual Expenses**

**Year Ended June 30, 2025**

Expense Categories	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers												
	Mental Health					Substance Abuse							
	Medical Services	Residential Level I	Residential Level II	Residential Level III	Incidental Expenses	Clubhouse Services	Other Bundled Projects	Assessment	Case Management	Intervention - Individual	Medical Services	Outpatient - Individual	Outreach
<b>IIA. Personnel Expenses</b>													
Salaries	\$ 5,698	522,594	320,375	36,610	-	161,009	-	-	40,717	458,072	329,487	233,719	280,146
Payroll taxes and benefits	1,378	144,320	76,409	13,200	-	45,298	-	-	15,867	112,905	79,674	55,644	72,854
Total personnel costs	7,076	666,914	396,784	49,810	-	206,307	-	-	56,584	570,977	409,161	289,363	353,000
<b>II B. Other Expenses</b>													
Building occupancy	507	95,508	71,935	2,975	-	183,964	42,459	-	-	46,125	28,252	37,257	25,393
Professional services	1,154	4,362	14,058	302	-	2,334	-	-	247	3,338	66,733	16,116	1,877
Travel	7	316	570	46	-	607	-	-	189	29,701	402	-	3,041
Equipment	91	19,864	10,971	1,222	-	23,261	4,237	-	-	11,078	5,291	3,071	2,490
Food services	139	40,595	129,611	11,491	-	5,933	-	-	-	136	8,013	103	77
Medical and pharmacy	29	-	421	150	-	-	3,287	-	-	210	1,699	24	62
Subcontracted services	-	-	-	-	28,050	-	26,974	-	-	-	-	569	-
Insurance	461	77,265	27,488	3,202	-	93,854	-	-	916	20,363	26,655	19,471	11,158
Interest	-	5,857	1	-	-	18,266	-	-	-	2	-	1,254	-
Operating supplies and expenses	555	48,624	28,504	3,459	3,205	27,731	41,787	18	159	35,054	32,078	43,770	9,878
In-kind	-	-	100,904	-	-	-	-	-	-	868,027	-	-	-
Other	-	-	196	-	-	-	-	-	-	7	21	-	4
Total other expenses	2,943	292,391	384,659	22,847	31,255	355,950	118,744	18	1,511	1,014,041	169,144	121,635	53,980
Total personnel and other expenses	10,019	959,305	781,443	72,657	31,255	562,257	118,744	18	58,095	1,585,018	578,305	410,998	406,980
<b>II C. Distributed Indirect Costs</b>													
Administration	2,049	196,231	159,849	14,862	6,393	115,013	24,290	4	11,884	324,224	118,296	84,072	83,250
Total actual operating expenses	12,068	1,155,536	941,292	87,519	37,648	677,270	143,034	22	69,979	1,909,242	696,601	495,070	490,230
<b>II D. Unallowable Costs</b>													
Unallowable costs	-	-	2,762	-	-	3,568	536	-	-	-	-	655	-
Total allowable operating expenses	\$ 12,068	1,155,536	938,530	87,519	37,648	673,702	142,498	22	69,979	1,909,242	696,601	494,415	490,230
<b>II E. Capital Expenditures</b>													
Capital expenditures	\$ -	109,548	-	-	-	5,995	389,269	-	-	17,850	1,495	169,298	-

(Continued)

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules**

**Part II: Actual Expenses - Continued**

Funding Sources and Revenue	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers Substance Abuse										Total for All State Designated SAMH Cost Centers	Non-SAMH Cost Center	Administration	Total Expenses
	Residential Level II	Residential Level III	Substance Abuse Detox	Incidental Expenses	Outpatient - Group	Recovery Support - Individual	Recovery Support - Group	Prevention Universal Direct	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers				
<b>IIA. Personnel Expenses</b>														
Salaries	\$ 1,281,500	32,466	1,854,226	-	54,872	76,511	37,532	109,356	5,834,890	-	5,834,890	4,537,605	2,327,842	12,700,337
Payroll taxes and benefits	305,638	11,706	418,837	-	13,032	21,690	10,683	23,044	1,422,179	-	1,422,179	1,195,629	668,222	3,286,030
Total personnel costs	1,587,138	44,172	2,273,063	-	67,904	98,201	48,215	132,400	7,257,069	-	7,257,069	5,733,234	2,996,064	15,986,367
<b>II B. Other Expenses</b>														
Building occupancy	252,461	2,268	160,668	-	-	-	-	23,042	972,814	-	972,814	3,185,248	582,741	4,740,803
Professional services	56,231	268	541,656	-	2,624	355	175	659	712,489	-	712,489	43,558	137,478	893,525
Travel	2,282	41	1,434	-	-	188	93	281	39,198	-	39,198	66,134	59,553	164,885
Equipment	79,162	2,676	34,954	-	-	-	-	2,179	200,547	-	200,547	134,274	137,186	472,007
Food services	518,442	10,190	134,779	-	20	-	-	72	859,601	-	859,601	549,234	20,904	1,429,739
Medical and pharmacy	1,685	133	23,300	468,458	5	-	-	36	499,499	-	499,499	337,422	39	836,960
Subcontracted services	-	-	6,344	-	108	-	-	-	62,045	-	62,045	366,248	81,000	509,293
Insurance	109,954	2,840	103,401	-	3,709	1,667	821	6,947	510,172	-	510,172	347,810	271,715	1,129,697
Interest	3	-	3	-	239	-	-	-	25,625	-	25,625	18,995	82,474	127,094
Operating supplies and expenses	114,016	3,067	197,424	101,355	8,337	231	113	6,795	706,160	-	706,160	528,388	614,358	1,848,906
In-kind	403,618	-	-	-	-	-	-	-	1,372,549	-	1,372,549	-	-	1,372,549
Other	785	-	116	-	-	-	-	4	1,133	-	1,133	46,616	43,659	91,408
Total other expenses	1,538,639	21,483	1,204,079	569,813	15,042	2,441	1,202	40,015	5,961,832	-	5,961,832	5,623,927	2,031,107	13,616,866
Total personnel and other expenses	3,125,777	65,655	3,477,142	569,813	82,946	100,642	49,417	172,415	13,218,901	-	13,218,901	11,357,161	5,027,171	29,603,233
<b>II C. Distributed Indirect Costs</b>														
Administration	639,395	13,430	711,269	116,558	16,967	20,587	10,109	35,268	2,704,000	-	2,704,000	2,323,171	(5,027,171)	-
Total actual operating expenses	3,765,172	79,085	4,188,411	686,371	99,913	121,229	59,526	207,683	15,922,901	-	15,922,901	13,680,332	-	29,603,233
<b>II D. Unallowable Costs</b>														
Unallowable costs	11,048	-	4,269	-	-	-	-	-	22,838	-	22,838	154,932	-	177,770
Total allowable operating expenses	\$ 3,754,124	79,085	4,184,142	686,371	99,913	121,229	59,526	207,683	15,900,063	-	15,900,063	13,525,400	-	29,425,463
<b>II E. Capital Expenditures</b>														
Capital expenditures	\$ 108,933	-	70,897	-	-	-	-	-	873,285	-	873,285	494,736	170,962	1,538,983

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Schedule of State Earnings**

**Year Ended June 30, 2025**

1.	Total expenditures	\$	29,603,233
2.	Less other state and federal funds		(8,606)
3.	Less non-match SAMH funds		9,898,415
4.	Less unallowable cost		<u>177,770</u>
5.	Total allowable expenditures		19,535,654
6.	Maximum available earnings		14,651,741
7.	Amount of state funds requiring match		<u>843,748</u>
8.	Amount due to Department	\$	<u><u>-</u></u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Schedule of Bed-Day Availability Payments**

**Year Ended June 30, 2025**

<b>Program</b>	<b>Cost Center</b>	<b>State Contract Rate</b>	<b>Total Units of Service Provided</b>	<b>Total Units of Service Paid for by 3rd Party Contracts, Local Gov't or Other State Agencies</b>	<b>Maximum Number of Units Eligible for Payment by the Department</b>	<b>Amount Paid for Services by the Department</b>	<b>Maximum Value of Units in Column F</b>	<b>Amount Owed to Department</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
Children's substance abuse	Substance Abuse Detox	\$ 300	3,650	-	3,650	\$ 1,000,104	\$ 1,095,000	\$ -
Adult substance abuse	Substance Abuse Detox	300	10,950	-	10,950	2,901,640	3,285,000	-

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Schedule of Related Party Transaction Adjustments\***

**Year Ended June 30, 2025**

*\* There were no related party transaction adjustments for the year ended June 30, 2025.*

**INTERNAL CONTROL AND COMPLIANCE**

**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***

The Board of Directors  
Agency for Community Treatment Services, 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 financial statements of Agency for Community Treatment Services, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

***CBIZ CPAs P.C.***

December 1, 2025  
St. Petersburg, Florida



CBIZ CPAs P.C.

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**Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the State of Florida Auditor General**

The Board of Directors  
Agency for Community Treatment Services, Inc.:

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

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

We have audited Agency for Community Treatment Services, Inc.'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 its major federal programs and state projects for the year ended June 30, 2025. The Organization's major federal programs and state financial assistance 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 its major federal programs and state financial assistance projects.

***Basis for Opinion on Each Major Federal Program and State Financial Assistance 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 of America; 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 State of Florida Auditor General* ("Chapter 10.650"). 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 state financial assistance 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.

### ***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 to do with 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*, the Uniform Guidance, and Chapter 10.650 will always detect a material noncompliance when it exists. The risk of not detecting a 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 state financial assistance project as a whole.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

*CBIZ CPAs P.C.*

December 1, 2025  
St. Petersburg, Florida

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2025**

**(A) Summary of Audit Results**

1. The auditors' report expresses an unmodified opinion on the financial statements of Agency for Community Treatment Services, Inc.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Agency for Community Treatment Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over compliance relating to the major federal programs and state projects are reported in the Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance Chapter 10.650, Rules of the State of Florida Auditor General.
5. The auditors' report on compliance for the major federal award programs and major state projects for the Organization expresses an unmodified opinion on the major federal programs and major state projects.
6. Audit findings relative to the major federal award programs and major state projects for Agency for Community Treatment Services, Inc., if any, are reported in Parts C and D of this schedule.
7. The program tested as major federal programs and the projects tested as major state projects were:

**Federal Programs:**

Continuum of Care Program (AL No. 14.267)

**State Projects:**

Naltrexone (CSFA No. 22.022)

Substance Abuse and Mental Health – Crisis Prevention and Stabilization Services  
(CSFA No. 60.155)

Substance Abuse and Mental Health – Community Services (CSFA No. 60.153)

8. The threshold for distinguishing Types A and B programs and projects was \$750,000 for major federal programs and \$504,792 for major state projects.
9. Agency for Community Treatment Services, Inc. was determined to be a low-risk auditee.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.**

**Schedule of Findings and Questioned Costs - Continued**

**(B) Findings - Audit of Financial Statements**

None.

**(C) Findings and Questioned Costs - Major Federal Award Programs**

None.

**(D) Findings and Questioned Costs - Major State Projects**

None.

**(E) Other Issues**

A Summary Schedule of Prior Audit Findings is not required because there were no prior findings related to a major federal program or major state project.



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The Board of Directors  
Agency for Community Treatment Services, Inc.:

### **Report on Financial Statements**

We have audited the financial statements of Agency for Community Treatment Services, Inc. as of and for the year ended June 30, 2025, and have issued our report thereon dated December 1, 2025.

### **Auditors' Responsibility**

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

### **Other Reports and Schedule**

We have issued our 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*, our Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 1, 2025, should be considered in conjunction with this management letter.

### **Other Matter**

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

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

*CBIZ CPAs P.C.*

December 1, 2025  
St. Petersburg, Florida