

GATEWAY COMMUNITY SERVICES, INC.

FINANCIAL REPORT

Years Ended June 30, 2025 and 2024



**SMOAK, DAVIS & NIXON LLP**

Certified Public Accountants

*Providing Integrated Financial Solutions*

## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6 & 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 13
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Financial Awards	14 - 18
Notes to Schedule of Expenditures of Financial Awards	19
Schedule of State Earnings	20
Schedule of Bed-Day Availability Payments	21
Schedule of Related Party Transaction Adjustments	22
Schedule of Source and Expenditure of City Grant Funds	23 - 31
Notes to Schedule of Source and Expenditure of City Grant Funds	32 - 33
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	34 - 35
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	36 - 38
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	39 - 40
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FEDERAL PROGRAMS	41 - 42



To the Board of Directors  
Gateway Community Services, Inc.  
Jacksonville, Florida

## **Independent Auditor's Report**

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

#### ***Opinion***

We have audited the accompanying financial statements of Gateway Community Services, Inc. (the "Organization") (a nonprofit 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 financial statements present fairly, in all material respects, the financial positions of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***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 within one year after the date that the financial statements are available to be issued.



**Independent Auditor's Report**  
**(Continued)**

***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



**Independent Auditor's Report**  
**(Continued)**

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of state earnings, bed-day availability payments, related party transaction adjustments, source and expenditure of city grant funds and related notes, and the expenditures of financial awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, 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 schedules of state earnings, bed-day availability payments, related party transaction adjustments, source and expenditure of city grant funds and related notes, and the expenditures of financial awards and related notes are 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 31, 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.

*Snoak, Davis & Nixon LLP*

Jacksonville, Florida  
December 31, 2025

GATEWAY COMMUNITY SERVICES, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 6,394,565	\$ 2,650,391
Patient accounts receivable, net	495,216	396,196
Public support receivable	3,275,129	5,883,292
Prepaid expenses and other current assets	1,087,406	1,131,807
Total current assets	11,252,316	10,061,686
Land, buildings and equipment	13,706,453	13,218,545
Total assets	\$ 24,958,769	\$ 23,280,231
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 434,175	\$ 388,749
Salary and wages payable	622,005	735,387
Accrued leave time payable	422,510	442,554
Payroll taxes and benefits payable	55,680	27,662
Third party payable	133,000	33,000
Other	72,080	68,025
Deferred revenue	-	2,907
Current portion of long-term debt	-	182,884
Total current liabilities	1,739,450	1,881,168
Net Assets:		
Without donor restrictions	22,918,558	21,127,324
With donor restrictions	300,761	271,739
Total net assets	23,219,319	21,399,063
Total liabilities and net assets	\$ 24,958,769	\$ 23,280,231

The Notes to Financial Statements are an integral part of these statements.

GATEWAY COMMUNITY SERVICES, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2025 and 2024

	2025	2024
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTION:</b>		
Revenues, Gains and Other Support:		
Public Support:		
State ADM grants	\$ 16,283,649	\$ 16,529,942
Other state and federal grants	2,398,045	1,593,921
Local government grants	5,066,138	4,784,684
Contributions	297,678	555,105
Total Public Support	<u>24,045,510</u>	<u>23,463,652</u>
Revenues:		
Net patient service revenue	1,091,739	760,167
Interest income	144,530	136,022
Other revenue	1,115,970	428,096
Net assets released from restrictions	7,978	46,597
Total Revenues	<u>2,360,217</u>	<u>1,370,882</u>
Total Revenues, Gains and Other Support without donor restrictions	26,405,727	24,834,534
Expenses and Losses:		
Program Services:		
Assessment	313,177	311,818
Detoxification	3,521,157	3,426,004
Outpatient	3,386,846	3,996,030
Research	3,621,951	3,204,183
Residential II	3,104,409	3,244,488
Room/Board with Supervision	158,326	156,011
Kids' Success Center	493,098	503,393
Prevention	437,441	443,853
Intervention	296,684	344,559
Case Management	192,106	230,262
Non-ADM services	1,943,450	1,944,070
	<u>17,468,645</u>	<u>17,804,671</u>
Supporting Services:		
Clinical support	873,196	746,128
Operations support	1,921,115	1,911,517
Administration	4,351,537	3,798,454
	<u>7,145,848</u>	<u>6,456,099</u>
Total Expenses and Losses	<u>24,614,493</u>	<u>24,260,770</u>
Increase in net assets without donor restrictions	1,791,234	573,764
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions	37,000	5,000
Net assets released from restrictions	(7,978)	(46,597)
Decrease in net assets with donor restrictions	<u>29,022</u>	<u>(41,597)</u>
Increase in total net assets	1,820,256	532,167
Total net assets, beginning of year	<u>21,399,063</u>	<u>20,866,896</u>
Total net assets, end of year	<u>\$ 23,219,319</u>	<u>\$ 21,399,063</u>

The Notes to Financial Statements are an integral part of these statements.

GATEWAY COMMUNITY SERVICES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2025

	Program Services											Supporting Services				Total	
	Assessment	Detoxification	Outpatient	Medical Services	Residential Level II	Room & Board with Supervision	Kid's Success Center	Prevention	Intervention	Case Management	Non-ADM	Total Program Services	Clinical Support	Operations Support	Administration		Total Supporting Services
Salaries	\$ 221,406	\$ 2,422,456	\$ 2,251,571	\$ 1,922,291	\$ 1,633,270	\$ 74,954	\$ 240,208	\$ 230,032	\$ 198,491	\$ 126,885	\$ 732,466	\$ 10,054,030	\$ 522,172	\$ 872,787	\$ 1,834,907	\$ 3,229,866	\$ 13,283,896
Fringe benefits	39,995	396,105	429,363	359,873	349,093	17,512	54,733	74,400	37,640	24,336	157,685	1,940,735	92,986	212,776	398,410	704,172	2,644,907
Contract or Temp employees	20	1,395	412		542	47			34	25	15,138	17,613	2,298		7,032	9,330	26,943
<b>Total salaries and fringe benefits</b>	<b>261,421</b>	<b>2,819,956</b>	<b>2,681,346</b>	<b>2,282,164</b>	<b>1,982,905</b>	<b>92,513</b>	<b>294,941</b>	<b>304,432</b>	<b>236,165</b>	<b>151,246</b>	<b>905,289</b>	<b>12,012,378</b>	<b>617,456</b>	<b>1,085,563</b>	<b>2,240,349</b>	<b>3,943,368</b>	<b>15,955,746</b>
Building occupancy	4,630	103,188	63,950	28,097	168,831	6,948	19,450	9,999	5,480	3,708	201,100	615,381	13,663	99,241	47,164	160,068	775,449
Professional services	9,270	72,743	184,424	103,048	21,692	1,159	790	452	15,415	10,947	7,176	427,116	50,266	18,542	703,093	771,901	1,199,017
Travel	2,959	1,796	26,014	10,248	6,602	279	260	3,317	2,331	1,441	1,225	56,472	1,440	3,129	11,173	15,742	72,214
Equipment costs	904	13,153	16,787	3,384	22,317	1,358	3,348		1,409	993	3,349	67,002	239	3,348	16,546	20,133	87,135
Food Services	28	77,298	590		307,046	22,133	82,861		49	35	186,266	676,306		2,463	1,545	4,008	680,314
Medical/pharmacy	6,828	177,643	114,844	1,005,833	52,494	2,787	488		9,700	6,751	50,157	1,427,525	162,524	29	13,817	176,370	1,603,895
Insurance	5,779	52,617	68,690	58,190	85,221	3,637	14,313	7,595	5,963	3,932	71,791	377,728	10,555	59,982	251,969	322,506	700,234
Repairs and Maintenance	1,423	58,348	29,886	137	83,475	4,149	34,062	5,151	2,491	1,779	234,104	455,005		362,500	9,695	372,195	827,200
Operating supplies and expenses	15,439	52,478	114,296	49,701	156,425	10,546	16,246	17,962	10,475	6,179	120,475	570,222	5,281	114,647	465,279	585,207	1,155,429
Other expenses	1,839	4,935	30,222	20,012	8,525	454	2,774	1,072	2,556	1,774	6,945	81,108	763	19,239	182,697	202,699	283,807
Advertising				257				86,162				86,419			2,525	2,525	88,944
Depreciation	2,657	87,002	55,797	60,880	208,876	12,363	23,565	1,299	4,650	3,321	155,573	615,983	11,009	152,432	405,685	569,126	1,185,109
<b>Total direct expenses</b>	<b>51,756</b>	<b>701,201</b>	<b>705,500</b>	<b>1,339,787</b>	<b>1,121,504</b>	<b>65,813</b>	<b>198,157</b>	<b>133,009</b>	<b>60,519</b>	<b>40,860</b>	<b>1,038,161</b>	<b>5,456,267</b>	<b>255,740</b>	<b>835,552</b>	<b>2,111,188</b>	<b>3,202,480</b>	<b>8,658,747</b>
<b>Total program expenses</b>	<b>313,177</b>	<b>3,521,157</b>	<b>3,386,846</b>	<b>3,621,951</b>	<b>3,104,409</b>	<b>158,326</b>	<b>493,098</b>	<b>437,441</b>	<b>296,684</b>	<b>192,106</b>	<b>1,943,450</b>	<b>17,468,645</b>	<b>873,196</b>	<b>1,921,115</b>	<b>4,351,537</b>	<b>7,145,848</b>	<b>24,614,493</b>
Clinical support	20,054	139,662	229,733	189,176	168,743	7,950			20,011	13,105	84,762	873,196	(873,196)			(873,196)	-
Operations support	30,453	401,120	348,864	287,274	484,645	22,832	58,226	32,993	30,388	19,901	204,419	1,921,115		(1,921,115)		(1,921,115)	-
Administration	94,383	657,305	1,081,220	890,340	794,175	37,415	95,413	102,252	94,182	61,677	443,175	4,351,537			(4,351,537)	(4,351,537)	-
<b>Total expenses</b>	<b>\$ 458,067</b>	<b>\$ 4,719,244</b>	<b>\$ 5,046,663</b>	<b>\$ 4,988,741</b>	<b>\$ 4,551,972</b>	<b>\$ 226,523</b>	<b>\$ 646,737</b>	<b>\$ 572,686</b>	<b>\$ 441,265</b>	<b>\$ 286,789</b>	<b>\$ 2,675,806</b>	<b>\$ 24,614,493</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,614,493</b>

The Notes to Financial Statements are an integral part of this statement.

GATEWAY COMMUNITY SERVICES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2024

	Program Services											Supporting Services				Total	
	Assessment	Detoxification	Outpatient	Medical Services	Residential Level II	Room & Board with Supervision	Kid's Success Center	Prevention	Intervention	Case Management	Non-ADM	Total Program Services	Clinical Support	Operations Support	Administration		Total Supporting Services
Salaries	\$ 220,282	\$ 2,214,447	\$ 2,632,829	\$ 1,721,845	\$ 1,687,520	\$ 75,942	\$ 264,101	\$ 320,795	\$ 228,429	\$ 150,784	\$ 689,245	\$ 10,206,219	\$ 504,943	\$ 827,365	\$ 1,569,409	\$ 2,901,717	\$ 13,107,936
Fringe benefits	41,661	359,003	533,310	300,179	344,767	16,335	58,757	94,405	45,989	30,728	143,433	1,968,567	84,272	204,757	287,189	576,218	2,544,785
Contract or Temp employees	486	8,138	10,203	158	2,412	210			850	607	25,872	48,936	3,838		7,988	11,826	60,762
<b>Total salaries and fringe benefits</b>	<b>262,429</b>	<b>2,581,588</b>	<b>3,176,342</b>	<b>2,022,182</b>	<b>2,034,699</b>	<b>92,487</b>	<b>322,858</b>	<b>415,200</b>	<b>275,268</b>	<b>182,119</b>	<b>858,550</b>	<b>12,223,722</b>	<b>593,053</b>	<b>1,032,122</b>	<b>1,864,586</b>	<b>3,489,761</b>	<b>15,713,483</b>
Building occupancy	5,389	121,674	74,543	24,455	155,120	6,630	21,834	7,837	6,387	4,322	212,624	640,815	10,889	147,245	60,131	218,265	859,080
Professional services	9,941	32,301	141,324	50,630	22,843	1,101	1,425	2,910	12,082	8,211	13,599	296,367	176	73,784	863,337	937,297	1,233,664
Travel	1,812	6,065	19,284	4,839	2,883	140	330	7,492	1,692	1,092	1,409	47,038	796	3,501	18,774	23,071	70,109
Equipment costs	1,796	8,483	11,705	2,828	38,658	2,786	2,828		1,093	619	2,995	73,791	2,828	15,956	14,369	33,153	106,944
Food Services	28	70,262	597	127	278,707	19,978	68,159		50	36	175,177	613,121		3,477	9,598	13,075	626,196
Medical/pharmacy	10,308	237,041	193,906	905,659	63,169	3,384			16,261	11,475	45,392	1,486,595	113,680		10,424	124,104	1,610,699
Insurance	2,750	28,653	40,991	19,430	63,497	1,331	15,247	632	3,492	2,390	131,682	310,095	5,107	52,412	259,332	316,851	626,946
Repairs and Maintenance	1,671	77,078	35,081	6,891	192,888	3,222	18,817	1,708	2,923	2,088	236,366	578,733		365,818	12,827	378,645	957,378
Operating supplies and expenses	10,357	38,824	203,139	90,068	152,702	10,122	29,719	5,610	16,993	12,049	101,413	670,996	6,987	129,905	189,405	326,297	997,293
Other expenses	2,616	6,710	41,982	11,581	13,102	669	6,131	2,464	3,557	2,460	20,914	112,186	7,669	18,364	188,284	214,317	326,503
Advertising												-				-	-
Depreciation	2,721	217,325	57,136	65,493	226,220	14,161	16,045		4,761	3,401	143,949	751,212	4,943	68,933	307,387	381,263	1,132,475
<b>Total direct expenses</b>	<b>49,389</b>	<b>844,416</b>	<b>819,688</b>	<b>1,182,001</b>	<b>1,209,789</b>	<b>63,524</b>	<b>180,535</b>	<b>28,653</b>	<b>69,291</b>	<b>48,143</b>	<b>1,085,520</b>	<b>5,580,949</b>	<b>153,075</b>	<b>879,395</b>	<b>1,933,868</b>	<b>2,966,338</b>	<b>8,547,287</b>
<b>Total program expenses</b>	<b>311,818</b>	<b>3,426,004</b>	<b>3,996,030</b>	<b>3,204,183</b>	<b>3,244,488</b>	<b>156,011</b>	<b>503,393</b>	<b>443,853</b>	<b>344,559</b>	<b>230,262</b>	<b>1,944,070</b>	<b>17,804,671</b>	<b>746,128</b>	<b>1,911,517</b>	<b>3,798,454</b>	<b>6,456,099</b>	<b>24,260,770</b>
Clinical support	17,136	119,338	196,302	161,647	144,187	6,793			17,099	11,198	72,428	746,128	(746,128)			(746,128)	-
Operations support	30,301	399,117	347,121	285,839	482,224	22,718	57,935	32,828	30,237	19,801	203,396	1,911,517		(1,911,517)		(1,911,517)	-
Administration	82,387	573,761	943,796	777,177	693,235	32,659	83,286	89,255	82,211	53,838	386,849	3,798,454			(3,798,454)	(3,798,454)	-
<b>Total expenses</b>	<b>\$ 441,642</b>	<b>\$ 4,518,220</b>	<b>\$ 5,483,249</b>	<b>\$ 4,428,846</b>	<b>\$ 4,564,134</b>	<b>\$ 218,181</b>	<b>\$ 644,614</b>	<b>\$ 565,936</b>	<b>\$ 474,106</b>	<b>\$ 315,099</b>	<b>\$ 2,606,743</b>	<b>\$ 24,260,770</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,260,770</b>

The Notes to Financial Statements are an integral part of this statement.

GATEWAY COMMUNITY SERVICES, INC.

STATEMENT OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in total net assets	\$ 1,820,256	\$ 532,167
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,185,109	1,132,475
Gain on sale of land, building and equipment	-	288,590
Forgiveness of long-term debt	(182,884)	-
Patient accounts and public support receivable	2,509,143	(2,948,156)
Prepaid expenses and other assets	44,401	(177,583)
Accounts payable and accrued expenses	41,166	73,448
Net cash provided by (used in) operating activities	<u>5,417,191</u>	<u>(1,099,059)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land, building and equipment	(1,673,017)	(745,651)
Proceeds from sale of land, building and equipment	-	32,299
Net cash provided by (used in) investing activities	<u>(1,673,017)</u>	<u>(713,352)</u>
Increase (decrease) in cash and cash equivalents	3,744,174	(1,812,411)
Cash and cash equivalents, beginning of year	<u>2,650,391</u>	<u>4,462,802</u>
Cash and cash equivalents, end of year	<u>\$ 6,394,565</u>	<u>\$ 2,650,391</u>

The Notes to Financial Statements are an integral part of these statements.

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Nature of Activities and Significant Accounting Policies**

#### **Nature of Activities:**

Gateway Community Services, Inc. (the "Organization") is a private not-for-profit organization incorporated under the laws of the State of Florida. The Organization offers comprehensive services to residents of Jacksonville, Florida and surrounding communities who suffer from alcoholism and drug abuse. The Organization extends its rehabilitative services to these individuals as well as to their family members, based on their ability to pay. The Organization is controlled by a Board of Directors consisting of volunteers from the community.

#### **Financial Statement Presentation:**

In accordance with generally accepted accounting principles, the Organization is required to report information regarding its financial positions and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

#### **Net Assets Without Donor Restrictions:**

Net assets without donor restrictions are not subject to donor-imposed stipulations.

#### **Net Assets With Donor Restrictions:**

Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

#### **Functional Expense Allocation:**

The costs related to the administration of the Organization's programs have been detailed in the statement of functional expenses, and are summarized on a program basis in the statement of activities. Personnel and operating expenses which are associated with a specific program are charged directly to that program. Personnel and operating expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses represent indirect costs of administering these programs.

#### **Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The City of Jacksonville requires a separate bank demand and/or time deposit account for all city funds. The amount cash maintained as required by the City as of June 30, 2025 and 2024 was \$0 and \$59,159, respectively.

#### **Patient Accounts Receivable:**

Patient accounts receivable primarily consists of amounts due from patients and are stated at net realizable value. Management has estimated the allowance for credit loss based upon historical collections, current economical conditions, and current and projected future trends in health care coverage, and other collection indicators.

#### **Public Support Receivable:**

Public support receivable consists primarily of amounts due to the Organization from governmental units under the terms of various contracts. For the year ending June 30, 2025 and 2024, no allowance for credit loss has been established due to the nature of these agencies.

#### **Land, Building and Equipment:**

Land, building and equipment are recorded at historical cost or fair market value at date of donation. Land, building and equipment purchased in excess of \$1,500 is capitalized. Depreciation is computed using the straight-line method over the useful lives of the related assets. The Organization takes a full year of depreciation in the year of acquisition and no depreciation in the year of disposal. The State of Florida and the City of Jacksonville are entitled to the proceeds from the disposal of certain land, building and equipment, in accordance with grant provisions.

The Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The Organization does not imply time restrictions expiring over the estimated useful life of contributed long-lived assets.

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. (Continued)**

#### **Land, Building and Equipment:**

Periodically, management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Impairment is measured by comparing the carrying amount of the asset to the sum of expected future cash flows (undiscounted and without interest charges) resulting from use of the asset and its eventual disposition. Management believes that there are no impairment losses on long-lived assets as of June 30, 2025 and 2024.

#### **Concentrations of Credit Risk:**

The Organization's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents. The Organization places its cash and cash equivalents with high credit quality institutions. At times these financial instruments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits.

#### **Public Support:**

Public support from government grants are recorded based on the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs or units of service of the specific grant provisions have been incurred or provided. Such revenue is subject to audit by the grantor and, if the examination results in a non-allowance of units of service or expenses, the Organization will be required to reimburse any overpayments.

#### **Contributions:**

In accordance with generally accepted accounting principles, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are recognized when they become unconditional, that is, when the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. The Organization did not have any unconditional promises to give at June 30, 2025 and 2024, respectively.

#### **Contributed Services:**

No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value of such services.

#### **Net Patient Service Revenue:**

Net patient service revenue is recorded at standard rates which are reduced by allowances as discussed in Patient Accounts Receivable above and by amounts estimated by management to be non-reimbursable by third-party payors and state programs under the provisions of applicable program payment arrangements. Final determination of amounts earned is subject to third-party payor audit and retroactive adjustments. Net patient service revenue is recognized as performance obligations are satisfied, based on the nature of services provided.

#### **Financial Statement Estimates:**

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

#### **Income Taxes:**

The Organization is private not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 510(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

The Organization applies generally accepted accounting principles related to income tax uncertainties. The Organization has determined that there were no unrecognized tax benefits for the years ended June 30, 2025 and 2024. The Organization files tax returns in the U.S. federal and state jurisdictions. Tax years that remain subject to examination by major tax jurisdictions are 2022 and forward.

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. (Continued)**

**Subsequent events:**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 31, 2025, the date the financial statements were available to be issued.

**Note 2. Patient Accounts Receivable**

The Organization records receivables for services with private insurance and other receivables. A summary of these receivables at June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Private insurance	\$ 1,113,795	\$ 866,867
Other	74,897	99,005
	<u>1,188,692</u>	<u>965,872</u>
Less allowance for credit losses	<u>(693,476)</u>	<u>(569,676)</u>
	<u>\$ 495,216</u>	<u>\$ 396,196</u>

**Note 3. Land, Building and Equipment**

Major classes of land, building, equipment and accumulated depreciation are as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,103,593	\$ 1,103,593
Building and leasehold improvements	20,056,225	19,278,535
Equipment and furniture	5,223,424	4,791,559
Construction in progress	985,057	478,153
	<u>27,368,299</u>	<u>25,651,840</u>
Less accumulated depreciation	<u>(13,661,846)</u>	<u>(12,433,295)</u>
Land, building and equipment	<u>\$ 13,706,453</u>	<u>\$ 13,218,545</u>

Depreciation expense for the year ended June 30, 2025 and 2024 was \$1,185,109 and \$1,132,475, respectively.

**Note 4. Long-Term Debt**

Long-term debt obligation for the years ending June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Jacksonville Housing Authority ("JHA") Note	\$ -	\$ 182,884
Total long-term debt	-	182,884
Less current maturities of long-term debt	-	(182,884)
Long-term debt, less current maturities	<u>\$ -</u>	<u>\$ -</u>

JHA Note:

The Organization had a note payable dated June 30, 2005 with the Jacksonville Housing Authority for \$576,000 to conduct a program, activity, or project. The loan had imputed interest at 5.75%. The loan was forgiven on June 30, 2025 as the program, activity, or project was successfully provided during the required period.

Interest related to the debt instrument that was charged to expense was \$0 during the years ended June 30, 2025 and 2024.

**Note 5. Dependency on Governmental Support**

The Organization receives a substantial amount of support from federal, state and local governmental agencies. A reduction in the level of future support from the state or local governmental agencies could have a substantial effect on the Organization's programs and activities. The ADM program accounted for approximately 62% and 66% of the Organization's revenues for the years ended June 30, 2025 and 2024.

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Commitments and Contingencies**

In July 2023, the Organization entered into a fixed capital outlay contract with the Department of Children and Families to construct a new Addiction Stabilization and Detox building. A lien in the form of a mortgage on the real property will be executed upon completion of the construction. If the Organization complies with the terms and conditions of the agreement, the lien established by the mortgage shall be forgiven over a 20-year period. The grant proceeds were recognized as income of \$0 and \$710,136 for the years ending June 30, 2024 and 2025, respectively, as management believes the likelihood of repayment is remote.

**Note 7. Employee Retirement Plan**

Effective September 1, 1993, the Organization established a defined contribution retirement plan, which covers all employees meeting certain eligibility requirements. In accordance with the retirement fund agreement, employee and employer contributions are a percentage of the participant's salary. The Organization's contributions are discretionary and limited to a percentage of the employee contributions as determined by the Board of Directors on an annual basis. The Board determined that the Organization will match up to 3% of each participant's compensation for the year ended June 30, 2025 and 2024. The Organization's contribution to the Plan was \$73,775 and \$89,410 for the years ended June 30, 2025 and 2024, respectively.

**Note 8. Net Assets Released from Restriction**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

	2025	2024
New outpatient building	\$ -	\$ 38,619
Osceola street property acquisition	-	5,000
Depreciation expense on donated building	2,978	2,978
Other	5,000	-
	\$ 7,978	\$ 46,597

**Note 9. Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the purpose of purchases of land and buildings. Net assets with donor restrictions balances were \$300,761 and \$271,739 at June 30, 2025 and 2024, respectively.

**Note 10. Fair Value Measurements**

The carrying amounts reflected in the statements of financial position for cash and cash equivalents, patient and public receivables, prepaid expenses and other current assets, accounts payable, accrued expenses and deferred revenue approximates fair value due to the relative terms and/or short maturity of these financial instruments. The fair value of long-term debt at June 30, 2024 approximates carrying value due to the imputed interest rates in effect.

**Note 11. Liquidity and Availability of Resources**

At June 30, 2025 and 2024, respectively, the Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2025	2024
Cash and cash equivalents	\$ 6,394,565	\$ 2,650,391
Patient accounts receivable	495,216	396,196
Public support receivable	3,275,129	5,883,292
Total financial assets available within one year	10,164,910	8,929,879
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(300,761)	(271,739)
Total amounts unavailable for general expenditures within one year	(300,761)	(271,739)
Total financial assets available to management for general expenditures within one year	\$ 9,864,149	\$ 8,658,140

**Note 11. Continued**

*Liquidity Management*

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

The Organization has a line of credit agreement with a bank that provides for maximum borrowings of \$300,000 at June 30, 2025 and 2024, respectively. The line of credit bears interest at the greater of the Prime Rate plus 1.75% (9.25% at June 30, 2025) and expires on September 15, 2025. The line of credit is secured by substantially all assets of the Organization. At June 30, 2025 and 2024, the outstanding balance was \$0. The line of credit was subsequently renewed after year end with similar terms and bears an updated interest of the Daily Simple SOFR plus 2.75% and expires on September 15, 2026.

SUPPLEMENTARY INFORMATION

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

For the Year Ended June 30, 2025

Federal/State Grantor/Cluster Title/Pass-Through Grantor/Federal Program/State Project	CSFA / Assistance Listing Number	Contract Number	Program or Award Amount	Accrued Revenue at June 30, 2024	Cash Received	Disbursements/ Expenses	Accrued Revenue at June 30, 2025
<b>FEDERAL PROGRAMS:</b>							
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>							
Passed through Health Planning council of Northeast Florida, Inc							
Injury Prevention and Control Research and State Community Based Program	93.136	DVB54A Year 1	\$ 629,980	\$ 61,410	\$ 209,272	\$ 147,862	\$ -
Injury Prevention and Control Research and State Community Based Program	93.136	DVB54A Year 2	629,980	-	364,336	506,278	141,942
Passed through Florida Department of Health							
Injury Prevention and Control Research and State Community Based Program	93.136	SOW24-528	146,000	-	22,371	131,871	109,500
				<u>61,410</u>	<u>595,979</u>	<u>786,011</u>	<u>251,442</u>
Passed through LSF Health Systems							
Block Grants for Prevention and Treatment of Substance Abuse	93.959	ME002	5,054,778	952,322	952,322		-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	ME002	3,389,294	-	3,070,060	3,389,294	319,234
Passed through Florida Alcohol and Drug Abuse Association							
Block Grants for Prevention and Treatment of Substance Abuse	93.959		60,000	-	22,072	22,072	-
				<u>952,322</u>	<u>4,044,454</u>	<u>3,411,366</u>	<u>319,234</u>
Passed through LSF Health Systems							
Block Grant for Community Mental Health	93.958	ME002	23,067	4,869	4,869		-
Block Grant for Community Mental Health	93.958	ME002	21,514	-	16,665	20,104	3,439
				<u>4,869</u>	<u>21,534</u>	<u>20,104</u>	<u>3,439</u>
Passed through LSF Health Systems							
Opioid State Targeted Response	93.788	ME002	3,724,925	1,471,011	1,471,011		-
Opioid State Targeted Response	93.788	ME002	4,706,246	-	4,160,512	4,706,246	545,734
Passed through Florida Alcohol and Drug Abuse Association							
Opioid State Targeted Response	93.788		10,828	1,577	1,577		-
Opioid State Targeted Response	93.788		115,000	-	15,869	17,446	1,577
				<u>1,472,588</u>	<u>5,648,969</u>	<u>4,723,692</u>	<u>547,311</u>
Passed through LSF Health Systems							
Temporary Assistance for Needy Families	93.558	ME002	506,770	87,787	87,787		-
Temporary Assistance for Needy Families	93.558	ME002	508,225	-	453,912	508,225	54,313
				<u>87,787</u>	<u>541,699</u>	<u>508,225</u>	<u>54,313</u>
Substance Abuse and Mental Health Services							
Certified Community Behavioral Health Clinic Expansion Grants	93.696	H79SM086903	4,000,000	55,145	1,066,648	1,085,861	74,358

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

For the Year Ended June 30, 2025

Federal/State Grantor/Cluster Title/Pass-Through Grantor/Federal Program/State Project	CSFA / Assistance Listing Number	Contract Number	Program or Award Amount	Accrued Revenue at June 30, 2024	Cash Received	Disbursements/ Expenses	Accrued Revenue at June 30, 2025
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>							
Passed through the City of Jacksonville, Florida							
HIV Emergency Relief Project Grants	93.914	71107-24 Year 1	190,000	29,459	150,278	120,819	-
HIV Emergency Relief Project Grants	93.914	71107-24 Year 2	138,568		47,172	60,037	12,865
				<u>29,459</u>	<u>197,450</u>	<u>180,856</u>	<u>12,865</u>
Passed through the University of Miami							
Drug Abuse and Addiction Research Programs	93.279	UG1DA013720	1,148,969	90,376	137,830	47,454	-
Passed through the New York University							
Drug Abuse and Addiction Research Programs	93.279	UG1DA013035	325,605	152,433	447,319	441,817	146,931
Passed through the University of Cincinnati							
Drug Abuse and Addiction Research Programs	93.279	UG1DA013732	31,236	11,310	27,995	16,685	-
				<u>254,119</u>	<u>613,144</u>	<u>505,956</u>	<u>146,931</u>
Passed through Rutgers, The State University of New Jersey							
Mental Health Research Grants	93.242	R01MH132720	754,267	-	-	71,222	71,222
Passed through the Fourth Judicial Circuit							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	TI-08-5876	238,513	56,988	84,512	27,524	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	TI-08-5876	515,812		85,992	133,822	47,830
Passed through the Fourth Judicial Circuit							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		226,916	138,560	138,560		-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	TI08-1937	235,800		58,299	58,299	-
Passed through LSF Health Systems							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		143,906		53,032	121,869	68,837
Substance Abuse and Mental Health Services Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79TI085173	2,500,000	105,924	534,551	465,862	37,235
				<u>301,472</u>	<u>954,946</u>	<u>807,376</u>	<u>153,902</u>
Passed through LSF Health Systems							
Mental and Behavioral Health Education and Training Grants	93.732		30,000	3,104	6,532	3,428	-

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

For the Year Ended June 30, 2025

Federal/State Grantor/Cluster Title/Pass-Through Grantor/Federal Program/State Project	CSFA / Assistance Listing Number	Contract Number	Program or Award Amount	Accrued Revenue at June 30, 2024	Cash Received	Disbursements/ Expenses	Accrued Revenue at June 30, 2025
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>							
Passed through the City of Jacksonville, Florida							
Housing Opportunities for Persons with AIDS	14.241	665916-24	35,933	2,836	11,347	8,511	-
Housing Opportunities for Persons with AIDS	14.241	684109-25	41,533		23,064	31,222	8,158
				<u>2,836</u>	<u>34,411</u>	<u>39,733</u>	<u>8,158</u>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>							
<b>Child Nutrition Cluster:</b>							
Passed through Florida Department of Agriculture & Consumer Services							
National School Lunch Program	10.555	18144	11,735	1,470	11,852	11,735	1,353
Passed through Florida Department of Agriculture & Consumer Services							
School Breakfast Program	10.553	18144	22,231	940	20,609	22,231	2,562
				<u>2,410</u>	<u>32,461</u>	<u>33,966</u>	<u>3,915</u>
<b>Total Child Nutrition Cluster:</b>				<u>\$ 3,227,521</u>	<u>\$ 13,758,227</u>	<u>\$ 12,177,796</u>	<u>\$ 1,647,090</u>
<b>STATE PROJECTS:</b>							
<b>State Courts System</b>							
Passed through Florida Alcohol and Drug Abuse Association							
Naltrexone	22.022		\$ 108,431	\$ 12,632	\$ 12,632	\$ -	\$ -
Naltrexone	22.022		120,000	-	58,992	67,280	8,288
				<u>12,632</u>	<u>71,624</u>	<u>67,280</u>	<u>8,288</u>
Passed through the Fourth Judicial Circuit							
Fourth Judicial Circuit	22.029	0400CV7	74,896	49,931	106,103	74,896	18,724
Passed through the Fourth Judicial Circuit							
Fourth Judicial Circuit	22.029	0400CMD	133,817	47,049	115,306	81,700	13,443
				<u>96,980</u>	<u>221,409</u>	<u>156,596</u>	<u>32,167</u>
Passed through Florida Alcohol and Drug Abuse Association							
Medically Assisted Drug Treatment Program	22.030		217,997	56,865	56,865		-
Medically Assisted Drug Treatment Program	22.030		377,160		177,116	178,740	1,624
				<u>56,865</u>	<u>233,981</u>	<u>178,740</u>	<u>1,624</u>
<b>Department of Children and Families</b>							
Passed through Mental Health Resource Center, Inc.							
Centralized Receiving Systems	60.163		264,299	16,457	16,457		-
Centralized Receiving Systems	60.163		252,951		82,489	84,401	1,912
				<u>16,457</u>	<u>98,946</u>	<u>84,401</u>	<u>1,912</u>

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

For the Year Ended June 30, 2025

Federal/State Grantor/Cluster Title/Pass-Through Grantor/Federal Program/State Project	CSFA / Assistance Listing Number	Contract Number	Program or Award Amount	Accrued Revenue at June 30, 2024	Cash Received	Disbursements/ Expenses	Accrued Revenue at June 30, 2025
<b>Department of Children and Families</b>							
State of Florida							
North Florida Addiction Stabilization and DETOX Building	60.280	CN-600000-WG037	1,500,000	27,470	710,136	682,666	-
Passed through LSF Health Systems							
Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services	60.155	ME002	849,721	-	724,225	849,721	125,496
Passed through LSF Health Systems							
State Opioid Settlement Trust Fund Services	60.355	ME002	859,529	-	764,278	859,529	95,251
<b>Total Expenditures of State Projects</b>				<b>\$ 210,404</b>	<b>\$ 2,824,599</b>	<b>\$ 2,878,933</b>	<b>\$ 264,738</b>
<b>GENERAL STATE FUNDING:</b>							
Passed through LSF Health Systems							
Block Grants for Substance Abuse Prevention Services		ME002	\$ 7,209,481	\$ 1,899,886	\$ 1,899,886	\$ -	\$ -
Block Grants for Substance Abuse Prevention Services		ME002	6,515,978		5,326,249	5,827,756	501,507
Block Grants for Mental Health Services		ME002	172,092	25,866	25,866		-
Block Grants for Mental Health Services		ME002	173,618		103,284	122,774	19,490
				1,925,752	7,355,285	5,950,530	520,997
Florida Medicaid Program				158,163	191,693	238,587	205,057
<b>Total Expenditures of General State Funding</b>				<b>\$ 2,083,915</b>	<b>\$ 7,546,978</b>	<b>\$ 6,189,117</b>	<b>\$ 726,054</b>
<b>LOCAL ASSISTANCE:</b>							
<b>CITY MENTAL HEALTH AND WELFARE:</b>							
Passed through the City of Jacksonville, Florida							
Alcohol Trust Fund		668807-24	\$ 399,989	\$ 31,116	\$ 124,168	\$ 93,052	\$ -
Alcohol Trust Fund		685139-25	399,989		229,744	306,072	76,328
Residential, Homeless, and Transitional Living		70829-24	372,400	62,267	153,144	90,877	-
Residential, Homeless, and Transitional Living		71631-25	372,400		189,900	286,424	96,524
Residential, Homeless, and Transitional Living		70829-24	245,802	37,440	84,706	47,266	-
Residential, Homeless, and Transitional Living		71631-25	245,802		143,229	178,706	35,477
Trauma Services		668554-24	130,000	16,898	40,047	23,149	-
Project Save Lives		668806-24	1,000,000	138,492	341,971	203,479	-
Project Save Lives - Hospital Bridge Program		71658-25	500,000	-	230,227	328,683	98,456
Project Save Lives - Housing		71661-25	500,000	-	230,214	335,013	104,799
Project Independence		71645-25	500,000	-	87,184	148,252	61,068
Reduce the Stigma		687514-25	426,019	-	30,244	97,900	67,656
Opioid Settlement Proceeds - Moblie MAT Unit		71116-24	431,574	66,428	167,264	100,836	-
Opioid Settlement Proceeds - Moblie MAT Unit		71116-25	282,121		76,231	141,472	65,241
				352,641	2,128,273	2,381,181	605,549

GATEWAY COMMUNITY SERVICES, INC.  
 SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

For the Year Ended June 30, 2025

Federal/State Grantor/Cluster Title/Pass-Through Grantor/Federal Program/State Project	CSFA / Assistance Listing Number	Contract Number	Program or Award Amount	Accrued Revenue at June 30, 2024	Cash Received	Disbursements/ Expenses	Accrued Revenue at June 30, 2025
<b>LOCAL GRANTS:</b>							
Title XX Day Care					55,694	55,694	-
Operation New Hope				6,800	15,550	10,750	2,000
Training, Education, and Clinicals in Health					24,663	54,361	29,698
				<u>6,800</u>	<u>95,907</u>	<u>120,805</u>	<u>31,698</u>
<b>Total Expenditures of Local Assistance</b>				<u>\$ 359,441</u>	<u>\$ 2,224,180</u>	<u>\$ 2,501,986</u>	<u>\$ 637,247</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance and Local Assistance</b>				<u>\$ 5,881,281</u>	<u>\$ 26,353,984</u>	<u>\$ 23,747,832</u>	<u>\$ 3,275,129</u>

# GATEWAY COMMUNITY SERVICES, INC.

## NOTES TO SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

**For The Year Ended June 30, 2025**

### 1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of financial awards (the Schedule) includes the federal, state and local grant activity of Gateway Community Services, Inc. for the year ended June 30, 2025.

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit, and Administrative Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Gateway Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Gateway Community 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.

Type A programs are those federal and state programs with expenditures greater than or equal to \$750,000. All other programs are considered Type B.

### 3. PASS-THROUGH AWARDS

The Organization receives certain federal awards and state financial assistance from pass-through awards of the State, local government and other entities. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of financial awards.

### 4. INDIRECT COST RATE

The Organization has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

GATEWAY COMMUNITY SERVICES, INC.

SCHEDULE OF STATE EARNINGS

For the Year Ended June 30, 2025

	<u>2025</u>
1. Total Expenditures	\$ 24,614,493
2. Less Other State and Federal Funds	(3,300,429)
3. Less Non-Match SAMH Funds	(16,106,758)
4. Less Unallowable Costs per 65E-14, F.A.C.	<u>(4,523)</u>
5. Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	<u>\$ 5,202,783</u>
6. Maximum Available Earnings (Line 5 times 75%)	\$ 3,902,087
7. Amount of State Funds Requiring Match	<u>228,237</u>
8. Amount Due to Department (Subtract line 7 from 6. If negative, the amount of the difference is due the department up to the amount of line 7.)	<u>\$ 3,673,850</u>

GATEWAY COMMUNITY SERVICES, INC.




AUDIT SCHEDULE

**Schedule of Bed-Day Availability Payments  
For Fiscal Year Ending June 30, 2025**

Program	Covered Service	Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department (G-H or \$0, whichever is greater)
A	B	C	D	E	(D-E) F	G	(F x C) H	I
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
						<b>Total Amount Owed to Department =</b>		\$0.00

Schedule not applicable in fiscal year 2025

GATEWAY COMMUNITY SERVICES, INC.

		AUDIT SCHEDULE				
		Schedule of Related Party Transaction Adjustments for the Fiscal Year Ending June 30, 2025				
		Allocation of Related Party Transactions Adjustment				
Revenues From Grantee	Related Party	SAMH Covered Services				
		1	2	3	.....	Total
Rent						
Services						
Interest						
Other						
Total Revenue From Grantee						
Expenses Associated with Grantee Transactions						
Personnel Services						
Depreciation						
Interest						
Other						
Total Associated Expenses						
Related Party Transaction Adjustment						

Schedule not applicable in fiscal year 2025

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures		Balance Remaining 2025
<b>Alcohol Trust Fund</b>					
668807-24	10/1/23-9/30/24		10/1/23-6/30/24	7/1/24-9/30/24	
Receipts:		\$ 399,989	\$ 275,526	\$ 124,168	\$ 295
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		399,989	306,642	93,052	
Total Expenditures		\$ 399,989	\$ 306,642	\$ 93,052	\$ 295
<b>Alcohol Trust Fund</b>					
685139-25	10/1/24-9/30/25			10/1/24-6/30/25	
Receipts:		\$ 399,989	\$ -	\$ 229,744	\$ 170,245
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		399,989		306,072	
Total Expenditures		\$ 399,989	\$ -	\$ 306,072	\$ 93,917
<b>Residential, Homeless, Detox and Transitional Living</b>					
70829-24	10/1/23-9/30/24		10/1/23-6/30/24	7/1/24-9/30/24	
Receipts:		\$ 372,400	\$ 211,086	\$ 153,144	\$ 8,170
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		185,523	139,142	46,381	
Payroll taxes and benefits		37,316	22,040	7,135	
Occupancy expenses					
Utilities		58,736	44,052	14,655	
Maint. & repairs		50,925	38,194	12,731	
Allocated management and general		39,900	29,925	9,975	
Total Expenditures		\$ 372,400	\$ 273,353	\$ 90,877	\$ 8,170
<b>Residential, Homeless, Detox and Transitional Living</b>					
71631-25	10/1/24-9/30/25			10/1/24-6/30/25	
Receipts:		\$ 372,400	\$ -	\$ 189,900	\$ 182,500
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		191,258		147,122	
Payroll taxes and benefits		29,131		22,009	
Occupancy expenses					
Utilities		58,736		45,737	
Maint. & repairs		53,375		41,631	
Allocated management and general		39,900		29,925	
Total Expenditures		\$ 372,400	\$ -	\$ 286,424	\$ 85,976

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures		Balance Remaining 2025
<b>Alumni House</b>					
70829-24	10/1/23-9/30/24		10/1/23-6/30/24	7/1/24-9/30/24	
Receipts:		\$ 245,802	\$ 132,233	\$ 84,706	\$ 28,863
Expenditures:					
Occupancy expenses					
Utilities		14,040	6,670	2,625	
Maint. & repairs		7,000	5,250	1,896	
Insurance prop. & gen.		29,675	20,886	5,601	
Other taxes & licenses		340	126	-	
Office expenses					
Supplies		1,000	191	248	
Other equip < 1000		450	-	-	
Equipment expenses					
Lease & rental		6,840	113	-	
Vehicle expenses					
Fuel & Maint.		3,925	-	-	
Insurance		2,278	1,519	-	
Direct client expenses					
Food		153,918	115,166	30,178	
Allocated management and general		26,336	19,752	6,718	
Total Expenditures		\$ 245,802	\$ 169,673	\$ 47,266	\$ 28,863
<b>Alumni House</b>					
71631-25	10/1/24-9/30/25			10/1/24-6/30/25	
Receipts:		\$ 245,802	\$ -	\$ 143,229	\$ 102,573
Expenditures:					
Occupancy expenses					
Utilities		4,360		4,360	
Maint. & repairs		45,124		20,888	
Insurance Prop. & Gen.		21,856		16,606	
Other Taxes & Licenses		126		126	
Office expenses					
Supplies		374		374	
Other equip < 1000		-		-	
Equipment expenses					
Lease & rental		-		-	
Vehicle expenses					
Fuel & Maint.		-		-	
Insurance		549		549	
Direct client expenses					
Food		147,077		116,051	
Allocated management and general		26,336		19,752	
Total Expenditures		\$ 245,802	\$ -	\$ 178,706	\$ 67,096

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures		Balance Remaining 2025
<b>Housing Opportunities for Persons with AIDS</b>					
665916-24	10/1/23-9/30/24		10/1/23-6/30/24	7/1/24-9/30/25	
Receipts:		\$ 35,933	\$ 24,587	\$ 11,346	\$ -
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		35,933	27,423	8,510	
Employee Benefits		-	-	-	
Supplies		-	-	-	
Total Expenditures		\$ 35,933	\$ 27,423	\$ 8,510	\$ -
<b>Housing Opportunities for Persons with AIDS</b>					
684109-25	10/1/24-9/30/25			10/1/24-6/30/25	
Receipts:		41,533	\$ -	23,065	18,468
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		36,500		27,287	
Employee Benefits		4,433		3,810	
Supplies		600		126	
Total Expenditures		41,533	\$ -	31,223	10,310
<b>Ryan White - Title I</b>					
71107-24 Year 1	3/1/24-2/29/25		3/1/24-9/30/24	10/1/24-2/29/25	
Receipts:		\$ 190,000	\$ 94,157	\$ 62,833	\$ 33,010
Expenditures:					
Substance Abuse Services Residential		190,000	94,157	62,833	
Total Expenditures		\$ 190,000	\$ 94,157	\$ 62,833	\$ 33,010
<b>Ryan White - Title I</b>					
71107-24 Year 2	3/1/25-2/28/26			3/1/25-6/30/25	
Receipts:		\$ 138,568	\$ -	\$ 47,172	\$ 91,396
Expenditures:					
Substance Abuse Services Residential		138,568		60,037	
Total Expenditures		\$ 138,568	\$ -	\$ 60,037	\$ 78,531

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures		Balance Remaining 2025
<b>Trauma Services</b>					
668554-24	10/1/23-9/30/24		10/1/23-6/30/24	7/1/24-9/30/25	
Receipts:		\$ 130,000	\$ 73,600	\$ 40,047	\$ 16,353
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		103,000	74,720	20,894	
Payroll taxes and benefits					
FICA & Med. Tax.		7,880	5,627	1,901	
Health Insurance		12,834	8,552	-	
Dental		360	120	30	
Workers Comp		2,585	1,120	318	
Group Life		371	31	6	
Other (LT Disability)		742	301	-	
Direct client expenses					
Client Personal		2,228	27	-	
Total Expenditures		\$ 130,000	\$ 90,498	\$ 23,149	\$ 16,353
<b>Project Save Lives</b>					
668806-24	10/1/23-9/30/24		10/1/23-6/30/24	7/1/24-9/30/24	
Receipts:		\$ 1,000,000	\$ 504,354	\$ 341,971	\$ 153,675
Expenditures:					
Payroll					
Physician		82,500	59,003	23,497	
Physician Assistant		36,300	15,248	-	
Nurse		18,546	14,556	3,990	
Customer Service Representative					
Data and Office Coordinator		50,220	38,321	11,899	
Counselor		50,000	34,232	12,646	
Peer Support Specialists		395,200	236,094	72,302	
Payroll taxes and benefits					
FICA & Med. Tax.		42,095	31,093	10,032	
Health Insurance		68,563	33,994	9,493	
Dental		1,926	510	150	
Life Insurance		1,981	188	57	
Worker's Compensation		13,812	5,749	2,934	
Other (LT Disability)		3,962	1,511	-	
Occupancy Expenses					
Telephone		4,093	2,317	849	
Direct Client Expenses					
Client Treatment Beds		204,400	152,320	51,520	
Client Transitional Beds		18,002	11,261	2,894	
Client Transportation		8,400	6,449	1,216	
Total Expenditures		\$ 1,000,000	\$ 642,846	\$ 203,479	\$ 153,675

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures		Balance Remaining 2025
<b>Opioid Settlement Proceeds - Mobile Mat Unit</b>					
71116-24	2/1/24 - 9/30/24		2/1/24 - 6/30/24	7/1/24-9/30/24	
Receipts:		\$ 431,574	\$ 23,939	\$ 167,264	\$ 240,371
Expenditures:					
Salaries which do not include those prohibited by 118.301 {vi, vii}		230,435	76,581	85,468	
Payroll taxes and benefits					
FICA & Med. Tax.		13,034	4,398	5,339	
Health Insurance		21,229	890	790	
Dental		596	10	44	
Workers Comp		4,276	753	850	
Group Life		613	5	18	
Other Benefits		1,227	-	-	
Occupancy Expenses					
Telephone		3,960	2,017	535	
Office Expense					
Office and Other Supplies		2,800	200	425	
Printing & Advertising		1,050	1,045	120	
Other - Software		-	-	-	
Travel Expense					
Local Mileage		2,352	-	-	
Vehicle Fuel & Maintenance		13,660	-	2,924	
Vehicle Insurance		6,192	2,190	1,398	
Direct Client Expenses					
Client Rent		42,000	-	-	
Client Medical		72,830	2,278	2,925	
Client Other		1,050	-	-	
Operating Capital Outlay (Over \$1,000)					
Machinery & Equipment		1,600	-	-	
Computers & Software		12,670	-	-	
Total Expenditures		\$ 431,574	\$ 90,367	\$ 100,836	\$ 240,371

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures		Balance Remaining 2025
<b>Opioid Settlement Proceeds - Mobile Mat Unit</b>					
71687-25	10/1/24-9/30/25		10/1/24-6/30/25		
Receipts:		\$ 282,121	\$ -	\$ 76,231	\$ 205,890
Expenditures:					
Salaries which do not include those					
Chief Medical Officer		9,360		6,804	
APRN		94,500		64,649	
LPN		40,768		28,026	
Direction of Outpatient Medical Services		10,780		6,865	
Senior Director of Operations		798		580	
Data Analyst		1,860		1,398	
Security		27,494		5,325	
Payroll taxes and benefits					
FICA & Med. Tax.		11,376		7,607	
Health Insurance		2,136		1,360	
Dental		-		-	
Workers Comp		1,138		1,138	
Group Life		-		-	
Other Benefits		-		-	
Occupancy Expenses					
Telephone		2,741		1,123	
Office Expense					
Office and Other Supplies		600		356	
Printing & Advertising		1,958		297	
Other - Software		600		427	
Travel Expense					
Local Mileage		-		-	
Vehicle Fuel & Maintenance		9,820		8,045	
Vehicle Insurance		5,594		4,248	
Direct Client Expenses					
Client Rent					
Client Medical		56,948		3,224	
Client Transportation		2,400		-	
Operating Capital Outlay (Over \$1,000)					
Machinery & Equipment		-		-	
Computers & Software		1,250		-	
Total Expenditures		\$ 282,121	\$ -	\$ 141,472	\$ 140,649

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures	Balance Remaining 2025
<b>Project Save Lives - Hospital Bridge Program</b>				
71658-25	10/1/24-9/30/25		10/1/24-6/30/25	
Receipts:		\$ 500,000	\$ -	\$ 230,227
Expenditures:				
Payroll				
Chief Medical Officer		31,374	24,344	
Counselor		1,000	727	
Nurse		12,522	9,701	
Data & Office Coordinator		30,889	22,019	
Peer Support Specialists		332,800	220,158	
Sr. Director		11,042	3,590	
Payroll taxes and benefits				
FICA & Med. Tax.		28,681	19,067	
Health Insurance		39,284	21,904	
Retirement		1,094	317	
Dental		1,312	316	
Life Insurance		1,350	129	
Worker's Compensation		5,293	3,576	
Occupancy Expenses				
Telephone		2,704	2,383	
Direct Client Expenses				
Client Transportation		655	452	
Total Expenditures		\$ 500,000	\$ -	\$ 328,683
				\$ 171,317
<b>Project Save Lives - Housing</b>				
71661-25	10/1/24-9/30/25		10/1/24-6/30/25	
Receipts:		\$ 500,000	\$ -	\$ 230,214
Expenditures:				
Payroll				
Chief Medical Officer		50,000	37,453	
Counselor		49,000	40,465	
Nurses		36,741	21,731	
Data & Office Coordinator		32,800	23,203	
Peer Support Specialists		58,934	30,204	
Case Manager		9,240	3,422	
Sr. Director		9,202	3,095	
Payroll taxes and benefits				
FICA & Med. Tax.		13,705	9,206	
Health Insurance		8,032	5,927	
Retirement		389	93	
Dental		627	85	
Life Insurance		645	43	
Worker's Compensation		2,790	1,619	
Occupancy Expenses				
Telephone		1,478	725	
Direct Client Expenses				
Client Rent		220,627	153,106	
Client Transportation		5,790	4,636	
Total Expenditures		\$ 500,000	\$ -	\$ 335,013
				\$ 164,987

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures	Balance Remaining 2025
<b>Project Independence</b>				
71645-25	10/1/24-9/30/25		10/1/24-6/30/25	
Receipts:		\$ 500,000	\$ -	\$ 87,184
Expenditures:				
Payroll				
Director of Women and Children Services		6,600	4,970	
Peer Support Specialists		16,467	664	
Recovery Residence Specialists		52,100	41,408	
Engagement Specialist		44,601	26,818	
Comptroller		2,813	961	
Women & Children's Services Manager		10,417	3,558	
Director of Prevention		475	162	
Payroll taxes and benefits				
FICA & Med. Tax.		9,964	5,967	
Health Insurance		13,921	1,041	
Retirement		1,221	35	
Dental		391	20	
Workers Comp		3,039	1,030	
Group Life		405	24	
Occupancy Expenses				
Telephone		1,369	691	
Office Expense				
Office and Other Supplies		2,822	1,721	
Printing & Advertising		3,000	102	
Staff Training		15,000	660	
Background Screening		600	163	
Other- Equipment (under \$1,000)		5,985	1,387	
Other- Software		1,200	425	
Travel Expense				
Local Mileage		779	-	
Parking & Tolls		2,000	-	
Equipment Expense				
Vehicle Fuel & Maintenance		6,948	32	
Vehicle Insurance		5,126	4,248	
Direct Client Expenses				
Client Rent		110,250	41,018	
Client Food		19,000	3,453	
Client Medical		30,000	-	
Client Educational		60,000	-	
Client Personal		30,007	7,164	
Client Transportation		43,500	530	
Total Expenditures		\$ 500,000	\$ -	\$ 148,252
				\$ 351,748

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF SOURCE AND EXPENDITURES OF CITY GRANT FUNDS  
For the Year Ended June 30, 2025

Contract #	Contract Period	Total Budget	Receipts/Expenditures	Balance Remaining 2025
<b>Reduce the Stigma</b>				
687514-25	10/1/24-9/30/25		10/1/24-6/30/25	
Receipts:		\$ 426,019	\$ 30,244	\$ 395,775
Expenditures:				
Payroll				
Community Engagement Specialist		30,000	17,525	
Marketing & Development Coordinator		30,841	22,113	
Director of Grants & Development		9,255	2,988	
Payroll taxes and benefits				
FICA & Med. Tax.		4,439	2,885	
Health Insurance		11,576	7,006	
Retirement		505	90	
Workers Comp		1,113	610	
Group Life		79	16	
Occupancy Expenses				
Telephone		662	350	
Office Expense				
Office and Other Supplies		3,600	1,262	
Postage		500	-	
Printing & Advertising		314,050	37,868	
Staff Training		2,000	-	
Background Screening		200	-	
Other- Equipment (under \$1,000)		1,545	777	
Other- Engagement Supplies		12,241	4,401	
Travel Expense				
Local Mileage		2,314	-	
Parking & Tolls		1,099	9	
Total Expenditures		\$ 426,019	\$ - \$ 97,900	\$ 328,119

**GATEWAY COMMUNITY SERVICES, INC.**

**NOTES TO SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS**

**For The Year Ended June 30, 2025**

**BASIS OF ACCOUNTING**

The accompanying schedule of source and expenditure of city grant funds includes grant activity related to funding from the various departments within the City of Jacksonville.

The information in this schedule is presented in accordance with the requirements of Ordinance Code Chapter 118.202(e) of the City of Jacksonville, Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CONTRACT 668807-24**

The remaining expenditures balance of \$295 for contract number 668807-24 reflects expenditures not incurred by Gateway Community Services, Inc. (the "Organization") during the contract period and will not be billed to the City of Jacksonville (the "City").

**CONTRACT 685139-25**

The remaining expenditures balance of \$93,917 for contract number 685139-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$170,245 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

**CONTRACT 70829-24**

The remaining expenditures balance of \$8,170 for contract number 70829-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

**CONTRACT 71631-25**

The remaining expenditures balance of \$85,976 for contract number 71631-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$182,500 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

**CONTRACT 70829-24**

The remaining expenditures balance of \$28,863 for contract number 70829-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

**CONTRACT 71631-25**

The remaining expenditures balance of \$67,096 for contract number 71631-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$102,573 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

**CONTRACT 665916-24**

The remaining expenditures balance of \$0 for contract number 665916-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

**CONTRACT 684109-25**

The remaining expenditures balance of \$10,310 for contract number 684109-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$18,468 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

## NOTES TO SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS

### CONTRACT 71107-24 Year 1

The remaining expenditures balance of \$33,010 for contract number 71107-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

### CONTRACT 71107-24 Year 2

The remaining expenditures balance of \$78,531 for contract number 71107-24 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$91,396 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

### CONTRACT 668554-24

The remaining expenditures balance of \$16,353 for contract number 668554-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

### CONTRACT 668806-24

The remaining expenditures balance of \$153,675 for contract number 668806-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

### CONTRACT 71116-24

The remaining expenditures balance of \$240,371 for contract number 71116-24 reflects expenditures not incurred by the Organization during the contract period and will not be billed to the City.

### CONTRACT 71687-25

The remaining expenditures balance of \$140,649 for contract number 71687-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$205,890 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

### CONTRACT 71658-25

The remaining expenditures balance of \$171,317 for contract number 71658-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$269,773 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

### CONTRACT 71661-25

The remaining expenditures balance of \$164,987 for contract number 71661-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$269,786 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

### CONTRACT 71645-25

The remaining expenditures balance of \$351,748 for contract number 71645-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$412,816 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.

### CONTRACT 687514-25

The remaining expenditures balance of \$328,119 for contract number 687514-25 reflects expenditures to be incurred by the Organization during the remaining contract period. The remaining balance of \$395,775 represents both funds to be received from the City for expenditures incurred as of June 30, 2025 and funds to be disbursed by the City for expenses incurred during the remaining contract period.



To the Board of Directors  
Gateway Community Services, Inc.  
Jacksonville, Florida

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

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 Gateway Community Services, Inc. (the "Organization") (a nonprofit 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, and have issued our report thereon dated December 31, 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified



**SMOAK, DAVIS & NIXON LLP**  
Certified Public Accountants  
Providing Integrated Financial Solutions

5011 Gate Parkway  
Building 100, Suite 300  
Jacksonville, FL 32256

Office: (904)396-5831  
Fax: (904)399-8985  
www.sdnllp.com

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

**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 statement. 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.

**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.

*Smoak, Davis & Nixon LLP*

Jacksonville, Florida  
December 31, 2025



To the Board of Directors  
Gateway Community Services, Inc.  
Jacksonville, Florida

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

**Report on Compliance for Each Major Federal Program**

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

We have audited Gateway Community 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 identified as subject to audit in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2025.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Rules of the Auditor General of the state of Florida (Chapters 10.650). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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



**INDEPENDENT AUDITOR'S REPORT**  
**ON COMPLIANCE FOR EACH FEDERAL MAJOR PROGRAM AND ON INTERNAL CONTROL OVER**  
**COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

*Auditor's Responsibilities for the Audit of Compliance*

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

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

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

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



**INDEPENDENT AUDITOR'S REPORT**  
**ON COMPLIANCE FOR EACH FEDERAL MAJOR PROGRAM AND ON INTERNAL CONTROL OVER**  
**COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

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

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

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

*Smook, Davis & Nixon LLP*

Jacksonville, Florida  
December 31, 2025

GATEWAY COMMUNITY SERVICES, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FEDERAL PROGRAMS AND STATE PROJECTS  
For the Year Ended June 30, 2025

**Finding 2023-001 - FINANCIAL STATEMENT AUDIT**

Condition:

No written documentation of review and approval of cash disbursements.

Recommendation:

All cash disbursements should be reviewed and approved, in writing, by an individual who does not have custody or recordkeeping responsibilities.

Current Status:

The recommendation was adopted during 2023. No similar findings were noted in the 2024 audit.

**Finding 2023-002 - FINANCIAL STATEMENT AUDIT**

Condition:

Payment receipt logs were not prepared and payment receipts were posted to incorrect general ledger accounts. In addition, review and approval of accounting over payment receipts was not documented and certain receivables and billings were incorrectly recorded.

Recommendation:

Procedures should be in place to ensure all payment receipts are recorded in a log as received and are posted to the correct general ledger accounts.

Current Status:

The recommendation was adopted during 2024. No similar findings were noted in the 2024 audit.

**FINDING 2023-003 - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Certified Community Behavioral Health Clinic Expansion Grants**

**Assistance Listing Number: 93.696**

Condition:

Review and approval of cash disbursements were not documented.

Recommendation:

Procedures should be implemented to ensure cash disbursements are reviewed and approved by an individual who does not have custody or recordkeeping responsibilities.

Current Status:

The recommendation was adopted during 2024. No similar findings were noted in the 2024 audit.

GATEWAY COMMUNITY SERVICES, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FEDERAL PROGRAMS AND STATE PROJECTS

For the Year Ended June 30, 2025

**FINDING 2023-004 - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:**

**Block Grants for Prevention and Treatment of Substance Abuse**

**Opioid STR**

**Assistance Listing Number: 93.959 & 93.788**

**Passthrough entities: LSF Health Systems Florida Alcohol and Drug Abuse Association**

Condition:

Payment receipt logs were not prepared, payment receipts were posted to incorrect general ledger accounts, and no evidence was provided for review and approval of accounting for payment receipts.

Recommendation:

Procedures should be implemented to ensure incoming payment receipts are logged, properly recorded to the appropriate accounts, and reviewed.

Current Status:

The recommendation was adopted during 2024. No similar findings were noted in the 2024 audit.

GATEWAY COMMUNITY SERVICES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
 FEDERAL PROGRAMS AND STATE PROJECTS

For the Year Ended June 30, 2025

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether  
 the financial statements audited were prepared in  
 accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

**Federal Awards and State Projects**

Internal control over major federal programs or state projects:

Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   None reported

Type of auditor's report issued on compliance  
 for major federal programs or state projects:

Unmodified

Any audit findings disclosed that are required to be  
 reported in accordance with CFR 200.516(a) ?

\_\_\_\_\_ Yes        X   No

Any audit findings disclosed that are required to be  
 reported in accordance with Chapter 10.650?

\_\_\_\_\_ Yes        X   No

Identification of major programs:

Name of Federal Program or Cluster

Assistance Listing Number

Injury Prevention and Control Research and

State Community Based Program

93.136

Block Grants for Prevention and

Treatment of Substance Abuse

93.959

Opioid STR

93.788

State Projects

CSFA No.

Substance Abuse and Mental Health - Crisis

Prevention and Stabilization Services

60.155

North Florida Addiction Stabilization and DETOX Building

60.280

State Opioid Settlement Trust Fund Services

60.355

GATEWAY COMMUNITY SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS AND STATE PROJECTS

For the Year Ended June 30, 2025

**SUMMARY OF AUDITOR'S RESULTS**

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

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

Auditee qualified as low-risk auditee pursuant to the  
Uniform Guidance?                      Yes   X   No

**FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECT AUDIT**

None

**No management letter is required because there were no findings required to be reported in the management letter.**