

Lutheran Services Florida, Inc. and Subsidiaries

Consolidated Financial and Compliance Report
June 30, 2023

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Independent Auditor's Report

Board of Directors
Lutheran Services Florida, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Lutheran Services Florida, Inc. and Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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, 2023 and 2022, and the changes in their net assets and their 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States (*Government Auditing Standards*). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2022, the Organization adopted Financial Accounting Standards Board Accounting Standards Codification 842, *Leases*. Our opinion is not modified with respect to this matter.

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 issued or available to be issued.

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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of Florida Chapter 10.650, *Rules of the Auditor General*, respectively, and other supplementary information as indicated within the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary 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 March 29, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.

RSM US LLP

Tampa, Florida
March 29, 2024

Lutheran Services Florida, Inc. and Subsidiaries

Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,550,830	\$ 18,977,876
Accounts receivable, net	55,937,851	40,119,594
Current portion of gifted land and facilities	2,095,097	1,799,151
Prepaid expenses	1,436,403	1,180,183
Total current assets	82,020,181	62,076,804
Investments	1,176,354	1,088,691
Assets limited as to use	-	285,948
Beneficial interest in assets held by others	885,416	878,331
Gifted land and facilities, net of current portion	4,921,469	2,436,944
Right-of-use lease assets – operating	6,996,450	-
Property and equipment, net	13,157,127	5,921,886
Other assets	537,777	322,342
Total assets	\$ 109,694,774	\$ 73,010,946
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 45,870,069	\$ 39,029,240
Accrued salaries and payroll related expenses	8,067,772	7,454,648
Other accrued expenses	1,708,586	1,481,830
Refundable advances	21,458,976	9,938,677
Current portion of lease liabilities – operating	2,252,462	-
Current portion of lease liabilities – finance	131,580	381,711
Current portion of note payable	263,581	251,377
Total current liabilities	79,753,026	58,537,483
Lease liabilities – operating, net of current portion	4,743,988	-
Lease liabilities – finance, net of current portion	538,246	669,826
Note payable, net of current portion	1,608,762	1,872,343
Total liabilities	86,644,022	61,079,652
Commitments and contingencies (Notes 14 and 17)		
Net assets:		
Without donor restrictions	8,471,562	3,654,370
With donor restrictions	14,579,190	8,276,924
Total net assets	23,050,752	11,931,294
Total liabilities and net assets	\$ 109,694,774	\$ 73,010,946

See notes to consolidated financial statements.

Lutheran Services Florida, Inc. and Subsidiaries

**Consolidated Statements of Activities
Years Ended June 30, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
Government grants and contracts	\$ 364,462,229	\$ -	\$ 364,462,229	\$ 294,846,365	\$ -	\$ 294,846,365
Contributions of nonfinancial assets	2,482,876	1,189,087	3,671,963	2,869,628	1,518,578	4,388,206
Contributions	1,674,467	4,423,607	6,098,074	747,402	1,566,768	2,314,170
Program service fees	1,188,589	-	1,188,589	1,080,468	-	1,080,468
Other income, net	624,414	-	624,414	642,929	-	642,929
Investment income (loss), net	202,076	-	202,076	(162,551)	-	(162,551)
Change in value of beneficial interest in assets held by others	-	7,085	7,085	-	(118,117)	(118,117)
Net assets released from restrictions	3,232,862	(3,232,862)	-	2,989,316	(2,989,316)	-
Total revenues and support	373,867,513	2,386,917	376,254,430	303,013,557	(22,087)	302,991,470
Expenses:						
Program services	362,690,209	-	362,690,209	294,055,776	-	294,055,776
Supporting services	10,701,422	-	10,701,422	8,762,707	-	8,762,707
Total expenses	373,391,631	-	373,391,631	302,818,483	-	302,818,483
Change in net assets before other changes	475,882	2,386,917	2,862,799	195,074	(22,087)	172,987
Other Changes:						
Acquisition of Miami Bridge Youth and Family Services, Inc.	4,341,310	3,915,349	8,256,659	-	-	-
	4,341,310	3,915,349	8,256,659	-	-	-
Change in net assets	4,817,192	6,302,266	11,119,458	195,074	(22,087)	172,987
Net assets:						
Beginning	3,654,370	8,276,924	11,931,294	3,459,296	8,299,011	11,758,307
Ending	\$ 8,471,562	\$ 14,579,190	\$ 23,050,752	\$ 3,654,370	\$ 8,276,924	\$ 11,931,294

See notes to consolidated financial statements.

Lutheran Services Florida, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses Year Ended June 30, 2023

	Program Services						Supporting Services			
	Substance Abuse and Mental Health Services	Children Programs	Youth and Family Services	Resettlement Services	Adult Services	Total Program Services	General and Administrative	Advancement	Total Supporting Services	Total Expenses
Salaries	\$ 4,322,749	\$ 23,374,510	\$ 31,059,029	\$ 9,563,879	\$ 942,893	\$ 69,263,060	\$ 6,037,304	\$ 374,977	\$ 6,412,281	\$ 75,675,341
Payroll taxes and employee benefits	1,069,769	6,655,832	7,770,530	2,366,425	283,039	18,145,595	1,669,615	86,340	1,755,955	19,901,550
Total salaries and related expenses	5,392,518	30,030,342	38,829,559	11,930,304	1,225,932	87,408,655	7,706,919	461,317	8,168,236	95,576,891
Professional fees and contract services	1,012,284	1,635,962	425,579	124,739	184,141	3,382,705	597,688	27,763	625,451	4,008,156
Subcontractor expenses	209,578,076	17,876,599	674,612	1,239,266	-	229,368,553	-	-	-	229,368,553
Office expenses and program supplies	117,314	3,414,226	400,794	630,778	17,644	4,580,756	156,898	6,307	163,205	4,743,961
Food	-	2,057,877	412,985	246,962	378	2,718,202	-	-	-	2,718,202
Assistance to individuals	-	5,356,113	227,664	3,027,526	-	8,611,303	-	74,307	74,307	8,685,610
Occupancy	280,607	4,449,656	1,474,833	1,585,410	115,879	7,906,385	561,615	7,575	569,190	8,475,575
Repairs and maintenance	1,842	6,427,999	1,441,531	198,164	11,322	8,080,858	75,296	632	75,928	8,156,786
Equipment costs	353,920	439,906	192,424	148,380	24,489	1,159,119	189,958	12,467	202,425	1,361,544
Insurance and taxes	41,480	725,239	692,027	172,893	15,145	1,646,784	126,413	2,363	128,776	1,775,560
Transportation and travel	190,461	1,317,266	1,376,100	353,224	32,433	3,269,484	238,943	21,537	260,480	3,529,964
Postage, printing and publication	49,783	109,458	52,393	67,799	13,778	293,211	95,038	26,149	121,187	414,398
Interest	-	52,188	54	-	-	52,242	103,535	-	103,535	155,777
In-kind expenses (Note 15)	-	2,208,593	126,175	148,108	-	2,482,876	-	-	-	2,482,876
Other operating expenses	48,776	122,666	143,806	141,938	71,111	528,297	144,345	19,030	163,375	691,672
Total expenses before depreciation and amortization	217,067,061	76,224,090	46,470,536	20,015,491	1,712,252	361,489,430	9,996,648	659,447	10,656,095	372,145,525
Depreciation and amortization	11,445	1,017,069	78,354	93,911	-	1,200,779	45,327	-	45,327	1,246,106
Total expenses	\$ 217,078,506	\$ 77,241,159	\$ 46,548,890	\$ 20,109,402	\$ 1,712,252	\$ 362,690,209	\$ 10,041,975	\$ 659,447	\$ 10,701,422	\$ 373,391,631

See notes to consolidated financial statements.

Lutheran Services Florida, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses Year Ended June 30, 2022

	Program Services						Supporting Services			
	Substance Abuse and Mental Health Services	Children Programs	Youth and Family Services	Resettlement Services	Adult Services	Total Program Services	General and Administrative	Advancement	Total Supporting Services	Total Expenses
Salaries	\$ 3,814,091	\$ 22,164,603	\$ 20,842,342	\$ 7,564,685	\$ 853,390	\$ 55,239,111	\$ 5,134,887	\$ 314,875	\$ 5,449,762	\$ 60,688,873
Payroll taxes and employee benefits	693,597	5,848,513	4,581,387	1,655,565	209,366	12,988,428	1,045,276	52,858	1,098,134	14,086,562
Total salaries and related expenses	4,507,688	28,013,116	25,423,729	9,220,250	1,062,756	68,227,539	6,180,163	367,733	6,547,896	74,775,435
Professional fees and contract services	890,337	1,573,230	312,919	118,122	139,305	3,033,913	626,073	9,460	635,533	3,669,446
Subcontractor expenses	168,817,435	17,583,438	852,726	614,735	-	187,868,334	-	-	-	187,868,334
Office expenses and program supplies	358,247	4,329,281	522,680	470,914	21,889	5,703,011	138,224	1,566	139,790	5,842,801
Food	-	1,750,574	258,856	207,646	197	2,217,273	-	21	21	2,217,294
Assistance to individuals	-	4,591,112	87,107	3,050,985	98,813	7,828,017	-	-	-	7,828,017
Occupancy	255,097	4,200,636	1,003,498	1,215,043	114,735	6,789,009	594,033	11,397	605,430	7,394,439
Repairs and maintenance	1,989	2,638,910	497,524	187,514	10,074	3,336,011	55,248	1,710	56,958	3,392,969
Equipment costs	250,897	333,710	115,849	130,223	24,396	855,075	178,017	15,552	193,569	1,048,644
Insurance and taxes	35,160	621,902	471,575	131,839	18,654	1,279,130	108,530	1,795	110,325	1,389,455
Transportation and travel	267,477	895,619	996,285	307,840	29,543	2,496,764	157,889	14,460	172,349	2,669,113
Postage, printing and publication	52,232	197,888	33,388	47,557	11,650	342,715	44,235	17,251	61,486	404,201
Interest	-	77,849	-	-	-	77,849	120,345	-	120,345	198,194
In-kind expenses (Note 15)	-	2,575,700	114,816	179,112	-	2,869,628	-	-	-	2,869,628
Other operating expenses	(17,873)	78,936	174,212	23,709	36,757	295,741	(20,927)	40,049	19,122	314,863
Total expenses before depreciation and amortization	175,418,686	69,461,901	30,865,164	15,905,489	1,568,769	293,220,009	8,181,830	480,994	8,662,824	301,882,833
Depreciation and amortization	11,445	669,105	55,144	93,911	6,162	835,767	99,883	-	99,883	935,650
Total expenses	\$ 175,430,131	\$ 70,131,006	\$ 30,920,308	\$ 15,999,400	\$ 1,574,931	\$ 294,055,776	\$ 8,281,713	\$ 480,994	\$ 8,762,707	\$ 302,818,483

See notes to consolidated financial statements.

Lutheran Services Florida, Inc. and Subsidiaries

Consolidated Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 11,119,458	\$ 172,987
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,246,106	935,650
Acquisition of Miami Bridge (noncash portion)	(7,914,729)	-
Gain on sale/disposal of property and equipment	(9,800)	(240,783)
Net realized and unrealized (gains) losses on investments and assets limited as to use	(76,336)	234,500
Change in value of beneficial interest in assets held by others	(7,085)	118,117
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(15,723,595)	(17,447,830)
Prepaid expenses	(143,374)	9,524
Gifted land and facilities	1,122,813	634,455
Right-of-use lease assets—operating	2,684,006	-
Other assets	(215,435)	(65,918)
Increase (decrease) in:		
Accounts payable	6,793,627	20,364,609
Accrued salaries and payroll related expenses	613,124	590,003
Other accrued expenses	221,134	(670,711)
Refundable advances	11,444,970	(3,472,031)
Lease liabilities—operating	(2,670,455)	-
Net cash provided by operating activities	8,484,429	1,162,572
Cash flows from investing activities:		
Purchases of investments and assets limited as to use	(232,489)	(339,689)
Proceeds from the sale of investments	493,577	257,922
Purchases of property and equipment	(4,549,277)	(2,171,685)
Proceeds from the sale of property and equipment	9,802	545,344
Net cash used in investing activities	(4,278,387)	(1,708,108)
Cash flows from financing activities:		
Principal payments on finance lease liabilities	(381,711)	(417,618)
Repayments of note payable	(251,377)	(239,738)
Net cash used in financing activities	(633,088)	(657,356)
Net increase (decrease) in cash and cash equivalents	3,572,954	(1,202,892)
Cash and cash equivalents:		
Beginning	18,977,876	20,180,768
Ending	<u>\$ 22,550,830</u>	<u>\$ 18,977,876</u>
Supplemental disclosure of noncash investing and financing activities:		
Property, plant and equipment acquired from Miami Bridge	<u>\$ 3,932,072</u>	<u>\$ -</u>
Gifted land acquired from Miami Bridge	<u>\$ 3,915,349</u>	<u>\$ -</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 155,776</u>	<u>\$ 198,194</u>
Operating lease right-of-use assets obtained and liabilities incurred as a result of adoption of ASC 842:		
Operating right-of-use assets	<u>\$ 7,003,148</u>	<u>\$ -</u>
Operating lease liabilities	<u>\$ 6,989,597</u>	<u>\$ -</u>
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ 2,677,308</u>	<u>\$ -</u>
Cash payments made for operating leases	<u>\$ 3,221,582</u>	<u>\$ -</u>

See notes to consolidated financial statements.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Lutheran Services Florida, Inc. (LSF) was organized on July 1, 1982, as a nonprofit organization to provide various social ministries throughout the state of Florida. LSF's programs are funded by federal, state and local governmental grants and contracts, various program service fees, contributions, church grants and other sources.

LSF is the sole member of Lutheran Non-profit Management Services, LLC d/b/a LSF Health Systems (LSF Health), which was organized on August 13, 2010, to govern and advise LSF's managing entity contract over substance abuse and mental health services provided in the northeast region of Florida effective July 1, 2012.

On June 5, 2023, LSF became the sole member of Miami Bridge Youth and Family Services, Inc. (Miami Bridge). Miami Bridge is a social service agency committed to providing opportunities to promote positive youth development and strengthen and support families to enable children to actualize their full potential and become productive community members.

The principal social services provided by Lutheran Services Florida, Inc. and Subsidiaries include services to children, troubled youth and their families, refugees, the unemployed, incapacitated adults and victims of disasters through the following programs:

Substance abuse and mental health services: Provides substance abuse and mental health services to adults and children in 23 counties in northeast Florida.

Children services: Provides preschool care for disadvantaged children in licensed facilities and meals to children in licensed day care homes.

Youth and family services: Provides residential, counseling and case management services to teens and their families.

Resettlement services: Provides job training, counseling, financial assistance and placement to new entrants to the United States.

Adult services: Provides guardianship and care management programs to elderly, mentally incapacitated and disabled persons. Also provides temporary and permanent housing for the homeless and health care treatment to low income HIV-infected individuals.

The following Lutheran judicatories are the founding members of LSF: the Florida-Bahamas Synod of the Evangelical Lutheran Church in America and the Florida-Georgia District of the Lutheran Church-Missouri Synod.

A summary of the Organization's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of LSF, LSF Health, and Miami Bridge (collectively, the Organization). All significant intercompany transactions have been eliminated in consolidation.

Basis of accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Not-for-Profit Entities topic of the ASC, a nonprofit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization, passage of time, or permanently maintained by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

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

Cash and cash equivalents: Cash and cash equivalents includes all highly liquid fixed income instruments purchased with original maturities of three months or less.

Concentrations of credit risk: The Organization's financial instruments that are exposed to concentrations of credit risk include cash and cash equivalents and government grants and contracts and related accounts receivable. Cash and cash equivalents include accounts placed with federally insured financial institutions. Such accounts may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts. The Organization's operating support and revenues includes concentrations primarily from federal and state programs. Changes in operating support and revenues from federal and state programs could significantly impact the Organization, including a reduction in the program services offered by the Organization; however, management does not anticipate any such changes in the near term.

Accounts receivable: Accounts receivable under grants and funding contracts and program service fees are due in less than one year. Management believes accounts receivable under grants and funding contracts are fully collectible and has not provided an allowance for doubtful accounts. Accounts receivable for program service fees are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable based on historical experience and any other circumstances which may affect the ability of payors to meet their obligations. It is the Organization's policy to charge off uncollectible accounts when management determines the accounts receivable will not be collected.

Gifted land and facilities: The Organization accounts for gifted land and facilities as contributions with donor restrictions in the period in which the right to use the asset is acquired, at the fair value of the benefit expected to be received over the expected term of use by the Organization and is released from restrictions when used. A gifted land and facilities asset is recorded for any future benefit expected to be recognized and is amortized to expense as the Organization uses the land and facilities over the term of the applicable lease.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments and investment income (loss), net: Investments are reported at fair value. Investment income (loss), net, reported in the accompanying consolidated statements of activities, includes realized and unrealized gains and losses and interest and dividend income, net of investment expenses, as increases or decreases in net assets without donor restrictions.

Assets limited as to use: Assets limited as to use include investments held by trustees to fund the Supplemental Executive Retirement Plan (SERP) as more fully described in Note 13. SERP fully vested in fiscal year 2023 and, as of June 30, 2023, all SERP investments were fully liquidated.

Property and equipment: Property and equipment is recorded at cost, if purchased or at estimated fair value at the date of receipt if acquired by gift, and those in excess of \$5,000 are capitalized. Depreciation expense related to property and equipment is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the remaining lease term or the useful life of the asset. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and the related accumulated depreciation account are relieved, and any gain or loss included in operations.

Property acquired with governmental funds is considered to be owned by the Organization 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.

Impairment of long-lived assets: The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset group. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of the Organization's long-lived assets or asset groups have been recognized during the years ended June 30, 2023 and 2022.

Revenue recognition: The Organization first determines if a transaction represents an exchange transaction and, if so, accounts for the transaction in accordance with FASB ASC 606, Revenue from Contracts with Customers (Topic 606), which provides a five-step model for recognizing revenue from contracts with customers as follows:

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

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Organization's revenue from contracts with customers consists of program fees. The Organization's contracts have a single performance obligation. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring services to the customer. Revenue is recorded based on transaction price, which is a fixed consideration. Performance obligations are satisfied at a point in time, at which point revenue is recognized. Revenue recognized from program fees totaled \$1,188,589 and \$1,080,468 for the years ended June 30, 2023 and 2022, respectively. Receivable balances, net of an allowance for doubtful accounts, were \$1,188,732, \$851,522 and \$580,874 as of June 30, 2023, June 30, 2022 and July 1, 2021, respectively. These balances are included in accounts receivable, net on the consolidated statements of financial position. There were no deferred revenue balances for program services as of June 30, 2023, June 30, 2022 and July 1, 2021.

The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time as the customer consumes the receives the benefits of the Organization's services as they are performed. If certain criteria are not met, the revenue is recognized at a point in time.

The revenue stream noted above does not include significant financing components as the performance obligations are typically satisfied within a year of receipt of payment. Economic downturns can affect the level of revenue or can have a positive impact on cash flow in good economic times.

Contributions and donor-imposed restrictions: Unconditional promises to give are recognized as contributions in the period received at their fair value. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions other than cash are recorded at their estimated fair value on the date received.

Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified into net assets without donor restrictions and are reported in the accompanying consolidated statements of activities as net assets released from restrictions.

Donated materials are reflected in the accompanying consolidated financial statements at their estimated fair value at date of receipt. Donated services are recognized and recorded at their estimated fair value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization records donated goods and services as in-kind support and expenses in the accompanying consolidated statements of activities and consolidated statements of functional expenses.

Government grants and contracts: Government grants and contracts are considered exchange transactions if each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and are deemed to be earned and reported as revenue over time as performance obligations are met based on when such funds have been expended towards the designated purpose. Funds received in advance and not yet earned are recorded as deferred revenue.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Government grants and contracts not considered exchange transactions typically meet the criteria as conditional awards and are thus recognized as revenue when the funds are utilized by the Organization to carry out the activity stipulated by the grant or contract thereby satisfying imposed barriers and/or rights of return. The grants and contracts can be terminated by the grantor or refunding can be required under certain circumstances coupled with other performance and/or control barriers. Conditional awards are recognized to revenue as net assets without donor restrictions if no donor-imposed restrictions remain at the time they become unconditional. Accordingly, amounts received, but not recognized as revenue, are classified in the consolidated statements of financial position as refundable advances.

Functional expense allocations: The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent to each function. All other expenses are allocated based on management's estimate of the relative functional activity.

Income taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. LSF is the sole member of LSF Health, which is considered a disregarded entity for federal and state income tax purposes. LSF is also the sole member of Miami Bridge, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

The Organization follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. Generally, the Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for three years from the filing date of the respective returns.

Fair value measurements: The Organization measures its financial assets and liabilities at fair value using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

Level 1: Valuation based on unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Valuation based on observable quoted prices for similar assets and liabilities in active markets.

Level 3: Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The following methods and assumptions were used to estimate the fair value of financial instruments:

Level 1: The Organization's Level 1 investments include money market funds, fixed income and equity securities and real asset funds.

Level 2: The Organization's Level 2 investments include the beneficial interest in assets held by others and is valued based on information provided by the Community Foundations (see Note 5) which is primarily derived from or corroborated by observable market data as it relates to the Community Foundations' underlying investments.

Level 3: The Organization's Level 3 investments include the beneficial interest in the Zerbst perpetual trust and is valued based on the value of the underlying investments held in the trust.

Recently adopted accounting pronouncements: In February 2016, the FASB issued ASC Topic 842, Leases (Topic 842), to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their consolidated statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the consolidated statement of activities and changes in net assets. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, Leases.

The Organization elected the package of practical expedients under the transition guidance within Topic 842, in which the Organization does not reassess: (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the hindsight practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) The Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, The Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Organization's operating leases of approximately \$7,003,000 and \$6,990,000, respectively, at July 1, 2022. The adoption of the new lease standard did not materially impact consolidated net assets or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Recently issued accounting pronouncements: In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the consolidated statement of activities as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Organization does not believe that the adoption of this standard will have a material impact on the Organization's consolidated statement of financial position or consolidated statement of activities and changes in net assets.

Subsequent events: The Organization has evaluated subsequent events through March 29, 2024, the date on which the consolidated financial statements were available to be issued.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Fair Value of Financial Instruments

The following table summarizes major categories of the Organization's assets measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 15,265	\$ -	\$ -	\$ 15,265
Equity securities:				
Emerging market funds	180,933	-	-	180,933
Preferred stock	23,847	-	-	23,847
Index funds	19,451	-	-	19,451
Convertible securities	24,133	-	-	24,133
Large growth funds	138,746	-	-	138,746
Large cap funds	175,537	-	-	175,537
International emerging	68,627	-	-	68,627
Fixed income securities:				
Index bond funds	32,441	-	-	32,441
Intermediate duration bond funds	152,739	-	-	152,739
Corporate bond funds	97,175	-	-	97,175
Government bond funds	22,534	-	-	22,534
U.S. government securities funds	166,601	-	-	166,601
Real asset funds	58,325	-	-	58,325
Total investments	1,176,354	-	-	1,176,354
Beneficial interest in assets held by others:				
Community foundations	-	149,969	-	149,969
Perpetual trust	-	-	735,447	735,447
Total beneficial interest in assets held by others	-	149,969	735,447	885,416
	\$ 1,176,354	\$ 149,969	\$ 735,447	\$ 2,061,770

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Fair Value of Financial Instruments (Continued)

	2022			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 39,210	\$ -	\$ -	\$ 39,210
Equity securities:				
Emerging market funds	247,014	-	-	247,014
Preferred stock	22,556	-	-	22,556
Index funds	17,797	-	-	17,797
Convertible securities	20,788	-	-	20,788
Large growth funds	119,273	-	-	119,273
Large cap funds	144,862	-	-	144,862
Fixed income securities:				
Index bond funds	42,457	-	-	42,457
Intermediate duration bond funds	143,908	-	-	143,908
Corporate bond funds	120,434	-	-	120,434
Government bond funds	119,644	-	-	119,644
Real asset funds	50,748	-	-	50,748
Total investments	1,088,691	-	-	1,088,691
Assets limited as to use:				
Money market funds	11,281	-	-	11,281
Equity securities:				
Large blend funds	81,170	-	-	81,170
Emerging market funds	65,304	-	-	65,304
Index funds	15,470	-	-	15,470
Fixed income securities:				
Index bond funds	15,785	-	-	15,785
Short duration funds	30,716	-	-	30,716
Global bond funds	33,935	-	-	33,935
Intermediate duration bond funds	32,287	-	-	32,287
Total assets limited as to use	285,948	-	-	285,948
Beneficial interest in assets held by others:				
Community foundations	-	143,707	-	143,707
Perpetual trust	-	-	734,624	734,624
Total beneficial interest in assets held by others	-	143,707	734,624	878,331
	\$ 1,374,639	\$ 143,707	\$ 734,624	\$ 2,252,970

The Organization's investments in equity and fixed income securities are not concentrated in a single entity or in a few entities, nor are there any specific industry concentrations.

The board of directors designates a portion of the Organization's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The fixed amount determined by the board of directors at the beginning of each fiscal year as part of the Organization's budgeting process considers the Organization's long and short-term needs, present and anticipated financial requirements, and expected total return on its investments (see Note 12).

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3. Accounts Receivable

Accounts receivable consists of the following at June 30, 2023 and 2022:

	2023	2022
Managing entity contract	\$ 37,258,123	\$ 26,947,114
Other grants and funding sources	17,490,996	12,320,958
Program fees and other, net of allowance for doubtful accounts of \$152,956—2023 and \$183,512—2022	1,188,732	851,522
	<u>\$ 55,937,851</u>	<u>\$ 40,119,594</u>

Note 4. Property and Equipment

Property and equipment consists of the following at June 30, 2023 and 2022:

	Estimated Useful Lives (Years)	2023	2022
Land	N/A	\$ 1,848,945	\$ 1,848,945
Buildings and improvements	35	5,561,964	3,637,870
Vehicles	3-5	1,530,673	1,421,263
Leasehold improvements	5	8,937,499	5,251,606
Computer equipment and software	3-5	811,418	802,108
Furniture and equipment	2-5	1,781,771	1,596,936
Construction in progress		2,776,213	446,043
		<u>23,248,483</u>	<u>15,004,771</u>
Less accumulated depreciation and amortization		<u>(10,091,356)</u>	<u>(9,082,885)</u>
		<u>\$ 13,157,127</u>	<u>\$ 5,921,886</u>

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$1,246,106 and \$935,650, respectively.

Note 5. Beneficial Interest in Assets Held by Others

The Organization has established endowments at Community Foundation of Broward, Inc. and Community Foundation of Tampa Bay, Inc. (the Community Foundations) and named itself as the beneficiary. Under the terms of the endowment agreements, the Community Foundation of Broward, Inc. has variance power over the funds and the Community Foundation of Tampa Bay, Inc. does not have variance power over the funds. During 2016, the Organization was notified of its interest as the sole beneficiary of the Charles A. Zerbst Charitable Trust (Zerbst Trust), a perpetual trust established for LSF's benefit and administrated by an independent trustee. Investment income (losses), net of distributions and fees on beneficial interest in assets held by others are recorded as change in value of beneficial interest in assets held by others in the accompanying consolidated statements of activities.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Beneficial Interest in Assets Held by Others (Continued)

The fair value of the Organization's beneficial interest in assets held by others is as follows:

	2023	2022
Beneficial interest in assets held by others:		
Community Foundation of Broward, Inc.	\$ 143,058	\$ 137,080
Community Foundation of Tampa Bay, Inc.	6,911	6,627
	<u>149,969</u>	<u>143,707</u>
Beneficial interest in perpetual trust:		
Charles A. Zerbst Trust	735,447	734,624
	<u>\$ 885,416</u>	<u>\$ 878,331</u>

Note 6. Gifted Land and Facilities

Gifted land and facilities represents the present value of the excess of the aggregate fair rental value of land and building leases over below market rent payments. Gifted facilities represent lease agreements executed in connection with the Organization's Head Start programs operated in Pinellas, Duval and Palm Beach counties. Gifted land represents lease agreements executed in connection with land made available by the City of Miami, City of Homestead, and State of Florida for the purpose of housing Lutheran's Miami Bridge Miami and Homestead facilities.

Gifted land and facilities are recorded as contributions with donor restrictions and are released from restrictions as expense is recorded. Activity of the gifted facilities during the years ended June 30, 2023 and 2022, is summarized as follows:

	Pinellas Properties	Duval Properties	Palm Beach Properties	Miami Bridge Land	Total
Balance at June 30, 2021	\$ 861,136	\$ 830,097	\$ 3,179,317	\$ -	\$ 4,870,550
Contributions	1,037,887	121,450	359,241	-	1,518,578
Rent expense	(516,117)	(350,161)	(1,286,755)	-	(2,153,033)
Balance at June 30, 2022	1,382,906	601,386	2,251,803	-	4,236,095
Contributions	529,750	239,959	419,378	3,915,349	5,104,436
Rent expense	(467,055)	(372,891)	(1,471,972)	(12,047)	(2,323,965)
Balance at June 30, 2023	1,445,601	468,454	1,199,209	3,903,302	7,016,566
Less current portion of gifted facilities	(301,588)	(578,036)	(1,070,906)	(144,567)	(2,095,097)
Gifted facilities, less current portion	<u>\$ 1,144,013</u>	<u>\$ (109,582)</u>	<u>\$ 128,303</u>	<u>\$ 3,758,735</u>	<u>\$ 4,921,469</u>

Note 7. Accounts Payable

Accounts payable consists of the following at June 30, 2023 and 2022:

	2023	2022
Managing entity contract	\$ 41,283,595	\$ 34,638,080
Trade	4,586,474	4,391,160
	<u>\$ 45,870,069</u>	<u>\$ 39,029,240</u>

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Line of Credit

The Organization maintains a revolving line of credit with the Lutheran Church Extension Fund-Missouri Synod, an unaffiliated nonprofit organization, with a maximum availability of \$7,250,000. Interest is payable monthly at the lenders cost of funds, which is the weighted average annual rate of interest plus a spread of up to 3% (5% at June 30, 2023 and 4.375% at June 30, 2022, respectively). The line of credit is secured by the Organization's accounts receivable balance and requires the Organization to meet certain covenants. At June 30, 2023, the Organization was in compliance with these restrictive covenants. There was no outstanding balance on the line of credit at June 30, 2023 and 2022. The line of credit matures on April 4, 2025.

Note 9. Note Payable

The Organization entered into a promissory note with Lutheran Church Extension Fund-Missouri Synod in the amount of \$2,750,000, with a maturity date of September 20, 2029. The promissory note is secured by the Organization's accounts receivable balance and requires the Organization to meet certain covenants. The promissory note calls for monthly principal and interest payments of \$28,902, with a fixed interest rate of 4.75% through September 30, 2024. Beginning on October 1, 2024, the interest rate will be adjusted based on the lenders cost of funds plus 3% through maturity. The monthly principal and interest payment will be adjusted accordingly. The outstanding balance on the note payable at June 30, 2023 and 2022 was \$1,872,343 and \$2,123,720, respectively.

Maturities of the note payable at June 30, 2023, are as follows:

Years ending June 30:

2024	\$ 263,581
2025	276,378
2026	289,795
2027	303,864
2028	318,616
Thereafter	420,109
	<hr/> 1,872,343
Less current portion	(263,581)
	<hr/> <hr/> \$ 1,608,762

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Topic 842, a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization leases real estate and equipment under operating lease agreements that have initial terms ranging from one to 13 years. Some leases include one or more options to renew, generally at the Organization's sole discretion. In addition, certain leases contain termination options where the rights to terminate are held by either the Organizations, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the year ended June 30, 2023:

Operating lease cost	\$ 2,920,769
Finance lease cost—amortization of right-of-use assets	426,056
Finance lease cost—interest on lease liabilities	26,558
Short-term lease cost	182,180
Variable lease cost	210,324
Sublease income, gross	(16,476)
Total lease cost	<u>\$ 3,749,411</u>

Total rent expense was approximately \$3,702,000 and is included in occupancy costs in the consolidated statement of functional expenses.

Lease expense for operating leases is reported in occupancy costs in the accompanying consolidated statements of functional expenses. Lease expense for finance leases is reported in depreciation and amortization expense in the accompanying consolidated statement of functional expenses.

The Organization has elected to use the U.S. Treasury rate or risk-free rate in determining the present value of lease payments.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Leases (Continued)

Supplemental consolidated statement of financial position information related to leases is as follows as of June 30, 2023:

Finance leases:

Buildings and improvements	\$ 1,619,489
Furniture and equipment	71,000
Accumulated depreciation	(969,170)
Finance lease right-of-use assets, net	<u>\$ 721,319</u>
Current maturities of finance lease liabilities	\$ 131,580
Finance lease liabilities, non-current	538,246
Total finance lease liabilities	<u>\$ 669,826</u>

Weighted-average remaining lease term (in years):

Operating leases	4.00
Finance leases	4.51

Weighted-average discount rate:

Operating leases	2.99%
Finance leases	2.90%

Future undiscovered cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the consolidated statement of financial position as of June 30, 2023, is as follows:

	Operating Leases	Finance Leases
Years ending June 30:		
2024	\$ 2,424,970	\$ 173,400
2025	1,909,265	173,400
2026	1,516,140	173,400
2027	641,587	173,400
2028	293,054	86,700
Thereafter	649,390	-
Total lease payments	<u>7,434,406</u>	<u>780,300</u>
Less imputed interest	(437,956)	(110,474)
Total present value of lease liabilities	<u>\$ 6,996,450</u>	<u>\$ 669,826</u>

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Leases (Continued)

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable capital leases are as follows as of June 30, 2022:

Years ending June 30:	
2023	\$ 441,982
2024	173,400
2025	173,400
2026	173,400
2027	173,400
Thereafter	86,700
Total minimum capital lease payments	1,222,282
Less amount representing interest	(170,745)
Present value of capital lease payments	1,051,537
Less current portion of capital lease obligations	(381,711)
Capital lease obligations, less current portion	<u>\$ 669,826</u>

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable operating leases are as follows as of June 30, 2022:

Years ending June 30:	
2023	\$ 2,730,642
2024	1,663,273
2025	1,125,927
2026	883,442
2027	80,306
Thereafter	43,210
	<u>\$ 6,526,800</u>

Note 11. Net Assets

Net assets without donor restrictions are available for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Undesignated	\$ 7,295,208	\$ 2,565,679
Board designated for specified purposes	1,176,354	1,088,691
	<u>\$ 8,471,562</u>	<u>\$ 3,654,370</u>

The board of directors of LSF established a board designated endowment to be used to support operations which was \$1,176,354 and \$1,088,691 as of June 30, 2023 and 2022, respectively.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Net Assets (Continued)

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Restricted for specified purposes:		
Facilities and equipment subject to time restrictions	\$ 6,580,208	\$ 3,050,341
Gifted land and facilities	7,016,566	4,236,095
Other	97,000	112,157
	<u>13,693,774</u>	<u>7,398,593</u>
Restricted in perpetuity—endowment:		
Broward County program endowment	143,058	137,080
Tampa Bay program endowment	6,911	6,627
	<u>149,969</u>	<u>143,707</u>
Restricted in perpetuity—beneficial interest:		
Zerbst Trust	735,447	734,624
	<u>\$ 14,579,190</u>	<u>\$ 8,276,924</u>

Net assets with donor restrictions that were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors for the years ended June 30, 2023 and 2022, are as follows:

	2023	2022
Facilities and equipment subject to time restrictions	\$ 798,147	\$ 531,749
Rent expense from gifted land and facilities	2,323,965	2,153,033
Employee tuition reimbursement	-	22,668
Other	110,750	281,866
	<u>\$ 3,232,862</u>	<u>\$ 2,989,316</u>

Note 12. Endowment Funds

LSF has a board designated endowment fund included in net assets without donor restrictions which was established by the board of directors for the purpose of supporting the Organization's programs. LSF also has two donor restricted endowment funds which are included in net assets with donor restrictions and consist of funds established with the Community Foundation of Broward, Inc. and the Community Foundation of Tampa Bay, Inc. The earnings on the donor restricted endowment funds are to be used to support program operations and are recorded as net assets with donor restrictions until appropriated to LSF.

Interpretation of relevant law: Effective July 1, 2012, the state of Florida adopted the Uniform Prudent Management of Institutional Funds Act. The board of directors has interpreted the wishes of donors and state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Endowment Funds (Continued)

Investment return objectives, risk parameters and strategies: The Organization has adopted investment and spending policies, approved by the board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also preserving the purchasing power of those endowments over the long-term. The policies stipulate that the endowments should be managed as a long-term goal designed to maximize the returns without exposure to undue risk, as defined herein. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in the account performance, the Organization will pursue a strategy seeking to exceed a benchmark return of a target portfolio consisting of approximately 35% fixed income securities, 55% equity securities and 10% real assets for the general endowment fund. Earnings only on the endowment funds held the Community Foundations are used to support programs in those counties.

Spending policy: The Organization has a policy limiting the spending of its permanent endowment funds to interest income that may be withdrawn for use in the county where the endowments are based. From time to time, certain donor-restricted endowment funds may have a fair value less than the amount required to be maintained by donors or by law (underwater endowments). The Organization's policy is to not allow spending from underwater endowments. At June 30, 2023 and 2022, there were no underwater endowment funds with donor restrictions.

Endowment net asset composition by type of fund are as follows at June 30, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board designated endowment	\$ 1,176,354	\$ -	\$ 1,176,354
Broward County program endowment	-	143,058	143,058
Tampa Bay program endowment	-	6,911	6,911
	<u>\$ 1,176,354</u>	<u>\$ 149,969</u>	<u>\$ 1,326,323</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board designated endowment	\$ 1,088,691	\$ -	\$ 1,088,691
Broward County program endowment	-	137,080	137,080
Tampa Bay program endowment	-	6,627	6,627
	<u>\$ 1,088,691</u>	<u>\$ 143,707</u>	<u>\$ 1,232,398</u>

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Endowment Funds (Continued)

Changes in endowment net assets for the years ended June 30, 2023 and 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Balances at June 30, 2021	\$ 1,246,560	\$ 178,377	\$ 1,424,937
Board designations	8,541	-	8,541
Investment loss, net	(166,410)	(27,237)	(193,647)
Appropriations	-	(7,433)	(7,433)
Balances at June 30, 2022	\$ 1,088,691	\$ 143,707	\$ 1,232,398
Board designations	6,191	-	6,191
Investment return, net	81,472	15,003	96,475
Appropriations	-	(8,741)	(8,741)
Balances at June 30, 2023	\$ 1,176,354	\$ 149,969	\$ 1,326,323

Note 13. Retirement Plans

The Organization sponsors a 403(b) multiple employer retirement plan (the 403(b) Plan) administered by One America. Under the 403(b) Plan, employees are eligible to participate once they attain the age of 21. The Organization may elect to make matching and non-elective contributions to the 403(b) Plan. Participants' rights to employer contributions vest after three years of service.

The Organization also sponsors a 457(b) multiple employer plan (the 457(b) Plan) administered by One America. Under the 457(b) Plan, eligible employees may participate upon their date of hire. The Organization may elect to contribute matching and non-elective contributions to the 457(b) Plan. Participants' rights to employer contributions vest after one year of service.

Employer contributions to the 403(b) and 457(b) plans for the years ended June 30, 2023 and 2022 were approximately \$1,566,000 and \$1,002,000, respectively.

The Organization also sponsors a 457(f) employee benefit plan or SERP, which provides a key executive (the Participant) deferred compensation benefits outside of the two plans described above. Benefits under the SERP accumulate from annual contributions and earnings thereon. The plan participant's rights to employer contributions vest on February 7, 2023. For the years ended June 30, 2023 and 2022, the Organization incurred expenses under the SERP of approximately \$0 and \$5,000, respectively. At June 30, 2023 and 2022, the Organization has \$0 and \$285,948, respectively, of assets limited as to use for payment of its obligation under the SERP which is included in accrued salaries and payroll related expenses in the accompanying consolidated statements of financial position.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Contingencies

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, cannot be determined at this time and no provision has been made for any such adjustments in the accompanying consolidated financial statements.

The Organization is involved in legal actions arising during the ordinary course of its operations. The potential loss under these claims is not determinable at this time. Management believes any potential loss would be expected to fall within the Organization's insurance policy limits. The only anticipated financial exposure would be payment of the insurance deductible, a nominal amount. In the opinion of management, no material liability exists with respect to these claims.

The Organization sponsors a welfare benefit plan (the Plan) which provides medical and prescription drug benefits to its employees. Under the terms of the Plan, the Organization is responsible and self-insured for the first \$185,000 of individual covered claims and is subject to a maximum annual aggregate stop loss limit which was \$175,000 for the year ended June 30, 2023. Health insurance expense is based upon premiums paid to the insurer, estimated total cost of claims to be paid by the Organization that fall within the deductible limits described above, and the administrative costs of the Plan. The Organization outsources administration of claims to a third-party administrator (Meritain). Under the terms of the Meritain agreement, Meritain provides management with an estimate of incurred but unreported claims (IBNR) and the future development of covered claims using an actuarially determined reserve methodology based on current and historical claims development trends, which are recorded in payroll taxes and employee benefits in the accompanying consolidated statements of functional expenses. As of June 30, 2023 and 2022, accrued estimated health insurance expense under the Plan was approximately \$1,057,000 and \$806,000, respectively, and is included in accrued salaries and payroll related expenses in the accompanying consolidated statements of financial position. Estimated health insurance expense was approximately \$10,122,000 and \$6,055,000, respectively, for the years ended June 30, 2023 and 2022, which is included in payroll taxes and employee benefits in both program services and supporting services in the accompanying consolidated statements of activities. Actual claims expense may differ from these estimates. At June 30, 2023 and 2022, the Organization had approximately \$1,159,000 and \$990,000, respectively, of funds included in cash and cash equivalents to pay outstanding claims.

Note 15. Contributions of Nonfinancial Assets

Contributions of non-financial assets included in the consolidated statements of activities are as follows:

	2023	2022
Professional services	\$ 189,246	\$ 402,300
Rent	1,045,916	1,162,110
Food, clothing and household items	1,247,714	1,305,218
Gifted land and facilities	1,189,087	1,518,578
	<u>\$ 3,671,963</u>	<u>\$ 4,388,206</u>

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 16. Contributions of Nonfinancial Assets

No donated food, clothing and household items or professional services were restricted for use. The Organization estimates the fair value of its contributions of nonfinancial assets in line with FASB Topic 820, Fair Value Measurement. Food, clothing and household items are valued based on the wholesale value that would be received from selling similar products in the United States. Contributed professional services are valued at the estimated fair value based on current rates for similar services. Rent and gifted land and facilities are valued based upon current market rates. The Organization utilizes donated materials for their mission and does not monetize or sell the goods.

Donated services for the years ended June 30, 2023 and 2022, with estimated fair values of approximately \$2,876,000 and \$2,881,000, respectively, were not recognized in the accompanying consolidated financial statements because they did not meet the criteria for recognition because they did not require specialized skills and would ordinarily not be purchased if not provided by donation.

Note 17. Matching Requirements

The Organization received a substantial portion of its support from various funding sources which required local matches. Management believes these requirements were met through program service fees, local grants and public donations during the years ended June 30, 2023 and 2022.

Note 18. Liquidity and Availability of Resources

As of June 30, 2023 and 2022, the following reflects the Organization's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions and board designations, within one year of June 30, 2023 and 2022:

	2023	2022
Financial assets, at year-end		
Cash and cash equivalents	\$ 22,550,830	\$ 18,977,876
Accounts receivable, net	55,937,851	40,119,594
Investments	1,176,354	1,088,691
Gifted land and facilities	7,016,566	4,236,095
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donors with purpose and/or time restrictions	(6,677,208)	(3,162,498)
Restricted by donors with use restrictions	(7,016,566)	(4,236,095)
Board designations:		
Board designated for specified purposes	(1,176,354)	(1,088,691)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 71,811,473</u>	<u>\$ 55,934,972</u>

Over 95% of the Organization's annual revenue is comprised of cost reimbursement or pass-through contracts. Therefore, there is little ability to generate surplus revenue and maintain large cash balances. As such, the Organization relies on contract advances and prompt funder reimbursements to maintain liquidity. The Organization also maintains a \$7,250,000 line of credit available to meet cash flow needs if necessary.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 19. Guardianship Program

In connection with the Organization's guardianship program, the Organization manages funds for individuals who have been declared incapacitated. The Organization is a court-appointed legal guardian for these individuals. Assets managed by the Organization include real property valued in the table below at their fair value on the date the Organization was appointed guardian. Cash and cash equivalents, and investments are included in the table below at current fair value. Income earned on assets managed is applied to each individual's account balance. Assets managed by the Organization are not included in the accompanying consolidated financial statements. The value of assets managed are as follows:

	2023	2022
Cash and cash equivalents	\$ 7,332,441	\$ 6,621,235
Investments in fixed income and equity securities	4,400,605	4,336,933
Real property	5,251,405	4,119,322
Cash surrender value of life insurance and other annuities	4,246,565	4,099,872
Other	374,478	504,123
	<u>\$ 21,605,494</u>	<u>\$ 19,681,485</u>

For the years ended June 30, 2023 and 2022, program service fees earned under the guardianship program were approximately \$720,000 and \$644,000, respectively, and are included in program service fees in the accompanying consolidated statements of activities.

Note 20. Contract with Duval County Staff

The Organization's Head Start program in Duval County includes certain personnel that are employed by the Organization under a collective bargaining agreement. The collective bargaining agreement is effective through January 31, 2025.

Note 21. Promises to Give

The Organization has conditional promises to give from grantors of approximately \$77,613,000 and \$68,559,000 as of June 30, 2023 and 2022, respectively. Future payments are contingent upon the Organization carrying out certain activities (meeting grant-imposed barriers) stipulated by the grant or contract.

Note 22. Business Acquisition

On June 5, 2023, the Organization became the sole corporate of Miami Bridge, a nonprofit organization that promotes positive youth development and strengthen and support families to enable children to actualize their full potential and become productive community members. The programs operated by Miami Bridge directly align with the Organization's mission and allowed the Organization to expand its impact in the Miami-Dade area.

Effective June 5, 2023, the Organization acquired substantially all the assets and assumed all the liabilities used in connection with the operations of Miami Bridge.

The acquisition was deemed an inherent contribution, as Miami Bridge voluntarily transferred its assets to the Organization. No consideration was transferred by the Organization in the acquisition of Miami Bridge. The Organization has accounted for the acquisition by recording the assets acquired and liabilities assumed at fair value, resulting in an inherent contribution of approximately \$8,256,659.

Lutheran Services Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 22. Business Acquisition (Continued)

Acquired property and equipment and gifted land was recorded at estimated fair value using unobservable inputs. Management valued these assets based on replacement cost of comparable assets which approximates fair value or appraised values. All other assets acquired were recorded at their net realizable value at the date acquisition with approximates fair value.

The following table summarizes the estimated fair value of assets acquired and liabilities assumed as of June 5, 2023 (acquisition date):

Assets acquired:	
Cash and cash equivalents	\$ 329,883
Accounts receivable	94,662
Prepaid expenses	112,846
Property and equipment	3,932,072
Gifted land	3,915,349
Total assets acquired	<u>\$ 8,384,812</u>
Liabilities assumed	
Accounts payable	\$ 47,202
Other accrued expenses	5,622
Refundable advances	75,329
Total liabilities assumed	<u>\$ 128,153</u>
Inherent contribution	<u>\$ 8,256,659</u>

Note 23. Subsequent Events

On December 15, 2023, the Organization entered into a merger agreement, whereby, Hands of Mercy Everywhere, Inc. (HOME), a Florida nonprofit corporation, merged with the Organization. The merger then commenced on January 2, 2024. HOME provides residential accommodations as well as psychological, physical, emotional, and spiritual care in a safe, secure, Christian environment for young women in the foster care system. The Organization is the surviving corporation and upon completion of the transaction, HOME was dissolved and the assets and liabilities of HOME were assumed by the Organization at estimated fair value in accordance with ASC 958. As of the report date, the accounting for the business combination is incomplete.

Lutheran Services Florida, Inc. and Subsidiary**Schedule of Government Grants and Contracts
Year Ended June 30, 2023****Direct federal funding:**

U.S. Department of Health and Human Services	\$ 68,893,058
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Pass-through awards of federal and state funding:

State of Florida Department of Children and Families	221,061,502
State of Florida Department of Health	7,931,279
Children's Network of Southwest Florida, LLC	6,926,493
Family Support Services of Suncoast, LLC	11,809,199
Florida Network of Youth and Family Services, Inc.	5,775,781
Childnet, Inc.	4,013,600
Safe Children's Coalition Inc.	3,866,272
Partnership for Strong Families	3,391,825
Children's Network Hillsborough County	1,473,386
Heartland for Children	5,689,829
Citrus Health Family Care Network	41,195
Lutheran Immigration and Refugee Services	5,479,023
Voluntary Pre-Kindergarten	2,180,743
Youth Co-Op	1,473,127
Hillsborough County, State of Florida	1,871,479
State of Florida Department of Elder Affairs	1,086,040
Northwest Florida Health Network	188,237
State of Florida Office of Attorney General	343,629
U.S. Committee for Refugees and Immigrants	170,379
National Children's Alliance	80,000
University of South Florida	73,777
Hillsborough County Public Schools	31,500
Lee County BOCC Human & Veteran Services	689,837
City of St. Petersburg	67,920
	<u>285,716,052</u>

Local and other grants and contracts:

Children's Services Council of Palm Beach County	5,460,437
Children's Board of Hillsborough County	2,635,351
Florida Blue Foundation	264,068
Lee County, State of Florida	422,637
Family Endeavors, Inc dba Endeavors	315,640
Broward County	144,098
Lutheran Immigration and Refugee Services(MOU)	104,009
Florida Network of Youth and Family Services, Inc. (DV Respite)	126,608
Hernando County BOCC	67,048
Santa Rosa County, State of Florida	11,270
Sarasota County, State of Florida	31,346
Kids Central Inc.	25,306
Childnet, Inc.	42,140
Safe Children's Coalition Inc.	3,146
Heartland for Children	57,597
Jacksonville Sheriff's Office	37,077
Kids Hope Alliance	22,280
The Children's Trust	6,791
DCF—Host Homes	9,286
Other	66,984
	<u>9,853,119</u>

Total government grants and contracts	\$ 364,462,229
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Lutheran Services Florida, Inc. and Subsidiary

**Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues
Budget Period July 1, 2022 Through June 30, 2023**

	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA								
	Aftercare/ Follow-Up	Assessment	Case Management	Clay Behavioral— Crisis Prevention	Community Forensic Beds— Adult Services	Crisis Stabilization	Crisis Support/ Emergency	Day Care	Day Treatment
Part I: Actual Funding Sources and Revenues:									
Funding Sources and Revenues									
IA. State SAMH funding									
Contract EH003	\$ 86,218	\$ 1,431,384	\$ 4,471,103	\$ 500,000	\$ 1,063,014	\$ 19,248,924	\$ 20,367,253	\$ 279,345	\$ 1,230,302
Contract EH003—carryover	-	-	-	-	-	-	-	-	-
Total state SAMH funding	86,218	1,431,384	4,471,103	500,000	1,063,014	19,248,924	20,367,253	279,345	1,230,302
IB. Other government funding									
(1) Other state agency funding	-	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-	-
(3) Local government	-	-	-	-	-	-	-	-	-
(4) Federal grants and contracts	-	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-	-
Total other government funding	-	-	-	-	-	-	-	-	-
IC. All other revenues									
(1) First and second party payments	-	-	-	-	-	-	-	-	-
(2) Third-party payments (except Medicare)	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-	-
(6) Refunds	-	-	-	-	-	-	-	-	-
(7) In-kind	-	-	-	-	-	-	-	-	-
Total all other revenues	-	-	-	-	-	-	-	-	-
Total funding	\$ 86,218	\$ 1,431,384	\$ 4,471,103	\$ 500,000	\$ 1,063,014	\$ 19,248,924	\$ 20,367,253	\$ 279,345	\$ 1,230,302

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part I: Actual Funding Sources and Revenues: Funding Sources and Revenues	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA								
	Drop-In Self-Help Centers	FR—CAT Teams	Florida Assertive Community Treatment (FACT) Team	FIT Teams	HIV Services	Incidental Expenses	Indigent Psych Medication Program	Information and Referrals	In-Home/ On-Site
IA. State SAMH funding									
Contract EH003	\$ 664,497	\$ 12,343,750	\$ 4,295,369	\$ 3,505,180	\$ 328,710	\$ 2,704,835	\$ 153,598	\$ 2,133,956	\$ 203,280
Contract EH003—carryover	-	-	-	-	-	-	-	-	-
Total state SAMH funding	664,497	12,343,750	4,295,369	3,505,180	328,710	2,704,835	153,598	2,133,956	203,280
IB. Other government funding									
(1) Other state agency funding	-	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-	-
(3) Local government	-	-	-	-	-	-	-	-	-
(4) Federal grants and contracts	-	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-	-
Total other government funding	-	-	-	-	-	-	-	-	-
IC. All other revenues									
(1) First and second party payments	-	-	-	-	-	-	-	-	-
(2) Third-party payments (except Medicare)	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-	-
(6) Refunds	-	-	-	-	-	-	-	-	-
(7) In-kind	-	-	-	-	-	-	-	-	-
Total all other revenues	-	-	-	-	-	-	-	-	-
Total funding	\$ 664,497	\$ 12,343,750	\$ 4,295,369	\$ 3,505,180	\$ 328,710	\$ 2,704,835	\$ 153,598	\$ 2,133,956	\$ 203,280

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part I: Actual Funding Sources and Revenues:	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA								
	Inpatient	Intensive Case Management	Medical Services	Mental Health Clubhouse Services	Methadone Treatment	Multi-Disciplinary Forensic Team	Outreach	PATH Community Support Services Federal	Prevention
Funding Sources and Revenues									
IA. State SAMH funding									
Contract EH003	\$ 1,245,042	\$ 57,404	\$ 5,799,110	\$ 1,024,109	\$ 8,693,176	\$ 1,247,276	\$ 4,149,051	\$ 853,047	\$ 9,494,886
Contract EH003—carryover	-	-	-	-	-	-	-	-	-
Total state SAMH funding	1,245,042	57,404	5,799,110	1,024,109	8,693,176	1,247,276	4,149,051	853,047	9,494,886
IB. Other government funding									
(1) Other state agency funding	-	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-	-
(3) Local government	-	-	-	-	-	-	-	-	-
(4) Federal grants and contracts	-	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-	-
Total other government funding	-	-	-	-	-	-	-	-	-
IC. All other revenues									
(1) First and second party payments	-	-	-	-	-	-	-	-	-
(2) Third-party payments (except Medicare)	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-	-
(6) Refunds	-	-	-	-	-	-	-	-	-
(7) In-kind	-	-	-	-	-	-	-	-	-
Total all other revenues	-	-	-	-	-	-	-	-	-
Total funding	\$ 1,245,042	\$ 57,404	\$ 5,799,110	\$ 1,024,109	\$ 8,693,176	\$ 1,247,276	\$ 4,149,051	\$ 853,047	\$ 9,494,886

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

	State-Designated SAMH Cost Centers								
	State SAMH-Funded Cost Centers								
	AMH/CMH/ASA/CSA								
Part I: Actual Funding Sources and Revenues:	Respite		Supported	Supported		Transitional			Residential
Funding Sources and Revenues	Services	SA Detox	Employment	Housing/Living	TASC	Beds	Intervention	Outpatient	Services
IA. State SAMH funding									
Contract EH003	\$ 743,134	\$ 8,891,775	\$ 520,364	\$ 585,710	\$ 366,688	\$ 1,622,235	\$ 1,881,328	\$ 3,046,422	\$ 29,279,102
Contract EH003—carryover	-	-	-	-	-	-	-	-	-
Total state SAMH funding	743,134	8,891,775	520,364	585,710	366,688	1,622,235	1,881,328	3,046,422	29,279,102
IB. Other government funding									
(1) Other state agency funding	-	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-	-
(3) Local government	-	-	-	-	-	-	-	-	-
(4) Federal grants and contracts	-	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-	-
Total other government funding	-	-	-	-	-	-	-	-	-
IC. All other revenues									
(1) First and second party payments	-	-	-	-	-	-	-	-	-
(2) Third-party payments (except Medicare)	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-	-
(6) Refunds	-	-	-	-	-	-	-	-	-
(7) In-kind	-	-	-	-	-	-	-	-	-
Total all other revenues	-	-	-	-	-	-	-	-	-
Total funding	\$ 743,134	\$ 8,891,775	\$ 520,364	\$ 585,710	\$ 366,688	\$ 1,622,235	\$ 1,881,328	\$ 3,046,422	\$ 29,279,102

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part I: Actual Funding Sources and Revenues: Funding Sources and Revenues	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA								
	Room and Board with Supervision	Transition Vouchers	Bnet	Care Coordination	Purchased Residential Therapeutic Services	First Episode Psychosis	Fixed Rate Central Receiving Facilities	Recovery Support	Federal Project Grant
IA. State SAMH funding									
Contract EH003	\$ 7,832,468	\$ 126,900	\$ 709,476	\$ 1,830,131	\$ 255,707	\$ 2,177,310	\$ 7,182,471	\$ 547,186	\$ 2,558,628
Contract EH003—carryover	-	-	-	-	-	-	-	-	-
Total state SAMH funding	7,832,468	126,900	709,476	1,830,131	255,707	2,177,310	7,182,471	547,186	2,558,628
IB. Other government funding									
(1) Other state agency funding	-	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-	-
(3) Local government	-	-	-	-	-	-	-	-	-
(4) Federal grants and contracts	-	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-	-
Total other government funding	-	-	-	-	-	-	-	-	-
IC. All other revenues									
(1) First and second party payments	-	-	-	-	-	-	-	-	-
(2) Third-party payments (except Medicare)	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-	-
(6) Refunds	-	-	-	-	-	-	-	-	-
(7) In-kind	-	-	-	-	-	-	-	-	-
Total all other revenues	-	-	-	-	-	-	-	-	-
Total funding	\$ 7,832,468	\$ 126,900	\$ 709,476	\$ 1,830,131	\$ 255,707	\$ 2,177,310	\$ 7,182,471	\$ 547,186	\$ 2,558,628

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

	State-Designated SAMH Cost Centers							
	State SAMH-Funded Cost Centers							
	AMH/CMH/ASA/CSA							
Part I: Actual Funding Sources and Revenues:	Other	Cost	Wraparound	Network	Provider	Local	Sustainability	Total for
Funding Sources and Revenues	Bundled	Reimbursement	Projects	Evaluation and Development	Provision Projects	Diversion Forensic Project	Payments	AMH/CMH/ASA/CSA
IA. State SAMH funding								
Contract EH003	\$ 12,451,328	\$ 8,448,304	\$ 215,628	\$ 3,352,352	\$ 1,414,289	\$ 618,224	\$ -	\$ 204,230,979
Contract EH003—carryover	-	-	-	-	-	-	-	-
Total state SAMH funding	12,451,328	8,448,304	215,628	3,352,352	1,414,289	618,224	-	204,230,979
IB. Other government funding								
(1) Other state agency funding	-	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-	-
(3) Local government	-	-	-	-	-	-	-	-
(4) Federal grants and contracts	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-
Total other government funding	-	-	-	-	-	-	-	-
IC. All other revenues								
(1) First and second party payments	-	-	-	-	-	-	-	-
(2) Third-party payments (except Medicare)	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-
(6) Refunds	-	-	-	-	-	-	-	-
(7) In-kind	-	-	-	-	-	-	-	-
Total all other revenues	-	-	-	-	-	-	-	-
Total funding	\$ 12,451,328	\$ 8,448,304	\$ 215,628	\$ 3,352,352	\$ 1,414,289	\$ 618,224	\$ -	\$ 204,230,979

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part I: Actual Funding Sources and Revenues:	ME	Total for State	Total for Non-	Total for all	Non-SAMH	Total
Funding Sources and Revenues	Administrative	SAMH-Funded	State-Funded	State Designated	Cost Centers	Funding
	Services	Cost Centers	SAMH Cost	SAMH-Funded		
			Centers	Cost Centers		
IA. State SAMH funding						
Contract EH003	\$ 6,629,636	\$ 204,230,979	\$ -	\$ 210,860,615	\$ -	\$ 210,860,615
Contract EH003—carryover	-	3,559,631	-	3,559,631	-	3,559,631
Total state SAMH funding	6,629,636	207,790,610	-	214,420,246	-	214,420,246
IB. Other government funding						
(1) Other state agency funding	-	-	-	-	13,714,329	13,714,329
(2) Medicaid	-	-	-	-	-	-
(3) Local government	-	-	-	-	9,853,119	9,853,119
(4) Federal grants and contracts	-	-	-	-	126,474,535	126,474,535
(5) In-kind from local government only	-	-	-	-	-	-
Total other government funding	-	-	-	-	150,041,983	150,041,983
IC. All other revenues						
(1) First and second party payments	-	-	-	-	1,188,589	1,188,589
(2) Third-party payments (except Medicare)	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-
(4) Contributions and donations	-	-	-	-	7,289,061	7,289,061
(5) Other	-	-	-	-	831,675	831,675
(6) Refunds	-	-	-	-	-	-
(7) In-kind	-	-	-	-	2,482,876	2,482,876
Total all other revenues	-	-	-	-	11,792,201	11,792,201
Total funding	\$ 6,629,636	\$ 207,790,610	\$ -	\$ 214,420,246	\$ 161,834,184	\$ 376,254,430

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part II: Actual Expenses: Funding Sources and Revenues	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA									
	Aftercare/ Follow-Up	Assessment	Case Management	Clay Behavioral— Crisis Prevention	Community Forensic Beds—Adult Services	Crisis Stabilization	Crisis Support/ Emergency	Day Care	Day Treatment	
IIA. Personnel expenses										
(1) Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(2) Fringe benefits	-	-	-	-	-	-	-	-	-	
Total personnel expenses	-	-	-	-	-	-	-	-	-	
IIB. Other expenses										
(1) Building occupancy	-	-	-	-	-	-	-	-	-	
(2) Professional services	-	-	-	-	-	-	-	-	-	
(3) Travel	-	-	-	-	-	-	-	-	-	
(4) Equipment	-	-	-	-	-	-	-	-	-	
(5) Food services	-	-	-	-	-	-	-	-	-	
(6) Medical and pharmacy	-	-	-	-	-	-	-	-	-	
(7) Subcontracted services	86,218	1,431,384	4,471,103	500,000	1,063,014	19,248,924	20,367,253	279,345	1,230,302	
(8) Insurance	-	-	-	-	-	-	-	-	-	
(9) Interest paid	-	-	-	-	-	-	-	-	-	
(10) Operating supplies and expenses	-	-	-	-	-	-	-	-	-	
(11) Other	-	-	-	-	-	-	-	-	-	
(12) Donated items	-	-	-	-	-	-	-	-	-	
Total other expenses	86,218	1,431,384	4,471,103	500,000	1,063,014	19,248,924	20,367,253	279,345	1,230,302	
Total personnel and other expenses	86,218	1,431,384	4,471,103	500,000	1,063,014	19,248,924	20,367,253	279,345	1,230,302	
IIIC. Distributed indirect costs										
(a) Other support costs (optional)	-	-	-	-	-	-	-	-	-	
(b) Administration	-	-	-	-	-	-	-	-	-	
Total distributed indirect costs	-	-	-	-	-	-	-	-	-	
Total actual operating expenses	86,218	1,431,384	4,471,103	500,000	1,063,014	19,248,924	20,367,253	279,345	1,230,302	
IIID. Unallowable costs	-	-	-	-	-	-	-	-	-	
Total allowable operating expenses	\$ 86,218	\$ 1,431,384	\$ 4,471,103	\$ 500,000	\$ 1,063,014	\$ 19,248,924	\$ 20,367,253	\$ 279,345	\$ 1,230,302	
IIIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part II: Actual Expenses: Funding Sources and Revenues	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA								
	Drop-In Self-Help Centers	FR—CAT Teams	Florida Assertive Community Treatment (FACT) Team	FIT Teams	HIV Services	Incidental Expenses	Indigent Psych Medication Program	Information and Referrals	In-Home/ On-Site
IIA. Personnel Expenses									
(1) Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Fringe benefits	-	-	-	-	-	-	-	-	-
Total personnel expenses	-	-	-	-	-	-	-	-	-
IIB. Other expenses									
(1) Building occupancy	-	-	-	-	-	-	-	-	-
(2) Professional services	-	-	-	-	-	-	-	-	-
(3) Travel	-	-	-	-	-	-	-	-	-
(4) Equipment	-	-	-	-	-	-	-	-	-
(5) Food services	-	-	-	-	-	-	-	-	-
(6) Medical and pharmacy	-	-	-	-	-	-	-	-	-
(7) Subcontracted services	664,497	12,343,750	4,295,369	3,505,180	328,710	2,704,835	153,598	2,133,956	203,280
(8) Insurance	-	-	-	-	-	-	-	-	-
(9) Interest paid	-	-	-	-	-	-	-	-	-
(10) Operating supplies and expenses	-	-	-	-	-	-	-	-	-
(11) Other	-	-	-	-	-	-	-	-	-
(12) Donated items	-	-	-	-	-	-	-	-	-
Total other expenses	664,497	12,343,750	4,295,369	3,505,180	328,710	2,704,835	153,598	2,133,956	203,280
Total personnel and other expenses	664,497	12,343,750	4,295,369	3,505,180	328,710	2,704,835	153,598	2,133,956	203,280
IIC. Distributed indirect costs									
(a) Other support costs (optional)	-	-	-	-	-	-	-	-	-
(b) Administration	-	-	-	-	-	-	-	-	-
Total distributed indirect costs	-	-	-	-	-	-	-	-	-
Total actual operating expenses	664,497	12,343,750	4,295,369	3,505,180	328,710	2,704,835	153,598	2,133,956	203,280
IID. Unallowable costs	-	-	-	-	-	-	-	-	-
Total allowable operating expenses	\$ 664,497	\$ 12,343,750	\$ 4,295,369	\$ 3,505,180	\$ 328,710	\$ 2,704,835	\$ 153,598	\$ 2,133,956	\$ 203,280
IIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part II: Actual Expenses: Funding Sources and Revenues	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA									
	Intensive Case Management		Medical Services		Mental Health Clubhouse Services		Methadone Treatment		Multi-Disciplinary Forensic Team	
	Inpatient	Management	Services		Services		Treatment		Outreach	PATH Community Support Services Federal Prevention
IIA. Personnel expenses										
(1) Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Fringe benefits	-	-	-	-	-	-	-	-	-	-
Total personnel expenses	-	-	-	-	-	-	-	-	-	-
IIB. Other expenses										
(1) Building occupancy	-	-	-	-	-	-	-	-	-	-
(2) Professional services	-	-	-	-	-	-	-	-	-	-
(3) Travel	-	-	-	-	-	-	-	-	-	-
(4) Equipment	-	-	-	-	-	-	-	-	-	-
(5) Food services	-	-	-	-	-	-	-	-	-	-
(6) Medical and pharmacy	-	-	-	-	-	-	-	-	-	-
(7) Subcontracted services	1,245,042	57,404	5,799,110	1,024,109	8,693,176	1,247,276	4,149,051	853,047	9,494,886	
(8) Insurance	-	-	-	-	-	-	-	-	-	-
(9) Interest paid	-	-	-	-	-	-	-	-	-	-
(10) Operating supplies and expenses	-	-	-	-	-	-	-	-	-	-
(11) Other	-	-	-	-	-	-	-	-	-	-
(12) Donated items	-	-	-	-	-	-	-	-	-	-
Total other expenses	1,245,042	57,404	5,799,110	1,024,109	8,693,176	1,247,276	4,149,051	853,047	9,494,886	
Total personnel and other expenses	1,245,042	57,404	5,799,110	1,024,109	8,693,176	1,247,276	4,149,051	853,047	9,494,886	
IIC. Distributed indirect costs										
(a) Other support costs (optional)	-	-	-	-	-	-	-	-	-	-
(b) Administration	-	-	-	-	-	-	-	-	-	-
Total distributed indirect costs	-	-	-	-	-	-	-	-	-	-
Total actual operating expenses	1,245,042	57,404	5,799,110	1,024,109	8,693,176	1,247,276	4,149,051	853,047	9,494,886	
IID. Unallowable costs	-	-	-	-	-	-	-	-	-	-
Total allowable operating expenses	\$ 1,245,042	\$ 57,404	\$ 5,799,110	\$ 1,024,109	\$ 8,693,176	\$ 1,247,276	\$ 4,149,051	\$ 853,047	\$ 9,494,886	
IIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA									
Part II: Actual Expenses:	Respite		Supported	Supported		Transitional			Residential	
Funding Sources and Revenues	Services	SA Detox	Employment	Housing/Living	TASC	Beds	Intervention	Outpatient	Services	
IIA. Personnel expenses										
(1) Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(2) Fringe benefits	-	-	-	-	-	-	-	-	-	
Total personnel expenses	-	-	-	-	-	-	-	-	-	
IIB. Other expenses										
(1) Building occupancy	-	-	-	-	-	-	-	-	-	
(2) Professional services	-	-	-	-	-	-	-	-	-	
(3) Travel	-	-	-	-	-	-	-	-	-	
(4) Equipment	-	-	-	-	-	-	-	-	-	
(5) Food services	-	-	-	-	-	-	-	-	-	
(6) Medical and pharmacy	-	-	-	-	-	-	-	-	-	
(7) Subcontracted services	743,134	8,891,775	520,364	585,710	366,688	1,622,235	1,881,328	3,046,422	29,279,102	
(8) Insurance	-	-	-	-	-	-	-	-	-	
(9) Interest paid	-	-	-	-	-	-	-	-	-	
(10) Operating supplies and expenses	-	-	-	-	-	-	-	-	-	
(11) Other	-	-	-	-	-	-	-	-	-	
(12) Donated items	-	-	-	-	-	-	-	-	-	
Total other expenses	743,134	8,891,775	520,364	585,710	366,688	1,622,235	1,881,328	3,046,422	29,279,102	
Total personnel and other expenses	743,134	8,891,775	520,364	585,710	366,688	1,622,235	1,881,328	3,046,422	29,279,102	
IIC. Distributed indirect costs										
(a) Other support costs (optional)	-	-	-	-	-	-	-	-	-	
(b) Administration	-	-	-	-	-	-	-	-	-	
Total distributed indirect costs	-	-	-	-	-	-	-	-	-	
Total actual operating expenses	743,134	8,891,775	520,364	585,710	366,688	1,622,235	1,881,328	3,046,422	29,279,102	
IID. Unallowable costs	-	-	-	-	-	-	-	-	-	
Total allowable operating expenses	\$ 743,134	\$ 8,891,775	\$ 520,364	\$ 585,710	\$ 366,688	\$ 1,622,235	\$ 1,881,328	\$ 3,046,422	\$ 29,279,102	
IIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA									
	Room and Board with Supervision	Transition Vouchers	Bnet	Care Coordination	Purchased Residential Therapeutic Services	First Episode Psychosis	Fixed Rate Central Receiving Facilities	Recovery Support	Federal Project Grant	
Part II: Actual Expenses:										
Funding Sources and Revenues										
IIA. Personnel expenses										
(1) Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(2) Fringe benefits	-	-	-	-	-	-	-	-	-	
Total personnel expenses	-	-	-	-	-	-	-	-	-	
IIB. Other expenses										
(1) Building occupancy	-	-	-	-	-	-	-	-	-	
(2) Professional services	-	-	-	-	-	-	-	-	-	
(3) Travel	-	-	-	-	-	-	-	-	-	
(4) Equipment	-	-	-	-	-	-	-	-	-	
(5) Food services	-	-	-	-	-	-	-	-	-	
(6) Medical and pharmacy	-	-	-	-	-	-	-	-	-	
(7) Subcontracted services	7,832,468	126,900	709,476	1,830,131	255,707	2,177,310	7,182,471	547,186	2,558,628	
(8) Insurance	-	-	-	-	-	-	-	-	-	
(9) Interest paid	-	-	-	-	-	-	-	-	-	
(10) Operating supplies and expenses	-	-	-	-	-	-	-	-	-	
(11) Other	-	-	-	-	-	-	-	-	-	
(12) Donated items	-	-	-	-	-	-	-	-	-	
Total other expenses	7,832,468	126,900	709,476	1,830,131	255,707	2,177,310	7,182,471	547,186	2,558,628	
Total personnel and other expenses	7,832,468	126,900	709,476	1,830,131	255,707	2,177,310	7,182,471	547,186	2,558,628	
IIC. Distributed indirect costs										
(a) Other support costs (optional)	-	-	-	-	-	-	-	-	-	
(b) Administration	-	-	-	-	-	-	-	-	-	
Total distributed indirect costs	-	-	-	-	-	-	-	-	-	
Total actual operating expenses	7,832,468	126,900	709,476	1,830,131	255,707	2,177,310	7,182,471	547,186	2,558,628	
IID. Unallowable costs	-	-	-	-	-	-	-	-	-	
Total allowable operating expenses	\$ 7,832,468	\$ 126,900	\$ 709,476	\$ 1,830,131	\$ 255,707	\$ 2,177,310	\$ 7,182,471	\$ 547,186	\$ 2,558,628	
IIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers AMH/CMH/ASA/CSA							
	Other Bundled Projects	Cost Reimbursement	Wraparound Projects	Network Evaluation and Development	Provider Provision Projects	Local Diversion Forensic Project	Sustainability Payments	Total for AMH/CMH ASA/CSA
Part II: Actual Expenses:								
Funding Sources and Revenues								
IIA. Personnel expenses								
(1) Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Fringe benefits	-	-	-	-	-	-	-	-
Total personnel expenses	-	-	-	-	-	-	-	-
IIB. Other expenses								
(1) Building occupancy	-	-	-	-	-	-	-	-
(2) Professional services	-	-	-	-	-	-	-	-
(3) Travel	-	-	-	-	-	-	-	-
(4) Equipment	-	-	-	-	-	-	-	-
(5) Food services	-	-	-	-	-	-	-	-
(6) Medical and pharmacy	-	-	-	-	-	-	-	-
(7) Subcontracted services	12,451,328	8,448,304	215,628	3,352,352	1,414,289	618,224	-	204,230,979
(8) Insurance	-	-	-	-	-	-	-	-
(9) Interest paid	-	-	-	-	-	-	-	-
(10) Operating supplies and expenses	-	-	-	-	-	-	-	-
(11) Other	-	-	-	-	-	-	-	-
(12) Donated items	-	-	-	-	-	-	-	-
Total other expenses	12,451,328	8,448,304	215,628	3,352,352	1,414,289	618,224	-	204,230,979
Total personnel and other expenses	12,451,328	8,448,304	215,628	3,352,352	1,414,289	618,224	-	204,230,979
IIC. Distributed indirect costs								
(a) Other support costs (optional)	-	-	-	-	-	-	-	-
(b) Administration	-	-	-	-	-	-	-	-
Total distributed indirect costs	-	-	-	-	-	-	-	-
Total actual operating expenses	12,451,328	8,448,304	215,628	3,352,352	1,414,289	618,224	-	204,230,979
IID. Unallowable costs	-	-	-	-	-	-	-	-
Total allowable operating expenses	\$ 12,451,328	\$ 8,448,304	\$ 215,628	\$ 3,352,352	\$ 1,414,289	\$ 618,224	\$ -	\$ 204,230,979
IIIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Substance Abuse and Mental Health Services, Program/Cost Center Actual Expenses and Revenues (Continued)
Budget Period July 1, 2022 Through June 30, 2023

Part II: Actual Expenses:	ME Administrative Services	Carryforward	Total for State SAMH-Funded Cost Centers	Total for Non- State-Funded SAMH Cost Centers	Total for all State Designated SAMH-Funded Cost Centers	Non-SAMH Cost Centers	Administration	Advancement	Total Expenses
Funding Sources and Revenues									
IIA. Personnel expenses									
(1) Salaries	\$ 3,897,699	\$ -	\$ 3,897,699	\$ -	\$ 3,897,699	\$ 65,365,361	\$ 6,037,304	\$ 374,977	\$ 75,675,341
(2) Fringe benefits	968,269	-	968,269	-	968,269	17,177,325	1,669,615	86,340	19,901,549
Total personnel expenses	4,865,968	-	4,865,968	-	4,865,968	82,542,686	7,706,919	461,317	95,576,890
IIB. Other expenses									
(1) Building occupancy	261,595	-	261,595	-	261,595	7,644,790	561,615	7,575	8,475,575
(2) Professional services	218,482	-	218,482	-	218,482	3,164,224	597,688	27,763	4,008,157
(3) Travel	124,979	-	124,979	-	124,979	3,144,504	238,943	21,537	3,529,963
(4) Equipment	349,577	-	349,577	-	349,577	10,091,180	310,582	13,101	10,764,440
(5) Food services	-	-	-	-	-	2,718,202	-	-	2,718,202
(6) Medical and pharmacy	-	-	-	-	-	-	-	-	-
(7) Subcontracted services	-	3,506,542	207,737,521	-	207,737,521	21,631,031	-	-	229,368,552
(8) Insurance	37,827	-	37,827	-	37,827	1,608,956	126,413	2,363	1,775,559
(9) Interest paid	-	-	-	-	-	52,242	103,535	-	155,777
(10) Operating supplies and expenses	113,149	-	113,149	-	113,149	13,372,121	251,935	106,763	13,843,968
(11) Other	49,481	-	49,481	-	49,481	478,816	144,345	19,030	691,672
(12) Donated items	-	-	-	-	-	2,482,876	-	-	2,482,876
Total other expenses	1,155,090	3,506,542	208,892,611	-	208,892,611	66,388,942	2,335,056	198,132	277,814,741
Total personnel and other expenses	6,021,058	3,506,542	213,758,579	-	213,758,579	148,931,628	10,041,975	659,449	373,391,631
IIC. Distributed indirect costs									
(a) Other support costs (optional)	-	-	-	-	-	-	-	-	-
(b) Administration	634,170	-	634,170	-	634,170	9,356,534	(10,041,974)	51,270	-
Total distributed indirect costs	634,170	-	634,170	-	634,170	9,356,534	(10,041,974)	51,270	-
Total actual operating expenses	6,655,228	3,506,542	214,392,749	-	214,392,749	158,288,162	1	710,719	373,391,631
IID. Unallowable costs	-	-	-	-	-	38,451	7,261	1,045	46,757
Total allowable operating expenses	\$ 6,655,228	\$ 3,506,542	\$ 214,392,749	\$ -	\$ 214,392,749	\$ 158,249,711	\$ (7,260)	\$ 709,674	\$ 373,344,874
IIE. Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,002,256	\$ -	\$ -	\$ 9,002,256

Lutheran Services Florida, Inc. and Subsidiary

**Schedule of Substance Abuse and Mental Health Services, Program/Cost
Center Actual Expenses and Revenues (Continued)**

**Schedule of State Earnings
Year Ended June 30, 2023**

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

Lutheran Services Florida, Inc. and Subsidiary

**Schedule of Substance Abuse and Mental Health Services, Program/Cost
Center Actual Expenses and Revenues (Continued)
Schedule of Bed-Day Availability Payments
Year Ended June 30, 2023**

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

Lutheran Services Florida, Inc. and Subsidiary

**Schedule of Substance Abuse and Mental Health Services, Program/Cost
Center Actual Expenses and Revenues (Continued)
Schedule of Related Party Transaction Adjustments
Year Ended June 30, 2023**

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

**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***

Independent Auditor's Report

Board of Directors
Lutheran Services Florida, 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 (*Government Auditing Standards*), the consolidated financial statements of Lutheran Services Florida, Inc. and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated March 29, 2024.

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 Organization'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.

RSM US LLP

Tampa, Florida
March 29, 2024

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

Independent Auditor's Report

Board of Directors
Lutheran Services Florida, 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 Lutheran Services Florida, Inc. and Subsidiary's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the State of Florida's *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state financial assistance projects for the year ended June 30, 2023. The Organization's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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 (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state 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.

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 GAAS, *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 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, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

RSM VS LLP

Tampa, Florida
March 29, 2024

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number or Direct Award Contract Number	Provided to Subrecipients	Total Expenditures
U.S. Department of Agriculture:				
<i>Passed-through from Florida Department of Health:</i>				
Child and Adult Care Food Program	10.558	D-154	\$ -	\$ 5,799,179
Child and Adult Care Food Program	10.558	S-121	-	1,940,090
Child and Adult Care Food Program	10.558	H-3109	-	22,618
Child and Adult Care Food Program	10.558	H-3110	-	17,966
Child and Adult Care Food Program	10.558	H-3654	-	38,916
Child and Adult Care Food Program	10.558	H-3365	-	66,414
Subtotal—U.S. Department of Agriculture			-	7,885,183
U.S. Department of Housing and Urban Development:				
<i>Passed-through from City of St. Petersburg:</i>				
CDBG – Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-12-0017	-	67,920
<i>Passed-through from Lee County</i>				
Community Development Block Grants/Entitlement Grants	14.218	9520	-	689,837
<i>Passed-through from Florida Department of Health:</i>				
Housing Opportunities for Persons with AIDS	14.241	CODMB	-	5,874
Subtotal—U.S. Department of Housing and Urban Development			-	763,631
U.S. Department of Justice:				
<i>Passed-through from State of Florida Office of Attorney General:</i>				
Crime Victim Assistance	16.575	VOCA-2021-LSF-00528	-	70,118
Crime Victim Assistance	16.575	VOCA-2022-LSF-00706	-	273,511
Subtotal—U.S. Department of Justice			-	343,629
U.S. Department of State:				
<i>Passed-through from Lutheran Immigration and Refugee Services:</i>				
U.S. Refugee Admissions Program	19.510	SPRMC022CA0022 / 323-22-LSF-01	-	174,380
U.S. Refugee Admissions Program	19.510	SPRMC023CA0011 / 323-23-LSF-00	-	739,241
U.S. Refugee Admissions Program	19.510	SPRMC023CA0011 / 323-23-LSF-00	-	9,053
U.S. Refugee Admissions Program	19.510	SPRMC021CA3290 / 320-21/22-00	-	353,236
U.S. Refugee Admissions Program	19.510	SPRMC021CA3290 / 320-21/22-00	-	54,934
Subtotal—U.S. Department of State			-	1,330,844
U.S. Department of Homeland Security:				
<i>Passed-through from Hillsborough County Public Schools</i>				
Citizenship Education and Training	97.010	20CICET00157	-	31,500
<i>Passed-through from State of Florida Department of Children and Families</i>				
Crisis Counseling	97.032	EH003	100,448	100,448
Subtotal—U.S. Department of Homeland Security			100,448	131,948
U.S. Department of Health and Human Services:				
Substance Abuse and Mental Health Services Projects of				
Regional and National Significance	93.243	H79SM085037	76,438	108,891
Substance Abuse and Mental Health Services Projects of				
Regional and National Significance	93.243	H79TI084098	689,044	873,825
Mental and Behavioral Health Education				
and Training Grants	93.732	T26HP39448	55,879	544,023
Basic Center Grant	93.623	90CY6957	-	174,327
Basic Center Grant	93.623	90CY6962	-	155,861
Basic Center Grant	93.623	90CY7365	-	188,605
Education and Prevention Grants to Reduce Sexual Abuse of				
Runaway, Homeless and Street Youth	93.557	90YO2452	-	31,359

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued) Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number or Direct Award Contract Number	Provided to Subrecipients	Total Expenditures
Unaccompanied Children Program	93.676	90ZU0320-03	\$ -	\$ 5,641,750
Unaccompanied Children Program	93.676	90ZU0550-00	-	2,073,507
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZZ0023	-	38,849
Head Start Cluster: COVID-19: Head Start	93.600	04HE000622-02C5 - CRRSA	174,690	585,556
Head Start Cluster: COVID-19: Head Start	93.600	04HE000622-02C6 - ARP	1,098,071	3,886,305
Head Start Cluster: Head Start	93.600	04CH011072-04	-	1,266,475
Head Start Cluster: Head Start	93.600	04CH011072-05	-	368,329
Head Start Cluster: Head Start	93.600	04CH010628-05	1,357,698	14,551,261
Head Start Cluster: Head Start	93.600	04CH010628-06	488,202	3,949,379
Head Start Cluster: Head Start	93.600	04CH011190-04	1,335,807	8,566,631
Head Start Cluster: Head Start	93.600	04CH011190-05	455,202	2,661,791
Head Start Cluster: Head Start	93.600	04CH011690-03	5,960,099	15,581,302
Head Start Cluster: Head Start	93.600	04CH011690-04	3,040,281	5,805,158
Head Start Cluster: Head Start	93.600	04HP000259-04	612,429	1,298,799
Head Start Cluster: Head Start	93.600	04HP000259-05	204,834	423,411
Head Start Cluster: Head Start Disaster Recovery	93.356	04TD000155	-	117,666
<i>Passed-through from Hillsborough County, State of Florida:</i>				
Head Start Cluster: Head Start	93.600	04CH011252-03 / 19-1169	315,122	506,989
Head Start Cluster: Head Start	93.600	04CH011252-04 / 19-1169	840,431	1,364,490
<i>Passed-through from State of Florida Department of Children and Families:</i>				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	LK208	-	1,452,776
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	LK205	1,239,266	3,753,692
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	XK063LSF	-	1,473,127
<i>Passed-through from Lutheran Immigration and Refugee Services:</i>				
Refugee and Entrant Assistance Voluntary Agency Programs	93.567	2202MDRVMG / 342-22-LSF-02	-	1,025,604
Refugee and Entrant Assistance Voluntary Agency Programs	93.567	2203MDRVMG / 342-23-LSF-01	-	1,086,063
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0124-01-01 / 354-22-00A	-	321,388
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0124-01-03/ 354-22-00B	-	275,639
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0124-02-01/ 354-23-01	-	407,941
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0124-02/354-23-01UKR	-	235,602
Unaccompanied Children Program	93.676	90ZU0318-03/358-22-00	-	245,760
Unaccompanied Children Program	93.676	90ZU0521-01/358-23-00	-	90,235
Unaccompanied Children Program	93.676	90ZU0439-01 / 358C-22-00	-	48,590
Unaccompanied Children Program	93.676	90ZU0361-02/357-22-00	-	203,696
Unaccompanied Children Program	93.676	90ZU0361-03/357-23-00	-	207,662
<i>Passed-through from U.S. Committee for Refugees and Immigrants</i>				
Services to Victims of a Severe Form of Trafficking	93.598	90ZV0135/90ZV0136/90ZV0137	-	146,880
Services to Victims of a Severe Form of Trafficking	93.598	90ZV0145-001-00	-	23,499
<i>Passed-through from State of Florida Department of Children and Families</i>				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	EH003	853,047	853,047
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	EH003	627,777	627,777
Temporary Assistance for Needy Families	93.558	EH003	2,094,647	2,122,978
COVID-19: Emergency Grants to Address Mental and Substance Use Disorders	93.665	EH003	150,000	150,000
Children's Health Insurance Program	93.767	EH003	709,476	709,476
Medicaid Cluster: Medical Assistance Program	93.778	EH003	-	12,835
Opioid STR	93.788	EH003	19,736,295	20,386,687
Block Grants for Community Mental Health Services	93.958	EH003	21,272,740	22,093,363
Block Grants for Prevention and Treatment of Substance Abuse	93.959	EH003	33,147,908	33,400,336
Mental Health Disaster Assistance and Emergency Mental Health	93.982	EH003	415,000	415,000
Block Grants for Community Mental Health Services	93.958	LH844	568,683	1,063,259

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number or Direct Award Contract Number	Provided to Subrecipients	Total Expenditures
<i>Passed-through from University of South Florida</i>				
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	5112-5527-00-B - 90ZB0024	\$ -	\$ 73,777
<i>Passed-through Family Support Services of Suncoast:</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	ECA-C6-CMO-LSF-FY22	-	25,006
Temporary Assistance for Needy Families	93.558	ECA-C6-CMO-LSF-FY22	-	1,502,029
Temporary Assistance for Needy Families	93.558	ECA-C6-DIV-CFP-FY23	52,195	227,521
Stephanie Tubbs Jones Child Welfare Services Programs	93.645	ECA-C6-CMO-LSF-FY22	-	289,978
Foster Care Title IV-E	93.658	ECA-C6-CMO-LSF-FY22	-	1,914,303
Foster Care Title IV-E	93.658	ECA-C6-DIV-CFP-FY23	47,856	208,607
Adoption Assistance	93.659	ECA-C6-CMO-LSF-FY22	-	161,266
Social Services Block Grant	93.667	ECA-C6-DIV-CFP-FY23	57,625	251,191
Child Abuse and Neglect State Grants	93.669	ECA-C6-DIV-CFP-FY23	6,500	28,334
<i>Passed-through from Heartland for Children</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	SLSCM1	-	15,017
Temporary Assistance for Needy Families	93.558	SLSCM1	-	905,562
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SLSCM1	-	176,529
Foster Care Title IV-E	93.658	SLSCM1	-	1,138,273
Adoption Assistance	93.659	SLSCM1	-	15,448
Social Services Block Grant	93.667	SLSCM1	-	4,345
Child Abuse and Neglect State Grants	93.669	SLSCM1	-	490
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	SLSCM1	-	94,064
<i>Passed-through from Children's Network of Southwest Florida, LLC</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	ABU01	-	16,831
MaryLee Allen Promoting Safe and Stable Families Program	93.556	WBS01	-	2,114
Temporary Assistance for Needy Families	93.558	ABU01	-	1,011,011
Grants to States for Access and Visitation Programs	93.597	ABU01	-	24,027
Stephanie Tubbs Jones Child Welfare Services Program	93.645	ABU01	-	195,184
Foster Care Title IV-E	93.658	ABU01	-	1,441,614
Adoption Assistance	93.659	ABU01	-	132,253
Social Services Block Grant	93.667	WBS01	-	62,746
Social Services Block Grant	93.667	Unknown	-	11,026
<i>Passed-through from Children's Network Hillsborough County:</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	ABA06	-	3,570
Temporary Assistance for Needy Families	93.558	ABA06	-	214,420
Stephanie Tubbs Jones Child Welfare Services Program	93.645	ABA06	-	41,395
Foster Care Title IV-E	93.658	ABA06	-	270,811
Adoption Assistance	93.659	ABA06	-	22,815
<i>Passed-through from Childnet, Inc.</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	LSF22RGC	-	395,281
MaryLee Allen Promoting Safe and Stable Families Program	93.556	LSF22SHL	-	3,309
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Unknown	-	30,245
Foster Care Title IV-E	93.658	LSF22RGC	-	703,944
Foster Care Title IV-E	93.658	LSF22PIL	-	93,219
Foster Care Title IV-E	93.658	LSF22SHL	-	11,875
Foster Care Title IV-E	93.658	Unknown	-	8,240
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	LSF22PIL	-	2,368
<i>Passed-through from Partnership for Strong Families:</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	PCM763	-	9,494
Temporary Assistance for Needy Families	93.558	PCM763	-	598,561
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PCM763	-	111,008
Foster Care Title IV-E	93.658	PCM763	-	720,054
Adoption Assistance	93.659	PCM763	-	58,221
<i>Passed-through from Safe Children Coalition, Inc.:</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	LSFCM22	-	11,057
Temporary Assistance for Needy Families	93.558	LSFCM22	-	664,183
Stephanie Tubbs Jones Child Welfare Services Program	93.645	LSFCM22	-	128,226
Foster Care Title IV-E	93.658	LSFCM22	-	838,860
Adoption Assistance	93.659	LSFCM22	-	70,670
<i>Passed-through from Northwest Florida Health Network</i>				
Foster Care Title IV-E	93.658	C-010-101	-	15,243
Social Services Block Grant	93.667	C-010-101	-	43,039
Block Grants for Community Mental Health Services	93.958	C-010-201	-	20,045
<i>Passed-through from Citrus Health Family Care Network</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Unknown	-	1,285
Foster Care Title IV-E	93.658	Unknown	-	1,700
Subtotal—U.S. Department of Health and Human Services			97,683,242	178,619,135
Total expenditures of federal awards			\$ 97,783,690	\$ 189,074,370

(Continued)

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued) Year Ended June 30, 2023

State Grantor/Pass-Through Grantor/Project	State CSFA Number	Contract Number	Provided to Subrecipients	Total Expenditures
State Courts System:				
<i>Passed-through from Gulf Coast Kid's House:</i>				
Florida Network of Children Advocacy Centers	22.016	Unknown	\$ -	\$ 80,000
Department of Children and Families:				
Forensic Services and Competency Restoration Training	60.114	EH003	2,164,475	2,164,475
Substance Abuse and Mental Health—Community Services	60.153	EH003	6,502,108	6,502,108
Substance Abuse and Mental Health—Crisis Prevention and Stabilization Services	60.155	EH003	2,547,387	2,547,387
Centralized Receiving Systems	60.163	EH003	8,821,402	8,821,402
SAMH ME State Funded Federal Excluded Services	60.190	EH003	2,854,262	2,854,262
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	LHZ86	280,368	371,529
<i>Passed-through from Family Support Services of Suncoast</i>				
Family Preservation and CWS Diversion Program – Circuit 6	60.214	ECA-C6-DIV-CFP-FY23	281,694	1,227,916
CBC – Family Preservation CWS Diversion Program – FSS Suncoast	60.215	ECA-C6-DIV-CFP-FY23	65,067	283,628
<i>Passed-through from Heartland for Children</i>				
Out-Of-Home Supports	60.074	SLSCM1	-	58,741
<i>Passed-through from Childnet, Inc.:</i>				
Out-Of-Home Supports	60.074	LSF22RGC	-	1,821,558
Out-Of-Home Supports	60.074	LSF22PIL	-	396,064
Out-Of-Home Supports	60.074	LSF22SHL	-	46,016
Out-Of-Home Supports	60.074	Unknown	-	61,782
<i>Passed-through from Citrus Health Family Care Network</i>				
Out-Of-Home Supports	60.074	Unknown	-	37,298
<i>Passed-through from Children's Network of Southwest Florida, LLC:</i>				
Out-Of-Home Supports	60.074	WBS01	-	213,298
CBC—Purchase of Therapeutic Services for Children	60.183	WBS01	-	33,712
Subtotal—Department of Children and Families			23,516,763	27,441,176
Department of Education:				
<i>Passed-through from Early Learning Coalition of Pinellas County, Inc.:</i>				
Voluntary Pre-Kindergarten Education Program	48.108	Unknown	-	479,174
<i>Passed-through from Early Learning Coalition of Palm Beach County, Inc.:</i>				
Voluntary Pre-Kindergarten Education Program	48.108	Unknown	-	807,959
<i>Passed-through from the Early Learning Coalition of Duval, Inc.:</i>				
Voluntary Pre-Kindergarten Education Program	48.108	Unknown	-	893,610
Subtotal—Department of Education			-	2,180,743
Department of Health:				
Medical Services for Abused and Neglected Children	64.006	CP1PN	-	40,222
Department of Elder Affairs:				
Public Guardianship	65.003	X9208.A3	-	427,116
Public Guardianship	65.003	X9238.A3	-	658,924
Subtotal—Department of Elder Affairs			-	1,086,040
Department of Juvenile Justice:				
<i>Passed-through from Florida Network of Youth and Family Services, Inc.:</i>				
Children and Families in Need of Services (CINS/FINS)	80.005	Miami Bridge	-	695,285
Children and Families in Need of Services (CINS/FINS)	80.005	Southeast	-	1,364,807
Children and Families in Need of Services (CINS/FINS)	80.005	Northwest	-	1,716,134
Children and Families in Need of Services (CINS/FINS)	80.005	Southwest	-	1,999,555
Subtotal—Department of Juvenile Justice			-	5,775,781
Total expenditures of state financial assistance			23,516,763	36,603,962
Total expenditures of federal awards and state financial assistance			\$ 121,300,453	\$ 225,678,332

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2023

ALN No.	Totals by Federal Award Program/Cluster	Federal Expenditures
10.558	Child and Adult Care Food Program	\$ 7,885,183
14.218	CDBG – Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants	757,757
14.241	Housing Opportunities for Persons with AIDS	5,874
16.575	Crime Victim Assistance	343,629
19.510	U.S. Refugee Admissions Program	1,330,844
93.086	Healthy Marriage Promotion and Responsible Fatherhood Grants	73,777
93.150	Projects for Assistance in Transition from Homelessness (PATH)	853,047
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	1,610,493
93.356	Head Start Cluster: Head Start Disaster Recovery*	117,666
93.556	MaryLee Allen Promoting Safe and Stable Families Program	513,209
93.557	Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	31,359
93.558	Temporary Assistance for Needy Families	7,246,265
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	6,679,595
93.567	Refugee and Entrant Assistance Voluntary Agency Programs	2,111,667
93.576	Refugee and Entrant Assistance Discretionary Grants	1,279,419
93.597	Grants to States for Access and Visitation Programs	24,027
93.598	Services to Victims of a Severe Form of Trafficking	170,379
93.600	Head Start Cluster: Head Start*	56,344,015
93.600	COVID-19: Head Start Cluster: Head Start*	4,471,861
93.623	Basic Center Grant	518,793
93.645	Stephanie Tubbs Jones Child Welfare Services Program	942,320
93.658	Foster Care Title IV-E	7,366,743
93.659	Adoption Assistance	460,673
93.665	COVID-19: Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	150,000
93.667	Social Services Block Grant	372,347
93.669	Child Abuse and Neglect State Grants	28,824
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	96,432
93.676	Unaccompanied Children Program	8,511,200
93.732	Mental and Behavioral Health Education and Training Grants	544,023
93.767	Children's Health Insurance Program	709,476
93.778	Medicaid Cluster: Medical Assistance Program	12,835
93.788	Opioid STR	20,386,687
93.958	Block Grants for Community Mental Health Services	23,176,667
93.959	Block Grants for Prevention and Treatment of Substance Abuse	33,400,336
93.982	Mental Health Disaster Assistance and Emergency Mental Health	415,000
97.010	Citizenship Education and Training	31,500
97.032	Crisis Counseling	100,448
Total expenditures of federal awards		\$ 189,074,370
*	Total Headstart Cluster	\$ 60,933,542

Lutheran Services Florida, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2023

CSFA No.	Totals by State Financial Assistance Project	State Expenditures
22.016	Florida Network of Children Advocacy Centers	\$ 80,000
48.108	Voluntary Pre-Kindergarten Education Program	2,180,743
60.074	Out-Of-Home Supports	2,634,757
60.114	Forensic Services and Competency Restoration Training	2,164,475
60.115	Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	371,529
60.153	Substance Abuse and Mental Health—Community Services	6,502,108
60.155	Substance Abuse and Mental Health—Crisis Prevention and Stabilization Services	2,547,387
60.163	Centralized Receiving Systems	8,821,402
60.183	CBC—Purchase of Therapeutic Services for Children	33,712
60.190	SAMH ME State Funded Federal Excluded Services	2,854,262
60.214	Family Preservation and CWS Diversion Program – Circuit 6	1,227,916
60.215	CBC – Family Preservation CWS Diversion Program – FSS Suncoast	283,628
64.006	Medical Services for Abused and Neglected Children	40,222
65.003	Public Guardianship	1,086,040
80.005	Children and Families in Need of Services (CINS/FINS)	5,775,781
Total expenditures of state financial assistance		\$ 36,603,962

See notes to schedule of expenditures of federal awards and state financial assistance.

Lutheran Services Florida, Inc. and Subsidiary

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended June 30, 2023

Note 1. Basis of Presentation

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

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

Note 3. Indirect Cost Rate

Lutheran Services Florida, Inc. and Subsidiary has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Lutheran Services Florida, Inc. and Subsidiary

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. 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

Internal control over major federal programs:

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:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

 Yes X No

Identification of major federal programs:

Assistance Listing Number(s)

93.356; 93.600

10.558

93.150

93.576

Name of Federal Program or Cluster:

Headstart Cluster

Child and Adult Care Food Program

Projects for Assistance in Transition from Homelessness (PATH)

Refugee and Entrant Assistance Discretionary Grants

Dollar threshold used to distinguish between type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 X Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

State Financial Assistance Projects

<u> </u> Yes	<u> X </u> No
<u> </u> Yes	<u> X </u> None Reported

Unmodified

 Yes X No

Name of State Financial Assistance Project

Substance Abuse and Mental Health—Community Services
Substance Abuse and Mental Health—Crisis Prevention and
Stabilization Services

Centralized Receiving Systems

SAMH ME State Funded Federal Excluded Services

Out-Of-Home Supports

Family Preservation and CWS Diversion Program – Circuit 6

\$ 1,098,119

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Lutheran Services Florida, Inc. and Subsidiary

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

Section II—Financial Statement Findings

No matters were reported.

Section III—Findings and Questioned Costs for Federal Awards and State Financial Assistance

No matters were reported.

Section IV—Other Reporting

There was no management letter or control deficiency letter issued for the year ended June 30, 2023, as there were no matters required to be reported in these letters.

No Corrective Action Plan is presented because there were no findings required to be reported under the Federal Single Audit Act or the Florida Single Audit Act.

Lutheran Services Florida, Inc. and Subsidiary

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior audit's Summary of Prior Audit Findings.