

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**

**FINANCIAL STATEMENTS AND SCHEDULES AND  
REPORTS AS REQUIRED BY THE COMPTROLLER  
GENERAL OF THE UNITED STATES OF AMERICA**

**YEAR ENDED JUNE 30, 2012**

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Southwest Florida Addiction Services, Inc.  
Fort Myers, Florida

We have audited the accompanying statement of financial position of Southwest Florida Addiction Services, Inc. ("SWFAS") as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of SWFAS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

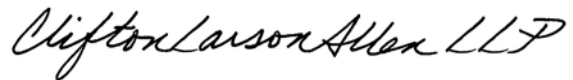
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of SWFAS as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated December 10, 2012, on our consideration of SWFAS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors  
Southwest Florida Addiction Services, Inc.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The schedules of revenues and expenditures by cost center and the schedule of state earnings are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General*, and is also not a required part of the basic financial statements. The schedules of revenues and expenditures by cost center, the schedule of state earnings, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedules of revenues and expenditures by cost center, the schedule of state earnings, and the schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 10, 2012

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 2,274,401
Contracts and Accounts Receivable, Net	1,403,080
Contributions Receivable	19,170
Prepaid Expenses	9,545
Total Current Assets	3,706,196

**CONTRIBUTIONS RECEIVABLE, LESS CURRENT PORTION**

660,160

**PROPERTY AND EQUIPMENT, NET**

11,401,279

**OTHER ASSETS**

170,122

Total Assets

\$ 15,937,757

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 220,035
Deferred Revenue	30,245
Current Portion of Long-term Debt	96,200
Total Current Liabilities	346,480

**LONG-TERM LIABILITIES**

Long-term Debt, Net of Current Portion	4,347,930
Accrued Compensated Absences	201,655
Derivative Financial Instrument	642,447
Total Long-term Liabilities	5,192,032

Total Liabilities

5,538,512

**NET ASSETS**

Unrestricted	9,130,472
Temporarily Restricted	1,248,773
Permanently Restricted	20,000
Total Net Assets	10,399,245

Total Liabilities and Net Assets

\$ 15,937,757

*See accompanying Notes to Financial Statements.*

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

**UNRESTRICTED NET ASSETS**

**Support and Revenue**

Support:

State Grants	\$ 3,902,509
Other Governmental	2,776,305
Contributions & In-kind Revenue	142,454
Total Support	6,821,268

Revenue:

Net Client Fee Revenue	1,823,385
Interest Income	317
Unrealized Loss on Derivative Financial Instrument	(186,234)
Other Income	198,104
Total Unrestricted Revenue	1,835,572

Net Assets Released from Restrictions:

Satisfaction of Program Restrictions	74,411
Total Unrestricted Support and Revenue	8,731,251

**Expenses**

Program Services

Adult Mental Health	280,530
Adult Substance Abuse	5,564,363
Children's Substance Abuse	1,634,128
Other Program Services	168,402
Total program services	7,647,423

Support services

Administration and Other Support	1,126,976
Total Unrestricted Expenses	8,774,399
Net Decrease in Unrestricted Net Assets	(43,148)

**TEMPORARILY RESTRICTED NET ASSETS**

Contributions	87,317
Interest Income	1,984
Net Assets Released From Restrictions:	
Satisfaction of Program Restrictions	(74,411)
Increase in Temporarily Restricted Net Assets	14,890
Decrease in Net Assets	(28,258)

**NET ASSETS**, beginning of year 10,427,503

**NET ASSETS**, end of year \$ 10,399,245

See accompanying Notes to Financial Statements.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2012**

	Program Services				Total Program	Supporting Services	Total
	Adult Mental Health	Adult Substance Abuse	Children's Substance Abuse	Other Services		Administration and Other Support	
<b>Personnel Expenses</b>							
Salaries	\$ 116,579	\$ 2,723,962	\$ 859,780	\$ 83,024	\$ 3,783,345	\$ 635,128	\$ 4,418,473
Fringe Benefits	35,957	861,511	266,512	25,821	1,189,801	203,584	1,393,385
Total Personnel Expenses	<u>152,536</u>	<u>3,585,473</u>	<u>1,126,292</u>	<u>108,845</u>	<u>4,973,146</u>	<u>838,712</u>	<u>5,811,858</u>
<b>Operating Expenses</b>							
Building Occupancy	45,517	488,850	159,584	14,308	708,259	33,041	741,300
Professional Services	-	21,450	-	-	21,450	93,791	115,241
Travel	1,289	31,860	8,644	2,921	44,714	1,660	46,374
Equipment	17,675	244,735	61,731	8,644	332,785	33,801	366,586
Food Services	18,035	239,302	93,099	10	350,446	290	350,736
Medical and Pharmacy	2,641	156,174	20,501	-	179,316	-	179,316
Subcontracted Services	19,595	122,435	30,602	22,722	195,354	31,574	226,928
Insurance	4,076	96,036	30,720	3,066	133,898	23,330	157,228
Interest Paid	-	171,122	3,919	-	175,041	18,115	193,156
Operating Supplies & Expenses	14,539	166,623	46,417	7,886	235,465	46,497	281,962
Other	822	231,495	2,635	-	234,952	-	234,952
Donated Items	3,805	8,808	49,984	-	62,597	6,165	68,762
Total Operating Expenses	<u>127,994</u>	<u>1,978,890</u>	<u>507,836</u>	<u>59,557</u>	<u>2,674,277</u>	<u>288,264</u>	<u>2,962,541</u>
<b>Indirect Expenses</b>							
Administration and Other Support	41,340	820,002	240,818	24,816	1,126,976	(1,126,976)	-
Total Indirect Expenses	<u>41,340</u>	<u>820,002</u>	<u>240,818</u>	<u>24,816</u>	<u>1,126,976</u>	<u>(1,126,976)</u>	<u>-</u>
Total Expenses	<u>\$ 321,870</u>	<u>\$ 6,384,365</u>	<u>\$ 1,874,946</u>	<u>\$ 193,218</u>	<u>\$ 8,774,399</u>	<u>\$ -</u>	<u>\$ 8,774,399</u>

See accompanying Notes to Financial Statements.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Contracts, Client Fees and Donations	\$ 8,862,579
Cash Payments for Program and Support Services	(8,291,589)
Cash Received for Interest	2,301
Cash Payments for Interest	(193,155)
Net Cash Provided by Operating Activities	380,136

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Property and Equipment	(28,589)
Net cash Used in Investing Activities	(28,589)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payments on Long-term Debt	(94,065)
Net Cash Used in Financing Activities	(94,065)

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 257,482

**CASH AND CASH EQUIVALENTS**, beginning of year 2,016,919

**CASH AND CASH EQUIVALENTS**, end of year \$ 2,274,401

(continued)

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

**RECONCILIATION OF CHANGES IN NET ASSETS TO CASH  
PROVIDED BY OPERATING ACTIVITIES**

Decrease in Net Assets	\$ (28,258)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	460,566
Amortization of Loan Issuance Costs	2,475
Loss on Derivative Financial Instrument	186,234
Pledges for Capital Projects	49,825
(Increase) Decrease in:	
Contracts and Accounts Receivable	32,800
Prepaid Expenses	(9,031)
Deposits	16,683
Decrease in:	
Accounts Payable and Accrued Expenses	(168,180)
Accrued Compensated Absences	(12,858)
Deferred Revenue	(150,120)
Total Adjustments	408,394
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 380,136</b>

*See accompanying Notes to Financial Statements.*

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1      NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Southwest Florida Addiction Services, Inc. ("SWFAS") is a not-for-profit corporation formed to provide the citizens of Lee County, Florida and surrounding counties, quality, affordable comprehensive services to individuals, families and the community impacted by addiction and other problem behaviors. SWFAS's support comes primarily from state and local government grants.

**Significant Accounting Policies**

The accounting and reporting policies of SWFAS conform to generally accepted accounting principles in the United States, and are in accordance with the Audit and Accounting Guide issued by the American Institute of Certified Public Accountants, Not-for-Profit Organizations. A summary of the significant accounting policies followed by SWFAS is set forth below.

**Basis of Accounting**

SWFAS prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with a contract, entitlement, or grant document.

The cost of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on the relative benefit provided. Administrative expenses are allocated to the various programs based on each program's salary expense.

**Recognition of Contributions**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. SWFAS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Should SWFAS not be able to comply with donor stipulations, the cash or other assets would have to be returned to the donor. Restricted contributions received and expended for their restricted purpose within the fiscal year are recorded as unrestricted in these financial statements.

SWFAS reports gifts of land, buildings, and equipment as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets, with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent any explicit donor stipulations about how long those long-lived assets must be maintained, SWFAS reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1    NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Concentrations**

SWFAS extends credit to its clients when it provides services. The credit is extended either directly to SWFAS's clients or indirectly to the funding sources that provide SWFAS's revenue. The concentrations of credit are reflected in Note 2 to the financial statements.

At times, SWFAS has cash balances on deposit with financial institutions in excess of FDIC insurance limits.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less.

**Contracts and Accounts Receivable**

Contracts and accounts receivables are unsecured, and are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid/Medicare, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

**Property and Equipment**

Property and equipment are capitalized at cost if purchased or at fair value at the time of contribution on items valued at more than \$500 with a useful life of greater than one year. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Maintenance, repairs, and minor renewals are charged to activities in the year in which the expense is incurred. Additions, improvements, and major renewals are capitalized.

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss is included in activities. Disposition of items acquired from certain state contracts require state approval.

**Compensated Absences**

Employees accumulate vacation leave based on the employee's years of service. Vacation leave may not be accumulated in excess of 240 hours. Upon termination of employment, the employee will be paid for the amount of this accumulated leave.

Employees may also accumulate sick leave. Sick leave may not be accumulated in excess of 240 hours. Upon termination of employment, the employee does not receive a pay out of sick leave.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1    NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Income Taxes**

The Internal Revenue Service has determined that SWFAS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. SWFAS is a not-for-profit Florida corporation and, therefore, is not subject to state income taxes. Should SWFAS's tax exempt status be challenged in the future, its 2009, 2010, and 2011 tax years are open for examination by the IRS.

**Donated Goods and Services**

Donated goods and specialized services are recorded at estimated market value at the date of receipt. Many individuals volunteer their time and a variety of tasks that assist SWFAS in various ways, which are not directly reflected in the financial statements.

**Deferred Revenue**

Amounts received, but not yet earned, relating to *Employee Assistance Program* contracts, *PATH Programs*, and any prepaid client or patient fees, are reported as deferred revenue.

**Fair Value of Financial Instruments**

SWFAS measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). SWFAS may use valuation techniques consistent with the market, income, and cost approaches to measure fair value.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1    NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Fair Value Measurements**

The inputs used to measure fair value are categorized into the following three categories:

**Level 1**

Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds that SWFAS has the ability to access as of the measurement date.

**Level 2**

Inputs, other than quoted prices, which are observable for the asset or liability either directly or indirectly including inputs from markets that are not considered to be active.

**Level 3**

Inputs which are unobservable. Unobservable inputs reflect SWFAS's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. SWFAS adopted the policy to value certain financial instruments at fair value. SWFAS has not elected to measure any existing financial instruments at fair value; however, it may elect to measure newly acquired financial instruments at fair value in the future.

**Estimates**

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

**Subsequent Events**

In preparing these financial statements, SWFAS has evaluated events and transactions for potential recognition or disclosure through December 10, 2012, the date the financial statements were issued.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2     CONTRACTS AND ACCOUNTS RECEIVABLE**

Contracts and accounts receivable consist of the following at June 30, 2012:

Contracts Receivable:	
Lee County	\$     70,802
State of Florida	428,306
Other	86,030
Total Contracts Receivable	585,138
Accounts Receivable:	
Self-Pay and Insurance	1,553,767
Medicaid and Medicare	88,062
	1,641,829
Less Allowance for Doubtful Accounts	(823,887)
Total Accounts Receivable, Net	817,942
Total Contracts and Accounts Receivable	\$ 1,403,080

**NOTE 3     CONTRIBUTIONS RECEIVABLE**

Unconditional promises to give are recognized as support in the period in which the pledge is received. Pledges were receivable in connection with the capital campaign to raise funds for the construction of a new combined detox, outpatient treatment, and administrative facility located in Fort Myers, Florida. All amounts are expected to be collected within one year. Also included is an amount attributed to the fair value of the land lease provided by the City of Fort Myers for the location of the new combined facility.

Included in pledges receivable at June 30, 2012 are the following unconditional promises to give:

Unconditional Promises to Give	\$     4,500
Contribution Receivable - Fair Value of Land Lease	674,830
	\$ 679,330
Amounts Due In:	
Less Than One Year	\$     19,170
One to Five Years	73,350
More than Five Years	586,810
	\$ 679,330

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2012:

Land	\$ 339,500
Buildings and Improvements	13,021,782
Furniture and Equipment	853,746
Computers and Software	264,480
Vehicles	176,196
Leasehold Improvements	<u>101,278</u>
	14,756,982
Less: Accumulated Depreciation	<u>(3,355,703)</u>
	<u><u>\$ 11,401,279</u></u>

Depreciation expense was \$460,566 for the year ended June 30, 2012, of which \$316,352 and \$144,214, respectively, is reported in building occupancy and equipment costs in the statement of functional expenses.

**NOTE 5 MORTGAGES PAYABLE**

Mortgages payable consist of the following at June 30, 2012:

Bonds payable to a financial institution, bearing variable interest at 6.37% of the one month LIBOR rate plus 1.17%, with monthly payments of \$23,914, including interest, due February 2039, collateralized by the Detox & Administration Facility real estate carried at \$6,657,612 at June 30, 2012. SWFAS has entered an interest rate swap agreement for \$4.2 million of this obligation. The effective date of the swap was February 1, 2009. (See Note 7)

	\$ 4,444,130
Less: Current maturities	<u>(96,200)</u>
	<u><u>\$ 4,347,930</u></u>

Scheduled annual principal payments are as follows:

Year Ending June 30,	
2013	\$ 96,200
2014	96,200
2015	96,200
2016	96,200
2017	96,200
Thereafter	<u>3,963,130</u>
	<u><u>\$ 4,444,130</u></u>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 5      MORTGAGES PAYABLE (CONTINUED)**

The bond purchase and construction financing agreement contains covenants pertaining to the maintenance of working capital and unrestricted net assets. SWFAS is required to maintain a Debt Coverage Ratio equal to or exceeding 1.00 to 1.00 at the end of each fiscal year. In addition, SWFAS must maintain unrestricted net assets of at least \$3,500,000 at all times. At June 30, 2012, SWFAS was in compliance with these covenants.

Construction of a new building at the Transitional Living Center was funded, in part, by State Housing Initiatives Partnership (SHIP) grants. By terms of the SHIP grant, a subordinate mortgage was placed on this property in the amount of \$463,167. The mortgage is zero interest, deferred payment, non-amortizing. All rental and special needs housing must be rented at affordable rates to qualified applicants for a period of fifteen years. If the property is transferred before the fifteen-year affordability period, the full amount of the mortgage will be due to the SHIP Trust Fund.

**NOTE 6      LINE OF CREDIT**

At June 30, 2012, SWFAS had an unused line of credit with Bank of America in the amount of \$500,000, to be drawn upon as needed for operations. The operating line of credit bears interest at LIBOR plus 2.5%, with a renewal date of January 31, 2013. The line of credit is collateralized by accounts receivable and equipment.

**NOTE 7      DERIVATIVE FINANCIAL INSTRUMENT**

SWFAS holds a derivative financial instrument for the purpose of managing the risk associated with interest rates on its variable rate borrowing. SWFAS entered an interest rate swap agreement in connection with the Series 2007A Bonds discussed above (See Note 5). The notional amount of the swap agreement was \$4,010,550 at June 30, 2012. The effective date of this agreement was February 1, 2009, at which time \$4,250,000 of the variable rate debt was converted to a fixed rate of 4.50%.

The fair value of this agreement is \$642,447 and is reported in long-term liabilities in the statement of financial position. Changes in the fair value of derivatives are reported in the statement of activities. See Note 8 for more information on fair value measurements.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 8 FAIR VALUE MEASUREMENTS**

SWFAS uses fair value measurements to record fair value adjustments to certain recurring assets and liabilities and to determine fair value disclosures. For additional information on how SWFAS values all other assets and liabilities refer to Note 1 – Nature of Organization and Significant Accounting Policies.

SWFAS's interest rate swap is traded in over-the-counter markets where quoted market prices are not readily available. Fair value for the interest rate swap is determined using internally developed models that use primarily market observable inputs, such as yield curves and option volatiles, and accordingly, are classified using Level 2 inputs.

The following table sets forth by level, within the fair value hierarchy, the fair value of SWFAS's interest rate swap as of June 30, 2012:

	Level 1	Level 2	Level 3
Interest Rate Swap	\$ -	\$ 642,447	\$ -

**NOTE 9 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

Vince Smith Center	\$ 24,266
Prevention	141,354
Transitional Living Center	24,875
Land Lease	674,830
Other Programs	383,448
	\$ 1,248,773

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Vince Smith Center	\$ 8,000
Prevention	21,909
Transitional Living Center	15,275
Land Lease	14,670
Other Programs	14,557
	\$ 74,411

**NOTE 10 PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support any activities of the organization.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 11 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Estimated fair values for SWFAS's financial instruments, all of which are held for non-trading purposes, are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Contracts and Accounts Receivable, Net	\$ 1,403,080	\$ 1,403,080
Noncurrent Contributions Receivable	\$ 660,160	\$ -
Accounts Payable	\$ 86,079	\$ 86,079
Interest Rate Swap Agreement	\$ 642,447	\$ 642,447
Long-term Debt	\$ 4,347,930	\$ 4,347,930

SWFAS has not calculated the fair value of noncurrent contributions receivable at June 30, 2012, because it was determined not to be practicable. The fair value for the interest rate swap agreement and long-term debt does not differ materially from the carrying values recorded in the accompanying balance sheet. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and, accordingly the estimates are not necessarily indicative of the amounts that SWFAS could realize in a current market exchange.

**NOTE 12 PENSION PLAN**

SWFAS offers its employees a defined contribution pension plan. The plan covers substantially all employees subject to a minimum employment requirement. Vesting of benefits accrues at the rate of 20% per year. Total contributions to the plan for the years ended June 30, 2012 and 2011 were \$231,319 and \$228,714, respectively.

**NOTE 13 SUPPORT FROM THE STATE OF FLORIDA WHICH REQUIRES MATCH**

During the year ended June 30, 2012, SWFAS received support from the State of Florida Department of Children and Families, passed through Central Florida Behavioral Health Network. Contracts are renegotiated annually. The income from these contracts is earned by providing services to clients. The contracts required a local match of \$1,345,636 in 2012 for certain program services.

SWFAS incurred and funded allowable program costs in excess of these match requirements.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 14 SUPPORT FROM LEE COUNTY, FLORIDA**

Financial support of \$1,907,615 was received from Lee County for the year ended June 30, 2012 as part of its annual award to SWFAS.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

SWFAS is currently receiving, and has received in the past, grants, Medicaid funds and Medicare funds, which are subject to special compliance audits by the grantor agencies. These audits may result in disallowed expense amounts. Disallowed amounts, if any, constitute a contingent liability to SWFAS. Management does not believe any resulting contingent liabilities would be material to the financial position of SWFAS.

SWFAS leases certain items of equipment and office space under various non-cancelable operating leases. The future minimum lease payments under these leases are as follows:

Year Ending June 30,		
2013	\$	46,298
2014		41,735
2015		41,735
2016		41,735
2017		20,867
After 2016		-
	<b>\$</b>	<b>192,370</b>

Rental expense was \$83,556 for the year ended June 30, 2012.

**NOTE 16 SUBSEQUENT EVENT**

The board of directors has entered into discussions with Lee Mental Health Center, Inc. to explore a possible merger subsequent to year-end. SWFAS and Lee Mental Health Inc. have similar missions and provide complementary services to the clients served by both organizations.

Management and the board of directors have expressed support for the merger in order to expand services to the community.

The merger is expected to be completed by June 30, 2013.

**SUPPLEMENTARY INFORMATION**

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF REVENUES BY COST CENTER**  
**YEAR ENDED JUNE 30, 2012**

	ADULT MENTAL HEALTH							Total
	Case Management	Incidental Expenses	Assessments	Medical Services	Outreach	Supported Employment	Supported Housing	
<b>STATE FUNDING</b>								
CFBHN	\$ 85,412	\$ 900	\$ 1,676	\$ 18,140	\$ 11,442	\$ 6,341	\$ 18,602	\$ 142,513
Total State Funding	85,412	900	1,676	18,140	11,442	6,341	18,602	142,513
<b>OTHER GOVERNMENT FUNDING</b>								
Other State Agency Funding	1,458	15	29	310	195	108	318	2,433
Medicaid	-	-	-	-	-	-	-	-
Local Government	63,455	668	1,245	13,477	8,501	4,711	13,820	105,877
Federal Grants and Contracts	12,780	135	251	2,714	1,712	949	2,783	21,324
Total Other Governmental Funding	77,693	818	1,525	16,501	10,408	5,768	16,921	129,634
<b>ALL OTHER FUNDING AND REVENUE</b>								
First and Third Party Payments	1,403	15	28	298	188	104	305	2,341
Contributions and Donations	10,871	115	213	2,309	1,456	807	2,368	18,139
Interest Income	-	-	-	-	-	-	-	-
Other	22,846	241	448	4,852	3,061	1,696	4,976	38,120
In-kind	2,280	24	45	484	306	169	497	3,805
Total Nongovernmental Funding	37,400	395	734	7,943	5,011	2,776	8,146	62,405
<b>Total All Funding and Revenues</b>	<b>\$ 200,505</b>	<b>\$ 2,113</b>	<b>\$ 3,935</b>	<b>\$ 42,584</b>	<b>\$ 26,861</b>	<b>\$ 14,885</b>	<b>\$ 43,669</b>	<b>\$ 334,552</b>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF REVENUES BY COST CENTER (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

	ADULT SUBSTANCE ABUSE							
	Residential Level 4	Residential Level 1	Aftercare	Day/Night	Medical Services	Detox	Outpatient Individual	Case Management
<b>STATE FUNDING</b>								
CFBHN	\$ 276,689	\$ 505,286	\$ 53,230	\$ 14,004	\$ 20,539	\$ 959,450	\$ 219,273	\$ 148,818
Total State Funding	<u>276,689</u>	<u>505,286</u>	<u>53,230</u>	<u>14,004</u>	<u>20,539</u>	<u>959,450</u>	<u>219,273</u>	<u>148,818</u>
<b>OTHER GOVERNMENT FUNDING</b>								
Other State Agency Funding	4,724	2,495	909	5	1,133	550	12,096	8,210
Medicaid	-	2	-	(384)	(5,190)	116,317	(55,410)	(37,606)
Local Government	205,562	366,162	39,546	-	30,881	835,565	329,684	223,752
Federal Grants and Contracts	41,399	-	7,964	-	9	-	97	66
Total Other Governmental Funding	<u>251,685</u>	<u>368,659</u>	<u>48,419</u>	<u>(379)</u>	<u>26,833</u>	<u>952,432</u>	<u>286,467</u>	<u>194,422</u>
<b>ALL OTHER FUNDING AND REVENUE</b>								
First and Third Party Payments	4,543	277,542	874	4,702	21,093	485,902	225,188	152,832
Contributions and Donations	35,216	-	6,775	-	-	91,720	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	74,010	13	14,238	-	3	237,747	33	22
In-kind	7,387	-	1,421	-	-	-	-	-
Total Nongovernmental Funding	<u>121,156</u>	<u>277,555</u>	<u>23,308</u>	<u>4,702</u>	<u>21,096</u>	<u>815,369</u>	<u>225,221</u>	<u>152,854</u>
<b>Total All Funding and Revenues</b>	<u>\$ 649,530</u>	<u>\$ 1,151,500</u>	<u>\$ 124,957</u>	<u>\$ 18,327</u>	<u>\$ 68,468</u>	<u>\$ 2,727,251</u>	<u>\$ 730,961</u>	<u>\$ 496,094</u>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF REVENUES BY COST CENTER (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

	ADULT SUBSTANCE ABUSE					CHILDREN SUBSTANCE ABUSE		
	Intervention	Recovery &			Total	Outpatient		
	HIS	Outreach FIS	Support	Prevention		Prevention	Individual	Intervention
<b>STATE FUNDING</b>								
CFBHN	\$ 116,912	\$ 77,449	\$ 17,368	\$ 194,458	\$ 2,603,476	\$ 108,789	\$ 95,371	\$ 3,361
Total State Funding	116,912	77,449	17,368	194,458	2,603,476	108,789	95,371	3,361
<b>OTHER GOVERNMENT FUNDING</b>								
Other State Agency Funding	-	-	-	-	30,122	-	20,107	-
Medicaid	37	25	6	62	17,859	35	19,036	1
Local Government	23,319	15,448	3,464	38,786	2,112,169	21,699	12,501	670
Federal Grants and Contracts	-	-	-	-	49,535	-	-	-
Total Other Governmental Funding	23,356	15,473	3,470	38,848	2,209,685	21,734	51,644	671
<b>ALL OTHER FUNDING AND REVENUE</b>								
First and Third Party Payments	54	36	8	90	1,172,864	50	(3,039)	2
Contributions and Donations	-	-	-	-	133,711	-	25,275	-
Interest Income	-	-	-	-	-	-	-	-
Other	890	590	132	1,480	329,158	828	19,557	26
In-kind	-	-	-	-	8,808	-	-	-
Total Nongovernmental Funding	944	626	140	1,570	1,644,541	878	41,793	28
<b>Total All Funding and Revenues</b>	<b>\$ 141,212</b>	<b>\$ 93,548</b>	<b>\$ 20,978</b>	<b>\$ 234,876</b>	<b>\$ 6,457,702</b>	<b>\$ 131,401</b>	<b>\$ 188,808</b>	<b>\$ 4,060</b>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF REVENUES BY COST CENTER (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

	CHILDREN SUBSTANCE ABUSE							Total for State SAMH-Funded Cost Centers
	Aftercare	Case Management	Medical Services	Crisis Support	Day/Night	Residential Level 2	Total	
<b>STATE FUNDING</b>								
CFBHN	\$ 3,256	\$ 72,153	\$ 41,680	\$ 81,472	\$ 2,909	\$ 747,529	\$ 1,156,520	\$ 3,902,509
Total State Funding	3,256	72,153	41,680	81,472	2,909	747,529	1,156,520	3,902,509
<b>OTHER GOVERNMENT FUNDING</b>								
Other State Agency Funding	686	15,212	8	910	1	144	37,068	69,623
Medicaid	650	14,401	1	5,848	-	13	39,985	57,844
Local Government	427	9,457	7,280	61,568	508	130,559	244,669	2,462,715
Federal Grants and Contracts	-	-	2,465	-	172	44,215	46,852	117,711
Total Other Governmental Funding	1,763	39,070	9,754	68,326	681	174,931	368,574	2,707,893
<b>ALL OTHER FUNDING AND REVENUE</b>								
First and Third Party Payments	(104)	(2,299)	5,877	966	410	105,401	107,264	1,282,469
Contributions and Donations	863	19,122	-	-	-	-	45,260	197,110
Interest Income	-	-	-	-	-	-	-	-
Other	668	14,796	-	34,536	-	-	70,411	437,689
In-kind	-	-	2,630	-	184	47,170	49,984	62,597
Total Nongovernmental Funding	1,427	31,619	8,507	35,502	594	152,571	272,919	1,979,865
<b>Total All Funding and Revenues</b>	<b>\$ 6,446</b>	<b>\$ 142,842</b>	<b>\$ 59,941</b>	<b>\$ 185,300</b>	<b>\$ 4,184</b>	<b>\$ 1,075,031</b>	<b>\$ 1,798,013</b>	<b>\$ 8,590,267</b>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF REVENUES BY COST CENTER (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

	Total for Non-State- Funded SAMH Cost Centers	Total for All State- Designated SAMH Cost Centers	Non-SAMH Cost Center	Administration	Total Funding
<b>STATE FUNDING</b>					
CFBHN	\$ -	\$ 3,902,509	\$ -	\$ -	\$ 3,902,509
Total State Funding	-	3,902,509	-	-	3,902,509
<b>OTHER GOVERNMENT FUNDING</b>					
Other State Agency Funding	-	69,623	-	-	69,623
Medicaid	-	57,844	-	-	57,844
Local Government	-	2,462,715	-	-	2,462,715
Federal Grants and Contracts	-	117,711	-	-	117,711
Total Other Governmental Funding	-	2,707,893	-	-	2,707,893
<b>ALL OTHER FUNDING AND REVENUE</b>					
First and Third Party Payments	-	1,282,469	120	-	1,282,589
Contributions and Donations	-	197,110	-	32,661	229,771
Interest Income	-	-	-	2,301	2,301
Other	-	437,689	180,067	(65,442)	552,314
In-kind	-	62,597	-	6,167	68,764
Total Nongovernmental Funding	-	1,979,865	180,187	(24,313)	2,135,739
Total All Funding and Revenues	\$ -	\$ 8,590,267	\$ 180,187	\$ (24,313)	\$ 8,746,141

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER**  
**YEAR ENDED JUNE 30, 2012**

	ADULT MENTAL HEALTH							
	Case	Incidental		Medical		Supported	Supported	
	Management	Expenses	Assessments	Services	Outreach	Employment	Housing	Total
<b>PERSONNEL EXPENSES</b>								
Salaries	\$ 69,869	\$ 736	\$ 1,371	\$ 14,839	\$ 9,360	\$ 5,187	\$ 15,217	\$ 116,579
Fringe Benefits	21,550	227	423	4,577	2,887	1,600	4,693	35,957
Total Personnel Expenses	<u>91,419</u>	<u>963</u>	<u>1,794</u>	<u>19,416</u>	<u>12,247</u>	<u>6,787</u>	<u>19,910</u>	<u>152,536</u>
<b>OTHER EXPENSES</b>								
Building Occupancy	27,280	287	535	5,794	3,655	2,025	5,941	45,517
Professional Services	-	-	-	-	-	-	-	-
Travel	773	8	15	164	104	57	168	1,289
Equipment	10,593	112	208	2,250	1,419	786	2,307	17,675
Food Services	10,809	114	212	2,296	1,448	802	2,354	18,035
Medical and Pharmacy	1,583	17	31	336	212	117	345	2,641
Subcontracted Services	11,744	124	230	2,494	1,573	872	2,558	19,595
Insurance	2,443	26	48	519	327	181	532	4,076
Interest Paid	-	-	-	-	-	-	-	-
Operating Supplies & Expenses	8,713	92	171	1,851	1,167	647	1,898	14,539
Other	492	5	10	105	66	37	107	822
Donated Items	2,280	24	45	484	306	169	497	3,805
Total Other Expense	<u>76,710</u>	<u>809</u>	<u>1,505</u>	<u>16,293</u>	<u>10,277</u>	<u>5,693</u>	<u>16,707</u>	<u>127,994</u>
Total Personnel & Other Expenses	168,129	1,772	3,299	35,709	22,524	12,480	36,617	280,530
<b>DISTRIBUTED INDIRECT COSTS</b>								
Other Support Costs	-	-	-	-	-	-	-	-
Administration	24,777	261	486	5,262	3,319	1,839	5,396	41,340
Total Distributed Indirect Costs	<u>24,777</u>	<u>261</u>	<u>486</u>	<u>5,262</u>	<u>3,319</u>	<u>1,839</u>	<u>5,396</u>	<u>41,340</u>
Total Actual Operating Expenses	<u>192,906</u>	<u>2,033</u>	<u>3,785</u>	<u>40,971</u>	<u>25,843</u>	<u>14,319</u>	<u>42,013</u>	<u>321,870</u>
<b>UNALLOWABLE COSTS</b>	492	5	10	105	66	37	107	822
Total Allowable Operating Expenses	<u>\$ 192,414</u>	<u>\$ 2,028</u>	<u>\$ 3,775</u>	<u>\$ 40,866</u>	<u>\$ 25,777</u>	<u>\$ 14,282</u>	<u>\$ 41,906</u>	<u>\$ 321,048</u>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

ADULT SUBSTANCE ABUSE

	Residential	Residential	Aftercare	Day/Night	Medical	Detox	Outpatient	Case
	Level 4	Level 1			Services		Individual	Management
<b>PERSONNEL EXPENSES</b>								
Salaries	\$ 226,337	\$ 383,616	\$ 43,543	\$ 2,464	\$ 39,079	\$ 1,051,102	\$ 417,204	\$ 283,151
Fringe Benefits	69,812	124,811	13,431	3,149	12,238	323,245	130,650	88,670
Total Personnel Expenses	<u>296,149</u>	<u>508,427</u>	<u>56,974</u>	<u>5,613</u>	<u>51,317</u>	<u>1,374,347</u>	<u>547,854</u>	<u>371,821</u>
<b>OTHER EXPENSES</b>								
Building Occupancy	88,374	43,173	17,002	1,706	7,278	173,688	77,698	52,733
Professional Services	-	-	-	-	-	21,450	-	-
Travel	2,505	2,531	482	467	651	1,831	6,947	4,715
Equipment	34,317	18,403	6,602	2,385	2,015	130,986	21,507	14,597
Food Services	35,016	85,363	6,736	1,220	30	110,189	321	218
Medical and Pharmacy	5,127	1,661	986	445	3,750	75,509	40,032	27,169
Subcontracted Services	38,043	1,670	7,319	168	1,888	36,587	20,161	13,683
Insurance	7,915	12,827	1,523	63	1,397	36,226	14,914	10,122
Interest Paid	-	-	-	-	4,031	80,654	43,034	29,207
Operating Supplies & Expenses	28,226	27,027	5,430	3,282	2,222	42,488	23,717	16,096
Other	1,595	28,164	307	2,388	668	186,409	7,127	4,837
Donated Items	7,387	-	1,421	-	-	-	-	-
Total Other Expense	<u>248,505</u>	<u>220,819</u>	<u>47,808</u>	<u>12,124</u>	<u>23,930</u>	<u>896,017</u>	<u>255,458</u>	<u>173,377</u>
Total Personnel & Other Expenses	544,654	729,246	104,782	17,737	75,247	2,270,364	803,312	545,198
<b>DISTRIBUTED INDIRECT COSTS</b>								
Other Support Costs	-	-	-	-	-	-	-	-
Administration	80,264	107,467	15,441	2,614	11,089	334,575	118,382	80,344
Total Distributed Indirect Costs	<u>80,264</u>	<u>107,467</u>	<u>15,441</u>	<u>2,614</u>	<u>11,089</u>	<u>334,575</u>	<u>118,382</u>	<u>80,344</u>
Total Actual Operating Expenses	<u>624,918</u>	<u>836,713</u>	<u>120,223</u>	<u>20,351</u>	<u>86,336</u>	<u>2,604,939</u>	<u>921,694</u>	<u>625,542</u>
<b>UNALLOWABLE COSTS</b>	1,595	28,164	307	2,388	668	186,409	7,127	4,837
Total Allowable Operating Expenses	<u>\$ 623,323</u>	<u>\$ 808,549</u>	<u>\$ 119,916</u>	<u>\$ 17,963</u>	<u>\$ 85,668</u>	<u>\$ 2,418,530</u>	<u>\$ 914,567</u>	<u>\$ 620,705</u>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

	ADULT SUBSTANCE ABUSE					CHILDREN SUBSTANCE ABUSE		
	Intervention	Recovery &			Total	Outpatient		
	HIS	Outreach FIS	Support	Prevention		Prevention	Individual	Intervention
<b>PERSONNEL EXPENSES</b>								
Salaries	\$ 79,862	\$ 52,906	\$ 11,864	\$ 132,834	\$ 2,723,962	\$ 74,313	\$ 106,371	\$ 2,296
Fringe Benefits	27,489	18,210	4,084	45,722	861,511	25,579	33,475	790
Total Personnel Expenses	<u>107,351</u>	<u>71,116</u>	<u>15,948</u>	<u>178,556</u>	<u>3,585,473</u>	<u>99,892</u>	<u>139,846</u>	<u>3,086</u>
<b>OTHER EXPENSES</b>								
Building Occupancy	7,828	5,186	1,163	13,021	488,850	7,285	12,570	225
Professional Services	-	-	-	-	21,450	-	-	-
Travel	3,376	2,237	502	5,616	31,860	3,142	1,608	97
Equipment	4,007	2,655	595	6,666	244,735	3,729	8,008	115
Food Services	60	40	9	100	239,302	56	171	2
Medical and Pharmacy	430	285	64	716	156,174	400	3,421	12
Subcontracted Services	839	556	125	1,396	122,435	781	1,589	24
Insurance	3,180	2,107	472	5,290	96,036	2,959	3,869	91
Interest Paid	4,086	2,707	607	6,796	171,122	3,802	-	117
Operating Supplies & Expenses	5,220	3,458	775	8,682	166,623	4,857	8,020	150
Other	-	-	-	-	231,495	-	627	-
Donated Items	-	-	-	-	8,808	-	-	-
Total Other Expense	<u>29,026</u>	<u>19,231</u>	<u>4,312</u>	<u>48,283</u>	<u>1,978,890</u>	<u>27,011</u>	<u>39,883</u>	<u>833</u>
Total Personnel & Other Expenses	136,377	90,347	20,260	226,839	5,564,363	126,903	179,729	3,919
<b>DISTRIBUTED INDIRECT COSTS</b>								
Other Support Costs	-	-	-	-	-	-	-	-
Administration	20,098	13,314	2,986	33,428	820,002	18,701	26,486	578
Total Distributed Indirect Costs	<u>20,098</u>	<u>13,314</u>	<u>2,986</u>	<u>33,428</u>	<u>820,002</u>	<u>18,701</u>	<u>26,486</u>	<u>578</u>
Total Actual Operating Expenses	<u>156,475</u>	<u>103,661</u>	<u>23,246</u>	<u>260,267</u>	<u>6,384,365</u>	<u>145,604</u>	<u>206,215</u>	<u>4,497</u>
<b>UNALLOWABLE COSTS</b>	-	-	-	-	231,495	-	627	-
Total Allowable Operating Expenses	<u>\$ 156,475</u>	<u>\$ 103,661</u>	<u>\$ 23,246</u>	<u>\$ 260,267</u>	<u>\$ 6,152,870</u>	<u>\$ 145,604</u>	<u>\$ 205,588</u>	<u>\$ 4,497</u>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

	CHILDREN SUBSTANCE ABUSE							Total for State SAMH-Funded Cost Centers
	Aftercare	Case Management	Medical Services	Crisis Support	Day/Night	Residential Level 2	Total	
<b>PERSONNEL EXPENSES</b>								
Salaries	\$ 3,631	\$ 80,475	\$ 23,781	\$ 140,746	\$ 1,660	\$ 426,507	\$ 859,780	\$ 3,700,321
Fringe Benefits	1,143	25,325	7,501	37,641	524	134,534	266,512	1,163,980
Total Personnel Expenses	<u>4,774</u>	<u>105,800</u>	<u>31,282</u>	<u>178,387</u>	<u>2,184</u>	<u>561,041</u>	<u>1,126,292</u>	<u>4,864,301</u>
<b>OTHER EXPENSES</b>								
Building Occupancy	429	9,510	6,043	14,726	422	108,374	159,584	693,951
Professional Services	-	-	-	-	-	-	-	21,450
Travel	55	1,216	63	1,323	4	1,136	8,644	41,793
Equipment	273	6,058	1,778	9,762	124	31,884	61,731	324,141
Food Services	6	129	4,874	115	340	87,406	93,099	350,436
Medical and Pharmacy	117	2,588	671	1,215	47	12,030	20,501	179,316
Subcontracted Services	54	1,202	1,413	95	99	25,345	30,602	172,632
Insurance	132	2,927	840	4,772	59	15,071	30,720	130,832
Interest Paid	-	-	-	-	-	-	3,919	175,041
Operating Supplies & Expenses	274	6,067	1,068	6,760	75	19,146	46,417	227,579
Other	21	474	80	-	6	1,427	2,635	234,952
Donated Items	-	-	2,630	-	184	47,170	49,984	62,597
Total Other Expense	<u>1,361</u>	<u>30,171</u>	<u>19,460</u>	<u>38,768</u>	<u>1,360</u>	<u>348,989</u>	<u>507,836</u>	<u>2,614,720</u>
Total Personnel & Other Expenses	6,135	135,971	50,742	217,155	3,544	910,030	1,634,128	7,479,021
<b>DISTRIBUTED INDIRECT COSTS</b>								
Other Support Costs	-	-	-	-	-	-	-	-
Administration	904	20,038	7,478	32,002	522	134,109	240,818	1,102,160
Total Distributed Indirect Costs	<u>904</u>	<u>20,038</u>	<u>7,478</u>	<u>32,002</u>	<u>522</u>	<u>134,109</u>	<u>240,818</u>	<u>1,102,160</u>
Total Actual Operating Expenses	<u>7,039</u>	<u>156,009</u>	<u>58,220</u>	<u>249,157</u>	<u>4,066</u>	<u>1,044,139</u>	<u>1,874,946</u>	<u>8,581,181</u>
<b>UNALLOWABLE COSTS</b>	<u>21</u>	<u>474</u>	<u>80</u>	<u>-</u>	<u>6</u>	<u>1,427</u>	<u>2,635</u>	<u>234,952</u>
Total Allowable Operating Expenses	<u>\$ 7,018</u>	<u>\$ 155,535</u>	<u>\$ 58,140</u>	<u>\$ 249,157</u>	<u>\$ 4,060</u>	<u>\$ 1,042,712</u>	<u>\$ 1,872,311</u>	<u>\$ 8,346,229</u>

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

	Total for Non-State- Funded SAMH Cost Centers	Total for All State- Designated SAMH Cost Centers	Non-SAMH Cost Center	Administration	Total Funding
<b>PERSONNEL EXPENSES</b>					
Salaries	\$ -	\$ 3,700,321	\$ 83,024	\$ 635,128	\$ 4,418,473
Fringe Benefits	-	1,163,980	25,821	203,584	1,393,385
Total Personnel Expenses	-	4,864,301	108,845	838,712	5,811,858
<b>OTHER EXPENSES</b>					
Building Occupancy	-	693,951	14,308	33,041	741,300
Professional Services	-	21,450	-	93,791	115,241
Travel	-	41,793	2,921	1,660	46,374
Equipment	-	324,141	8,644	33,801	366,586
Food Services	-	350,436	10	290	350,736
Medical and Pharmacy	-	179,316	-	-	179,316
Subcontracted Services	-	172,632	22,722	31,574	226,928
Insurance	-	130,832	3,066	23,330	157,228
Interest Paid	-	175,041	-	18,115	193,156
Operating Supplies & Expenses	-	227,579	7,886	46,497	281,962
Other	-	234,952	-	-	234,952
Donated Items	-	62,597	-	6,165	68,762
Total Other Expense	-	2,614,720	59,557	288,264	2,962,541
Total Personnel & Other Expenses	-	7,479,021	168,402	1,126,976	8,774,399
<b>DISTRIBUTED INDIRECT COSTS</b>					
Other Support Costs	-	-	-	-	-
Administration	-	1,102,160	24,816	(1,126,976)	-
Total Distributed Indirect Costs	-	1,102,160	24,816	(1,126,976)	-
Total Actual Operating Expenses	-	8,581,181	193,218	-	8,774,399
<b>UNALLOWABLE COSTS</b>	-	234,952	-	-	234,952
Total Allowable Operating Expenses	\$ -	\$ 8,346,229	\$ 193,218	\$ -	\$ 8,539,447

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF STATE EARNINGS**  
**YEAR ENDED JUNE 30, 2012**

1.	Total Expenditures	\$ 8,774,399
2.	Less Other State and Federal Funds	(187,334)
3.	Less Non-Match SAMH Funds	(2,556,873)
4.	Less Unallowable Costs Per 65E-14, FAC	(234,952)
5.	Total Allowable Expenditures (Sum of lines 1, 2, 3, 4 and 5.)	<u>\$ 5,795,240</u>
6.	Total Amount of State Earnings (Line 6 times 75%)	\$ 4,346,430
7.	Amount of State Funds Required Match	<u>1,345,636</u>
8.	Amount Due to Department (Subtract Line 8 from Line 7. If negative, the amount of the difference is due the department up to the amount of Line 8.)	<u>\$ 3,000,794</u>

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

Board of Directors  
Southwest Florida Addiction Services, Inc.  
Fort Myers, Florida

We have audited the financial statements of Southwest Florida Addiction Services, Inc. (“SWFAS”) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered SWFAS’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWFAS’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SWFAS’s internal control over financial reporting.

*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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

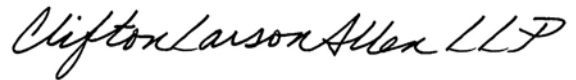
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors  
Southwest Florida Addiction Services, Inc.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SWFAS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 10, 2012



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

Board of Directors  
Southwest Florida Addiction Services, Inc.  
Fort Myers, Florida

**Compliance**

We have audited the compliance of Southwest Florida Addiction Services, Inc. ("SWFAS") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2012. SWFAS's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of SWFAS's management. Our responsibility is to express an opinion on SWFAS's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or a state project occurred. An audit includes examining, on a test basis, evidence about SWFAS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on SWFAS's compliance with those requirements.

Board of Directors  
Southwest Florida Addiction Services, Inc.

In our opinion, SWFAS complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the fiscal year ended June 30, 2012.


### **Internal Control Over Compliance**

Management of SWFAS is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered SWFAS's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or a state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SWFAS's 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, or state project, on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program, or state project, will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 10, 2012

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2012**

FEDERAL AGENCY <i>Pass-through Entity</i> Federal Program	CFDA Number	Grant/ Contract Number	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through Central Florida Behavioral Health Network</i>			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	CF2036-1009	\$ 1,853,447
Temporary Assistance for Needy Families (TANF)	93.558	CF2036-1009	128,636
Projects for Assistance in Transition from Homelessness (PATH)	93.150	CF2036-1009	113,077
Block Grants for Community Mental Health Services	93.958	CF2036-1009	778
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	LD937	<u>30,833</u>
Total Programs - U.S. Department of Health and Human Services			<u>2,126,771</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through the State of Florida Department of Education</i>			
Supplemental Nutrition Assistance Program	10.551	None	25,779
National School Lunch Program	10.555	None	<u>21,073</u>
Total programs - U.S. Department of Agriculture			<u>46,852</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed through Lee County, Florida</i>			
Supportive Housing Program	14.235	5212	21,717
Supportive Housing Program		5278	73,273
Supportive Housing Program		5595	61,029
Supportive Housing Program		5711	29,292
Supportive Housing Program		5975	<u>46,357</u>
Total Programs - U.S. Department of Housing and Urban Development			<u>231,668</u>
<b>U.S. DEPARTMENT OF VETERAN AFFAIRS</b>			
<i>Direct</i>			
VA Homeless Providers Grant and Per Diem Program	64.024	10-126-FL	<u>70,686</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,475,977</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

<b>STATE AGENCY</b> <i>Pass-through Entity</i> State Project	<b>CSFA</b> <b>Number</b>	<b>Grant/ Contract</b> <b>Number</b>	<b>Expenditures</b>
<b>STATE OF FLORIDA, DEPARTMENT OF CHILDREN AND FAMILIES</b>			
<i>Passed through Central Florida Behavioral Health Network</i>			
Substance Abuse Treatment and Aftercare Services for	60.030	CF2036-1009	\$ 866,568
Substance Abuse Detoxification Services for Adults	60.031	CF2036-1009	409,330
Substance Abuse Treatment and Aftercare Services for	60.033	CF2036-1009	553,214
Indigent Psychiatric Medication Program	60.039	CF2036-1009	4,895
Adult Community Mental Health - Community Support Services	60.053	CF2036-1009	<u>9,836</u>
<b>TOTAL EXPENDITURES OF STATE ASSISTANCE</b>			<u>1,843,843</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 4,319,820</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2012**

**(1) Purpose of the Schedule**

The Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") is a supplementary schedule to SWFAS's basic financial statements and is presented for the purpose of additional analysis. The Schedule is required by Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* and by Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, *Schedule of Expenditures of State Financial Assistance*. The Schedule 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 Schedule of Expenditures of Federal Awards 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.

**(2) Summary of Significant Accounting Policies**

**Basis of Presentation**

Federal Financial Assistance – Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, that nonfederal entities receive or administer, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations.

State Financial Assistance – Pursuant to Florida Single Audit Act (Section 215.97, Florida Statutes) and Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, state financial assistance is defined as assistance from state resources, not including federal financial assistance and state matching, provided to nonstate entities to carry out a state project. State financial assistance includes all types of state assistance as stated in the rules of the Florida Department of Financial Services, established in consultation with the Comptroller and appropriate state agencies that provide state financial assistance. It includes state financial assistance provided directly by state awarding agencies or indirectly by recipients of state awards. It does not include procurement contracts used to buy goods or services from vendors.

Catalog of Federal Domestic Assistance – OMB Circular A-133 requires the Schedule to show the total expenditures for each of SWFAS's federal financial assistance programs as identified in the Catalog of Federal and Domestic Assistance (CFDA). Federal financial assistance programs that have not been assigned a CFDA number are indicated with an "N/A."

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2012**

**(2) Summary of Significant Accounting Policies (Continued)**

Catalog of State Financial Assistance – Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, requires the Schedule to show the total state financial assistance expended for each individual state project as identified in the Catalog of State Financial Assistance (CSFA). State financial assistance projects that have not been assigned a CSFA number are indicated with an “N/A.”

**Type A and Type B Programs**

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. Type A assistance programs for SWFAS are those federal programs with expenditures in excess of \$300,000 for the fiscal year ended June 30, 2012.

Each non-state entity that expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year is required to have a state single audit for such fiscal year in accordance with the requirements of the Florida Single Audit Act (Section 215.97, Florida Statutes). Chapter 69I-5 establishes the level of expenditures to be used in defining Type A and Type B state financial assistance projects. Type A assistance projects for SWFAS are those programs with expenditures in excess of the greater of \$300,000 or 3% of total state awards expended for the fiscal year ended June 30, 2012.

**Basis of Accounting**

Both federal and state financial assistance expenditures included in the Schedule are reported using the accrual basis of accounting.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
 FEDERAL PROGRAMS AND STATE PROJECTS  
 JUNE 30, 2012**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

***Federal Awards and State Financial Assistance***

Internal control over major federal programs and state projects:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        X   none reported

Type of auditors’ report issued on compliance for major federal programs and state projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 or Chapter 10.654 (1)(h) 4., Rules of the Auditor General? \_\_\_\_\_ yes        X   no

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL PROGRAMS AND STATE PROJECTS  
JUNE 30, 2012**

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**Section I – Summary of Auditors' Results (Continued)**

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Identification of major programs/projects:

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
93.959	U.S. Department of Health and Human Services Block Grants for Prevention and Treatment of Substance Abuse
<b>CSFA Numbers</b>	<b>Name of State Project</b>
60.030	Substance Abuse Treatment and Aftercare Services for Children
60.033	Substance Abuse Treatment and Aftercare Services for Adults

Dollar threshold used to distinguish between  
Type A or Type B programs/projects was:  
Major Federal Program  
Major State Project

\$ 300,000  
\$ 300,000

Auditee qualified as low-risk auditee pursuant to  
OMB Circular A-133?

\_\_\_\_\_ yes        X   no

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

There were no matters reported in the prior year Schedule of Findings and Questioned Costs required to be reported in accordance with Section 510(a) of OMB Circular A-133.

**SOUTHWEST FLORIDA ADDICTION SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL PROGRAMS AND STATE PROJECTS  
JUNE 30, 2012**

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**Section IV – Findings and Questioned Costs – Major State Projects**

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Our audit did not disclose any matters required to be reported in accordance with Chapter 10.654(1)(h)4., Rules of Auditor General.

There were no matters reported in the prior year Schedule of Findings and Questioned Costs required to be reported in accordance with Chapter 10.654(1)(i), Rules of the Auditor General.

A management letter required by Section 215.97(8)(g), Florida Statutes, and defined in Rule 10.654(1)(e), has not been included as there are no items related to state financial assistance required to be reported.

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**Section V – Other Issues**

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No corrective action plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.