

**TRI-COUNTY HUMAN SERVICES, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2013 AND 2012**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
**Tri-County Human Services, Inc.**  
Lakeland, Florida

### **Report on the Financial Statements**

We have audited the accompanying statement of financial position of **Tri-County Human Services, Inc.**, (the "Agency", a not-for-profit organization) as of June 30, 2013 and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The prior year summarized comparative information included in the statement of functional expenses has been derived from the Agency's 2012 financial statements and, in our report dated October 2, 2012 we expressed an unqualified opinion on those financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements 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 Agency's internal control. Accordingly, we express no such opinion.



### **Auditor's Responsibility – Continued**

An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient to provide a reasonable basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Tri-County Human Services, Inc.**, as of June 30, 2013, 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.

### **Other Matters**

#### *Supplementary Information*

Our audit was performed for the purpose of forming an opinion on the financial statements of the Agency taken as a whole. The schedules of Functional Expenses, Funding and Revenue Sources, State Earnings, Bed-Day Availability Payments, and Related Party Transaction Adjustments are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Other supplementary schedules are shown on pages 20 - 35, and are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, 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.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013 on our consideration of **Tri-Country Human Services, Inc.'s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, Central Florida Behavioral Health Network (CFBHN), the Florida Department of Children and Families (DCF), Auditor General and the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Baylin & Company PA*

**Certified Public Accountants**  
**Lakeland, Florida**  
September 30, 2013



**TRI-COUNTY HUMAN SERVICES, INC.**

**STATEMENT OF FINANCIAL POSITION**

	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$2,334,967	\$1,762,062
Grants receivable	1,369,852	1,747,381
Accounts receivable, net, Note A	311,378	138,487
Inventory	114,955	138,094
Prepaid expenses	154,591	153,913
Other current assets	6,954	6,954
Total current assets	4,292,697	3,946,891
<b>PROPERTY AND EQUIPMENT</b> , net, Notes A and B	4,118,317	4,010,108
<b>TOTAL ASSETS</b>	<b><u>\$8,411,014</u></b>	<b><u>\$7,956,999</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 984,132	\$ 853,125
Line of credit, Note C	-	-
Mortgage note payable, current portion	45,617	117,010
Total current liabilities	1,029,749	970,135
<b>LONG TERM LIABILITIES</b> , Note C	1,200,747	1,231,320
Total liabilities	2,230,496	2,201,455
<b>NET ASSETS</b>		
Unrestricted, Note A		
Undesignated	3,308,565	3,093,766
Net investment in property and equipment	2,871,953	2,661,778
Total unrestricted	6,180,518	5,755,544
Temporarily restricted, Notes A and D	-	-
Permanently restricted, Note A	-	-
Total net assets	6,180,518	5,755,544
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$8,411,014</u></b>	<b><u>\$7,956,999</u></b>

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

TRI-COUNTY HUMAN SERVICES, INC.

STATEMENT OF ACTIVITIES

	<u>Years Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>
<b>UNRESTRICTED SUPPORT AND REVENUE</b>		
Support:		
Contributions	\$ 8,071	\$ 4,785
Contributions in kind, Note I	237,821	305,342
United Way	102,527	99,597
Special events	320	3,455
Net assets released from restrictions	-	-
Total support	<u>348,739</u>	<u>413,179</u>
Revenue:		
Net patient service revenue	1,008,774	750,020
State of Florida contract	6,588,330	6,930,670
Federal grants and contracts	247,230	207,295
Public grants and contracts	2,094,511	1,879,312
Interest	4,763	7,482
Business-like activities	526,785	585,577
Gain (loss) on disposal of assets	(1,400)	(12,561)
Miscellaneous	398,590	350,825
Total revenue	<u>10,867,583</u>	<u>10,698,620</u>
Total unrestricted support and revenue	<u>11,216,322</u>	<u>11,111,799</u>
<b>UNRESTRICTED EXPENSES</b>		
Program services:		
Mental health - adolescent	177,457	340,171
Mental health - adult	941,614	866,966
Substance abuse - adolescent	671,456	795,339
Substance abuse - adult	5,707,336	5,463,417
Other programs - adult	913,223	736,328
Total program	<u>8,411,086</u>	<u>8,202,221</u>
Supporting services:		
Business-like activities	1,265,708	1,245,588
Management and general	1,114,510	1,224,223
Fund raising	44	7,641
Total supporting services	<u>2,380,262</u>	<u>2,477,452</u>
Total unrestricted expenses	<u>10,791,348</u>	<u>10,679,673</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u><b>\$ 424,974</b></u>	<u><b>\$ 432,126</b></u>
<b>TEMPORARILY RESTRICTED REVENUE</b>		
DWUI/DWI program	503,524	454,307
Total temporarily restricted revenue	503,524	454,307
<b>TEMPORARILY RESTRICTED EXPENSES</b>		
DWUI/DWI program	503,524	454,307
Net assets released from restrictions	-	-
Total temporarily restricted expenses	<u>503,524</u>	<u>454,307</u>
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u><b>\$ 424,974</b></u>	<u><b>\$ 432,126</b></u>

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

**TRI-COUNTY HUMAN SERVICES, INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>BALANCE, June 30, 2011</b>	<b>\$5,323,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$5,323,418</b>
Increase (decrease) in net assets	<u>432,126</u>	<u>-</u>	<u>-</u>	<u>432,126</u>
<b>BALANCE, June 30, 2012</b>	<b>5,755,544</b>	<b>-</b>	<b>-</b>	<b>5,755,544</b>
Increase (decrease) in net assets	<u>424,974</u>	<u>-</u>	<u>-</u>	<u>424,973</u>
<b>BALANCE, June 30, 2013</b>	<b><u>\$6,180,518</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$6,180,517</u></b>

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

TRI-COUNTY HUMAN SERVICES, INC.

STATEMENT OF CASH FLOWS

	<u>Years Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>
<b>OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 424,974	\$ 432,126
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	191,828	191,954
(Gain) loss on disposal of assets	1,400	12,561
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	377,529	(739,678)
(Increase) decrease in accounts receivable	(172,891)	(49,508)
(Increase) decrease in inventory	23,139	29,342
(Increase) decrease in prepaid expenses and other current assets	(678)	1,550
Increase (decrease) in accounts payable and accrued expenses	131,007	(30,938)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>976,308</u></b>	<b><u>(152,591)</u></b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(301,437)</u>	<u>(116,003)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>(301,437)</u></b>	<b><u>(116,003)</u></b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from refinanced long term borrowings	1,265,062	-
Principal payments on long term borrowings	<u>(1,367,028)</u>	<u>(128,870)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b><u>(101,966)</u></b>	<b><u>(128,870)</u></b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>572,905</b>	<b>(397,464)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>1,762,062</u></b>	<b><u>2,159,526</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$2,334,967</u></b>	<b><u>\$1,762,062</u></b>

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

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Tri-County Human Services, Inc. (the "Agency") is a not-for-profit provider of evaluation, counseling, substance abuse treatment, mental health treatment, and co-occurring treatment of individuals directly and under contract to various governmental and other third party payors. The Agency endeavors to provide an array of high quality human services consistent with the needs of the community. Services are provided in a cost effective, ethical, and professional manner and focus on improving the quality of life of persons served. The Board is self sustaining with members elected by existing members.

The Agency serves Polk, Hardee and Highlands counties. The Agency operates all of its programs with the philosophy that substance addiction and mental health disorders are primary, progressive, chronic, and potentially fatal if left untreated. The Agency accepts the premise that substance addiction and mental health conditions impact all areas of an individual's life, including his/her interpersonal relationships, vocational/educational skills, emotional well-being, and physical health. The Agency does not adhere to any one etiological theory regarding substance addiction or mental health conditions. On the contrary, staff understands that addictive disorders and mental health conditions are likely caused by a combination of several factors, including genetics, emotional/psychological influences, cultural attitudes, and behavioral reinforcement. The Agency's staff understands that substance addiction and mental health conditions are family illnesses in which each member of the affected individual's immediate and perhaps extended family is affected by the behaviors and attitudes of the addicted individual. In keeping with this philosophy, treatment teams encourage family participation in the treatment process whenever possible.

The Agency recognizes that many of the individuals served by the Agency have a concurrent mental health problem. Like substance abuse disorders, mental health problems can cause severe dysfunction in an individual's life, especially in the areas of day-to-day living skills, interpersonal relationships, and vocational/educational skills. For these dually diagnosed clients, simultaneous treatment of both disorders is preferred. Residential treatment is available for dually diagnosed clients who have not responded favorably to outpatient treatment or whose symptom severity contraindicates outpatient care.

The Agency is licensed by the State of Florida as a provider of substance abuse prevention, intervention, and treatment services and as a primary vendor for both substance abuse and mental health counseling. Consistent with this licensure, agency programs and services are reviewed and audited annually by the State of Florida. The Agency's C.A.R.F. accreditation for integrated substance abuse/mental health services has been extended through 2016.

The Agency is funded through a variety of sources, including the United Way, Florida Department of Children and Families, State of Florida, The Community Foundation of Greater Lakeland, Polk, Hardee and Highlands counties, Central Florida Behavioral Health Network, Homeless Coalition, H.U.D. funds, program fees, various fund raising events sponsored by the board of directors, federal and private grants, and private contributions.

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Basis of Accounting**

The Agency utilizes the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. On January 30, 1991, the State of Florida, Department of Health and Rehabilitative Services published new alcohol, drug abuse and mental health services financial management standards. The standards indicated that accounting principles generally accepted in the United States of America should be followed in all reports filed with the department and in the annual audited financial statements and that most of the department's alcohol, drug abuse and mental health services providers should adopt the American Institute of Certified Public Accounting's guide, *Audits of Providers of Health Care Services*, as the primary source of specialized accounting principles. The guide and the department indicate the accrual basis of accounting is the only basis of accounting that is the generally accepted accounting principle for providers of health care services.

**Unrestricted Net Assets**

Unrestricted net assets consist of resources available for the various programs and administration of the Agency which have not been restricted by a donor or other outside party.

Net investment in property and equipment represents amounts expended for property and equipment used in the operations of the Agency, net of amounts borrowed, if any.

Undesignated net assets are available for the various programs and administration of the Agency.

**Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are deemed to be earned and are reported as temporarily restricted revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted revenue.

When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Temporarily Restricted Net Assets - Continued

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes in accordance with donor stipulations. The Agency does not imply a time restriction on gifts of long-lived assets.

There are no permanently restricted net assets at June 30, 2013 and 2012.

Income Taxes

The Agency is a not-for-profit organization that is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Agency has also been classified as an entity that is not a private foundation with the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The most significant tax positions of the Agency are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Agency's Forms 990 for 2010 through 2012 are open to examination by the Internal Revenue Service as of June 30, 2013.

Use of Estimates

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

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are patient obligations due for services rendered. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is based on a combination of identified patient accounts believed to be uncollectible and on a percentage of aged receivables, based on historical experience. If actual collections experience changes, revisions to the allowance percentage are made. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, management believes the allowance for doubtful accounts as of June 30, 2013 and 2012 are adequate. However, actual write-offs may exceed the recorded allowance.

**Property and Equipment**

The Agency follows the state guidelines of capitalizing all expenditures of \$1,000 or more for property and equipment at cost; the fair market value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

**Net Patient Service Revenue and Charity**

The Agency provides care to all patients without regard to their ability to pay. Patients are charged on a sliding scale based on their ability to pay as determined by the Florida Department of Children and Family Services. Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered since there is no pursuit of collection for the charges in excess of ability to pay or contractual agreement.

**Financial Instruments and Credit Risk**

The carrying amounts approximate fair value based on quoted market prices or discounted cash flow analyses for cash equivalents and other financial instruments. The Agency is subject to some credit risk through short-term cash investments which are placed with high credit quality financial institutions. At times cash equivalents may exceed the F.D.I.C. limits and other insured limits. At June 30, 2013 and 2012, the Agency exceeded F.D.I.C. and other insured limits by \$-0- and \$-0-, respectively. The Agency has entered into an agreement with a bank whereby their account is collateralized with securities wholly owned by the Agency.

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Concentration of Revenue Sources**

About 56% of the Agency's revenue is derived from direct and indirect federal and state grants through a combination of funding from the Central Florida Behavioral Health Network and the State of Florida Department of Children and Families, which are renewed annually. The current level of the Agency's operations and program services may be impacted or segments discontinued if funding is not renewed.

**Inventory**

Inventories of pharmaceutical drugs are carried at the lower of cost or market, using the first-in, first-out method of costing.

**Cash Equivalents**

The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Interest received was \$4,763 and \$7,482 for the years ended June 30, 2013 and 2012, respectively.

**Reclassification**

Certain 2012 items may have been reclassified in order to conform with the 2013 financial statement presentation.

**NOTE B - PROPERTY AND EQUIPMENT**

A summary of property and equipment, at cost, as of June 30, 2013 and 2012, is as follows:

	<u>2013</u>	<u>2012</u>	<u>Estimated Useful Lives</u>
Land	\$ 528,938	\$ 528,938	-
Construction in progress	41,735	8,060	-
Buildings	2,505,854	2,503,052	5 - 30 years
Leasehold improvements	1,826,414	1,769,722	5 - 30 years
Machinery and equipment	1,090,287	916,085	5 - 10 years
Furniture and fixtures	22,588	22,588	5 - 10 years
	6,015,816	5,748,445	
Less accumulated depreciation	<u>(1,897,499)</u>	<u>(1,738,337)</u>	
Total	<u>\$ 4,118,317</u>	<u>\$ 4,010,108</u>	

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE B - PROPERTY AND EQUIPMENT - CONTINUED**

Depreciation expense was \$191,828 and \$191,954 for the years ended June 30, 2013 and 2012, respectively.

Building improvements with a net book value of \$191,290 were acquired in 2008 with grant funds received from the Homeless Coalition of Polk County. Under terms of the grant agreement, any buildings/units constructed or rehabilitated using grant funds must be used to serve persons who are homeless for a minimum of 10 years. Any assets purchased or improved with grant funds must be reverted by the Agency to the Homeless Coalition if those assets are disposed of within 5 years of date of acquisition.

**NOTE C - LONG TERM LIABILITIES**

A summary of mortgage note payable as of June 30, 2013 and 2012, respectively, is as follows:

	<u>2013</u>	<u>2012</u>
Mortgage on New Administration Building – mortgage note payable to bank in 60 monthly installments of \$12,259, including interest at 4.25%, for the first year of the loan, and 5.25% for years 2-5, through September of 2014. This loan was refinanced in 2013.	\$ -	\$1,310,578
Mortgage on New Administration Building – mortgage note payable to bank in 60 monthly installments of \$7,271, including interest at 3.35% through January 2018, collateralized by real estate with a book value of \$1,374,215.	1,246,364	-
Mortgage on Renovation - mortgage note payable to bank in 60 monthly installments of \$4,825, including interest at 5.85%, through February of 2013. The loan was paid off during 2013.	-	<u>37,752</u>
	1,246,364	1,348,330
Less portion considered current	<u>(45,617)</u>	<u>(117,010)</u>
Total long term liabilities	<u>\$1,200,747</u>	<u>\$1,231,320</u>

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE C - LONG TERM LIABILITIES - CONTINUED**

As of the date of this report, the Agency is substantially in compliance with all terms of the loan agreements.

Annual maturities of long term debt for the next five years and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 45,617
2015	47,774
2016	49,399
2017	51,079
2018	1,052,495
Thereafter	<u>-</u>
Total	<u>\$1,246,364</u>

**Line of Credit**

The Agency has a line of credit up to \$500,000, secured by accounts receivable of which \$-0- was outstanding at June 30, 2013. Principal and interest would be due on demand, with interest based on the bank's prime rate.

Interest paid was \$61,014 and \$75,781 for the years ended June 30, 2013 and 2012, respectively.

The Agency had a \$-0- total outstanding borrowings on the line of credit as of the date of this report.

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE D - DWUI/DWI SCHEDULE OF ASSETS, LIABILITIES, NET ASSETS AND  
ACTIVITY - TEMPORARILY RESTRICTED NET ASSETS**

	June 30, 2013		
	DUI	SSS	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ -	\$ -	\$ -
Total current assets	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities:			
Due to Agency operating funds	\$ 60,115	\$ 12,070	\$ 72,185
Total current liabilities	60,115	12,070	72,185
Total liabilities	<u>60,115</u>	<u>12,070</u>	<u>72,185</u>
Net assets, unrestricted	(60,115)	(12,070)	(72,185)
Net assets, temporarily restricted	-	-	-
Total net assets	<u>(60,115)</u>	<u>(12,070)</u>	<u>(72,185)</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUE, EXPENSES AND CHANGE IN NET ASSETS</b>			
Revenue	\$ 404,692	\$ 98,832	\$ 503,524
Expenses	393,933	96,264	490,197
Increase (decrease) in net assets	10,759	2,568	13,327
Net assets, beginning of year	(70,874)	(14,638)	(85,512)
Net assets, end of year	<u>\$(60,115)</u>	<u>\$(12,070)</u>	<u>\$(72,185)</u>

During 2005, the Agency purchased a building for the use of administration and the DUI program. The DUI program was allocated a portion of the expenditures associated with the building. As required by Section 322.293, Florida Statutes, and Section 15A-10.012, Florida Administrative Code, the Agency collects a \$15 assessment fee on every client enrolling in its DUI program and remits the fee to the State of Florida. State assessment fees collected and distributed to the State of Florida are summarized as follows:

	June 30,	
	2013	2012
<b>STATE ASSESSMENT FEES</b>		
Fees due from prior year	\$ -	\$ -
Fees collected current year	24,000	22,905
Fee remitted current year	(24,000)	(22,905)
Fees due to state	<u>\$ -</u>	<u>\$ -</u>

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE D - DWUI/DWI SCHEDULE OF ASSETS, LIABILITIES, NET ASSETS AND  
ACTIVITY - TEMPORARILY RESTRICTED NET ASSETS - CONTINUED**

Procedures have been developed and followed which adequately account for all DUI fees received by the program and all receipts issued by the Agency's DUI program.

The cost standards are reasonable and equitable as defined in Section 15A-10.014, Florida Administrative Code and the method for allocating indirect costs as defined in Note J is fair and equitable as defined in Section 15A-10.014, Florida Administrative Code. Contributions to the employees' profit sharing plan were 3% of eligible participants' salaries. In accordance with Section 15A-10.014, Florida Administrative Code, this contribution did not exceed the percentage of gross compensation contributed by the employer of members of the regular class of Florida Retirement System.

**NOTE E - COMMITMENTS AND CONTINGENCIES**

**Lease expense**

The Agency has a number of multi-year lease commitments on buildings, vehicles, and office equipment. Buildings, or space in buildings, are used for the Agency's administration and its community service programs. Space is provided at various locations in Highlands and Hardee counties for counseling services. Free use of facilities and other assets are recorded as in-kind contributions and as equipment and facilities expenses based on market square footage rental rates or equipment rental rates in the communities where facilities are located. Some of the leases are noncancelable. The lease payments range from \$50 to \$278 per month for a period of 36 - 48 months. The lease expense under these leases was \$27,940 and \$43,260 for the years ended June 30, 2013 and 2012, respectively.

Future minimum lease payments under the lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 17,812
2015	10,563
2016	250
2017	-
2018	-
Thereafter	-
Total	<u>\$ 28,625</u>

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE E - COMMITMENTS AND CONTINGENCIES - CONTINUED**

Lease income

During the year ended June 30, 2013, the Agency, as lessor, leased a portion of the administrative building under a multi-year operating lease agreement. The lease has two renewal options to renew for a period of five years each, with rental payment increases of the lesser of 3% or the increase in the Consumer Price Index, beginning the fourth lease year and for each year thereafter. The Agency has obtained a lien on certain real property owned by the lessee, as security for lease income under this agreement. The lease income under this lease is included in business-like activities, and was \$57,425 and \$55,257 for the years ended June 30, 2013 and 2012, respectively.

Future minimum lease income under this lease is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 55,653
2015	58,352
2016	60,103
2017	61,906
2018	63,763
Thereafter	<u>104,649</u>
Total	<u>\$404,426</u>

Other

The Agency participates in a number of federal and state programs, which are subject to financial and compliance audits by the grantors or their representatives. The audits of all programs for or including the year ended June 30, 2013, have not been completed. The amount, if any, of expenditures which may be disallowed by the grantor agencies, cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.

Subsequent Events

Management has evaluated subsequent events through September 30, 2013, the date which the financial statements were available for issue and has determined that there are no additional adjustments and/or disclosures required.

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE F - COMPENSATED ABSENCES**

The Agency's liability for compensated absences was \$375,543 and \$386,182 which was included in accounts payable and accrued expenses as of June 30, 2013 and 2012, respectively. This represents amounts owed to employees under the Agency's accrued time off (ATO) policy. The Agency revised its ATO policy during 2010. For employees hired prior to July 1, 2009, the employees may carryover up to a maximum of 40 days unused ATO each year. For employees hired from July 1, 2009 to the present, employees may carry up to 160 hours into the next calendar year. Excess hours as of December 31 are forfeited.

**NOTE G - DEFINED CONTRIBUTION PLAN**

The Agency has The Tri-County Human Services, Inc. Profit Sharing Plan which is a defined contribution pension plan that was established by the Agency in 1999 to provide benefits at retirement to substantially all employees of the Agency. Employees become eligible for participation in the plan after attainment of age 18 and one year of full-time service. Plan benefits vest at a rate of 20% per year and become fully vested after 6 years of service. At June 30, 2013 and 2012 there were 236 and 211, respectively, plan participants. Employer contributions are discretionary and are determined annually by the board of directors. For the years ended June 30, 2013 and 2012, contributions totaled \$99,799 and \$124,716, respectively. At June 30, 2013 and 2012, the Agency has a payable to the Plan of \$7,491 and \$5,145, respectively. For the years ended June 30, 2013 and 2012, fees incurred and paid for the Plan were \$-0- and \$-0-, respectively.

**NOTE H - RELATED PARTIES**

The Agency receives grant funding from Central Florida Behavioral Health Network (CFBHN), for which the chief executive officer serves on their board of directors. During 2012-2013, CFBHN began administering funding previously disbursed by Department of Children and Families in prior years.

	<u>2013</u>	<u>2012</u>
Substance abuse and mental health contracts	\$4,654,702	\$ 98,329
Incentive pay	89,164	-
Less behavioral health administration fees	<u>(66,410)</u>	<u>(950)</u>
Total related party receipts, net of fees	<u>\$4,677,456</u>	<u>\$ 97,379</u>

**TRI-COUNTY HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2013**

**NOTE I - CONTRIBUTED MATERIALS, EQUIPMENT AND SERVICES**

A number of volunteers have donated significant amounts of their time to the Agency's administrative services and fund raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services are not professional in nature, and, as such, do not meet the criteria for recognition as contributed services.

Donated materials and space received as donations, if any, are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. The Agency received \$237,821 and \$305,342 in donated materials and space for the years ended June 30, 2013 and 2012, respectively.

**NOTE J - ALLOCATION OF INDIRECT COSTS AND FUNCTIONAL ALLOCATION OF EXPENSES**

The alcohol, drug abuse and mental health services financial management standards provided a new chart of accounts structure and allocation methodology designed to promote the fair and reasonable allocation of total costs to all functions or programs. All direct costs are allocated directly. Support costs and administrative costs (indirect costs) which cannot be directly allocated are allocated, by one or more distribution bases, appropriate to the costs and clearly represent a reasonable basis for allocating among the benefiting functions or programs. Administrative costs with no more reasonable basis for allocation are distributed based on the relationship of the cost center's total costs to all cost centers accumulated costs. Each provider must receive prior approval on its cost allocation plan which is submitted to the Central Florida Behavioral Health Network (CFBHN) and Department of Children and Family Services (DCF) with its budget for prior approval a plan for cost allocations in the budget year. The schedule of functional expenses is presented only for the year ended June 30, 2013, with comparative totals for the year ended June 30, 2012.

## **SUPPLEMENTARY INFORMATION**

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

<b>Adolescent Mental Health:</b>							<b>Total</b>
<u>Expenses</u>	<u>Information &amp; Referral</u>	<u>FIS Outreach</u>	<u>Highlands CCST</u>	<u>Highlands Medical Services</u>	<u>Highlands CSST</u>	<u>Incidental Expense</u>	<b>Mental Health Adolescent</b>
<b>Personnel services:</b>							
Salaries	\$ 26,495	\$ 58,004	\$ 19,408	\$ 21,245	\$ 12,001	\$ -	\$ 137,153
Fringes	2,371	5,159	1,485	1,625	918	-	11,558
Total personnel	<u>28,866</u>	<u>63,163</u>	<u>20,893</u>	<u>22,870</u>	<u>12,919</u>	<u>-</u>	<u>148,711</u>
<b>Operating:</b>							
Building occupancy	-	-	3,831	1,122	1,330	-	6,283
Professional services	119	-	556	3,811	43	-	4,529
Travel	2,014	273	2,243	353	41	-	4,924
Equipment costs	64	70	65	15	18	-	232
Food services	-	-	-	-	-	-	-
Medical & pharmacy	-	-	-	-	-	-	-
Subcontract services	-	-	943	6,026	200	-	7,169
Insurance	358	436	583	103	68	-	1,548
Interest	-	-	-	-	-	-	-
Operating supplies	155	151	1,785	220	221	-	2,532
Other	-	-	12	-	-	1,517	1,529
Donated items	-	-	-	-	-	-	-
Total Operating	<u>2,710</u>	<u>930</u>	<u>10,018</u>	<u>11,650</u>	<u>1,921</u>	<u>1,517</u>	<u>28,746</u>
Total personnel and operating	31,576	64,093	30,911	34,520	14,840	1,517	177,457
<b>Indirect:</b>							
Administration	3,831	8,341	9,135	12,208	999	-	34,514
Total Expenses	<u>\$ 35,407</u>	<u>\$ 72,434</u>	<u>\$ 40,046</u>	<u>\$ 46,728</u>	<u>\$ 15,839</u>	<u>\$ 1,517</u>	<u>\$ 211,971</u>

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

**Adult Mental Health:**

<u>Expenses</u>	<u>Information &amp; Referral</u>	<u>Residential II</u>	<u>Jasa Evals Outreach</u>	<u>Path Outreach</u>	<u>Highlands CCST</u>	<u>Highlands Medical Services</u>	<u>Highlands CSST</u>	<u>Incidental Expense</u>
<b>Personnel services:</b>								
Salaries	\$ 138	\$ 7,463	\$ 42,130	\$ 94,033	\$ 210,032	\$ 205,507	\$ 49,897	\$ -
Fringes	11	853	3,341	16,231	28,953	17,599	9,275	-
Total personnel	<u>149</u>	<u>8,316</u>	<u>45,471</u>	<u>110,264</u>	<u>238,985</u>	<u>223,106</u>	<u>59,172</u>	<u>-</u>
<b>Operating:</b>								
Building occupancy	-	834	198	-	12,772	15,511	15,341	-
Professional services	10	58	306	302	1,854	52,664	494	-
Travel	172	23	148	3,570	7,477	4,885	469	-
Equipment costs	5	223	70	719	217	214	211	-
Food services	-	645	-	-	-	-	-	-
Medical & pharmacy	-	183	-	-	-	-	-	-
Subcontract services	-	412	-	170	3,144	83,271	2,311	-
Insurance	31	331	447	1,161	1,944	1,430	784	-
Interest	-	3	-	-	-	-	-	-
Operating supplies	13	301	204	2,612	5,951	3,045	2,548	-
Other	-	41	-	-	41	-	6	25,875
Donated items	-	-	-	500	-	-	-	-
Total Operating	<u>231</u>	<u>3,054</u>	<u>1,373</u>	<u>9,034</u>	<u>33,400</u>	<u>161,020</u>	<u>22,164</u>	<u>25,875</u>
Total personnel and operating	380	11,370	46,844	119,298	272,385	384,126	81,336	25,875
<b>Indirect:</b>								
Administration	<u>328</u>	<u>1,479</u>	<u>7,155</u>	<u>15,983</u>	<u>30,447</u>	<u>43,285</u>	<u>11,520</u>	<u>-</u>
Total Expenses	<u>\$ 708</u>	<u>\$ 12,849</u>	<u>\$ 53,999</u>	<u>\$ 135,281</u>	<u>\$ 302,832</u>	<u>\$ 427,411</u>	<u>\$ 92,856</u>	<u>\$ 25,875</u>

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

Expenses	Total Mental Health Adult	Substance Abuse - Adult:							
		Outpatient Individual	Case Management	Detox	Residential Level 2	Residential Level 2 R & B	Residential Level 3	Residential Level 3 R & B	Residential Level 4
<b>Personnel services:</b>									
Salaries	\$ 609,200	\$ 583,499	\$ 132,087	\$ 627,320	\$ 419,090	\$ 101,755	\$ 228,644	\$ 40,752	\$ 4,465
Fringes	76,263	85,569	14,918	85,031	51,738	16,933	29,495	8,005	(3)
Total personnel	685,463	669,068	147,005	712,351	470,828	118,688	258,139	48,757	4,462
<b>Operating:</b>									
Building occupancy	44,656	57,329	12,506	72,860	84,784	-	27,297	-	5,051
Professional services	55,688	2,025	965	24,407	6,775	310	1,322	32	42
Travel	16,744	4,899	917	2,528	1,253	-	1,632	-	1,036
Equipment costs	1,659	9,457	1,578	15,207	11,825	70	10,713	70	1,012
Food services	645	-	-	49,408	40,026	-	15,866	-	-
Medical & pharmacy	183	35,384	-	14,207	9,577	-	2,549	-	-
Subcontract services	89,308	10,678	2,148	30,530	25,741	-	4,537	-	52
Insurance	6,128	19,179	1,429	21,146	18,215	1,983	11,544	1,115	850
Interest	3	-	-	238	156	-	-	-	-
Operating supplies	14,674	38,361	5,032	19,424	18,280	221	16,040	82	518
Other	25,963	1,569	-	2,324	2,130	-	1,261	-	4
Donated items	500	11,792	-	-	-	-	-	-	-
Total Operating	256,151	190,673	24,575	252,279	218,762	2,584	92,761	1,299	8,565
Total personnel and operating	941,614	859,741	171,580	964,630	689,590	121,272	350,900	50,056	13,027
<b>Indirect:</b>									
Administration	110,197	111,879	20,986	125,529	89,944	15,781	45,663	6,514	1,695
Total Expenses	\$ 1,051,811	\$ 971,620	\$ 192,566	\$ 1,090,159	\$ 779,534	\$ 137,053	\$ 396,563	\$ 56,570	\$ 14,722

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

<b>Substance Abuse - Adult (continued):</b>									
<u>Expenses</u>	<u>Outreach</u>	<u>Assessment</u>	<u>Intervention</u>	<u>Incidental Expense</u>	<u>Aftercare</u>	<u>CF1053-1201 Aftercare</u>	<u>CF1053-1201 Case Management</u>	<u>CF1053-1201 Outreach</u>	<u>Medical Services</u>
<b>Personnel services:</b>									
Salaries	\$ 88,214	\$ 49,748	\$ 271,952	\$ -	\$ 106,372	\$ 10,852	\$ 11,819	\$ 3,540	\$ 51,316
Fringes	9,924	4,624	45,028	-	14,295	1,684	1,834	549	5,249
Total personnel	<u>98,138</u>	<u>54,372</u>	<u>316,980</u>	<u>-</u>	<u>120,667</u>	<u>12,536</u>	<u>13,653</u>	<u>4,089</u>	<u>56,565</u>
<b>Operating:</b>									
Building occupancy	5,183	3,475	13,298	-	13,511	690	751	225	-
Professional services	1,827	430	3,004	-	220	523	570	171	57,117
Travel	3,767	1,130	12,786	-	400	97	105	32	-
Equipment costs	255	659	1,383	-	128	153	167	50	70
Food services	-	-	-	-	-	-	-	-	-
Medical & pharmacy	104	1,179	7,874	-	115	619	674	202	338
Subcontract services	2,772	1,893	6,910	-	-	345	376	113	-
Insurance	837	467	3,537	-	1,236	292	318	95	357
Interest	-	-	-	-	-	-	-	-	-
Operating supplies	4,866	5,630	11,635	-	1,618	861	938	281	101
Other	165	-	617	33,278	280	-	-	-	8
Donated items	-	-	-	-	-	-	-	-	-
Total Operating	<u>19,776</u>	<u>14,863</u>	<u>61,044</u>	<u>33,278</u>	<u>17,508</u>	<u>3,580</u>	<u>3,899</u>	<u>1,169</u>	<u>57,991</u>
Total personnel and operating	117,914	69,235	378,024	33,278	138,175	16,116	17,552	5,258	114,556
<b>Indirect:</b>									
Administration	16,596	8,756	47,962	-	20,030	2,097	2,284	684	14,907
Total Expenses	<u>\$ 134,510</u>	<u>\$ 77,991</u>	<u>\$ 425,986</u>	<u>\$ 33,278</u>	<u>\$ 158,205</u>	<u>\$ 18,213</u>	<u>\$ 19,836</u>	<u>\$ 5,942</u>	<u>\$ 129,463</u>

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

Expenses	Substance Abuse - Adult (continued):			Substance Abuse - Adolescent (continued):					
	TDL03 Florida Ctr Residential II	TDL03 Florida Ctr Incidental Exp	Total Substance Abuse-Adult	Outpatient	Case Management	Prevention	PPG	Outreach	Assessment
<b>Personnel services:</b>									
Salaries	\$ 1,085,612	\$ -	\$ 3,817,037	\$ 20,904	\$ 14,113	\$ 163,739	\$ 32,410	\$ 39,827	\$ 9,144
Fringes	140,648	-	515,521	2,465	1,080	30,993	6,628	3,047	700
Total personnel	1,226,260	-	4,332,558	23,369	15,193	194,732	39,038	42,874	9,844
<b>Operating:</b>									
Building occupancy	98,905	-	395,865	18,794	2,334	208	-	2,940	782
Professional services	40,380	-	140,120	-	180	1,705	445	1,046	97
Travel	1,085	-	31,667	222	171	11,408	2,367	159	254
Equipment costs	12,224	-	65,021	277	294	561	-	142	148
Food services	84,183	-	189,483	-	-	-	-	-	-
Medical & pharmacy	29,400	-	102,222	7,224	-	40	-	-	265
Subcontract services	43,325	-	129,420	1,484	401	2,935	1,500	1,418	426
Insurance	28,743	-	111,343	917	267	2,672	168	204	105
Interest	-	-	394	-	-	-	-	-	-
Operating supplies	26,482	-	150,370	4,302	939	6,737	308	1,890	1,266
Other	2,330	3,115	47,081	315	-	-	-	-	-
Donated items	-	-	11,792	-	-	122,500	100,141	-	-
Total Operating	367,057	3,115	1,374,778	33,535	4,586	148,766	104,929	7,799	3,343
Total personnel and operating	1,593,317	3,115	5,707,336	56,904	19,779	343,498	143,967	50,673	13,187
<b>Indirect:</b>									
Administration	208,455	-	739,762	7,405	3,916	44,700	18,735	5,835	1,969
Total Expenses	\$ 1,801,772	\$ 3,115	\$ 6,447,098	\$ 64,309	\$ 23,695	\$ 388,198	\$ 162,702	\$ 56,508	\$ 15,156

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

Expenses	Substance Abuse - Adolescent (continued):				Other Programs - Adult:					
	Intervention	Aftercare	Res Lev 4	Total Substance Abuse Adolescent	SAMH Behavioral Health Fees	HUD Contract 1	HUD Contract 2	HUD Contract 3	HUD Contract 4	The Rez
<b>Personnel services:</b>										
Salaries	\$ 9,090	\$ 5	\$ 8,623	\$ 297,855	\$ -	\$ 15,356	\$ 11,872	\$ 25,608	\$ 25,380	\$ -
Fringes	695	-	(6)	45,602	-	1,539	1,089	2,948	4,334	-
Total personnel	9,785	5	8,617	343,457	-	16,895	12,961	28,556	29,714	-
<b>Operating:</b>										
Building occupancy	2,845	16	9,756	37,675	-	-	-	-	5	10,062
Professional services	632	-	82	4,187	-	119	119	119	119	-
Travel	39	-	2,001	16,621	-	1,167	1,107	2,313	4,753	-
Equipment costs	303	-	1,955	3,680	-	-	-	46	186	2,565
Food services	-	-	-	-	-	-	-	-	-	-
Medical & pharmacy	1,708	-	-	9,237	-	648	648	825	164	-
Subcontract services	1,262	-	100	9,526	-	-	-	170	-	512
Insurance	400	1	1,641	6,375	-	265	194	432	348	1,711
Interest	-	-	-	-	-	-	-	-	-	-
Operating supplies	1,271	2	1,001	17,716	-	127	109	182	1,311	1,564
Other	-	19	7	341	66,410	42,443	25,374	51,590	60,401	11
Donated items	-	-	-	222,641	-	-	-	-	-	-
Total Operating	8,460	38	16,543	327,999	66,410	44,769	27,551	55,677	67,287	16,425
Total personnel and operating	18,245	43	25,160	671,456	66,410	61,664	40,512	84,233	97,001	16,425
<b>Indirect:</b>										
Administration	5,377	24	3,274	91,235	-	-	-	-	-	2,137
Total Expenses	\$ 23,622	\$ 67	\$ 28,434	\$ 762,691	\$ 66,410	\$ 61,664	\$ 40,512	\$ 84,233	\$ 97,001	\$ 18,562

TRI-COUNTY HUMAN SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013, WITH COMPATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2012

<b>Other Programs - Adult (continued):</b>								
<u>Expenses</u>	<u>DUI</u>	<u>Non-ADM</u>	<u>Total Other Programs Adult</u>	<u>Business Like Activities</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2013 Total Expenses</u>	<u>2012 Total Expenses</u>
<b>Personnel services:</b>								
Salaries	\$ 280,174	\$ 461,892	\$ 820,282	\$ 399,377	\$ 634,953	\$ -	\$ 6,715,857	\$ 6,410,980
Fringes	32,799	63,653	106,362	27,259	98,876	-	881,441	960,174
Total personnel	<u>312,973</u>	<u>525,545</u>	<u>926,644</u>	<u>426,636</u>	<u>733,829</u>	<u>-</u>	<u>7,597,298</u>	<u>7,371,154</u>
<b>Operating:</b>								
Building occupancy	43,691	11,243	65,001	60,607	55,437	-	665,524	677,078
Professional services	1,334	12,419	14,229	264	14,177	-	233,194	414,093
Travel	3,898	4,241	17,479	756	14,260	-	102,451	117,471
Equipment costs	7,013	2,096	11,906	44,491	48,042	-	175,031	180,128
Food services	-	4,268	4,268	261,538	-	-	455,934	397,364
Medical & pharmacy	126	161	2,572	366,607	295	-	481,116	549,002
Subcontract services	14,452	33,090	48,224	27,747	59,651	-	371,045	304,948
Insurance	7,928	5,935	16,813	25,086	21,726	-	189,019	157,133
Interest	7,009	-	7,009	25,015	25,493	-	57,914	76,025
Operating supplies	34,322	17,635	55,250	25,797	89,801	-	356,140	331,623
Other	1,006	117	247,352	1,164	51,799	44	375,273	256,170
Donated items	-	-	-	-	-	-	234,933	301,792
Total Operating	<u>120,779</u>	<u>91,205</u>	<u>490,103</u>	<u>839,072</u>	<u>380,681</u>	<u>44</u>	<u>3,697,574</u>	<u>3,762,827</u>
Total personnel and operating	433,752	616,750	1,416,747	1,265,708	1,114,510	44	11,294,872	11,133,981
<b>Indirect:</b>								
Administration	56,445	80,264	138,846	-	(1,114,510)	(44)	-	-
Total Expenses	<u>\$ 490,197</u>	<u>\$ 697,014</u>	<u>\$ 1,555,593</u>	<u>\$ 1,265,708</u>	<u>\$ \$ -</u>	<u>\$ -</u>	<u>\$ 11,294,872</u>	<u>\$ 11,133,981</u>

**TRI-COUNTY HUMAN SERVICES, INC.**  
**SCHEDULE OF FUNDING AND REVENUE SOURCES**  
**YEAR ENDED JUNE 30, 2013**

**Adult Mental Health:**

	Residential II	Information & Referral	DCF-Jasa Outreach	Path Outreach	Highlands CCST	Highlands Medical Services	Highlands CSST	Incidentals	Total Adult Mental Health
<b>State Funding</b>									
General - Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,875	\$ 25,875
Services to Women	-	-	-	-	-	-	-	-	-
TANF	15,000	-	-	-	-	-	-	-	15,000
Mental Health Revenues	-	4,865	104,575	96,054	12,115	219,592	167,257	-	604,458
HIV Revenues	-	-	-	-	-	-	-	-	-
CFBHN Revenues	-	-	-	-	-	-	-	-	-
	<u>15,000</u>	<u>4,865</u>	<u>104,575</u>	<u>96,054</u>	<u>12,115</u>	<u>219,592</u>	<u>167,257</u>	<u>25,875</u>	<u>645,333</u>
<b>Patient Service Revenue</b>									
Alcohol/Drug/Mental Health Fees	-	-	-	-	1,457	29,178	78	-	30,713
Laboratory Fees	-	-	-	-	10	40	-	-	50
DUI Fees	-	-	-	-	-	-	-	-	-
DATE Fees	-	-	-	-	-	-	-	-	-
Other State Funding	-	-	-	-	-	-	-	-	-
Medicaid	-	-	-	-	70,206	94,696	3,352	-	168,254
Local Government	-	-	-	-	55,862	41,898	9,669	-	107,429
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,535</u>	<u>165,812</u>	<u>13,099</u>	<u>-</u>	<u>306,446</u>
<b>All Other Funding and Revenue</b>									
Federated Campaigns	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	2,705	-	668	25	-	3,398
In-Kind	-	-	-	500	-	-	-	-	500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,205</u>	<u>-</u>	<u>668</u>	<u>25</u>	<u>-</u>	<u>3,898</u>
<b>Total All Funding and Revenue</b>	<u>\$ 15,000</u>	<u>\$ 4,865</u>	<u>\$ 104,575</u>	<u>\$ 99,259</u>	<u>\$ 139,650</u>	<u>\$ 386,072</u>	<u>\$ 180,381</u>	<u>\$ 25,875</u>	<u>\$ 955,677</u>

**TRI-COUNTY HUMAN SERVICES, INC.**  
**SCHEDULE OF FUNDING AND REVENUE SOURCES**  
**YEAR ENDED JUNE 30, 2013**

**Substance Abuse - Adult:**

	Outpatient	Case Management	Detox	Residential Level 2	Residential Level 2 R & B	Residential Level 3	Residential Level 3 R & B	Residential Level 4	Outreach	Assessment	Intervention
<b>State Funding</b>											
General - Revenues	\$ 180,331	\$ 236,405	\$ 763,002	\$ 168,628	\$ 103,973	\$ 96,442	\$ 18,647	\$ 18,086	\$ 202,020	\$ 102,132	\$ 325,736
Services to Women	-	-	-	277,752	-	57,666	-	-	-	-	-
TANF	61,641	51,516	-	100,067	52,263	61,981	-	-	-	8,437	2,318
Mental Health Revenues	-	-	-	-	-	-	-	-	-	-	-
HIV Revenues	-	-	-	-	-	-	-	-	19,778	-	84,974
CFBHN Revenues	-	-	-	-	-	-	-	-	-	-	-
	<u>241,972</u>	<u>287,921</u>	<u>763,002</u>	<u>546,447</u>	<u>156,236</u>	<u>216,089</u>	<u>18,647</u>	<u>18,086</u>	<u>221,798</u>	<u>110,569</u>	<u>413,028</u>
<b>Patient Service Revenue</b>											
Alcohol/Drug/Mental Health Fees	80,849	-	21,992	27,910	-	16,732	-	370	-	-	-
Laboratory Fees	31,744	-	-	40	-	-	-	-	-	-	-
DUI Fees	-	-	-	-	-	-	-	-	-	-	-
DATE Fees	-	-	-	-	-	-	-	-	-	-	-
Other State Funding	-	-	-	23,272	-	14,295	-	-	-	-	-
Medicaid	101,465	-	-	172,274	-	16,078	-	-	-	-	-
Local Government	106,359	97,598	199,295	93,454	-	-	-	-	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-
	<u>320,417</u>	<u>97,598</u>	<u>221,287</u>	<u>316,950</u>	<u>-</u>	<u>47,105</u>	<u>-</u>	<u>370</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>All Other Funding and Revenue</b>											
Federated Campaigns	11,964	-	-	11,965	-	66,633	-	-	-	-	-
Contributions and Donations	-	-	-	2,881	-	2,563	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-
Interest Income	2,814	-	890	-	-	-	-	-	-	-	-
Other	4,853	-	1,009	25,034	-	-	-	-	-	-	-
In-Kind	13,892	-	-	75	-	666	-	-	-	-	-
	<u>33,523</u>	<u>-</u>	<u>1,899</u>	<u>39,955</u>	<u>-</u>	<u>69,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total All Funding and Revenue</b>	<b>\$ 595,912</b>	<b>\$ 385,519</b>	<b>\$ 986,188</b>	<b>\$ 903,352</b>	<b>\$ 156,236</b>	<b>\$ 333,056</b>	<b>\$ 18,647</b>	<b>\$ 18,456</b>	<b>\$ 221,798</b>	<b>\$ 110,569</b>	<b>\$ 413,028</b>

**TRI-COUNTY HUMAN SERVICES, INC.**  
**SCHEDULE OF FUNDING AND REVENUE SOURCES**  
**YEAR ENDED JUNE 30, 2013**

	<b>Substance Abuse - Adult (cotinued):</b>								<b>Total Substance Abuse-Adult</b>	<b>Mental Health - Adolescent</b>		
	<b>Incidentals</b>	<b>Aftercare</b>	<b>CF1053-1201 Aftercare</b>	<b>CF1053-1201 Case Management</b>	<b>CF1053-1201 Outreach</b>	<b>Pysch &amp; Medical Services</b>	<b>Florida Ctr TDL03 Residential II</b>	<b>Florida Ctr TDL03 Incidental Exp</b>		<b>FIS Outreach</b>	<b>Information &amp; Referral</b>	<b>Incidentals</b>
<b>State Funding</b>												
General - Revenues	\$ 33,277	\$ 57,106	\$ 25,826	\$ 28,128	\$ 8,424	\$ 25,129	\$ 1,608,989	\$ 3,115	\$ 4,005,396	\$ -	\$ -	\$ -
Services to Women	-	-	-	-	-	-	230,825	-	566,243	-	-	-
TANF	-	6,898	-	-	-	-	-	-	345,121	-	-	-
Mental Health Revenues	-	-	-	-	-	-	-	-	-	75,530	56,868	1,517
HIV Revenues	-	-	-	-	-	-	-	-	104,752	-	-	-
CFBHN Revenues	-	-	-	-	-	-	-	-	-	-	-	-
	<u>33,277</u>	<u>64,004</u>	<u>25,826</u>	<u>28,128</u>	<u>8,424</u>	<u>25,129</u>	<u>1,839,814</u>	<u>3,115</u>	<u>5,021,512</u>	<u>75,530</u>	<u>56,868</u>	<u>1,517</u>
<b>Patient Service Revenue</b>												
Alcohol/Drug/Mental Health Fees	-	(346)	(184)	-	-	-	79,006	-	226,329	-	-	-
Laboratory Fees	-	-	-	-	-	-	-	-	31,784	-	-	-
DUI Fees	-	-	-	-	-	-	-	-	-	-	-	-
DATE Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other State Funding	-	-	-	-	-	-	54,053	-	91,620	-	-	-
Medicaid	-	-	-	-	-	-	-	-	289,817	-	-	-
Local Government	-	-	9,419	-	-	-	248,630	-	754,755	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>(346)</u>	<u>9,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,689</u>	<u>-</u>	<u>1,394,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>All Other Funding and Revenue</b>												
Federated Campaigns	-	-	-	-	-	-	-	-	90,562	-	-	-
Contributions and Donations	-	-	-	-	-	-	1,110	-	6,554	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	3,704	-	-	-
Other	-	-	-	-	-	-	2,405	-	33,301	-	-	-
In-Kind	-	-	-	-	-	-	-	-	14,633	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,515</u>	<u>-</u>	<u>148,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total All Funding and Revenue</b>	<u>\$ 33,277</u>	<u>\$ 63,658</u>	<u>\$ 35,061</u>	<u>\$ 28,128</u>	<u>\$ 8,424</u>	<u>\$ 25,129</u>	<u>\$ 2,225,018</u>	<u>\$ 3,115</u>	<u>\$ 6,564,571</u>	<u>\$ 75,530</u>	<u>\$ 56,868</u>	<u>\$ 1,517</u>

**TRI-COUNTY HUMAN SERVICES, INC.**  
**SCHEDULE OF FUNDING AND REVENUE SOURCES**  
**YEAR ENDED JUNE 30, 2013**

	<b>Mental Health - Adolescent (continued):</b>				<b>Substance Abuse - Adolescent</b>						
	Highlands CCST	Highlands Medical Services	Highlands CSST	Total Adolescent Mental Health	Outpatient	Case Management	Residential Level 4	Prevention	Prevention PPG	Outreach	Assessment
<b>State Funding</b>											
General - Revenues	\$ -	\$ -	\$ -	\$ -	\$ 10,793	\$ 53,729	\$ 34,927	\$ 268,514	\$ 149,947	\$ 87,278	\$ 24,867
Services to Women	-	-	-	-	-	-	-	-	-	-	-
TANF	-	-	-	-	-	-	-	-	-	-	-
Mental Health Revenues	3,635	15,891	14,499	167,940	-	-	-	-	-	-	-
HIV Revenues	-	-	-	-	-	-	-	-	-	-	-
CFBHN Revenues	-	-	-	-	-	-	-	-	-	-	-
	<u>3,635</u>	<u>15,891</u>	<u>14,499</u>	<u>167,940</u>	<u>10,793</u>	<u>53,729</u>	<u>34,927</u>	<u>268,514</u>	<u>149,947</u>	<u>87,278</u>	<u>24,867</u>
<b>Patient Service Revenue</b>											
Alcohol/Drug/Mental Health Fees	978	8,890	21	9,889	16,372	-	-	-	-	-	-
Laboratory Fees	-	-	-	-	2,470	-	-	-	-	-	-
DUI Fees	-	-	-	-	-	-	-	-	-	-	-
DATE Fees	-	-	-	-	-	-	-	-	-	-	-
Other State Funding	-	-	-	-	-	-	-	-	-	-	-
Medicaid	47,160	28,852	903	76,915	47,501	-	-	-	-	-	-
Local Government	-	-	-	-	-	-	-	-	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-
	<u>48,138</u>	<u>37,742</u>	<u>924</u>	<u>86,804</u>	<u>66,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>All Other Funding and Revenue</b>											
Federated Campaigns	-	-	-	-	0	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	442	-	-	430	-	-	-
Rental Income	-	-	-	-	0	-	-	-	-	-	-
Interest Income	-	-	-	-	326	-	-	733	-	-	-
Other	-	-	-	-	687	-	-	5,145	-	-	-
In-Kind	-	-	-	-	-	-	-	122,500	100,141	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,455</u>	<u>-</u>	<u>-</u>	<u>128,808</u>	<u>100,141</u>	<u>-</u>	<u>-</u>
<b>Total All Funding and Revenue</b>	<u>\$ 51,773</u>	<u>\$ 53,633</u>	<u>\$ 15,423</u>	<u>\$ 254,744</u>	<u>\$ 78,591</u>	<u>\$ 53,729</u>	<u>\$ 34,927</u>	<u>\$ 397,322</u>	<u>\$ 250,088</u>	<u>\$ 87,278</u>	<u>\$ 24,867</u>

**TRI-COUNTY HUMAN SERVICES, INC.**  
**SCHEDULE OF FUNDING AND REVENUE SOURCES**  
**YEAR ENDED JUNE 30, 2013**

	<b>Substance Abuse - Adolescent (continued)</b>		<b>Other Programs - Adult</b>					<b>Total Other Programs Adult</b>
	<b>Intervention</b>	<b>Aftercare</b>	<b>Total Substance Abuse Adolescent</b>	<b>SAMH Behavioral Health Fee</b>	<b>HUD Contracts</b>	<b>The Rez</b>	<b>DUI</b>	
<b>State Funding</b>								
General - Revenues	\$ 32,793	\$ -	\$ 662,848	\$ -	\$ -	\$ -	\$ -	\$ -
Services to Women	-	-	-	-	-	-	-	-
TANF	-	-	-	-	-	-	-	-
Mental Health Revenues	-	-	-	-	-	-	-	-
HIV Revenues	-	-	-	-	-	-	-	-
CFBHN Revenues	-	-	-	35,916	-	-	-	53,248
	<u>32,793</u>	<u>-</u>	<u>662,848</u>	<u>35,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,248</u>
								<u>89,164</u>
<b>Patient Service Revenue</b>								
Alcohol/Drug/Mental Health Fees	-	-	16,372	-	-	16,461	-	850
Laboratory Fees	-	-	2,470	-	-	-	-	-
DUI Fees	-	-	-	-	-	-	500,733	-
DATE Fees	-	-	-	-	-	-	-	2,538
Other State Funding	-	-	-	-	-	-	-	302,076
Medicaid	-	-	47,501	-	-	-	-	-
Local Government	-	-	-	-	-	-	-	670,400
Federal Grants and Contracts	-	-	-	-	247,230	-	-	-
	<u>-</u>	<u>-</u>	<u>66,343</u>	<u>-</u>	<u>247,230</u>	<u>16,461</u>	<u>500,733</u>	<u>975,864</u>
								<u>1,740,288</u>
<b>All Other Funding and Revenue</b>								
Federated Campaigns	-	-	-	-	-	-	-	11,965
Contributions and Donations	-	-	872	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-
Interest Income	-	-	1,059	-	-	-	-	-
Other	-	-	5,832	-	-	-	2,791	340
In-Kind	-	-	222,641	-	47	-	-	-
	<u>-</u>	<u>-</u>	<u>230,404</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>
								<u>15,143</u>
<b>Total All Funding and Revenue</b>	<u>\$ 32,793</u>	<u>\$ -</u>	<u>\$ 959,595</u>	<u>\$ 35,916</u>	<u>\$ 247,277</u>	<u>\$ 16,461</u>	<u>\$ 503,524</u>	<u>\$ 1,041,417</u>
								<u>\$ 1,844,595</u>

TRI-COUNTY HUMAN SERVICES, INC.  
**SCHEDULE OF FUNDING AND REVENUE SOURCES**  
 YEAR ENDED JUNE 30, 2013

	Administration	Business Like Activities	Fund Raising	2013 Total Revenue
<b>State Funding</b>				
General - Revenues	\$ -	\$ -	\$ -	\$ 4,694,119
Services to Women	-	-	-	566,243
TANF	-	-	-	360,121
Mental Health Revenues	-	-	-	772,398
HIV Revenues	-	-	-	104,752
CFBHN Revenues	-	-	-	89,164
	-	-	-	6,586,797
<b>Patient Service Revenue</b>				
Alcohol/Drug/Mental Health Fees	-	279,026	-	579,640
Laboratory Fees	-	-	-	34,304
DUI Fees	-	-	-	500,733
DATE Fees	-	-	-	2,538
Other State Funding	-	-	-	393,696
Medicaid	-	-	-	582,487
Local Government	-	561,926	-	2,094,510
Federal Grants and Contracts	-	-	-	247,230
	-	840,952	-	4,435,138
<b>All Other Funding and Revenue</b>				
Federated Campaigns	-	-	-	102,527
Contributions and Donations	-	645	-	8,071
Rental Income	-	57,425	-	57,425
Interest Income	-	0	-	4,763
Other	(1,096)	242,418	320	287,304
In-Kind	-	-	-	237,821
	(1,096)	300,488	320	697,911
<b>Total All Funding and Revenue</b>	<b>\$ (1,096)</b>	<b>\$ 1,141,440</b>	<b>\$ 320</b>	<b>\$ 11,719,846</b>

**TRI-COUNTY HUMAN SERVICES, INC.**  
**AUDIT SCHEDULE**

**Schedule of State Earnings for  
Fiscal Year 06/30/2013**

<b>1</b>	<b>Total Expenditures</b>	<b>\$</b>	<b>11,294,872</b>
<b>2</b>	<b>Less Other State and Federal Funds</b>	<b>\$</b>	<b>(1,043,810)</b>
<b>3</b>	<b>Less Non-Match SAMH Funds</b>	<b>\$</b>	<b>(2,744,389)</b>
<b>4</b>	<b>Less Unallowable Costs per 65E-14, F.A.C.</b>	<b>\$</b>	<b>(1,301,885)</b>
<b>5</b>	<b>Total Allowable Expenditures</b> (Sum of lines 1, 2, 3, and 4)	<b>\$</b>	<b>6,204,788</b>
<b>6</b>	<b>Maximum Available Earnings</b> (Line 5 times 75%)	<b>\$</b>	<b>4,653,591</b>
<b>7</b>	<b>Amount of State Funds Requiring Match</b>	<b>\$</b>	<b>3,753,244</b>
<b>8</b>	<b>Amount Due to Department</b> (Subtract line 7 from line 6)	<b>\$</b>	<b>-</b>

**TRI-COUNTY HUMAN SERVICES, INC.**  
AUDIT SCHEDULE

**Schedule of Bed-Day Availability Payments**  
For Fiscal Year Ending 06/30/2013

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department  (D-E)	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F  (F x C)	Amount Owed to Department  (G-H or \$0, whichever is greater)
A	B	C	D	E	F	G	H	I
Children's MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Adult MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Children's SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox	\$184.80	7,300.0000	1,207.7165	6,092.2835	\$763,003	\$1,125,854	\$0.00
Adult MH	Short-term Residential Treatment				0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
								<b>Total Amount Owed to Department =</b>
								\$0.00

**TRI-COUNTY HUMAN SERVICES, INC.**  
**AUDIT SCHEDULE**

**Schedule of Related Party Transaction Adjustments**  
**for the Fiscal Year Ending 06 / 30 / 2013**

	Related Party	Allocation of Related Party Transactions Adjustment				
		State-Designated Cost Centers				
		1	2	3	.....	Total
Revenues From Grantee						
Rent	0					
Services	0					
Interest	0					
Other	<u>0</u>					
Total Revenue From Grantee	0					
Expenses Associated with Grantee Transactions						
Personnel Services	0					
Depreciation	0					
Interest	0					
Other	<u>0</u>					
Total Associated Expenses	0					
Related Party Transaction Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**TRI-COUNTY HUMAN SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>Federal/State Agency Pass-Through Entity Federal Program/State Project</b>	<b>CFDA/ CFSA Number</b>	<b>Contract Number</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Indirect Programs			
<b>PASSED THROUGH FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES:</b>			
• Prevention and treatment of adult substance abuse	93.959	* TDL03	\$1,139,609
<b>PASSED THROUGH CENTRAL FLORIDA BEHAVIORAL HEALTH NETWORK:</b>			
• Projects for Assistance in Transition from Homelessness (PATH) for adult mental health	93.150	* CF-1053-1212	99,601
• Temporary Assistance for Needy Families (TANF) for adult mental health	93.558	* CF-1053-1212	35,088
• Temporary Assistance for Needy Families (TANF) for adolescent mental health	93.558	* CF-1053-1212	62,556
• Temporary Assistance for Needy Families (TANF) for adult substance abuse	93.558	* CF-1053-1212	320,113
• Social Services Block Grant (SSBG) for adolescent mental health	93.667	* CF-1053-1212	10,107
• Social Services Block Grant (SSBG) for adolescent substance abuse	93.667	* CF-1053-1212	2,164
• Mental Health Block Grant (MHBG) for adult mental health	93.958	* CF-1053-1212	19,786
• Prevention and treatment of adult substance abuse	93.959	* CF-1053-1201	31,589
• Prevention and treatment of adult substance abuse	93.959	* CF-1053-1212	1,666,374
• Prevention and treatment of adolescent substance abuse	93.959	* CF-1053-1212	<u>412,781</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>3,799,768</u>

\*Major Federal Programs and State Projects

**TRI-COUNTY HUMAN SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>Federal/State Agency Pass-Through Entity Federal Program/State Project</b>	<b>CFDA/ CFSA Number</b>	<b>Contract Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Indirect Program			
 <b>PASSED THROUGH POLK COUNTY, FLORIDA</b>			
• Residential Substance Abuse Treatment (RSAT) for State Prisoners for In-Jail Substance Abuse (JASA) treatment program	16.738	2013-JAGC-Polk-17-B2-269	\$ 50,000
 <b>PASSED THROUGH HIGHLANDS COUNTY, FLORIDA</b>			
• Residential Substance Abuse Treatment (RSAT) for State Prisoners for In-Jail Substance Abuse (JASA) treatment program	16.738	2013-JAGC-High-3-B2-272	50,000
• Residential Substance Abuse Treatment (RSAT) for State Prisoners for Ed Byrne Memorial Justice Assistance Grant (JAG)	16.738	2011-DJ-BX-2136	<u>21,076</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>121,076</u>
 <b>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			
Direct Programs			
• Supportive Housing Program for Permanent housing for service group	14.235	FL0050B4H031002	54,629
• Supportive Housing Program for Permanent housing for service group	14.235	FL0050L4H031203	17,746
• Supportive Housing Program for public housing for victims of trauma	14.235	FL0385B4H161000	84,211
• Supportive Housing Program for homeless women with children	14.235	FL0155B4H161104	35,947
• Supportive Housing Program for scattered site leasing for homeless women with children	14.235	FL0057B4H031104	42,164
• Supportive Housing Program for scattered site leasing for homeless women with children	14.235	FL0057B4L031205	<u>12,533</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<u>247,230</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 4,168,074</u>

\*Major Federal Programs and State Projects

**TRI-COUNTY HUMAN SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal/State Agency Pass-Through Entity Federal Program/State Project</u>	<u>CFDA/ CFSA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	
<b>STATE FINANCIAL ASSISTANCE</b>				
Direct Projects				
<b>FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES:</b>				
• Adult substance abuse	60.031	*	TDL03	\$ 147,655
• Adult substance abuse	60.033	*	TDL03	544,992
<b>TOTAL FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES</b>				<u>692,647</u>
Indirect Projects				
<b>PASSED THROUGH CENTRAL FLORIDA BEHAVIORAL HEALTH NETWORK:</b>				
• Adult mental health	60.006	*	CF-1053-1212	72,849
• Adult mental health	60.114	*	CF-1053-1212	104,575
<b>TOTAL CENTRAL FLORIDA BEHAVIORAL HEALTH NETWORK</b>				<u>177,424</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ 870,071</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>				<u>\$ 5,038,145</u>

\*Major Federal Programs and State Projects

**TRI-COUNTY HUMAN SERVICES, INC.**

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

**JUNE 30, 2013**

**NOTE A - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal and state financial assistance programs of Tri-County Human Services, Inc. (the "Agency"). The reporting entity for the Agency is defined in Note A to the basic financial statements for the year ended June 30, 2013. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

**NOTE B - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the accrual basis of accounting, which is described in Note A of the Agency's basic financial statements for the year ended June 30, 2013.

**NOTE C - STATE MATCHING DOLLARS**

For the year ended June 30, 2013, the Agency also received \$2,512,883 in Maintenance of Effort (MOE) dollars used to meet the required federal match. As defined in F.S. 15.97(2)(q), state financial assistance does not include state matching on federal programs, provided to a local agency to carry out a state project.

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

Board of Directors  
**Tri-County Human Services, Inc.**  
Lakeland, Florida

We have audited the financial statements of **Tri-County Human Services, Inc.** (the "Agency," a not-for-profit organization), as of and for the year ended June 30, 2013, and have issued our report thereon dated September 30, 2013. 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 of the financial statements, we considered the Agency'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 the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control 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 the internal control that might be significant deficiencies or material weaknesses. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.



**Tri-County Human Services, Inc.**  
Independent Auditor's Report on Internal  
Control over Financial Reporting and on  
Compliance and Other Matters  
Based on an Audit of Financial  
Statements Performed in Accordance  
With *Government Auditing Standards*  
Page Two

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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 determination of financial statements 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*.

**Purpose of this Report**

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 our testing, and to provide an opinion on the Agency's compliance but not to provide an opinion on the effectiveness of the Agency's internal control over compliance, based on the requirements of OMB Circular A-133. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

*Baylin & Company PA*

**Certified Public Accountants**  
**Lakeland, Florida**  
September 30, 2013



**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
**Tri-County Human Services, Inc.**  
Lakeland, Florida

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

We have audited the compliance of **Tri-County Human Services, Inc.** 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 Rule 15A – 10.012 – 10.0142, Florida Administrative Code, that that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. **Tri-County Human Services, Inc.'s** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on **Tri-County Human Services, Inc.'s** compliance for each major federal program based on our audit of the types of compliance requirements referred to above. 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 Rule 15A – 10.012 – 10.0142, Florida Administrative Code. Those standards, OMB Circular A-133, and Rule 15A – 10.012 – 10.0142, Florida Administrative Code, 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 occurred. An audit includes examining, on a test basis, evidence about **Tri-County Human Services, Inc.'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 on compliance for each major federal program. Our audit does not provide a legal determination of **Tri-County Human Services, Inc.'s** compliance with those requirements.



**Tri-County Human Services, Inc.**  
Independent Auditor's Report on  
Compliance With Requirements  
Applicable to Each Major Program  
and on Internal Control Over  
Compliance Required by  
OMB Circular A-133  
Page Two

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### **Opinion on Each Major Federal Program**

In our opinion, **Tri-County Human Services, Inc.** 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 for the year ended June 30, 2013.

### **Report on Internal Control over Compliance**

The management of **Tri-County Human Services, Inc.** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Tri-County Human Services, Inc.'s** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over the compliance. Accordingly, we do not express an opinion on the effectiveness of **Tri-County Human Services, Inc.'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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance 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. However, material weaknesses may exist that have not been identified.



**Tri-County Human Services, Inc.**  
Independent Auditor's Report  
on Compliance With Requirements  
Applicable to Each Major Program  
and on Internal Control Over  
Compliance Required by  
OMB Circular A-133  
Page Three

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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 our testing, and to provide an opinion on the Agency's compliance but not to provide an opinion on the effectiveness of the Agency's internal control over compliance, based on the requirements of OMB Circular A-133. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

*Baylin & Company PA*

**Certified Public Accountants**  
**Lakeland, Florida**  
September 30, 2013



**TRI-COUNTY HUMAN SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**PART I - SUMMARY OF AUDITORS' RESULTS**

**General Purpose Financial Statement Section**

Type of auditors' report issued:	Unqualified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Noncompliance material to general purpose financial statements noted?	No

**Federal and State Awards Section**

Dollar threshold used to determine Type A program:	\$300,000
Auditee qualified as low-risk auditee for federal awards?	Yes
Type of auditors' report on compliance for major programs:	Unqualified Opinion
Internal control over compliance:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	No
Identification of major programs:	
See Schedule of Expenditures of Federal Awards and State Financial Assistance	
Were matching requirements met?	Yes
Findings relating to the financial statements reported in accordance with <i>Government Auditing Standards</i> :	No
Findings and questioned costs relating to federal programs for current fiscal year:	No
Findings and questioned costs related to federal programs for the prior fiscal year:	No

**TRI-COUNTY HUMAN SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013 - CONTINUED**

**PART II - SCHEDULE OF FINDINGS**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

No significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the general purpose financial statements were noted.

**PART III - SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs as required to be reported by Section 510(a) of Circular A-133.

No significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs were noted.