

**PEACE RIVER CENTER FOR PERSONAL
DEVELOPMENT, INC.
AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2016 AND 2015

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Peace River Center for Personal Development, Inc.
and Affiliates
Bartow, Florida

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the Peace River Center for Personal Development, Inc. and Affiliates (a not for profit organization), which comprise the combined statements of financial position as of June 30, 2016 and 2015, and the related combined statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. 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 combined financial statements are free from material misstatement. The financial statements of Peace River Center Properties, Inc. and Peace River Center Properties II, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Board of Directors
Peace River Center for Personal Development, Inc.
and Affiliates

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Peace River Center for Personal Development, Inc. and Affiliates as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming opinions on the combined financial statements as a whole. The accompanying supplementary information shown on pages 20 through 33 is presented for purposes of additional analysis and is not a required part of the basic combined financial statements of Peace River Center for Personal Development, Inc. and Affiliates. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic combined financial statements. The supplementary information 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016, on our consideration of Peace River Center for Personal Development, Inc.'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* in considering Peace River Center for Personal Development, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
December 13, 2016

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
YEARS ENDED JUNE 30, 2016 AND 2015**

ASSETS	2016	2015
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,656,411	\$ 3,441,613
Accounts Receivable, Net	2,625,603	2,312,244
Tenant Accounts Receivable, Net	2,893	2,308
Inventory	134,660	125,846
Prepaid Expenses	294,690	508,193
Deposits	7,795	7,795
Current Portion of Pledges Receivable	626,503	250,000
Total Current Assets	7,348,555	6,647,999
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Reserve for Client Funds	73,400	51,578
Tenant Security Deposits Held In Trust	4,910	5,235
Reserve for Replacements	12,467	12,442
Reserve for Construction	4,595,184	-
Total Restricted Deposits	4,685,961	69,255
PROPERTY, PLANT AND EQUIPMENT, NET	3,861,053	3,691,597
OTHER ASSETS		
Note Receivable - New Markets Tax Credit	3,381,500	-
Pledges Receivable, Long Term	807,726	718,590
Investments - Deferred Compensation Plan	403,517	621,763
Deferred Loan Costs, net	253,760	15,947
Beneficial Interest in Assets Held by the GiveWell Community Foundation	14,626	14,609
Other Assets	1,575	1,575
Total Other Assets	4,862,704	1,372,484
Total Assets	\$ 20,758,273	\$ 11,781,335
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 397,426	\$ 451,533
Accrued Expenses	1,055,918	843,952
Accrued Annual Leave	796,465	779,570
Deferred Revenue	523,325	351,212
Security Deposits Payable	10,713	10,914
Reserve for Client Funds	73,400	51,578
Deferred Compensation Payable	403,517	621,763
Current Portion of Long-Term Debt	89,299	83,078
Total Current Liabilities	3,350,063	3,193,600
LONG-TERM LIABILITIES		
Mortgages and Notes Payable	5,420,333	2,699,204
New Markets Tax Credit Notes Payable	4,850,000	-
Total Long-Term Liabilities	10,270,333	2,699,204
Total Liabilities	13,620,396	5,892,804
NET ASSETS		
Unrestricted	5,974,376	4,919,941
Temporarily Restricted	1,163,501	968,590
Total Net Assets	7,137,877	5,888,531
Total Liabilities and Net Assets	\$ 20,758,273	\$ 11,781,335

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
UNRESTRICTED FUNDING AND REVENUES		
GOVERNMENT FUNDING		
Substance Abuse and Mental Health:		
Adult and Children Mental Health	\$ 10,133,493	\$ 9,832,434
NET PATIENT SERVICE FEES	6,861,932	7,095,158
OTHER GOVERNMENT FUNDING		
Other Federal and State Grants	3,552,165	3,535,561
Local Government	1,755,754	1,306,586
Total Other Government Funding	5,307,919	4,842,147
OTHER FUNDING AND REVENUES		
Contributions and Donations	1,066,881	939,293
Other	537,864	500,700
Rental	209,362	199,340
Contracted Food Services	140,346	132,848
Program Income	17,580	11,174
Net Assets Released From Restrictions	814,439	-
Total Other Funding and Revenues	2,786,472	1,783,355
 Total Unrestricted Funding and Revenues	 25,089,816	 23,553,094
EXPENSES		
Program Services	23,353,968	22,628,874
Fundraising	601,510	598,840
Management and General, Support Services, and Indirect	79,903	82,651
Total Expenses	24,035,381	23,310,365
CHANGE IN UNRESTRICTED NET ASSETS	1,054,435	242,729
TEMPORARILY RESTRICTED REVENUE		
Contributions and Donations	1,009,350	968,590
Net Assets Released From Restrictions	(814,439)	-
Total Temporarily Restricted Revenue	194,911	968,590
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	194,911	968,590
CHANGE IN NET ASSETS	1,249,346	1,211,319
Net Assets - Beginning of Year	5,888,531	4,677,212
NET ASSETS - END OF YEAR	\$ 7,137,877	\$ 5,888,531

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 1,249,346	\$ 1,211,319
Adjustment to Reconcile Increase in Net Assets to Net Cash Provided(Used) by Operating Activities:		
Depreciation	517,755	509,740
Amortization	27,771	4,668
Loss on Sale of Property, Plant and Equipment	6,294	3,604
Gain on Beneficial Interest in Assets	(17)	(191)
(Increase) Decrease in Assets:		
Accounts Receivable	(313,944)	(149,132)
Inventory	(8,814)	80,011
Prepaid Expenses	213,503	(113,774)
Deposits	-	5,411
Pledges Receivable	(465,639)	(968,590)
Reserve for Client Funds	21,822	(644)
Tenant Security Deposits Held in Trust	325	-
Reserve for Replacements	(25)	9,397
Reserve for Construction	(4,595,184)	-
Other Assets	-	4
Increase (Decrease) in Liabilities:		
Accounts Payable	(54,107)	(161,448)
Accrued Expenses and Accrued Annual Leave	228,861	265,000
Deferred Revenue	172,113	69,117
Security Deposits Payable	(201)	(440)
Reserve for Client Funds	(21,822)	644
Net Cash Provided (Used) by Operating Activities	<u>(3,021,963)</u>	<u>764,696</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(693,505)	(369,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgages and Notes Payable	(654,150)	(77,966)
Payments of Debt Issuance Costs	(265,584)	-
Proceeds from Issuance of Notes Receivable	(3,381,500)	-
Proceeds from Issuance of Long Term Debt	8,231,500	-
Net Cash Provided (Used) by Financing Activities	<u>3,930,266</u>	<u>(77,966)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	214,798	317,701
Cash and Cash Equivalents - Beginning of Year	<u>3,441,613</u>	<u>3,123,912</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,656,411</u>	<u>\$ 3,441,613</u>
SUPPLEMENTAL INFORMATION		
Interest Paid	<u>\$ 233,090</u>	<u>\$ 149,951</u>

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Peace River Center for Personal Development, Inc. (Peace River Center) is a not-for-profit organization established in 1948 to provide a broad range of inpatient and outpatient mental health services throughout Polk, Highlands, and Hardee Counties in Central Florida. Peace River Center Properties, Inc. (the Properties) provides supervised residential facilities for mental health clients. Peace River Center Properties II, Inc. (Properties II) is a not-for-profit corporation formed in November 2015 to facilitate obtaining Peace River Center's New Markets Tax Credit funding for new construction. The purpose of this entity is to hold certain assets of and title to property, collect income from that property, and turn over income from that property on behalf of Peace River Center, pursuant to Section 501(c)(3) of Internal Revenue Code of 1986.

Principles of Combination

The combined financial statements include the statements of financial position, activities and cash flows of Peace River Center and affiliates. All material intercompany transactions have been eliminated.

Basis of Accounting

Peace River Center's combined financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Peace River Center has adopted FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, Peace River Center is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted and permanently restricted net assets. The three categories are differentiated by donor restrictions. Unrestricted net assets are not subject to donor-imposed restrictions. Temporarily restricted net assets are subject to donor-imposed restrictions that either lapse or can be satisfied. Permanently restricted net assets are subject to permanent donor-imposed restrictions.

Use of Estimates

The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration

Approximately 39% and 42% of Peace River Center's revenue was earned under contracts with one organization during the years ended June 30, 2016 and 2015, respectively.

Cash and Cash Equivalents

For purposes of reporting cash flows, Peace River Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Peace River Center maintains its cash in bank deposit accounts, which may exceed federally insured limits.

Fair Value Measurements

Peace River Center categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobserved inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at June 30, 2016 and 2015.

Peace River Center also follows the fair value option for newly acquired financial assets and liabilities standard. This standard allows entities the irrevocable option to elect fair value for certain newly acquired financial assets and liabilities on a contract-by-contract basis. Peace River Center has not elected to measure any newly acquired financial instruments at fair value at June 30, 2016, as permitted. However, Peace River Center may elect to measure newly acquired financial instruments at fair value in the future.

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

The fair value of the pledges receivable is estimated by discounting expected net future cash flows using a rate of return based on the average yield of a U.S. Treasury Security with a maturity date similar to the expected collection period.

Beneficial Interests in Assets Held by the GiveWell Community Foundation

Beneficial Interest in Assets held by GiveWell Community Foundation is valued at the estimated current market value.

Revenue Recognition

Net Patient Service Revenue

Medicare and Medicaid Net Patient Revenue and Receivables

Revenue for services rendered to patients covered under the Medicare and Medicaid programs are recorded based on date of service at amounts equal to the standard rate charged by Peace River Center for the specific service. The standard rates are discounted to the contract payment rates specific to Peace River Center that are set by the Medicare and Medicaid programs. The payment rates are daily, hourly or service specific rates for each of the levels of care or specific service provided by Peace River Center. Contractual adjustments are recorded for the difference between Peace River Center's established rate and the amounts estimated to be realized from the Medicare and Medicaid programs and are deducted from revenues and patient accounts receivable. Contractual adjustments are also recorded for the inability to obtain authorizations for services acceptable to the payor and other reasons unrelated to credit risk. Peace River Center estimates the impact of these adjustments based on historical experience, which primarily includes historical claims adjustments, and records it during the period services are rendered as an estimated contractual adjustment and as a reduction to patient accounts receivable.

Other Third-Party Payor Net Patient Revenue and Receivables

Revenue for services rendered to patients covered by other third-party payors (e.g., commercial insurance carriers, health maintenance organizations, and preferred provider organizations, etc.) are recorded based on date of service at amounts equal to the standard rate charged by Peace River Center for the specific service. The standard rates are discounted to the contract payment rates negotiated with the third-party payor. The payment rates are daily, hourly or service specific rates for each of the levels of care or specific service provided by Peace River Center. Contractual adjustments are recorded for the difference between Peace River Center's established rate and the amounts estimated to be realized from third-party payors and are deducted from revenues and patient accounts receivable. Contractual adjustments are also recorded for the inability to obtain authorizations for services acceptable to the payor and other reasons unrelated to credit risk.

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Net Patient Service Revenue (Continued)

Other Third-Party Payor Net Patient Revenue and Receivables (Continued)

Peace River Center estimates the impact of these adjustments based on historical experience, which primarily includes historical claims adjustments, and records it during the period services are rendered as an estimated contractual adjustment and as a reduction to patient accounts receivable.

Accounts Receivable, Net of Allowances for Doubtful Accounts

Accounts receivable consists of patient obligations due for services rendered. Peace River Center does not charge interest on outstanding accounts receivables. The allowance for doubtful accounts is based on identified patient accounts believed to be uncollectible, based on historical experience. Peace River Center records a provision for bad debts related to uninsured patients who will be unable or unwilling to pay for the services provided. 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. The allowance for the years ended June 30, 2016 and 2015 was \$726,399 and \$715,973, respectively. Based on the information available, Peace River Center believes the allowance for doubtful accounts as of June 30, 2016 and 2015 is adequate. However, actual write-offs may exceed the recorded allowance. Patient service revenue, net of contractual allowances and discounts (but before the provision of bad debts), recognized in the period from these major payor sources, is as follows for the years ended June 30:

	2016	2015
Patient Service Fees:		
Medicaid	\$ 11,138,375	\$ 11,397,406
Medicare	1,342,402	1,416,730
Self Pay	2,543,250	202,117
Third Party	764,463	647,740
Subtotal	15,788,490	13,663,993
Less: Contractual Adjustments	(8,937,963)	(6,487,800)
Less: Provision for Bad Debt	11,405	(81,035)
Net Patient Service Fees	\$ 6,861,932	\$ 7,095,158

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contracts

Peace River Center recognizes grants and contracts as restricted support if they are received with grantor or donor stipulations that limit the use of the donated assets. When a grantor or donor restriction expires, a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. A receivable is recognized by Peace River Center for grants and contracts to be received from the grantor or donor.

Contributions

Contributions are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. Contributions where donor restrictions are met within the same fiscal year as the contributions are received are included in unrestricted net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Tenant Accounts Receivable and Allowances for Doubtful Accounts

Accounts receivable consists of tenant rents due. Peace River Center does not charge interest on outstanding accounts receivables. The allowance for doubtful accounts is based 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. Properties also records an allowance for tenant accounts receivable. This is based on identified tenant rents believed to be uncollectible based on historical experience. If actual collection experience changes, revisions to the allowance are made. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Properties had an allowance for doubtful accounts of \$693 and \$670 as of June 30, 2016 and 2015, respectively. Based on the information available, Peace River Center believes the allowance for doubtful accounts as of June 30, 2016 and 2015 is adequate. However, actual write-offs may exceed the recorded allowance.

Inventory

Supply inventory consists of pharmaceuticals, non-perishable food, and food service supplies. Inventory is carried at cost and is maintained on a first in, first out basis.

Use of Contributed Facilities

Peace River Center occupies certain premises, provided on a month-to-month basis, owned by governmental agencies at no or nominal cost. The estimated fair rental value of these premises is not material to the accompanying combined financial statements and is reported as support and expenses.

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Peace River Center for Personal Development, Inc. and Peace River Center Properties, Inc. have qualified as not-for-profit organizations under Section 501(c)(3) of the U.S. Internal Revenue Code and are generally not subject to income taxation, except on net income derived from unrelated business activities. Peace River Center Properties II, Inc. has qualified as a real estate holding corporation under Section 501(c)(2) of the U.S. Internal Revenue Code and is generally not subject to income taxation. Peace River Center for Personal Development, Inc. provides food services on a contract basis which is subject to tax on unrelated business income. Peace River Center for Personal Development, Inc. does not have a tax liability on its unrelated business activity.

Peace River Center for Personal Development, Inc., Peace River Center Properties, Inc. and Peace River Center Properties II, Inc. follow guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. None of the entities are aware of any uncertain tax positions.

Peace River Center for Personal Development, Inc., Peace River Center Properties, Inc. and Peace River Center Properties II, Inc.'s tax returns are subject to review and examination by federal, state and local authorities in accordance with prescribed statutes.

Property, Plant and Equipment

Property, plant and equipment having a unit cost of \$500 or more and software having a unit cost of \$5,000 or more, and both having a useful life of one or more years is capitalized at cost. Donations of property, plant and equipment are recorded as contributions at their estimated fair market value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Certain equipment with a net carrying amount of \$49,379 was acquired with grant funds received from the state of Florida. Under terms of the grant agreement, the equipment may revert to the state of Florida if it is no longer used by the organization.

Estimated useful lives are as follows:

Buildings	30 - 40 Years
Building Improvements	5 - 30 Years
Equipment	3 - 7 Years

Rental property is stated at cost and depreciated on the straight-line method over the estimated useful lives of the assets ranging from 3 years for equipment to 40 years for buildings. The Properties capitalizes all expenditures in excess of \$500 for property and equipment at cost.

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (Continued)

Peace River Center and the Properties review their investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2016 or 2015.

Restricted Deposits and Funded Reserves

Under the regulatory agreement, the Properties is required to make deposits into restricted escrow accounts. The Properties makes regular monthly deposits into the Reserve for Replacements for the replacement of property and equipment. Any disbursements from these accounts require the approval of U.S. Department of Housing and Urban Development (HUD). HUD approved withdrawals of \$6,208 and \$15,605 which were made from funded reserves during 2016 and 2015, respectively.

The Properties is also required to deposit any surplus cash from operations into a Residual Receipts account. The Properties had no surplus cash at June 30, 2016 and 2015.

Deferred Loan Costs

Deferred loan costs are amortized using straight-line method over the term of the related note payable. Below is a schedule showing the loan closing costs less the related accumulated amortization as of June 30:

	<u>2016</u>	<u>2015</u>
Mortgage Closing Costs	\$ 72,553	\$ 63,285
Bridge Loan Closing Costs	12,489	-
New Markets Tax Credit Closing Costs	243,826	-
Less: Accumulated Amortization	(75,108)	(47,338)
Total	<u>\$ 253,760</u>	<u>\$ 15,947</u>

Allocation of Administrative Expenses

Administrative expenses are classified as indirect in the Schedules of Functional Expenses. They are allocated to each program on a percentage of the expense by program to the total program expense. Administrative expenses include the executive, accounting, human resources, purchasing, community relations, billing and transportation departments.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2016 to determine the need for any adjustments to and/or disclosures within the audited combined financial statements for the year ended June 30, 2016. Management has performed their analysis through December 13, 2016, the date the combined financial statements were available to be issued.

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NOTE 2 FAIR VALUE MEASUREMENTS

Peace River Center uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how Peace River Center measures fair value, refer to Note 1 – Summary of Significant Accounting Policies. As of June 30, 2016 and 2015, the fair value of beneficial interest in assets held by the Give Well Community Foundation was \$14,626 and \$14,609, respectively. The fair value of the investments held in the Deferred Compensation plan as of June 30, 2016 and 2015 was \$403,517 and \$621,663, respectively. At June 30, 2016 and 2015, Peace River Center’s investments consist of:

	2016			
	Level 1	Level 2	Level 3	Total
Deferred Compensation Investments	\$ 372,696	\$ -	\$ 30,821	\$ 403,517
Beneficial Interest in Assets:				
Held by Community Foundation	-	-	14,626	14,626
	\$ 372,696	\$ -	\$ 45,447	\$ 418,143

	2015			
	Level 1	Level 2	Level 3	Total
Deferred Compensation Investments	\$ 526,438	\$ -	\$ 95,325	\$ 621,763
Beneficial Interest in Assets:				
Held by Community Foundation	-	-	14,609	14,609
	\$ 526,438	\$ -	\$ 109,934	\$ 636,372

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	2016	2015
Balance, Beginning of Year	\$ 109,934	\$ 109,755
Total Realized or Unrealized Gain (Loss)	(64,487)	179
Balance, End of Year	\$ 45,447	\$ 109,934

Beneficial Interest in Assets Held by GiveWell Community Foundation is measured at fair value with a valuation technique utilizing market prices at the close of the last business day for the statement period, provided by the GiveWell Community Foundation.

Realized gains totaling \$17 and \$191 relate to Level 3 assets that are still held at June 30, 2016 and 2015, respectively. These gains are reported in the accompanying statements of activities and changes in net assets as “other revenues” for the years ended June 30, 2016 and 2015.

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NOTE 3 NON-CURRENT NOTES RECEIVABLE

Notes receivable from New Markets Tax Credit investment funds are secured by first interest in pledged securities and consist of the following at June 30, 2016:

<u>Description</u>	<u>Amount</u>
Note receivable dated December 11, 2015, interest accrued at 1%, quarterly interest payments through December 2022, then annual principal and interest payments of \$41,190, maturing December 2045	\$ 3,381,500
Total	<u>\$ 3,381,500</u>

Principal on non-current notes receivable is due from 2022 to 2045 (see Notes 8 and 15).

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

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

	<u>2016</u>	<u>2015</u>
Land	\$ 602,492	\$ 602,492
Building Improvements	1,925,296	1,799,977
Buildings	5,044,775	5,042,535
Equipment	2,960,029	2,845,245
Construction In Process	489,632	63,123
Subtotal	<u>11,022,224</u>	<u>10,353,372</u>
Less: Accumulated Depreciation and Amortization	<u>(7,161,171)</u>	<u>(6,661,775)</u>
Net Property, Plant, and Equipment	<u>\$ 3,861,053</u>	<u>\$ 3,691,597</u>

Depreciation expense totaled \$517,755 and \$509,740 for the years ended June 30, 2016 and 2015, respectively.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at June 30:

	<u>2016</u>	<u>2015</u>
Total Unconditional Pledges	\$ 1,468,794	\$ 1,000,000
Less: Discount on Long-Term Pledges	34,565	31,410
Net Pledges Receivable	<u>\$ 1,434,229</u>	<u>\$ 968,590</u>
Less than One Year	\$ 626,503	\$ 250,000
One to Five Years	807,726	718,590
Total	<u>\$ 1,434,229</u>	<u>\$ 968,590</u>

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NOTE 5 PLEDGES RECEIVABLE (CONTINUED)

The discount percentage on long-term pledges was 1.5% and 2.17% for the years ending June 30, 2016 and 2015, respectively.

NOTE 6 RETIREMENT PLANS

Peace River Center maintains two separate retirement plans for the benefit of its employees. They are as follows:

- Peace River Center for Personal Development, Inc. 401(k) Plan (401(k) Plan)
- Peace River Center for Personal Development, Inc. Deferred Compensation Plan (Deferred Comp Plan)

The 401(k) Plan is a qualified defined contribution plan governed by Section 401(k) of the Internal Revenue Code and was established January 1, 2014. Peace River Center has the option to match dollar-for-dollar contributions to the Plan up to 3% of compensation. The 401(k) Plan has a profit sharing component which can be funded at the discretion of the board of directors either prospectively on a pay-period basis, or retrospectively at an amount to be approved by the board of directors.

The Deferred Comp Plan is a non-qualified deferred compensation plan allowed under Section 457(b) of the Internal Revenue Code (IRC) and was established in 1980 to retain and reward key employees of Peace River Center. Active participants may defer a portion of their salary to the Plan on a pre-tax basis; however, Peace River Center does not contribute to the Deferred Comp Plan. The benefits to a participant are 100% of the amount in the participant's account regardless of his or her years of service. The assets of the Deferred Comp Plan are attachable by creditors in the event of insolvency by Peace River Center.

Participants vest in Peace River Center's contributions to the 401(k) Plan over a six-year period. The Plan provides for the payment of benefits to a participant upon his or her disability, severance of employment, or death. The benefits to a participant (or his or her designated beneficiary), in the event of disability or death, will be 100% of the amount in the participant's account regardless of his or her years of service. If a participant terminates employment or is dismissed, the amount due the participant will be the participant's contributions and related investment earnings and the participant's vested interest in the amounts contributed by Peace River Center. Peace River Center contributed \$279,013 and \$254,276 to Retirement Plans during fiscal years 2016 and 2015, respectively.

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NOTE 7 COMMITMENTS AND CONTINGENCIES

Operating Leases

Peace River Center leases various software and equipment, as well as administrative and clinical space on contracts ranging from one to four years. There are also longer term leases at nominal amounts for donated space. The following is a schedule by years of future minimum rental payments required under non-cancelable leases.

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 226,731
2018	137,867
2019	51,616
2020	36,360
Total	<u>\$ 452,574</u>

There are no material purchases, escalation or contingent clauses in the leases. The lease for administrative office space is renewable, at the option of Peace River Center, for three additional five-year terms, at an amount not to exceed the current monthly rental adjusted by the percentage increase in the Consumer Price Index. Rent expense under operating leases was \$332,136 and \$302,244 for the years ended June 30, 2016 and 2015.

Peace River Center is sub-leasing part of the administrative office space to another not-for-profit agency. Peace River Center is to receive future rental payments of approximately \$43,476 in monthly installments of \$3,623 through June 30, 2018.

Construction Contract

Peace River Center has an active agreement with a construction contractor and an architect to expand facilities. The project is estimated to cost \$5.5 million. Peace River Center has capitalized \$489,632 of costs under the architect agreement through June 30, 2016. Peace River Center expects to complete the project in March, 2017.

Grant Compliance

Peace River Center is subject to federal and state audits to determine compliance with grant funding requirements. In the event that expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules and regulations, and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to grantor.

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NOTE 8 MORTGAGES AND NOTES PAYABLE

Debt was comprised of the following at June 30:

	2016	2015
<u>Notes Payable</u>		
Mortgage note payable to Bank of Central Florida, payable in 83 monthly installments of \$14,197 including interest at 4.29%, with a final balloon payment of \$1,805,575 plus interest due December 6, 2022, collateralized by building.	\$ 2,313,674	\$ 2,369,714
Mortgage note payable to HUD in monthly installments of \$4,422, including interest at 9%, maturing November 1, 2028, collateralized by building.	395,958	412,568
Loan payable to SunTrust Bank, payable in full on December 11, 2017, with interest at 3.48% payable monthly, guaranteed by assignment of grants and pledges.	2,800,000	-
Total Notes Payable	5,509,632	2,782,282
<u>New Markets Tax Credit Notes Subject to Put/Call Options</u> (All secured by real and personal property)		
<u>Properties II:</u>		
Interest accrued at 1.43956%, October 2045	3,381,500	-
Interest accrued at 1.43956%, October 2045	1,468,500	-
Total New Markets Tax Credit Notes Payable Subject to Put/Call Options	4,850,000	-
Total Notes Payable	10,359,632	2,782,282
Less: Current Portion	89,299	83,078
Long-Term Portion	\$ 10,270,333	\$ 2,699,204

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NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

A summary of future maturities is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 89,299
2017	2,894,160
2018	99,320
2019	104,556
2020	110,615
Thereafter	7,061,682
Total	<u>\$ 10,359,632</u>

Peace River Center has certain loan covenants on the mortgage note payable with Bank of Central Florida, including certain financial ratios that must be met. Peace River Center was in compliance with its loan covenants for the year ended June 30, 2016.

As of November 18, 2015, Peace River Center agreed to a modification to the mortgage note payable with Bank of Central Florida. The modification lowered the rate to 4.29% and extended the term for 84 months.

In December 2015, Peace River Center began construction on a new crisis stabilization facility in Lakeland, Florida, funded by Non-Current Notes Payable and Non-Current Notes Receivable issued under the New Markets Tax Credit (NMTC) program as provided by Section 45D of the Internal Revenue Code. The new facility furthers Peace River Center's mission by providing a location in which to engage, restore and empower individuals in the community to reach their fullest potential.

The purpose of the tax credit is to encourage investment in low-income community businesses, by reducing the borrowing or financing costs to the businesses. Construction was funded by SunTrust Bank and their New Markets Tax Credit investment groups and intermediaries.

The NMTC provides tax credits over the first seven years to the NMTC investors. For the purposes of the Peace River Center transaction, SunTrust Community Capital LLC (a subsidiary of SunTrust Bank) served as the NMTC Investor. Peace River Center expects to have the net NMTC debt substantially reduced through equity conversions in 2022, upon the exercise of a \$1,000 put option offered to SunTrust Community Capital LLC upon the conclusion of the NMTC Compliance Period. While the put option is at the election of SunTrust Community Capital LLC, it is industry practice for the NMTC Investor to put its interest to the sponsor upon the successful completion of the NMTC Compliance Period.

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NOTE 8 MORTGAGES NOTES PAYABLE (CONTINUED)

This net NMTC debt which is expected to be substantially reduced through equity conversions in 2022 is comprised of the Non-Current Notes Payable by Peace River Center to the NMTC private investment groups, less Non-Current Notes Receivable (see Note 3) owed to Properties II by the NMTC private investment groups, as follows:

NMTC Transaction		NMTC Non-Current Notes		Net NMTC
Date	Equity Conversion	Payable	Receivable	Debt
Dec 2015	Dec 2022	\$ 3,381,500	\$ 3,381,500	\$ -
Dec 2015	Dec 2022	<u>1,468,500</u>	<u>-</u>	<u>1,468,500</u>
	Total	<u>\$ 4,850,000</u>	<u>\$ 3,381,500</u>	<u>\$ 1,468,500</u>

See Note 15 for additional details.

Interest expense totaled \$233,090 and \$149,951 for the years ended June 30, 2016 and 2015, respectively.

NOTE 9 LINE OF CREDIT

Peace River Center has a line of credit totaling \$800,000 which is secured by real estate. Advances on the line of credit are payable on demand and carry an interest rate of 0.5% over prime. There were no borrowings outstanding at June 30, 2016 or 2015.

NOTE 10 RISK MANAGEMENT

Peace River Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Peace River Center insures itself against these risks with various insurance policies. All insurance coverage amounts remained constant from the prior year.

Peace River Center is self-insured for group health insurance. Peace River Center has insurance to cover individual losses greater than \$80,000 for fiscal years 2016 and 2015. Estimated claims incurred but not reported as of June 30, 2016 and 2015 were \$247,000 and \$183,000, respectively. Settlements did not exceed insurance coverage in fiscal years 2016 and 2015, respectively.

The liability currently provided is Peace River Center's maximum run-off claims liability. Peace River Center is reinsured for all losses greater than the maximum claims liability.

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NOTE 10 RISK MANAGEMENT (CONTINUED)

Claims payable is recorded in the statements of financial position as accrued expenses. Changes in Peace River Center's claims payable at June 30 are as follows:

	Current Year Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payments	Current Year Claims Payable End of Year
2014 - 2015	\$ 179,756	\$ 1,574,453	\$ 1,571,209	\$ 183,000
2015 - 2016	\$ 183,000	\$ 2,177,312	\$ 2,113,312	\$ 247,000

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets in the accompanying combined statement of financial position consist of pledges receivable for a capital campaign in the amount of \$1,163,501 and \$968,590 as of June 30, 2016 and 2015.

Net assets were released from restriction for the costs related to the construction of the Crisis Stabilization Unit in the amount of \$814,439 for the year ended June 30, 2016.

NOTE 12 THIRD-PARTY RATE ADJUSTMENTS AND REVENUE

Service fees are subject to audit and retroactive adjustment by respective third-party fiscal intermediaries. In the opinion of management, these adjustments, if any, would not be material to the financial position or results of operations of Peace River Center.

NOTE 13 CONTRIBUTED SERVICES

Peace River Center is the beneficiary of the diligent efforts of many dedicated volunteers. These volunteers have assisted Peace River Center in such areas as domestic violence counseling, rape counseling, and administrative services. Over 5,600 hours have been contributed by these volunteers during each of the fiscal years ending June 30, 2016 and 2015. Peace River Center has not included the value of these hours in its reported revenues and expenses as the services do not meet recognition criteria according to accounting principles generally accepted in the United States of America.

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NOTE 14 RELATED PARTY TRANSACTIONS

Peace River Center utilizes Alltrust Insurance (Alltrust) for employee health benefits consulting services. A board member, who is an Alltrust employee, manages the Peace River Center account. Alltrust is paid an all-inclusive flat fee that is paid from commissions associated with the benefit products.

Peace River Center utilizes CPS Investment Advisors (CPS) for employee retirement benefits consulting services. A board member, who is a CPS employee, manages the Peace River Center account. Fees paid to CPS are the responsibility of the benefit plans.

NOTE 15 NEW MARKETS TAX CREDIT TRANSACTIONS

Peace River Center entered into several debt and receivable transactions during the fiscal year ended June 30, 2016, in order to make additional funds available to it through the New Markets Tax Credit (NMTC) Program, as described in Note 7. As part of these transactions, Peace River Center created Peace River Center Properties II, Inc. (Properties II) as described in Note 1 under Nature of Organization.

The NMTC Program permits taxpayers to claim a credit against federal income taxes for Qualified Equity Investments (QEI) in designated Community Development Entities (CDEs). These designated CDEs must use substantially all (85%) of the proceeds to make Qualified Low-Income Community Investments (QLICI). The taxpaying investor is provided with a tax credit which is claimed over a seven-year period.

2015 NMTC Transaction

Peace River Center made a \$3,381,500 loan to PRC Lakeland Investment Fund, LLC (Investment LLC). SunTrust, through its SunTrust Community Capital LLC (the Investor), made a \$1,618,500 capital contribution into Investment LLC.

Investment LLC utilized the proceeds from the Peace River Center loan and the capital by the Investor, to acquire an interest in Community Hospitality Healthcare Services Subsidiary CDE 28, LLC through the making of a \$5,000,000 capital contribution which qualified as a qualified equity investment (QEI) for purposes of the New Markets Tax Credit program.

Community Hospitality Healthcare Services Subsidiary CDE 28, LLC then made QLICI loans totaling \$4,850,000 to Properties II, pursuant to two promissory notes in the amounts of \$3,381,500 and \$1,468,500, respectively.

Properties II used the proceeds from the QLICI loans to fund construction of a new Crisis Stabilization Unit in Lakeland, Florida.

In connection with the transaction, Peace River Center also entered into a put option with the Investor. The agreements allow the Investor to put its interest in Investment LLC to

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
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NOTE 15 NEW MARKETS TAX CREDIT TRANSACTIONS (CONTINUED)

Peace River Center at any time during the six months following the seventh anniversary of the effective date (which corresponds to the end of the NMTC Compliance Period under Section 45D of the Code). As noted above, while this option is at the discretion of Investment LLC (or the Investor), it is common industry practice for the Investor to elect such option upon the completion of the NMTC Compliance Period.

The purchase price of the interest is \$1,000 plus the cost of third-party expenses associated with the completion of such transfer. Additionally, Peace River Center was granted a call option, which can be utilized if Investment LLC does not exercise their put option. Pursuant to such call option, Peace River Center may acquire the Investor's interest in Investment LLC, during the later of six months following of the seventh anniversary of the effective date or six months following the receipt of the non-put election notice by the Investor. The purchase price of the call option is the fair market value of the Investors' interest at the time of the call. No amounts have been recorded on the accompanying combined financial statements related to the put and call options.

Associated with this transaction, interest income from the note receivable in the amount of \$18,786 was recognized during the year ended June 30, 2016. Interest expense on the related QLICI loans was \$38,788 for the year ended June 30, 2016.

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNDING AND REVENUE SOURCES
YEARS ENDED JUNE 30, 2016 AND 2015

	Case Management	Crisis Stabilization	Crisis Support / Emergency	Medical Services	Room and Board Level 2	Supported Employment	Supported Living
IA. STATE SAMH FUNDING							
(1) CFBHN							
(2) CFBHN Fees	\$ 391,504	\$ 1,738,162	\$ 987,916	\$ 563,864	\$ 404,045	\$ 66,651	\$ 57,336
Total State SAMH Funding	-	-	-	-	-	-	-
	<u>391,504</u>	<u>1,738,162</u>	<u>987,916</u>	<u>563,864</u>	<u>404,045</u>	<u>66,651</u>	<u>57,336</u>
IB. OTHER GOVERNMENT FUNDING							
(1) Other State Agency Funding							
(2) Medicaid - Suncoast Region	-	52,567	31,500	57,951	-	-	-
(3) Medicaid - All Other Regions	132,091	948,317	433,752	348,258	49,804	-	-
(4) Local Government	-	-	-	-	-	-	-
(5) Federal Grants and Contracts	-	1,085,307	120,983	-	-	-	100,871
(6) In-Kind from Local Government only	-	-	-	24,133	-	-	-
Total Other Government Funding	-	-	-	-	-	-	-
	<u>132,091</u>	<u>2,086,191</u>	<u>586,235</u>	<u>430,342</u>	<u>49,804</u>	<u>-</u>	<u>100,871</u>
IC. ALL OTHER REVENUES							
(1) 1st 2nd Party Payments							
(2) 3rd Party Payments (except Medicare)	-	45,794	46,601	46,196	-	-	-
(3) Medicare	-	76,920	25,309	10,902	-	-	-
(4) Contributions and Donations	-	158,657	166,646	144,766	-	-	-
(5) Other	-	-	300	-	-	-	-
(6) In-Kind	357	1,509	46,145	385	121,991	42	123
Total all Other Revenues	-	-	-	-	2,078	-	-
Total Funding	<u>357</u>	<u>282,880</u>	<u>285,001</u>	<u>202,249</u>	<u>124,069</u>	<u>42</u>	<u>123</u>
	<u>\$ 523,952</u>	<u>\$ 4,107,233</u>	<u>\$ 1,859,152</u>	<u>\$ 1,196,455</u>	<u>\$ 577,918</u>	<u>\$ 66,693</u>	<u>\$ 158,330</u>

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNDING AND REVENUE SOURCES (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015

	Outpatient - Group	SRT	Clubhouse	Outreach	Substance Abuse	FITT	FACT
IA. STATE SAMH FUNDING							
(1) CFBHN	\$ 113,842	\$ 2,590,943	\$ 305,284	\$ 318,705	\$ 140,714	\$ 353,502	\$ 1,217,496
(2) CFBHN Fees	-	(25,050)	-	-	-	-	-
Total State SAMH Funding	<u>113,842</u>	<u>2,565,893</u>	<u>305,284</u>	<u>318,705</u>	<u>140,714</u>	<u>353,502</u>	<u>1,217,496</u>
IB. OTHER GOVERNMENT FUNDING							
(1) Other State Agency Funding	15,214	19,317	-	-	-	7,287	-
(2) Medicaid - Suncoast Region	377,749	-	391,698	-	137,482	-	-
(3) Medicaid - All Other Regions	-	-	-	-	-	-	-
(4) Local Government	-	-	-	-	-	-	-
(5) Federal Grants and Contracts	-	-	-	-	-	-	-
(6) In-Kind from Local Government only	-	-	-	-	-	-	-
Total Other Government Funding	<u>392,963</u>	<u>19,317</u>	<u>391,698</u>	<u>-</u>	<u>137,482</u>	<u>7,287</u>	<u>-</u>
IC. ALL OTHER REVENUES							
(1) 1st 2nd Party Payments	16	-	868	-	10,229	-	-
(2) 3rd Party Payments (except Medicare)	-	-	-	-	22,453	-	-
(3) Medicare	-	-	49	-	53,275	-	-
(4) Contributions and Donations	600	-	9,241	-	500	-	1,520
(5) Other	216	1,042	5,926	146	107	143	445
(6) In-Kind	-	-	-	-	-	-	-
Total all Other Revenues	<u>832</u>	<u>1,042</u>	<u>16,084</u>	<u>146</u>	<u>86,564</u>	<u>143</u>	<u>1,965</u>
Total Funding	<u>\$ 507,637</u>	<u>\$ 2,586,252</u>	<u>\$ 713,066</u>	<u>\$ 318,851</u>	<u>\$ 364,760</u>	<u>\$ 360,932</u>	<u>\$ 1,219,461</u>

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNDING AND REVENUE SOURCES (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015**

	Therapeutic Behavior	Children's Case Management	Children's Crisis Support / Emergency	Children's Medical Services	Outpatient Child - Individual	Outpatient Children Group	Total SAMH
IA. STATE SAMH FUNDING							
(1) CFBHN	\$ 56,595	\$ 88,823	\$ 703,434	\$ 25,723	\$ 34,004	\$ -	\$ 10,158,543
(2) CFBHN Fees	-	-	-	-	-	-	(25,050)
Total State SAMH Funding	<u>56,595</u>	<u>88,823</u>	<u>703,434</u>	<u>25,723</u>	<u>34,004</u>	<u>-</u>	<u>10,133,493</u>
IB. OTHER GOVERNMENT FUNDING							
(1) Other State Agency Funding	-	-	-	-	-	-	183,836
(2) Medicaid - Suncoast Region	120,808	351,163	-	416,868	843,423	6,448	4,557,861
(3) Medicaid - All Other Regions	-	-	-	-	-	-	-
(4) Local Government	19,745	-	-	-	7,092	-	1,333,998
(5) Federal Grants and Contracts	-	-	-	-	-	-	24,133
(6) In-Kind from Local Government only	-	-	-	-	-	-	-
Total Other Government Funding	<u>140,553</u>	<u>351,163</u>	<u>-</u>	<u>416,868</u>	<u>850,515</u>	<u>6,448</u>	<u>6,099,828</u>
IC. ALL OTHER REVENUES							
(1) 1st 2nd Party Payments	41	950	-	6,429	11,294	174	168,592
(2) 3rd Party Payments (except Medicare)	-	-	-	8,829	16,619	92	161,124
(3) Medicare	-	-	-	-	-	-	523,393
(4) Contributions and Donations	33,333	75	-	35,247	33,533	-	114,349
(5) Other	303	454	216	148	250	-	179,948
(6) In-Kind	-	-	-	-	-	-	2,078
Total all Other Revenues	<u>33,677</u>	<u>1,479</u>	<u>216</u>	<u>50,653</u>	<u>61,696</u>	<u>266</u>	<u>1,149,484</u>
Total Funding	<u>\$ 230,825</u>	<u>\$ 441,465</u>	<u>\$ 703,650</u>	<u>\$ 493,244</u>	<u>\$ 946,215</u>	<u>\$ 6,714</u>	<u>\$ 17,382,805</u>

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNDING AND REVENUE SOURCES (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015

	Non-SAMH	Total Support Services	Indirect	Fundraising	Management and General	Grand Total	(Summarized) 2015
IA. STATE SAMH FUNDING							
(1) CFBHN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,158,543	\$ 9,856,918
(2) CFBHN Fees	-	-	-	-	-	(25,050)	(24,484)
Total State SAMH Funding	-	-	-	-	-	10,133,493	9,832,434
IB. OTHER GOVERNMENT FUNDING							
(1) Other State Agency Funding	3,322,946	-	21,250	-	-	3,528,032	3,438,233
(2) Medicaid - Suncoast Region	1,148,440	-	-	-	-	5,706,301	6,149,778
(3) Medicaid - All Other Regions	-	-	-	-	-	-	-
(4) Local Government	421,756	-	-	-	-	1,755,754	1,306,586
(5) Federal Grants and Contracts	-	-	-	-	-	24,133	97,328
(6) In-Kind from Local Government only	-	-	-	-	-	-	-
Total Other Government Funding	4,893,142	-	21,250	-	-	11,014,220	10,991,925
IC. ALL OTHER REVENUES							
(1) 1st 2nd Party Payments	65,450	7,620	-	-	-	241,662	33,010
(2) 3rd Party Payments (except Medicare)	211,298	-	-	-	-	372,422	260,885
(3) Medicare	18,154	-	-	-	-	541,547	651,485
(4) Contributions and Donations	234,710	100,295	2,200	999,850	624,827	2,076,231	1,900,547
(5) Other	151,241	57,480	120,770	168,037	12,769	690,245	647,816
(6) In-Kind	693	-	-	-	-	2,771	7,336
Total all Other Revenues	681,546	165,395	122,970	1,167,887	637,596	3,924,878	3,501,079
Total Funding	<u>\$ 5,574,688</u>	<u>\$ 165,395</u>	<u>\$ 144,220</u>	<u>\$ 1,167,887</u>	<u>\$ 637,596</u>	<u>\$ 25,072,591</u>	<u>\$ 24,325,438</u>

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2016 AND 2015

	Case Management	Crisis Stabilization	Crisis Support / Emergency	Medical Services	Room and Board Level 2	Supported Employment	Supported Living
IIA. PERSONNEL EXPENSES							
(1) Salaries	\$ 319,304	\$ 1,990,076	\$ 1,408,702	\$ 1,192,290	\$ 386,357	\$ 43,735	\$ 57,308
(2) Benefits	93,416	405,722	351,347	208,233	109,332	11,093	11,658
Total Personnel Expenses	<u>412,720</u>	<u>2,395,798</u>	<u>1,760,049</u>	<u>1,400,523</u>	<u>495,689</u>	<u>54,828</u>	<u>68,966</u>
IIB. OTHER EXPENSES							
(1) Building Occupancy	21,735	205,329	61,352	32,571	39,972	1,111	193
(2) Professional Contractual Services	5,996	30,524	30,800	11,960	6,164	593	1,198
(3) Travel	11,791	1,388	6,523	3,701	329	189	306
(4) Equipment	14,770	73,008	68,556	34,278	16,314	1,673	5,114
(5) Food Services	2	54,292	143	499	26,346	-	-
(6) Medical and Pharmacy	77	101,855	312	107,617	104	11	15
(7) Subcontracted Services	-	-	-	-	-	-	-
(8) Insurance	13,303	40,490	35,071	12,494	19,098	1,562	2,567
(9) Interest Paid	815	28,537	3,349	1,289	3,639	34	19
(10) Operating Supplies and Expenses	55,170	138,820	75,050	57,342	68,629	2,707	106,620
(11) Other	-	50	2	3	-	-	-
(12) Donated Items	-	15,044	-	60,178	2,078	-	-
Total Other Expenses	<u>123,659</u>	<u>689,337</u>	<u>281,158</u>	<u>321,932</u>	<u>182,673</u>	<u>7,880</u>	<u>116,032</u>
Total Personnel and Other Expenses	<u>536,379</u>	<u>3,085,135</u>	<u>2,041,207</u>	<u>1,722,455</u>	<u>678,362</u>	<u>62,708</u>	<u>184,998</u>
IIC. DISTRIBUTED INDIRECT COSTS							
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-
(b) Administration	90,360	456,823	269,830	156,921	93,253	8,645	20,824
Total Actual Operation Expenses	<u>626,739</u>	<u>3,541,958</u>	<u>2,311,037</u>	<u>1,879,376</u>	<u>771,615</u>	<u>71,353</u>	<u>205,822</u>
IID. UNALLOWABLE COSTS							
Total Allowable Operation Expenses	<u>\$ 626,739</u>	<u>\$ 3,541,958</u>	<u>\$ 2,311,037</u>	<u>\$ 1,879,376</u>	<u>\$ 771,615</u>	<u>\$ 71,353</u>	<u>\$ 205,822</u>
III. CAPITAL EXPENDITURES							
	-	-	-	-	-	-	-

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNCTIONAL EXPENSES (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015

	Outpatient - Group	SRT	Clubhouse	Outreach	Substance Abuse	FITT	FACT
IIA. PERSONNEL EXPENSES							
(1) Salaries	\$ 157,555	\$ 1,261,569	\$ 237,176	\$ 180,174	\$ 204,790	\$ 207,070	\$ 638,515
(2) Benefits	56,673	295,117	62,693	45,839	46,496	46,101	135,859
Total Personnel Expenses	<u>214,228</u>	<u>1,556,686</u>	<u>299,869</u>	<u>226,013</u>	<u>251,286</u>	<u>253,171</u>	<u>774,374</u>
IIB. OTHER EXPENSES							
(1) Building Occupancy	65,135	228,696	61,893	21,661	10,355	16,633	56,101
(2) Professional Contractual Services	3,920	21,130	3,168	2,474	12,813	2,071	7,533
(3) Travel	1,732	885	2,554	11,921	723	9,592	4,312
(4) Equipment	24,152	47,017	16,263	9,976	8,100	14,534	31,875
(5) Food Services	10,564	78,303	17,991	25	129	22	668
(6) Medical and Pharmacy	80	78,805	46	34	6,412	18	561
(7) Subcontracted Services	-	-	-	-	-	-	-
(8) Insurance	10,704	35,620	7,778	4,112	3,376	3,826	18,385
(9) Interest Paid	4,285	30,532	43	71	5	10	144
(10) Operating Supplies and Expenses	43,265	118,861	33,882	27,329	10,230	18,978	257,279
(11) Other	-	-	-	-	1	-	-
(12) Donated Items	-	20,059	-	-	-	-	-
Total Other Expenses	<u>163,837</u>	<u>659,908</u>	<u>143,618</u>	<u>77,603</u>	<u>52,144</u>	<u>65,684</u>	<u>376,858</u>
Total Personnel and Other Expenses	<u>378,065</u>	<u>2,216,594</u>	<u>443,487</u>	<u>303,616</u>	<u>303,430</u>	<u>318,855</u>	<u>1,151,232</u>
IIC. DISTRIBUTED INDIRECT COSTS							
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-
(b) Administration	74,330	375,224	134,672	37,358	35,802	41,146	125,246
Total Actual Operation Expenses	<u>452,395</u>	<u>2,591,818</u>	<u>578,159</u>	<u>340,974</u>	<u>339,232</u>	<u>360,001</u>	<u>1,276,478</u>
IID. UNALLOWABLE COSTS							
Total Allowable Operation Expenses	<u>\$ 452,395</u>	<u>\$ 2,591,818</u>	<u>\$ 578,159</u>	<u>\$ 340,974</u>	<u>\$ 339,232</u>	<u>\$ 360,001</u>	<u>\$ 1,276,478</u>
III. CAPITAL EXPENDITURES							
	-	-	-	-	-	-	-

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNCTIONAL EXPENSES (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015

	Therapeutic Behavior	Children's Case Management	Children's Crisis Support / Emergency	Children's Medical Services	Outpatient Child - Individual	Outpatient Children Group	Total SAMH
IIA. PERSONNEL EXPENSES							
(1) Salaries	\$ 162,409	\$ 375,481	\$ 231,468	\$ 441,549	\$ 516,146	\$ 5,801	\$ 10,017,475
(2) Benefits	61,124	114,694	58,277	83,475	117,160	1,881	2,316,190
Total Personnel Expenses	<u>223,533</u>	<u>490,175</u>	<u>289,745</u>	<u>525,024</u>	<u>633,306</u>	<u>7,682</u>	<u>12,333,665</u>
IIB. OTHER EXPENSES							
(1) Building Occupancy	8,896	12,223	1,221	19,104	27,162	482	891,825
(2) Professional Contractual Services	4,046	6,494	3,467	5,178	9,759	108	169,396
(3) Travel	6,838	14,562	10,432	1,719	1,267	18	90,782
(4) Equipment	10,843	22,085	7,155	14,055	21,889	650	442,307
(5) Food Services	27	2	3	110	68	5	189,199
(6) Medical and Pharmacy	96	86	55	556	94	2	296,836
(7) Subcontracted Services	-	-	-	-	-	-	-
(8) Insurance	7,450	11,271	7,177	5,789	7,659	38	247,770
(9) Interest Paid	46	66	87	757	1,689	-	75,417
(10) Operating Supplies and Expenses	14,931	38,091	11,859	20,590	23,536	444	1,123,613
(11) Other	-	-	-	1	1	-	58
(12) Donated Items	-	-	-	-	-	-	97,359
Total Other Expenses	<u>53,173</u>	<u>104,880</u>	<u>41,456</u>	<u>67,859</u>	<u>93,124</u>	<u>1,747</u>	<u>3,624,562</u>
Total Personnel and Other Expenses	<u>276,706</u>	<u>595,055</u>	<u>331,201</u>	<u>592,883</u>	<u>726,430</u>	<u>9,429</u>	<u>15,958,227</u>
IIC. DISTRIBUTED INDIRECT COSTS							
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-
(b) Administration	42,555	96,161	43,610	58,130	72,298	676	2,233,864
Total Actual Operation Expenses	<u>319,261</u>	<u>691,216</u>	<u>374,811</u>	<u>651,013</u>	<u>798,728</u>	<u>10,105</u>	<u>18,192,091</u>
IID. UNALLOWABLE COSTS							
Total Allowable Operation Expenses	<u>\$ 319,261</u>	<u>\$ 691,216</u>	<u>\$ 374,811</u>	<u>\$ 651,013</u>	<u>\$ 798,728</u>	<u>\$ 10,105</u>	<u>\$ 18,192,091</u>
III. CAPITAL EXPENDITURES							
	-	-	-	-	-	-	-

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULES OF FUNCTIONAL EXPENSES (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015

	Non-SAMH	Indirect	Fundraising	Management and General	2016 Grand Total	(Summarized) 2015
IIA. PERSONNEL EXPENSES						
(1) Salaries	\$ 2,410,553	\$ 2,230,562	\$ 171,653	\$ -	\$ 14,830,243	\$ 14,335,431
(2) Benefits	628,767	486,022	43,499	-	3,474,478	3,195,097
Total Personnel Expenses	<u>3,039,320</u>	<u>2,716,584</u>	<u>215,152</u>	<u>-</u>	<u>18,304,721</u>	<u>17,530,528</u>
IIB. OTHER EXPENSES						
(1) Building Occupancy	292,437	(3,956)	54,535	-	1,234,841	1,169,831
(2) Professional Contractual Services	51,013	81,616	135,807	24,000	461,832	671,404
(3) Travel	99,843	13,413	588	-	204,626	218,004
(4) Equipment	131,585	(131,812)	23,179	300	465,559	408,831
(5) Food Services	105,575	9,773	31,095	-	335,642	306,719
(6) Medical and Pharmacy	12,355	329	23	-	309,543	315,098
(7) Subcontracted Services	-	-	-	-	-	-
(8) Insurance	50,685	28,069	2,939	-	329,463	323,662
(9) Interest Paid	19,751	62,676	-	-	157,844	112,070
(10) Operating Supplies and Expenses	300,220	251,411	23,769	348	1,699,361	1,783,009
(11) Other	1	390	(2)	613,926	614,373	5,923
(12) Donated Items	25,939	-	68,045	-	191,343	264,653
Total Other Expenses	<u>1,089,404</u>	<u>311,909</u>	<u>339,978</u>	<u>638,574</u>	<u>6,004,427</u>	<u>5,579,204</u>
Total Personnel and Other Expenses	<u>4,128,724</u>	<u>3,028,493</u>	<u>555,130</u>	<u>638,574</u>	<u>24,309,148</u>	<u>23,109,732</u>
IIC. DISTRIBUTED INDIRECT COSTS						
(a) Other Support Costs (Optional)	-	-	-	-	-	-
(b) Administration	469,615	(2,749,859)	46,380	-	-	-
Total Actual Operation Expenses	<u>4,598,339</u>	<u>278,634</u>	<u>601,510</u>	<u>638,574</u>	<u>24,309,148</u>	<u>23,109,732</u>
IID. UNALLOWABLE COSTS						
Total Allowable Operation Expenses	<u>\$ 4,598,339</u>	<u>\$ 278,634</u>	<u>\$ 601,510</u>	<u>\$ 638,574</u>	<u>\$ 24,309,148</u>	<u>\$ 23,109,732</u>
III. CAPITAL EXPENDITURES						
	-	-	-	-	-	-

PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULE OF STATE EARNINGS
YEAR ENDED JUNE 30, 2016

1	Total Expenditures	\$ 24,309,148
2	Less Other State and Federal Funds	(9,258,466)
3	Less Non-Match SAMH Funds	(6,027,198)
4	Less Unallowable Costs per 65E-14, F.A.C.	<u>(649,981)</u>
5	Total Allowable Expenditures	<u><u>\$ 8,373,503</u></u>
6	Maximum Available Earnings (Line 5 times 75%)	\$ 6,280,127
7	Amount of State Funds Requiring Match	<u>4,106,295</u>
8	Amount Due to Department	<u><u>\$ -</u></u>

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
YEAR ENDED JUNE 30, 2016**

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided Needs to be no More Than 365 * 30 Beds for CSU Combined D	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$-0-, Whichever is Greater) I
Children's MH	Crisis Stabilization Unit	\$ 375.00	-	-	-	\$ -	\$ -	\$ -
Adult MH	Crisis Stabilization Unit	375.00	9,516	3,970	5,546	1,739,884	2,079,750	-
Children's SA	Substance Abuse Detox	-	-	-	-	-	-	-
Adult SA	Substance Abuse Detox	-	-	-	-	-	-	-
Adult MH	Short-Term Residential Treatment	\$ 236.81	10,980	-	10,980	\$ 2,593,069	\$ 2,600,174	-
Total Amount Owed to Department =								\$ -

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
YEAR ENDED JUNE 30, 2016**

	Allocation of Related Party Transactions Adjustment				
	State-Designated Cost Centers				
Revenues From Grantee Party	1	2	3	Total
Rent	\$ -	\$ -	\$ -		\$ -
Services	-	-	-		-
Interest	-	-	-		-
Other	-	-	-		-
Total Revenue From Grantee	-	-	-		-
Expenses Associated with Grantee Transactions:					
Personnel Services	-	-	-		-
Depreciation	-	-	-		-
Interest	-	-	-		-
Other	-	-	-		-
Total Associated Expenses	-	-	-		-
Related Party Transaction Adjustment	\$ -	\$ -	\$ -		\$ -

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINING SCHEDULE OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2016**

	Peace River Center for Personal Development	Peace River Center Properties	Peace River Center Properties II	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,648,089	\$ 3,298	\$ 5,024	\$ -	\$ 3,656,411
Accounts Receivable, Net	2,610,265	15,338	-	-	2,625,603
Tenant Account Receivable, Net	-	2,893	-	-	2,893
Inventory	134,660	-	-	-	134,660
Prepaid Expenses	292,535	1,658	497	-	294,690
Deposits	7,795	-	-	-	7,795
Current Portion of Pledges Receivable	626,503	-	-	-	626,503
Total Current Assets	<u>7,319,847</u>	<u>23,187</u>	<u>5,521</u>	<u>-</u>	<u>7,348,555</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES					
Reserve for Client Funds	73,400	-	-	-	73,400
Tenant Security Deposits Held In Trust	-	4,910	-	-	4,910
Reserve for Replacements	-	12,467	-	-	12,467
Reserve for Construction	-	-	4,595,184	-	4,595,184
Total Restricted Deposits	<u>73,400</u>	<u>17,377</u>	<u>4,595,184</u>	<u>-</u>	<u>4,685,961</u>
PROPERTY, PLANT AND EQUIPMENT, NET	2,752,420	343,534	765,099	-	3,861,053
OTHER ASSETS					
Note Receivable - New Markets Tax Credit	3,381,500	-	-	-	3,381,500
Pledges Receivable, Long Term	807,726	-	-	-	807,726
Intercompany Receivables	277,894	-	-	(277,894)	-
Investments - Deferred Compensation Plan	403,517	-	-	-	403,517
Deferred Loan Costs, net	30,253	-	223,507	-	253,760
Beneficial Interest in Assets Held by the GiveWell Community Foundation	14,626	-	-	-	14,626
Other Assets	1,575	-	-	-	1,575
Total Other Assets	<u>4,917,091</u>	<u>-</u>	<u>223,507</u>	<u>(277,894)</u>	<u>4,862,704</u>
Total Assets	<u>\$ 15,062,758</u>	<u>\$ 384,098</u>	<u>\$ 5,589,311</u>	<u>\$ (277,894)</u>	<u>\$ 20,758,273</u>

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2016**

LIABILITIES AND NET ASSETS	Peace River Center for Personal Development	Peace River Center Properties	Peace River Center Properties II	Eliminations	Total
CURRENT LIABILITIES					
Accounts Payable	\$ 350,304	\$ 4,285	\$ 42,837	\$ -	\$ 397,426
Accrued Expenses	1,051,093	4,825	-	-	1,055,918
Accrued Annual Leave	796,465	-	-	-	796,465
Deferred Revenue	513,109	10,216	-	-	523,325
Intercompany payables	-	55,294	222,600	(277,894)	-
Security Deposits Payable	5,943	4,770	-	-	10,713
Reserve for Client Funds	73,400	-	-	-	73,400
Deferred Compensation Payable	403,517	-	-	-	403,517
Current Portion of Long Term Debt	71,131	18,168	-	-	89,299
Total Current Liabilities	<u>3,264,962</u>	<u>97,558</u>	<u>265,437</u>	<u>(277,894)</u>	<u>3,350,063</u>
LONG-TERM LIABILITIES					
Mortgages and Notes Payable	5,042,543	377,790	-	-	5,420,333
New Markets Tax Credit Notes Payable	-	-	4,850,000	-	4,850,000
Total Long-Term Liabilities	<u>5,042,543</u>	<u>377,790</u>	<u>4,850,000</u>	<u>-</u>	<u>10,270,333</u>
Total Liabilities	8,307,505	475,348	5,115,437	(277,894)	13,620,396
NET ASSETS					
Unrestricted	5,591,752	(91,250)	473,874	-	5,974,376
Temporarily Restricted	1,163,501	-	-	-	1,163,501
Total Net Assets	<u>6,755,253</u>	<u>(91,250)</u>	<u>473,874</u>	<u>-</u>	<u>7,137,877</u>
Total Liabilities and Net Assets	<u>\$ 15,062,758</u>	<u>\$ 384,098</u>	<u>\$ 5,589,311</u>	<u>\$ (277,894)</u>	<u>\$ 20,758,273</u>

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016**

	Peace River Center for Personal Development	Peace River Center Properties	Peace River Center Properties II	Eliminations	Total
UNRESTRICTED FUNDING AND REVENUES					
Government Funding					
Substance Abuse and Mental Health: Adult and Children Mental Health	\$ 10,133,493	\$ -	\$ -	\$ -	\$ 10,133,493
Net Patient Services	6,861,932	-	-	-	6,861,932
Other Government Funding					
Other Federal and State Grants	3,552,165	-	-	-	3,552,165
Local Government Funding	1,755,754	-	-	-	1,755,754
Total Other Government Funding	5,307,919	-	-	-	5,307,919
Other Funding and Revenues					
Other Contributions and Donations	1,066,881	-	607,012	(607,012)	1,066,881
Other Income	535,190	2,674	-	-	537,864
Rental	-	209,362	-	-	209,362
Contracted Food Services	140,346	-	-	-	140,346
Program Income	17,580	-	-	-	17,580
Net Assets Released From Restrictions	814,439	-	-	-	814,439
Total Other Funding and Revenues	2,574,436	212,036	607,012	(607,012)	2,786,472
Total Unrestricted Funding and Revenues	24,877,780	212,036	607,012	(607,012)	25,089,816
EXPENSES					
Program Services	23,069,063	184,107	100,798	-	23,353,968
Fundraising	601,510	-	-	-	601,510
Management and General, Support Services, and Indirect	638,575	16,000	32,340	(607,012)	79,903
Total Expenses	24,309,148	200,107	133,138	(607,012)	24,035,381

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
(CONTINUED)
YEAR ENDED JUNE 30, 2016**

	Peace River Center for Personal Development	Peace River Center Properties	Peace River Center Properties II	Eliminations	Total
CHANGE IN UNRESTRICTED NET ASSETS	568,632	11,929	473,874	-	1,054,435
TEMPORARILY RESTRICTED REVENUE					
Contributions and Donations	1,009,350	-	-	-	1,009,350
Net Assets Released From Restrictions	(814,439)	-	-	-	(814,439)
Total Temporarily Restricted Revenue	194,911	-	-	-	194,911
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	194,911	-	-	-	194,911
CHANGE IN NET ASSETS	763,543	11,929	473,874	-	1,249,346
Net Assets (Deficit)- Beginning of Year	5,991,710	(103,179)	-	-	5,888,531
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 6,755,253</u>	<u>\$ (91,250)</u>	<u>\$ 473,874</u>	<u>\$ -</u>	<u>\$ 7,137,877</u>

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016**

Grantor/Pass-through Agency Program Title	CFDA CSFA No.	Contract Grant No.	Expenditures
<u>Federal/State Agency,</u>			
<u>U.S. Department of Health and Human Services</u>			
Passed Through Florida Central Florida Behavior Health Network (CFHBN)			
<i>Substance Abuse and Mental Health (SAMH) Program</i>			
SAMH Program	93.778	QB035	\$ 26,876
SAMH Program	93.958	QB035	998,268
SAMH Program	93.959	QB035	68,472
Total Other Cluster SAMH Program			<u>1,093,616</u>
Passed Through Florida Coalition Against Domestic Violence			
Domestic Violence Program	93.558 *	16-2218	222,847
Domestic Violence Program	93.671	16-2218	124,447
Total Florida Coalition Against Domestic Violence			<u>347,294</u>
Passed Through Heartland for Children			
Home To Stay Program	93.558 *	JPRHS1	113,914
Home To Stay Program	93.656	JPRHS1	150,761
Home To Stay Program	93.645	JPRHS1	27,050
Home To Stay Program	93.659	JPRHS1	40,138
Home To Stay Program	93.556	JPRHS1	2,047
Total Other Cluster Heartland for Children			<u>333,910</u>
Centers for Disease Control			
Passed Through State of Florida Department of Health			
Sexual Violence Prevention Program-Services	93.991 **	COHA9	2,889
Hotline Grant	93.136	COH7B	7,933
Total Centers for Disease Control			<u>10,822</u>
Passed Through Florida Department of Health			
Green Dot Strategy	93.991 **	COHK1	31,906
Total U.S. Department of Health and Human Services			<u>1,817,548</u>

* Sum of CFDA 93.558 = \$336,761

* Sum of CFDA 93.991 = \$34,795

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2016**

U.S. Department of Housing and Urban Development

Emergency Solutions Grant	14.231	C164055	\$ 105,999
Therapeutic Behavioral On-Site Services (TBOS) Program	14.218	C153075	14,617
Supportive Housing for Persons with Disabilities	14.181	FL0051L4H031204	412,568
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856	FL0051B4H031103	<u>156,468</u>
Total U.S. Department of Housing and Urban Development			<u>689,652</u>

U.S. Department of Justice/Office of the Attorney General

Passed Through State of Florida Council Against Sexual Violence Sexual Violence Prevention Program-Services	16.017	13SAS19	64,758
Victims of Crime Act (VOCA)	16.575	V14078	<u>150,159</u>
Total U.S. Department of Justice/Office of the Attorney General			<u>214,917</u>

U.S. Department of Agriculture

Passed Through State of Florida Department of Elder Affairs Adult Care Food Program	10.558	Y5075	15,214
Passed Through State of Florida Department of Health Child Care Food Program	10.558	H-1766	<u>32,305</u>
Total U.S. Department of Agriculture			<u>47,519</u>

Total Expenditures of Federal Awards \$ 2,769,636

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC.
AND AFFILIATES
COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2016**

State Agency Name

State of Florida Council Against Sexual Violence

Rape Crisis Trust Fund	41.010	15OAG19	\$ 22,180
Rape Crisis Trust Fund	64.061	13RCP19	59,221
Rape Crisis General Revenue	64.069	13GR19	<u>103,078</u>
Total Florida Council Against Sexual Violence			<u>184,479</u>

State of Florida Coalition Against Domestic Violence

Domestic Violence Program		16-2218-CPI-GR	122,900
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State of Florida Department of Children and Families

Passed Through Florida Central Florida Behavior Health Network (CFHBN)			
SAMH Program	60.114	QB035	<u>363,958</u>
Total Other Cluster SAMH Program			363,958
Passed Through Heartland for Children			
Home To Stay	60.094	JPRHS1	20,021
FITT/START	60.094	JPRHS1	<u>7,288</u>
Total Other Cluster Heartland for Children			27,309
FCO- Crisis Stabilization Units	60.130	DCF 15161400	452,615

Total Department of Children and Families			<u>843,882</u>
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Total Expenditures of State Financial Assistance			<u>\$ 1,151,261</u>
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Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 3,920,897</u>
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**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC. AND AFFILIATES
NOTES TO COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016**

NOTE 1 BASIS OF PRESENTATION

The accompanying combined schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state award activity of the Peace River Center for Personal Development, Inc. and Affiliates (Peace River Center) under programs of the federal and state government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 10.650, Rules of the Auditor General (Chapter 10.650). Because the Schedule presents only a selected portion of the operations of Peace River Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows Peace River Center for Personal Development, Inc.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Peace River Center has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 MAJOR PROGRAM DETERMINATION

The Substance Abuse and Mental Health Program and the Heartland for Children have funding sources that include multiple federal and state awards. In accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, each major program cannot be "unclustered" and, therefore, has been tested as a cluster. See the Summary of Auditors' Results on pages 47 and 48 for a total listing of each major program or state project by CFDA and CFSA number.

NOTE 4 LOANS OUTSTANDING

Peace River Center had the following loan balance outstanding at June 30, 2016:

<u>Program Title</u>	<u>CFDA</u>	<u>Amount</u>
HUD Insured Mortgage	14.181	\$ 395,958

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC. AND AFFILIATES
NOTES TO COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2016**

NOTE 5 RECONCILIATION

Peace River Center received state matching dollars, which are not reported on the Combined Schedule of Expenditures of Federal Awards and State Financial Assistance, but were included in the supplementary Schedules of Activities and Changes in Net Assets. Below are the reconciling items:

<u>State Match Not Subject To Single Audit</u>	<u>Amount</u>
SAMH Program (QA035)	\$ 8,721,466
CAT Program (TH401)	750,000
Domestic Violence Program (16-2218)	379,705
Home To Stay (JPRHS1)	<u>221,377</u>
Total	<u><u>\$ 10,072,548</u></u>

NOTE 6 SUBRECIPIENTS

Peace River Center does not pass through funds to any subrecipients, therefore there were no subrecipient payments for the year ended June 30, 2016.



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

Board of Directors
Peace River Center for Personal Development, Inc.
and Affiliates
Bartow, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Peace River Center for Personal Development, Inc. and Affiliates (Peace River Center) which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, and cash flows for the year then ended June 30, 2016, and the related notes to the combined financial statements, which collectively comprise Peace River Center's basic combined financial statements and have issued our report thereon dated December 13, 2016. The financial statements of Peace River Center Properties, Inc. and Peace River Center Properties II, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Peace River Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peace River Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Peace River Center's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Board of Directors
Peace River Center for Personal Development, Inc.
and Affiliates

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peace River Center's combined 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*.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
December 13, 2016



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

Board of Directors
Peace River Center for Personal Development, Inc.
and Affiliates
Bartow, Florida

Report on Compliance for Each Major Federal and State Project

We have audited Peace River Center for Personal Development, Inc.'s and Affiliates' (Peace River Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of Peace River Center's major federal programs and state projects for the year ended June 30, 2016. Peace River Center'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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Peace River Center for Personal Development, Inc.'s major federal programs and state projects 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Those standards, the Uniform Guidance and Chapter 10.650 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 and state project occurred. An audit includes examining, on a test basis, evidence about Peace River Center for Personal Development, 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. However, our audit does not provide a legal determination of Peace River Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Peace River Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Peace River Center 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 Peace River Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Peace River Center'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 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



CliftonLarsonAllen LLP

Lakeland, Florida
December 13, 2016

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Combined financial statements

Type of auditors’ report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None
Significant deficiency identified not considered to be a material weakness	None Reported
Noncompliance material to the combined financial statements noted	None

Federal Awards and State Projects

Internal control over major programs:	
Material weakness identified	None
Significant deficiency identified not considered to be a material weakness	None Reported
Type of auditor’s report issued on compliance for major programs and projects	Unmodified
Audit findings disclosed that are required to be reported in accordance with Uniform Guidance and Chapter 10.650, Rules of the Auditor General	None

Identification of major federal awards and state projects:

<u>Federal Awards</u>	<u>CFDA Number</u>
Other Cluster Substance Abuse and Mental Health Program:	
DCF Program	93.778
DCF Program	93.958
DCF Program	93.959

<u>State Projects</u>	<u>CSFA Number</u>
Other Cluster Substance Abuse and Mental Health Program:	
DCF Program	60.114
Department of Children and Families	
FCO - Crisis Stabilization Units	60.130

Dollar threshold used to distinguish between Type A and Type B programs for federal awards	\$750,000
Dollars threshold use to distinguish between Type A and Type B programs for state projects	\$300,000
Auditee qualified as low-risk	Yes

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

SECTION II – FINANCIAL STATEMENT AUDIT

There were no findings in the current year.

SECTION III – FEDERAL AWARDS AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

There were no findings in the current year.

SECTION IV – OTHER ISSUES

In accordance with Florida State Statute Sections 215.97(9)(f) and 215.97(10)(d), a management letter has not been issued since there were no items related to State Financial Assistance required to reported in the management letter.

**PEACE RIVER CENTER FOR PERSONAL DEVELOPMENT, INC. AND AFFILIATES
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

PRIOR YEAR

SECTION I – FINANCIAL STATEMENT AUDIT

There were no findings in the prior year ended June 30, 2015.

SECTION II – FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings in the prior year ended June 30, 2015.