

SUPPLEMENTARY INFORMATION

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF REVENUES BY COST CENTER
Year ended June 30, 2017

	FIS Case Management	Crisis Service Unit (CSU)	Crisis Support	Drop In Center	In Home On Site	O/P Medical	O/P Ind/Group	Prevention	Residential Level 1	Supported Employment
STATE SAMH	<u>\$ 459,636</u>	<u>\$2,085,043</u>	<u>\$ 1,172,930</u>	<u>\$ 8,925</u>	<u>\$ 92,491</u>	<u>\$ 1,095,353</u>	<u>\$ 116,512</u>	<u>\$ 311,631</u>	<u>\$ 792,131</u>	<u>\$ -</u>
OTHER GOVERNMENT SUPPORT										
State of Florida	-	-	-	-	-	-	-	-	-	-
IDP Line of Credit	-	-	-	-	-	-	-	-	-	-
Medicaid	425,512	945,324	178,428	-	441,453	606,542	921,603	(25)	27,668	-
Local Government	-	-	-	-	-	-	-	-	-	-
Contracts	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,393</u>
Total other governmental support	<u>425,587</u>	<u>945,324</u>	<u>178,428</u>	<u>-</u>	<u>441,453</u>	<u>612,732</u>	<u>921,603</u>	<u>(25)</u>	<u>27,668</u>	<u>22,393</u>
ALL OTHER SUPPORT AND REVENUE										
First and Second Party Fees	3,701	3,633,854	375,383	-	34,033	308,227	445,564	55,305	826,120	-
Third Party Payments, Including Medicare	(2,000)	987,490	107,614	-	40,933	344,420	535,948	-	90,776	-
Contributions and Donations	502	16,928	456	-	159	89,072	63,592	4,457	12,033	13
Other	<u>2,426</u>	<u>6,722</u>	<u>2,355</u>	<u>34</u>	<u>458</u>	<u>42,852</u>	<u>29,985</u>	<u>280</u>	<u>4,618</u>	<u>72</u>
Total nongovernmental support	<u>4,629</u>	<u>4,644,994</u>	<u>485,808</u>	<u>34</u>	<u>75,583</u>	<u>784,571</u>	<u>1,075,089</u>	<u>60,042</u>	<u>933,547</u>	<u>85</u>
Total support and revenue	<u>\$ 889,852</u>	<u>\$7,675,361</u>	<u>\$ 1,837,166</u>	<u>\$ 8,959</u>	<u>\$ 609,527</u>	<u>\$2,492,656</u>	<u>\$2,113,204</u>	<u>\$371,648</u>	<u>\$1,753,346</u>	<u>\$ 22,478</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF REVENUES BY COST CENTER, CONTINUED
Year ended June 30, 2017

	Supported Living	Detox	Outreach	Title 21	Total CFBHN	Non CFBHN	Other Support	Health Fee	Admin	Total
STATE SAMH	\$ -	\$ 903,186	\$ 117,782	\$378,000	\$ 7,533,620	\$ 92,850	\$ -	\$ -	\$ 69,460	\$ 7,695,930
OTHER GOVERNMENT SUPPORT										
State of Florida	-	-	-	-	-	803,244	-	-	-	803,244
IDP Line of Credit	-	-	-	-	-	-	-	-	-	-
Medicaid	-	215,033	-	-	3,761,538	649,330	-	-	-	4,410,868
Local Government	-	-	-	-	-	-	-	-	-	-
Contracts	-	-	-	-	28,658	700	-	-	1,583,500	1,612,858
Total other governmental support	-	215,033	-	-	3,790,196	1,453,274	-	-	1,583,500	6,826,970
ALL OTHER SUPPORT AND REVENUE										
First and Second Party Fees	-	1,938,467	-	-	7,620,654	103,230	-	-	-	7,723,884
Third Party Payments, Including Medicare	-	128,013	-	-	2,233,194	122,222	-	-	-	2,355,416
Contributions and Donations	-	911	19	27	188,169	28,273	2,186,234	-	-	2,402,676
Other	-	6,854	277	263	97,196	703,623	13,311	-	1,449,701	2,263,831
Total nongovernmental support	-	2,074,245	296	290	10,139,213	957,348	2,199,545	-	1,449,701	14,745,807
Total support and revenue	\$ -	\$3,192,464	\$ 118,078	\$378,290	\$21,463,029	\$2,503,472	\$2,199,545	\$ -	\$3,102,661	\$29,268,707

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF EXPENSES BY COST CENTER
Year ended June 30, 2017

	FIS Case Management	Crisis Service Unit (CSU)	Crisis Support	Drop In Center	In Home On Site	O/P Medical	O/P Ind/Group
PERSONNEL EXPENSES							
Salaries	\$ 766,844	\$ 2,890,311	\$ 1,268,782	\$ 11,624	\$ 328,670	\$ 1,509,917	\$ 1,246,626
Fringe benefits	173,920	501,645	262,580	4,281	69,091	231,587	267,427
Total personnel expenses	<u>940,764</u>	<u>3,391,956</u>	<u>1,531,362</u>	<u>15,905</u>	<u>397,761</u>	<u>1,741,504</u>	<u>1,514,053</u>
OPERATING EXPENSES							
Building	107,317	328,603	177,395	5,020	38,845	112,373	178,910
Professional fees	3,358	177,783	5,564	82	1,103	7,116	12,024
Travel	39,689	8,442	1,409	22	20,761	2,582	10,492
Equipment and software costs	40,319	93,036	56,398	1,059	14,130	33,735	55,386
Food service	596	226,444	19,527	4	58	938	2,044
Medicine/pharmacy	2,001	122,927	6,056	-	-	92,028	53,808
Interest	498	1,164	704	13	179	428	689
Insurance	30,524	70,384	46,595	855	11,433	30,520	42,601
Office expense and other	33,759	88,582	39,583	2,107	8,294	29,733	39,857
Incidentals	37,003	23,576	193	-	39	-	477
Bad debts	3,759	3,521,281	284,220	-	22,498	114,038	159,039
Total operating expenses	<u>298,823</u>	<u>4,662,222</u>	<u>637,644</u>	<u>9,162</u>	<u>117,340</u>	<u>423,491</u>	<u>555,327</u>
Total direct expenses	<u>1,239,587</u>	<u>8,054,178</u>	<u>2,169,006</u>	<u>25,067</u>	<u>515,101</u>	<u>2,164,995</u>	<u>2,069,380</u>
ALLOCATED EXPENSES							
Administration	102,098	238,703	144,315	2,734	36,639	87,770	141,363
Other support	284,595	665,376	402,274	7,622	102,131	244,657	394,042
Total allocated expenses	<u>386,693</u>	<u>904,079</u>	<u>546,589</u>	<u>10,356</u>	<u>138,770</u>	<u>332,427</u>	<u>535,405</u>
Total expenses	<u>\$ 1,626,280</u>	<u>\$ 8,958,257</u>	<u>\$ 2,715,595</u>	<u>\$ 35,423</u>	<u>\$ 653,871</u>	<u>\$ 2,497,422</u>	<u>\$ 2,604,785</u>
SUPPLEMENTAL DISCLOSURES							
State excluded costs	<u>\$ 6,360</u>	<u>\$ 3,538,441</u>	<u>\$ 288,640</u>	<u>\$ 61</u>	<u>\$ 23,314</u>	<u>\$ 116,792</u>	<u>\$ 164,004</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF EXPENSES BY COST CENTER, CONTINUED
Year ended June 30, 2017

	Prevention	Residential Level 1	Supported Employment	Detox	Outreach	Title 21	Total CFBHN
PERSONNEL EXPENSES							
Salaries	\$ 199,475	\$ 472,728	\$ 52,240	\$ 755,858	\$ 191,753	\$ 189,670	\$ 9,884,498
Fringe benefits	44,561	96,056	12,993	136,908	38,789	49,971	1,889,809
Total personnel expenses	<u>244,036</u>	<u>568,784</u>	<u>65,233</u>	<u>892,766</u>	<u>230,542</u>	<u>239,641</u>	<u>11,774,307</u>
OPERATING EXPENSES							
Building	24,756	76,290	6,101	86,925	25,059	24,055	1,191,649
Professional fees	675	26,502	173	5,565	667	634	241,246
Travel	7,696	7,872	2,683	1,953	975	18,282	122,858
Equipment and software costs	8,617	24,484	2,207	26,454	8,512	8,253	372,590
Food service	36	149,011	9	101,949	35	34	500,685
Medicine/pharmacy	3,694	3,098	-	27,983	-	38,048	349,643
Interest	109	268	28	333	108	103	4,624
Insurance	7,662	16,536	1,795	21,329	6,923	9,101	296,258
Office expense and other	13,391	25,674	1,002	25,872	3,907	7,503	319,264
Incidentals	15	-	1,945	113	-	4,644	68,005
Bad debts	1,446	640,466	-	1,782,168	-	-	6,528,915
Total operating expenses	<u>68,097</u>	<u>970,201</u>	<u>15,943</u>	<u>2,080,644</u>	<u>46,186</u>	<u>110,657</u>	<u>9,995,737</u>
Total direct expenses	<u>312,133</u>	<u>1,538,985</u>	<u>81,176</u>	<u>2,973,410</u>	<u>276,728</u>	<u>350,298</u>	<u>21,770,044</u>
ALLOCATED EXPENSES							
Administration	22,421	55,068	5,742	68,357	22,148	21,054	948,412
Other support	62,498	153,501	16,006	190,543	61,736	58,689	2,643,670
Total allocated expenses	<u>84,919</u>	<u>208,569</u>	<u>21,748</u>	<u>258,900</u>	<u>83,884</u>	<u>79,743</u>	<u>3,592,082</u>
Total expenses	<u>\$ 397,052</u>	<u>\$ 1,747,554</u>	<u>\$ 102,924</u>	<u>\$ 3,232,310</u>	<u>\$ 360,612</u>	<u>\$ 430,041</u>	<u>25,362,126</u>
SUPPLEMENTAL DISCLOSURES							
State excluded costs	<u>\$ 3,571</u>	<u>\$ 661,972</u>	<u>\$ 128</u>	<u>\$ 1,800,342</u>	<u>\$ 494</u>	<u>\$ 469</u>	<u>\$ 6,604,588</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF EXPENSES BY COST CENTER, CONTINUED
Year ended June 30, 2017

	Non CFBHN	Program Services	Other Support	Admin	Fundraising	Total Support Services	Total Expenses
PERSONNEL EXPENSES							
Salaries	\$ 1,321,311	\$ 11,205,809	\$ 150,331	\$ 1,757,609	\$ 232,206	\$ 2,140,146	\$ 13,345,955
Fringe benefits	241,890	2,131,699	28,718	340,188	40,445	409,351	2,541,050
Total personnel expenses	<u>1,563,201</u>	<u>13,337,508</u>	<u>179,049</u>	<u>2,097,797</u>	<u>272,651</u>	<u>2,549,497</u>	<u>15,887,005</u>
OPERATING EXPENSES							
Building	118,252	1,309,901	20,375	144,814	12,378	177,567	1,487,468
Professional fees	23,245	264,491	2,289	147,950	168,959	319,198	583,689
Travel	57,043	179,901	719	27,029	5,941	33,689	213,590
Equipment and software costs	4,699	377,289	1,304	4,408	15,735	21,447	398,736
Food service	9,374	510,059	165	7,932	22,187	30,284	540,343
Medicine/pharmacy	11,942	361,585	-	-	-	-	361,585
Interest	-	4,624	-	14,521	-	14,521	19,145
Insurance	33,820	330,078	4,863	45,172	6,914	56,949	387,027
Office expense and other	42,962	362,226	38,921	505,866	322,107	866,894	1,229,120
Incidentals	95,664	163,669	(20,752)	-	20,752	-	163,669
Bad debts	40,399	6,569,314	-	-	70	70	6,569,384
Total operating expenses	<u>437,400</u>	<u>10,433,137</u>	<u>47,884</u>	<u>897,692</u>	<u>575,043</u>	<u>1,520,619</u>	<u>11,953,756</u>
Total direct expenses	<u>2,000,601</u>	<u>23,770,645</u>	<u>226,933</u>	<u>2,995,489</u>	<u>847,694</u>	<u>4,070,116</u>	<u>27,840,761</u>
ALLOCATED EXPENSES							
Administration	126,215	1,074,627	(226,933)	-	-	(226,933)	-
Other support	351,819	2,995,489	-	(2,995,489)	(847,694)	(3,843,183)	-
Total allocated expenses	<u>478,034</u>	<u>4,070,116</u>	<u>(226,933)</u>	<u>(2,995,489)</u>	<u>(847,694)</u>	<u>(4,070,116)</u>	<u>-</u>
Total expenses	<u>\$ 2,478,635</u>	<u>\$ 27,840,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,840,761</u>
SUPPLEMENTAL DISCLOSURES							
State excluded costs	<u>\$ 43,422</u>	<u>\$ 6,648,010</u>	<u>\$ 907</u>	<u>\$ 53,702</u>	<u>\$ -</u>	<u>\$ 54,609</u>	<u>\$ 6,702,619</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF STATE EARNINGS
Year ended June 30, 2017

1.	Total Expenditures	\$ 27,840,761
2.	Less: Other State and Federal Funds	(5,242,695)
3.	Less: Non-Match SAMH Funds	(2,815,732)
4.	Less: Unallowable Costs Per 65E-14, FAC	<u>(6,702,619)</u>
5.	Total Allowance Expenditures (Sum of lines 1, 2, 3, and 4)	<u>\$ 13,079,715</u>
6.	Total Amount of State Earnings (Line 5 times 75%)	9,809,786
7.	Amount of State Funds Requiring Match	<u>1,389,347</u>
8.	Amount Due to Department (Subtract line 7 from line 6. If negative, the amount of the difference is due to Department up to the amount of line 7)	<u>\$ 8,420,439</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS (UNAUDITED)
Year ended June 30, 2017

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Government, or Other State Agencies	Maximum Number of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum Dollar Value of Units in Column F	Amount Owed to Department (G less H or \$0, Whichever is Greater)
A	B	C	D	E	F	G	H	I
Children's MH	Crisis Stabilization Unit	\$ 391.24	1,704	1,161	543	\$ 127,340	\$ 212,443	\$ -
Adult MH	Crisis Stabilization Unit	\$ 391.24	8,828	2,434	6,394	1,866,492	2,501,589	-
Adult SA	Substance Abuse Detox	\$ 281.43	4,380	876	3,504	897,890	986,131	-
						<u>\$ 2,891,722</u>	<u>\$ 3,700,163</u>	<u>\$ -</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS (UNAUDITED)
Year ended June 30, 2017

	FIS Case Management	Crisis Service Unit (CSU)	Crisis Support	Drop In Center	In Home On Site	O/P Medical	O/P Ind/Group	Prevention	Residential Level 1	Supported Employment
REVENUES FROM GRANTEE										
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues from grantee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES ASSOCIATED WITH GRANTEE										
Transactions										
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	-	-	-
Total expenses associated with grantee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RELATED PARTY TRANSACTION ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

There were no related party transaction adjustments for the year ended June 30, 2017.

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.

SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS, (UNAUDITED), CONTINUED

Year ended June 30, 2017

	Supported Living	Detox	Outreach	Title 21	Total CFBHN	Non CFBHN	Other Support	Health Fee	Admin	Total
REVENUES FROM GRANTEE										
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues from grantee	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES ASSOCIATED WITH GRANTEE										
Transactions										
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	-	-	-
Total expenses associated with grantee	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RELATED PARTY TRANSACTION ADJUSTMENT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

There were no related party transaction adjustments for the year ended June 30, 2017.

**ADDITIONAL REPORTS OF
INDEPENDENT AUDITOR**

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
Year ended June 30, 2017

Grantor/Pass Through Entity	CFDA/ CFSA Number	Contract/ Pass-Through Grantor Number	Award Amount	Expenditures
FEDERAL AWARDS				
<u>U.S. Department of Health and</u>				
<u>Human Services</u>				
<i>Passed through Central Florida Behavioral Health Network (CFBHN):</i>				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	QB009-16	\$ 112,140	\$ 112,140
Temporary Assistance for Needy Families (TANF)	93.558	QB009-16	53,565	53,565
Block Grants for Community Mental Health Services	93.958	QB009-16	394,109	394,109
Block Grants for Prevention and Treatment of Substance Abuse	93.959	QB009-16	1,637,549	1,637,549
Children's Health Insurance Program (CHIP)	93.767	QB009-16	361,633	361,633
State Targeted Response to the Opioid Crisis	93.788	QB009-16	<u>13,883</u>	<u>13,883</u>
Total U.S. Department of Health and Human Services			<u>2,572,879</u>	<u>2,572,879</u>
<u>U.S. Department of Justice</u>				
<i>Passed through Florida Coalition Against Domestic Violence:</i>				
STOP Violence Against Women	16.588	17-6022-CCIII	<u>16,733</u>	<u>16,733</u>
Total U.S. Department of Justice			<u>16,733</u>	<u>16,733</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$2,589,612</u>	<u>\$ 2,589,612</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE, CONTINUED
Year ended June 30, 2017

Grantor/Pass Through Entity	CFDA/ CFSA Number	Contract/ Pass-Through Grantor Number	Award Amount	Expenditures
STATE FINANCIAL ASSISTANCE				
<u>State of Florida, Department of</u>				
<u>Children and Families</u>				
Community Action Teams (CAT)	60,150	QH7CD	\$ 750,000	\$ 750,000
<i>Passed through Central Florida Behavioral Health Network (CFBHN):</i>				
Community Forensic Beds and Competency Restoration Training	60,114	QB009-16	142,854	142,854
SAMH - Community Services	60,153	QB009-16	<u>100,000</u>	<u>100,000</u>
Total State of Florida, Department of Children and Families			<u>992,854</u>	<u>992,854</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 992,854</u>	<u>\$ 992,854</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$3,582,466</u>	<u>\$ 3,582,466</u>

DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended June 30, 2017

Page 36 of 45

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State grant activity of David Lawrence Mental Health Center, Inc. (the "Center") and is presented in accordance with accounting principles generally accepted in the United States of America. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the Florida Single Audit Act (Florida Statute 215.97).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the accrual basis of accounting.

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule of Expenditures of Federal Awards and State Financial Assistance follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*. The cost principles indicate that certain types of expenditures are not allowed or reimbursements of allowable costs are limited as to reimbursement.

NOTE C - INDIRECT COSTS

The Center records all expenditures of federal awards and state financial assistance using the direct cost method. In this manner, the Center has elected not to use the 10% de minimis indirect cost rate, which is allowed in accordance with the Uniform Guidance.



INTEGRITY...KNOWLEDGE...SERVICE...COMMITMENT®

Page 37 of 45

**Independent Auditor's Report On Internal Control
Over Financial Reporting And On Compliance And
Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards**

Board of Directors
David Lawrence Mental Health Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of David Lawrence Mental Health Center, Inc. (the "Center", a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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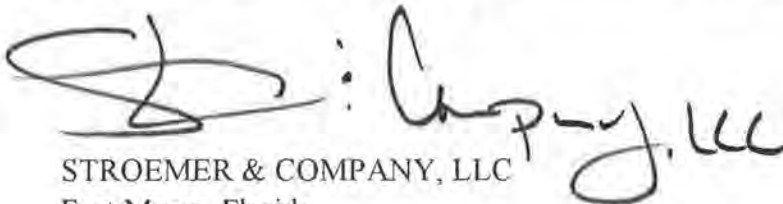
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations,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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



STROEMER & COMPANY, LLC

Fort Myers, Florida

October 18, 2017



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Page 39 of 45

**Independent Auditor's Report On Compliance For Each Major Program
And On Internal Control Over Compliance Required By The Uniform
Guidance, The Florida Single Audit Act (Florida Statute 215.97) And
Chapter 10.650 Of The Rules Of The Auditor General Of The State Of Florida**

Board of Directors
David Lawrence Mental Health Center, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited David Lawrence Mental Health Center, Inc.'s (the "Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs and state projects for the year ended June 30, 2017. The Center's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center'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; 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"); the Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650 of the Rules of the Auditor General of the State of Florida. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the type of compliance requirements referred to above that could have a direct and material effect on a major

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federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Center'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 and state project. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of David Lawrence Mental Health Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 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, 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 the 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 or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all the 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, The Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650 of the Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC", is written over the typed text. The signature is stylized and cursive.

STROEMER & COMPANY, LLC
Fort Myers, Florida
October 18, 2017

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 Year ended June 30, 2017**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified?	_____ Yes <u> X </u> None reported
Type of auditors report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____ Yes <u> X </u> No

Identification of major programs (Type A):

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs Threshold used was \$750,000.

Auditee qualified as low-risk auditee? _____ Yes X No



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Page 44 of 45

Independent Auditor's Report to Management

Board of Directors
David Lawrence Mental Health Center, Inc.

We have audited the financial statements of David Lawrence Mental Health Center, Inc. (the "Center") as of and for the fiscal year ended, June 30, 2017, and have issued our report thereon dated October 18, 2017.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the Florida Single Audit Act (Florida Statute 215.97). We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the Florida Single Act (Florida Statute 215.97), and Schedule of Findings and Questioned Costs-Federal Awards and State Financial Assistance, and the disclosures in those reports and schedule, which are dated October 18, 2017, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650 of the Rules of the Auditor General of the State of Florida, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements or State project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or State project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, the following matters are required to be disclosed:

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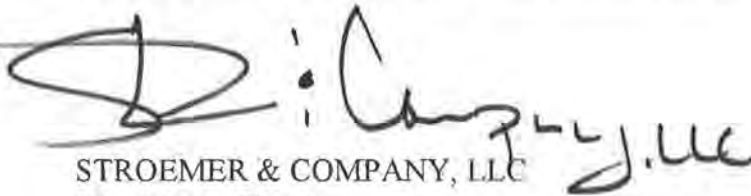
Prior year comment that continues to apply:

NONE

Current year comments:

NONE

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this is intended solely for the information and use of the Board of Directors, management, federal and state awarding agencies, and pass-through entities, the Auditor General of the State of Florida, and federal and state audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC". The signature is stylized and cursive.

STROEMER & COMPANY, LLC
Fort Myers, Florida
October 18, 2017