

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

JUNE 30, 2017

**FINANCIAL STATEMENTS
AND
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SARASOTA, FLORIDA**

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
First Step of Sarasota, Inc.
Sarasota, Florida

Report on the Financial Statements

We have audited the accompanying statements of financial position of First Step of Sarasota, Inc. (the Corporation), a nonprofit 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors
First Step of Sarasota, Inc.
Sarasota, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Report on Summarized Comparative Information

We have previously audited the Corporation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Schedule of Expenditures of Federal Awards and State Financial Assistance

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General* of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2017, on our consideration of the Corporation'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Curvis, Gray and Company, LLP

October 19, 2017
Sarasota, Florida

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA

ASSETS	2017	2016
Current Assets		
Cash and Cash Equivalents	\$ 1,197,553	\$ 1,022,583
Grants and Accounts Receivable, net	991,254	1,183,195
Prepaid Expenses	64,791	49,710
Total Current Assets	2,253,598	2,255,488
Property and Equipment		
Land	466,237	466,237
Buildings	6,299,079	6,308,650
Furniture and Equipment	932,464	1,060,527
Vehicles	149,476	97,683
	7,847,256	7,933,097
(Accumulated Depreciation)	(3,576,404)	(3,447,223)
Total Property and Equipment	4,270,852	4,485,874
Total Assets	6,524,450	6,741,362
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	146,237	105,196
Accrued Liabilities	293,209	272,430
Client Deposits	57,548	34,320
Current Portion of Notes Payable	44,791	42,808
Total Current Liabilities	541,785	454,754
Other Liabilities		
Notes Payable (Less Current Portion)	344,048	408,968
Total Liabilities	885,833	863,722
Net Assets		
Unrestricted Net Assets:		
Net Investment in Property and Equipment	3,882,013	4,034,098
Unrestricted	1,731,567	1,791,668
Total Unrestricted Net Assets	5,613,580	5,825,766
Temporarily Restricted	25,037	51,874
Total Net Assets	5,638,617	5,877,640
Total Liabilities and Net Assets	\$ 6,524,450	\$ 6,741,362

See accompanying notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA

	Totals			Totals 2016
	Unrestricted	Temporarily Restricted	2017	
Operating Revenues and Support				
Contracts and Grants (Federal and State)	\$ 4,950,500	\$ 0	\$ 4,950,500	\$ 4,672,452
County and Local Contracts	1,679,151	0	1,679,151	1,645,578
Client Fees, Insurance, and Medicaid	2,577,508	0	2,577,508	2,465,874
Rental Income	75,928	0	75,928	85,209
Subtotal	<u>9,283,087</u>	<u>0</u>	<u>9,283,087</u>	<u>8,869,113</u>
Net Assets Released from Restrictions	84,197	(84,197)	0	0
Total Operating Revenues and Support	<u>9,367,284</u>	<u>(84,197)</u>	<u>9,283,087</u>	<u>8,869,113</u>
Operating Expenses				
Pathways Level 1	1,432,261	0	1,432,261	1,378,510
Seasons Level 2	507,491	0	507,491	459,041
Crossroads Level 3	365,645	0	365,645	347,122
Choices	996,971	0	996,971	908,448
Mothers and Infants	621,800	0	621,800	575,352
Crisis Triage Unit	278,834	0	278,834	283,709
ARF/Detoxification	2,195,008	0	2,195,008	2,147,309
Outpatient Services	2,121,284	0	2,121,284	2,097,138
VIPER/SIO	118,133	0	118,133	115,021
Royal Palm	98,454	0	98,454	88,084
Administration	1,000,936	0	1,000,936	920,975
(Total Operating Expenses)	<u>(9,736,817)</u>	<u>0</u>	<u>(9,736,817)</u>	<u>(9,320,709)</u>
(Decrease) in Net Assets Before Other Revenues and Expenses	<u>(369,533)</u>	<u>(84,197)</u>	<u>(453,730)</u>	<u>(451,596)</u>
Other Revenues and Expenses				
Contributions	75,072	57,360	132,432	165,918
Capital Contribution	20,000	0	20,000	20,000
Interest and Investment Income	1,945	0	1,945	815
Special Events Income	52,061	0	52,061	58,196
Miscellaneous Income	10,512	0	10,512	25,469
Loss on Disposal of Equipment	(2,243)	0	(2,243)	(1,373)
Total Other Revenues and Expenses	<u>157,347</u>	<u>57,360</u>	<u>214,707</u>	<u>(269,025)</u>
Change in Net Assets	(212,186)	(26,837)	(239,023)	(182,571)
Net Assets, Beginning of Year	<u>5,825,766</u>	<u>51,874</u>	<u>5,877,640</u>	<u>6,060,211</u>
Net Assets, End of Year	<u>\$ 5,613,580</u>	<u>\$ 25,037</u>	<u>\$ 5,638,617</u>	<u>\$ 5,877,640</u>

See accompanying notes.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

2017

	Pathways Level 1	Seasons Level 2	Crossroads Level 3	Choices	Mothers and Infants	Crisis Triage Unit	ARF/ Detoxification
Salaries	\$ 755,766	\$ 290,679	\$ 199,781	\$ 532,504	\$ 373,563	\$ 232,844	\$ 1,520,677
Fringe Benefits	131,625	50,325	36,686	90,733	70,541	38,911	234,741
Professional Fees/Service	26,070	9	4	61	43	3	23,538
Medical Supplies and Equipment	31,271	2,601	2,052	26,305	2,590	0	34,533
Food Supplies	82,607	41,853	43,313	170,050	48,140	106	84,926
Operating Supplies	40,733	17,928	11,933	34,616	15,739	2,316	46,856
Occupancy Expenses	112,663	67,051	43,931	97,841	64,059	3,778	132,790
Depreciation Expense	51,836	33,390	22,843	26,495	18,487	296	38,960
Recruitment/Conference/Travel	28,897	2,480	3,277	4,773	6,307	305	2,648
Advertising and Communication	1,987	736	298	968	760	273	1,602
Special Events	0	0	0	0	15,896	0	0
Bad Debt Expense and Other Expenses	168,806	439	1,527	12,625	5,675	2	73,737
Subtotals	<u>1,432,261</u>	<u>507,491</u>	<u>365,645</u>	<u>996,971</u>	<u>621,800</u>	<u>278,834</u>	<u>2,195,008</u>
Administration Allocation	<u>203,566</u>	<u>89,875</u>	<u>36,373</u>	<u>118,251</u>	<u>92,807</u>	<u>33,328</u>	<u>195,664</u>
(Total Operating Expenses)	<u><u>\$ (1,635,827)</u></u>	<u><u>\$ (597,366)</u></u>	<u><u>\$ (402,018)</u></u>	<u><u>\$ (1,115,222)</u></u>	<u><u>\$ (714,607)</u></u>	<u><u>\$ (312,162)</u></u>	<u><u>\$ (2,390,672)</u></u>

See accompanying notes.

2017						
Outpatient Services	VIPER/ SIO	Royal Palm	Administration	Totals	Totals 2016	
\$ 1,418,906	\$ 91,109	\$ 8,532	\$ 601,202	\$ 6,025,563	\$ 5,850,758	Salaries
253,622	16,906	1,106	86,231	1,011,427	901,737	Fringe Benefits
3,320	0	1	30,218	83,267	148,084	Professional Fees/Service
56,780	281	0	2,041	158,454	135,122	Medical Supplies and Equipment
2,450	2	10	3,827	477,284	420,192	Food Supplies
41,796	5,234	3,785	34,526	255,462	273,685	Operating Supplies
192,555	3,804	61,546	123,461	903,479	873,741	Occupancy Expenses
4,520	115	23,274	80,555	300,771	291,024	Depreciation Expense
40,485	576	127	14,753	104,628	97,123	Recruitment/Conference/Travel
87,377	106	73	63	94,243	61,400	Advertising and Communication
0	0	0	0	15,896	14,450	Special Events
19,473	0	0	24,059	306,343	253,393	Bad Debt Expense and Other Expenses
2,121,284	118,133	98,454	1,000,936	9,736,817	9,320,709	Subtotals
209,275	12,915	8,883	(1,000,936)	0	0	Administration Allocation
<u>\$ (2,330,559)</u>	<u>\$ (131,048)</u>	<u>\$ (107,337)</u>	<u>\$ 0</u>	<u>\$ (9,736,817)</u>	<u>\$ (9,320,709)</u>	(Total Operating Expenses)

See accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (239,023)	\$ (182,571)
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided by (Used in) Operating Activities:		
Depreciation	300,771	291,024
Bad Debt Expense	241,608	169,309
Loss on Disposal of Fixed Assets	2,243	1,373
Decrease (Increase) in Operating Assets:		
Grants and Accounts Receivable	(49,667)	(465,457)
Prepaid Expenses	(15,081)	(2,836)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	41,041	(120,528)
Accrued Liabilities	20,779	22,063
Client Deposits	23,230	(52,270)
Unearned Income	0	(5,920)
Net Cash Provided by (Used in) Operating Activities	<u>325,901</u>	<u>(345,813)</u>
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(87,994)	(93,966)
Net Cash Provided by (Used in) Investing Activities	<u>(87,994)</u>	<u>(93,966)</u>
Cash Flows from Financing Activities		
Payments on Long-term Debt	(62,937)	(60,122)
Net Cash Provided by (Used in) Financing Activities	<u>(62,937)</u>	<u>(60,122)</u>
Net Increase (Decrease) in Cash	174,970	(499,901)
Cash and Cash Equivalents, Beginning of Year	<u>1,022,583</u>	<u>1,522,484</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,197,553</u>	<u>\$ 1,022,583</u>
 <u>Supplemental Disclosures</u>		
Interest Paid	<u>\$ 21,323</u>	<u>\$ 23,864</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

Organization

First Step of Sarasota, Inc. (the Corporation) is a not-for-profit corporation whose mission is to prevent and treat alcohol and drug addictions, and associated disorders in Sarasota and neighboring counties. The Corporation's major sources of revenue are federal, state, and local grants, and client fees.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting.

Contributions and Recognition of Donor Restrictions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Promises to Give

Contributions are recognized as support when the donor makes a promise to give that is, in substance, unconditional. Promises to give are recorded at net realizable value if expected to be collected in one year and at a discounted realizable value if expected to be collected in more than one year. Conditional promises to give are recognized as support when the conditions on which they depend are substantially met. There were no promises to give at June 30, 2017.

Accounts Receivable

Accounts receivable primarily consists of grant and contract reimbursement requests and client service fees. These receivables are expected to be collected within 30 days and are considered delinquent if they are not. Accounts receivable is reported net of the allowance for doubtful accounts, which was \$99,941 at June 30, 2017.

Unearned Revenue

Grants received prior to performance of the services for which the grant was provided are recognized as revenue at the time the services are performed.

Property and Equipment

The Corporation capitalizes all expenditures for property and equipment in excess of \$1,500. Purchased property and equipment are recorded at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets. Depreciation expense was \$300,771 in 2017.

Financial Statement Presentation

The Corporation is required by generally accepted accounting principles to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTES TO FINANCIAL STATEMENTS
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Financial Statement Presentation (Concluded)

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Donated Services

The Corporation records donated services as revenues if either: (a) they create or enhance nonfinancial assets; or (b) they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Under *Accounting Standards Codification* (ASC) Section 740-10, *Income Tax Uncertainties*, it is the policy of management to evaluate its tax positions on an ongoing basis and to disclose any such positions it believes would have a material impact on the financial statements and related notes. Management also believes that no such required disclosures currently exist.

The Corporation is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2014.

Subsequent Events

The Corporation has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through October 19, 2017, the date of the independent auditors' report.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Corporation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Special Event Expenses

The Corporation engages in various special events that help fund its main purpose and programs. The total expenses for these special events for the year ended June 30, 2017, are \$15,896.

NOTES TO FINANCIAL STATEMENTS
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)

Note 2 - Cash

The Corporation maintains cash in bank deposit accounts, which at times, exceeds federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant risks on its cash in bank deposit accounts.

Note 3 - Long-term Debt

Following is a schedule of outstanding long-term debt at June 30, 2017:

Payee	2017
Sarasota County	\$ 17,674
SunTrust Bank	371,165
Total	\$ 388,839

Sarasota County

The Corporation financed a water connection at the US 301 location, which is secured by a lien on the property. It is payable in monthly installments of \$196 including interest at 3.00%. The last payment is due December 2025.

SunTrust Bank

In 2012, the Corporation entered into a loan agreement for up to \$650,000 toward the construction of the new administration building. During 2012 and 2013, the Corporation drew down the full balance of the loan for that purpose. The promissory note required monthly payments of interest only (at a fixed rate of 4.36%) through February 2013, then equal monthly payments of \$4,948 through February 2027. The note is secured by a mortgage on the property. The note may be prepaid in whole or in part without penalty. A principal prepayment in the amount of \$20,000 was made in April 2017.

Line of Credit

The Corporation has a \$300,000 open end revolving line of credit with a financial institution. Interest is due monthly at prime. There was no outstanding balance at June 30, 2017.

Contingent Liabilities

The Corporation is contingently obligated under a “2007 County Note,” “2009 City Note,” “2010 Contract,” and “2015 County Note” as more fully described in Note 7. These obligations are not recorded as long-term debt because they are expected to be extinguished without requiring payment.

Future Scheduled Maturities

The future scheduled maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2018	\$ 44,791
2019	46,784
2020	48,867
2021	51,043
2022	53,315
2023 and After	144,039
Total	\$ 388,839

NOTES TO FINANCIAL STATEMENTS
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)

Note 4 - Net Assets

Temporarily Restricted

The Sandy Seidman Fund provides financial vouchers to graduates of the Mothers and Infants Program for such items as deposits on housing, utilities, and phone service.

The Youth Outpatient Scholarship Program provides financing to cover the costs of outpatient services for adolescences in Sarasota County ensuring that finances are not a barrier to treatment.

Account	2017
Sandy Seidman Fund	\$ 18,730
Youth Outpatient Scholarship Program	6,307
Total Temporarily Restricted Net Assets	\$ 25,037

Note 5 - Pension Plan

The Corporation provides a noncontributory tax-deferred annuity plan for all eligible employees. In prior years, the Corporation had declared and funded discretionary contributions to the plan, but all employer contributions were suspended by the Corporation on January 1, 2009, until further notice.

Note 6 - Revenue from the State of Florida Requiring Match

The Corporation received revenue from the State of Florida under contract with Central Florida Behavioral Health Network, the managing entity for the Department of Children and Families. The contract requires a local match for certain services. The Corporation incurred and funded allowable program costs in excess of the required match.

Note 7 - Commitments and Contingencies

Operating Lease Commitments

The Corporation leases office space and/or equipment in Sarasota, Bradenton, Venice, and Arcadia, Florida. Lease terms vary from month-to-month to up to five years. Future minimum lease payments on operating leases are as follows:

Year	Total
2018	\$ 74,048
2019	13,218
Total	\$ 87,266

Rent expense under operating leases was \$151,600 during the year ended June 30, 2017.

NOTES TO FINANCIAL STATEMENTS
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)

Note 7 - Commitments and Contingencies *(Continued)*

Contingent Liabilities

Royal Palm Property—2007 Contract and 2007 County Note

In November 2007, the Corporation entered into a contract (the 2007 Contract) with Sarasota County whereby the Corporation received a twenty-year term loan of \$1,150,000 to purchase and renovate the Royal Palms apartment building for sober transitional and/or low-income housing. A total of \$1,095,537 was drawn on the loan through June 30, 2009, and due to time limits specified in the contract, no additional funds were available after that date. The loan is evidenced by a promissory note (the 2007 County Note) and secured by a mortgage on the building.

The 2007 County Note bears interest at the rate of 0% per annum and is due and payable on January 30, 2027. Prepayment in full may be made at any time without penalty. Under terms of the 2007 Contract, provided the Corporation complies with the terms thereof, including completion of the project and all reporting requirements, the remaining balance of the 2007 County Note will be released by the County without payment at maturity (January 30, 2027). A key provision of the 2007 Contract is that the units in the building are required to be maintained as sober transitional and/or low-income housing residences for twenty years.

Furthermore, in the event the 2007 Contract is terminated prior to maturity, the Corporation's repayment obligation shall be pro rata based on an annual principal reduction to the principal amount of the Note of \$57,500.

Royal Palm Property—2009 Agreement and 2009 City Note

In June 2009, the Corporation entered into an agreement (the 2009 Agreement) with the City of Sarasota whereby the City provided the Corporation with a loan from the State Housing Initiatives Partnership Program in the amount of \$562,000 to develop affordable housing for persons with substance dependency. Under the 2009 Agreement, the City used the loan proceeds to pay down a corresponding amount of the 2007 County Note discussed above.

The loan is evidenced by a promissory note (the 2009 City Note) and secured by a mortgage on the same Royal Palms apartment building. The 2009 City Note bears interest at the rate of 0% per annum and is due and payable on the sale of the property, or when the property is no longer used to house persons in accordance with the 2009 Agreement, or on June 30, 2029, whichever occurs first. The 2009 City Note may be prepaid in full at any time without penalty, and may be forgiven at the end of twenty years (June 30, 2029) if the Corporation "enters into an agreement to continue using the property(s) to house individuals with substance abuse disability or use the proceeds of any sale of the property to benefit individuals with substance abuse disabilities."

North Washington Boulevard Property and 2010 Contract

In September 2010, the Corporation entered into a contract (the 2010 Contract) with Sarasota County whereby the Corporation would receive up to \$561,939 from the County to renovate seventy-five housing units, which are to be used for substance free housing. The housing units are owned by the Corporation. The Corporation drew down and expended the full amount of the 2010 Contract in 2011 and 2012.

NOTES TO FINANCIAL STATEMENTS
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Concluded)

Note 7 - Commitments and Contingencies (Concluded)

Contingent Liabilities (Concluded)

North Washington Boulevard Property and 2010 Contract (Concluded)

There is no promissory note or mortgage related to the 2010 Contract. The 2010 Contract requires that the units be maintained as substance-free housing units for a period of ten years (until January 30, 2020) unless replaced sooner with a like number of newly constructed units. In the event that the Corporation ceases to operate the facility for the purposes of substance free housing and treatment facility prior to January 30, 2020, the 2010 Contract shall be deemed terminated. In such event, the Corporation shall repay to the County the funds provided thereunder “prorated on an annual reduction of 10%.” The County placed a deed restriction on the property to ensure the continued use of the units for its intended purpose as noted above.

Royal Palm Property—2015 Agreement and 2015 County Note

In April 2015, the Corporation entered into a grant agreement (the 2015 Agreement) with Sarasota County (the County) whereby the Corporation would receive a maximum loan of \$140,000 to replace certain windows at the Royal Palm apartment building, in an effort to mitigate future wind damage. The loan is evidenced by a promissory note (the 2015 County Note) and secured by a mortgage on the same Royal Palm apartment building as secures the 2007 County Note and 2009 City Note. The Corporation drew down and expended \$99,980 in 2015 related to this project, and \$0 in 2016 and 2017. The Corporation does not anticipate drawing down any additional monies related to this loan.

The 2015 County Note bears interest at the rate of 0% per annum. Prepayment in full may be made at any time without penalty. The Note is due and payable upon the sale of any portion of the property prior to April 30, 2025. The loan will be forgiven on April 30, 2025. A key provision of the 2015 Agreement is that the property will be leased to low-income residents for a period of ten years.

The Corporation intends to comply fully with the terms of the 2007 and 2010 Contracts, and the 2009 and 2015 Agreements, and expects all related obligations ultimately to be extinguished without requiring payment. Accordingly, no liabilities for these transaction have been recorded on the accompanying financial statements.

Note 8 - Related Party Disclosure

The Corporation paid rent of \$20,909 for the year ended June 30, 2017, for an office in Venice, Florida owned by a Board Member’s family limited partnership.

OTHER REPORTS

**INDEPENDENT AUDITORS' 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
First Step of Sarasota, Inc.
Sarasota, 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 financial statements of First Step of Sarasota, Inc. (the Corporation), a nonprofit 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 19, 2017.

Internal Control Over Financial Reporting

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

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

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors
First Step of Sarasota, Inc.
Sarasota, Florida

**INDEPENDENT AUDITORS' 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
(Concluded)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


October 19, 2017
Sarasota, Florida

**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
First Step of Sarasota, Inc.
Sarasota, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of First Step of Sarasota, Inc. (the Corporation) with the types of compliance requirements described in the *OMB Compliance Supplement*, and the Florida Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Corporation's major federal programs and state projects for the year ended June 30, 2017. The Corporation'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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation'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); and Chapter 10.650, *Rules of the Auditor General*. Those standards, rules, and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Corporation'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 Corporation's compliance.

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors
First Step of Sarasota, Inc.
Sarasota, Florida

**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
(Concluded)**

Opinion on Each Major Federal Program and State Project

In our opinion, the Corporation 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 the Corporation 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 Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 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, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Durvis, Gray and Company, LLP

October 19, 2017
Sarasota, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

<u>Federal or State Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA/ CSFA Number</u>	<u>Grantor or Pass-through Number</u>	<u>Federal/ State Expenditures</u>	<u>State Matching Funds</u>
Federal Awards				
U.S. Department of Health and Human Services				
Passed Through Central Florida Behavioral Health Network:				
Block Grants for Prevention and Treatment of Substance Abuse*	93.959	QB013/RC013	\$ 1,608,389	\$ 1,396,131
Temporary Assistance for Needy Families	93.558	QB013	200,586	0
Block Grants for Community Mental Health Services	93.958	QB013	26,283	223,761
Stated Targeted Response to the Opiod Crisis Grant	93.778	QB013	7,409	0
Projects for Assistance in Transition from Homelessness (PATH)	93.150	QB013	<u>85,788</u>	<u>0</u>
Total Federal Awards			<u>\$ 1,928,455</u>	<u>\$ 1,619,892</u>
State Financial Assistance				
Florida Department of Children and Families				
Passed Through Central Florida Behavioral Health Network:				
Community Forensic Beds and Competency Restoration Training	60.114	QB013	<u>\$ 25,252</u>	
Florida Department of Corrections				
Direct Programs:				
Substance Abuse:				
Residential*	70.016	C2659	213,214	
Choices*	70.016	C2566	891,802	
Outpatient*	70.016	C2770	<u>145,000</u>	
			<u>1,250,016</u>	
Total State Financial Assistance			<u>\$ 1,275,268</u>	

* Denotes Major Program/Project

Notes

The programs do not utilize subrecipients.
There were no federal awards expended in noncash assistance.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FIRST STEP OF SARASOTA, INC.
FOR THE YEAR ENDED JUNE 30, 2017
SARASOTA, FLORIDA**

Note 1 - General

The accounting policies and presentation of the accompanying schedule of expenditures of federal awards and state financial assistance of First Step of Sarasota, Inc. (the Corporation) have been designed to conform with generally accepted accounting principles applicable to non-profit organizations, including the reporting and compliance requirements of the *Single Audit Act of 1984*, the *Single Audit Act Amendments of 1996*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (federal awards), the *Florida Single Audit Act*, and Chapter 10.650, *Rules of the Auditor General*, of the State of Florida (state financial assistance).

All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the accrual basis of accounting.

Note 3 - Contingencies

Grant monies received and disbursed by the Corporation are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursement due to disallowance of expenditures. Based on prior experience, the Corporation does not believe that such disallowances, if any, would have a material effect on the financial position of the Corporation.

Note 4 - Indirect Cost Rate Election

The Corporation elected to use the de minimus rate of 10% for determining indirect cost amounts for federal awards and state projects.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

Part A - Summary of Audit Results

- I. The Independent Auditors' Report expresses an unqualified opinion on the financial statements of First Step of Sarasota, Inc.
- II. No material weaknesses or significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements of First Step of Sarasota, Inc. (see Independent Auditors' 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*).
- III. No instances of noncompliance material to the financial statements of First Step of Sarasota, Inc. were disclosed during the audit (see the same report referenced in II).
- IV. No material weaknesses or significant deficiencies in internal control over major federal programs or state projects were disclosed during the audit (see 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*).
- V. An unqualified opinion was issued on compliance over major federal programs and major state projects (see the same report referenced in IV).
- VI. Audit findings relative to the major federal award programs for the County are reported in Part C of this schedule. Audit findings relative to the major state financial assistance projects are reported in Part D of this schedule.
- VII. The programs/projects tested as major programs/projects included the following:
 - **Federal Programs**
 - U.S. Department of Health and Human Services, Passed Through Central Florida Behavioral Health Network:
 - ▶ Block Grants for Prevention and Treatment of Substance Abuse, CFDA Number 93.959
 - **State Projects**
 - Florida Department of Corrections:
 - ▶ Substance Abuse Services, CSFA Number 70.016
- VIII. The threshold for distinguishing Types A and B programs/projects was \$750,000 for major federal programs and \$300,000 for major state projects.
- IX. First Step of Sarasota, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Concluded)**

Part B - Findings - Financial Statement Audit

None

Part C - Findings and Questioned Costs - Major Federal Awards Programs

None

Part D - Findings and Questioned Costs - Major State Financial Assistance Projects

None

Part E - Other Issues

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects. No corrective action plan is required because there were no findings in the current year requiring correction under the federal or Florida *Single Audit Acts*.

Part F - Management Letter

No management letter was issued because there were no findings required to be reported in the management letter.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA

1. Total Expenditures	\$ 9,736,817
2. (Less Other State and Federal Funds)	(3,071,845)
3. (Less Nonmatch SAMH Funds)	(785,282)
4. (Less Unallowable Costs per 65E-14, F.A.C.)	<u>(107,385)</u>
5. Total Allowable Expenditures	<u>\$ 5,772,305</u>
6. Maximum Available Earnings	\$ 4,329,229
7. Amount of State Funds Requiring Match	\$ 876,260
8. Amount Due to Department	\$ 0

**SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

SCHEDULE N/A - NO RELATED PARTY TRANSACTION ADJUSTMENTS

**SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided D	Total Units of Service Paid for by 3rd Party Contracts, Local Government, or Other State Agencies E	Maximum No. of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum Amount Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, Whichever is Greater) I
Adult SA	Substance Abuse Detox	\$ 240.45	11,315	5,813	5,502	\$ 323,437	\$ 1,322,956	\$ 0
Total Amount Owed to Department								\$ 0

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

Agency: First Step of Sarasota, Inc.

Date Prepared: Date Prepared: 9/16/2017
Budget Period: Budget Period: From 7/1/16 to 6/30/17

Part I: Actual Funding Sources and Revenues

Funding Sources and Revenues	State Designated SAMH Cost Centers						
	State Funded SAMH Cost Centers						
	Program 1						
	ASA/MH Seasons Level 2	ASA Crossroads Level 3	ASA Transitions Level 4	ASA Mothers and Infants Level 2	ASA Crisis Support	ASA Detox	ASA Case Management
IA. State SAMH Funding							
(1) Central Florida Behavioral Network	\$ 844,276	\$ 44,287	\$ 0	\$ 528,388	\$ 307,939	\$ 323,437	\$ 561
(2) CFBHN Behavioral Health Fee	0	0	0	0	0	(374)	0
Total State SAMH Funding	<u>844,276</u>	<u>44,287</u>	<u>0</u>	<u>528,388</u>	<u>307,939</u>	<u>323,063</u>	<u>561</u>
IB. Other Government Funding							
(1) Other State Agency Funding	0	213,214	0	0	0	0	0
(2) Medicaid	0	0	0	0	0	0	0
(3) Local Government	0	52,152	0	0	0	1,218,644	0
(4) Federal Grants and Contracts	0	0	0	0	0	0	0
(5) In-kind from Local Government Only	0	0	0	0	0	0	0
Total Other Government Funding	<u>0</u>	<u>265,366</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,218,644</u>	<u>0</u>
IC. All Other Revenues							
(1) 1st and 2nd Party Payments	357	15,784	1,200	0	0	128,686	0
(2) 3rd Party Payments (except Medicare)	0	0	0	0	0	177,926	0
(3) Contributions, Donations, and Grants	0	0	0	31,945	0	0	0
(4) Other/UW/YMCA	0	0	0	0	0	0	0
(5) In-kind	0	0	0	0	0	0	441
(6) Contracts	0	0	0	0	0	0	0
Total All Other Revenues	<u>357</u>	<u>15,784</u>	<u>1,200</u>	<u>31,945</u>	<u>0</u>	<u>306,612</u>	<u>441</u>
TOTAL FUNDING	<u>\$ 844,633</u>	<u>\$ 325,437</u>	<u>\$ 1,200</u>	<u>\$ 560,333</u>	<u>\$ 307,939</u>	<u>\$ 1,848,319</u>	<u>\$ 1,002</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)**

Agency: First Step of Sarasota, Inc.

Part I: Actual Funding Sources and Revenues (Continued)

Funding Sources and Revenues A	State Designated SAMH Cost Centers								
	State Funded SAMH Cost Centers								
	Program 1								
	ASA/MH Intervention	ASA/MH Prevention	ASA Assessments	ASA Individual	ASA Group	AMH Path CCST	ASA Prevention Coalition	ASA Outreach	ASA Total Program 1
IA. State SAMH Funding									
(1) Central Florida Behavioral Network	\$ 249,105	\$ 322,980	\$ 4,966	\$ 51,453	\$ 70,984	\$ 85,788	\$ 183,174	\$ 154,710	\$ 3,172,048
(2) CFBHN Behavioral Health Fee	187	187	0	0	0	0	0	0	0
Total State SAMH Funding	249,292	323,167	4,966	51,453	70,984	85,788	183,174	154,710	3,172,048
IB. Other Government Funding									
(1) Other State Agency Funding	0	0	46,519	14,030	84,451	0	0	0	358,214
(2) Medicaid	0	0	0	0	23,260	0	0	0	23,260
(3) Local Government	11,453	0	25,439	46,594	99,512	0	0	0	1,453,794
(4) Federal Grants and Contracts	0	0	0	30,878	35,215	0	0	0	66,093
(5) In-kind from Local Government Only	0	0	0	0	0	0	0	0	0
Total Other Government Funding	11,453	0	71,958	91,502	242,438	0	0	0	1,901,361
IC. All Other Revenues									
(1) 1st and 2nd Party Payments	0	0	11,971	42,621	55,539	0	0	0	256,158
(2) 3rd Party Payments (except Medicare)	0	0	98	351	457	0	0	0	178,832
(3) Contributions, Donations, and Grants	500	0	1,315	7,890	3,945	0	0	0	45,595
(4) Other/UW/YMCA	0	0	0	0	0	0	2,158	0	2,158
(5) In-kind	16,231	4,780	1,714	4,257	6,476	1,561	4,921	2,458	42,839
(6) Contracts	0	0	0	0	0	0	0	0	0
Total All Other Revenues	16,731	4,780	15,098	55,119	66,417	1,561	7,079	2,458	525,582
TOTAL FUNDING	\$ 277,476	\$ 327,947	\$ 92,022	\$ 198,074	\$ 379,839	\$ 87,349	\$ 190,253	\$ 157,168	\$ 5,598,991

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)**

Agency: First Step of Sarasota, Inc.

Part I: Actual Funding Sources and Revenues (Continued)

		State Designated SAMH Cost Centers				
		State Funded SAMH Cost Centers				
		Program 2				
Funding Sources and Revenues		CSA Mothers and Infants	CSA Intervention	CSA Outreach	CSA Total Program 2	State Funded SAMH Cost Centers D
A						
IA.	State SAMH Funding					
(1)	Central Florida Behavioral Network	\$ 278,100	\$ 78,676	\$ 44,733	\$ 401,509	\$ 3,573,557
(2)	CFBHN Behavioral Health Fee	0	0	0	0	0
	Total State SAMH Funding	<u>278,100</u>	<u>78,676</u>	<u>44,733</u>	<u>401,509</u>	<u>3,573,557</u>
IB.	Other Government Funding					
(1)	Other State Agency Funding	0	0	0	0	358,214
(2)	Medicaid	0	0	0	0	23,260
(3)	Local Government	0	0	0	0	1,453,794
(4)	Federal Grants and Contracts	0	0	0	0	66,093
(5)	In-kind from Local Government Only	0	0	0	0	0
	Total Other Government Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,901,361</u>
IC.	All Other Revenues					
(1)	1st and 2nd Party Payments	0	0	0	0	256,158
(2)	3rd Party Payments (except Medicare)	0	0	0	0	178,832
(3)	Contributions, Donations, and Grants	31,945	0	0	31,945	77,540
(4)	Other/UW/YMCA	0	0	0	0	2,158
(5)	In-kind	0	1,108	1,365	2,473	45,312
(6)	Contracts	0	0	0	0	0
	Total All Other Revenues	<u>31,945</u>	<u>1,108</u>	<u>1,365</u>	<u>34,418</u>	<u>560,000</u>
	TOTAL FUNDING	<u>\$ 310,045</u>	<u>\$ 79,784</u>	<u>\$ 46,098</u>	<u>\$ 435,927</u>	<u>\$ 6,034,918</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Concluded)**

Agency: First Step of Sarasota, Inc.

Part I: Actual Funding Sources and Revenues (Concluded)

		<u>State Designated SAMH Cost Centers</u>					
Funding Sources and Revenues	Total for Nonstate Funded SAMH Cost Centers	Total for all State Designated SAMH Cost Centers	Other Funding	Non-SAMH Cost Center	Administration	Total Funding	
<u>A</u>	<u>E</u>	<u>F</u>		<u>G</u>		<u>H</u>	
IA. State SAMH Funding							
(1) Central Florida Behavioral Network	\$ 0	\$ 3,573,557	\$ 0	\$ 0	\$ 7,509	\$ 3,581,066	
(2) CFBHN Behavioral Health Fee	0	0	0	0	0	0	
Total State SAMH Funding	<u>0</u>	<u>3,573,557</u>	<u>0</u>	<u>0</u>	<u>7,509</u>	<u>3,581,066</u>	
IB. Other Government Funding							
(1) Other State Agency Funding	0	358,214	0	891,802	0	1,250,016	
(2) Medicaid	0	23,260	0	0	0	23,260	
(3) Local Government	0	1,453,794	0	233,782	0	1,687,576	
(4) Federal Grants and Contracts	0	66,093	0	44,900	0	110,993	
(5) In-kind from Local Government Only	0	0	0	0	0	0	
Total Other Government Funding	<u>0</u>	<u>1,901,361</u>	<u>0</u>	<u>1,170,484</u>	<u>0</u>	<u>3,071,845</u>	
IC. All Other Revenues							
(1) 1st and 2nd Party Payments	0	256,158	0	1,287,838	0	1,543,996	
(2) 3rd Party Payments (except Medicare)	0	178,832	0	831,420	0	1,010,252	
(3) Contributions, Donations, and Grants	0	77,540	0	12,000	67,551	157,091	
(4) Other/UW/YMCA	0	2,158	0	77,477	8,597	88,232	
(5) In-kind	0	45,312	0	0	0	45,312	
(6) Contracts	0	0	0	0	0	0	
Total All Other Revenues	<u>0</u>	<u>560,000</u>	<u>0</u>	<u>2,208,735</u>	<u>76,148</u>	<u>2,844,883</u>	
TOTAL FUNDING	<u>\$ 0</u>	<u>\$ 6,034,918</u>	<u>\$ 0</u>	<u>\$ 3,379,219</u>	<u>\$ 83,657</u>	<u>\$ 9,497,794</u>	

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA**

Agency: First Step of Sarasota, Inc.

Date Prepared: 9/16/17
Budget Period: From 7/1/16 to 6/30/17

Part II: Actual Expenses

Expense Categories A	State Designated SAMH Cost Centers					
	State Funded SAMH Cost Centers					
	Program 1					
	ASA/MH Seasons Level 2	ASA Crossroads Level 3	ASA Mothers and Infants Level 2	ASA Crisis Support	ASA Detox	ASA Case Management
IIA. Personnel Expenses						
(1) Salaries	\$ 290,679	\$ 199,781	\$ 186,782	\$ 232,844	\$ 1,520,677	\$ 502
(2) Fringe Benefits	50,325	36,686	35,271	38,911	234,741	90
Total Personnel Expenses	<u>341,004</u>	<u>236,467</u>	<u>222,053</u>	<u>271,755</u>	<u>1,755,418</u>	<u>592</u>
IIB. Other Expenses						
(1) Professional Services	9	4	21	3	23,537	1
(2) Medical and Equipment	2,601	2,052	1,294	0	34,533	20
(3) Food Supplies	41,854	43,313	24,071	106	84,926	1
(4) Operating Supplies and Expenses	17,928	11,933	7,869	2,316	46,856	15
(5) Occupancy Expense	100,441	66,774	41,272	4,074	171,750	70
(6) Travel, Conference, Education, and Recruiting	2,480	3,277	3,154	305	2,648	14
(7) Sub-Contract Expense	0	0	0	0	0	0
(8) Other	1,175	1,825	11,166	274	75,339	38
Total Other Expenses	<u>166,488</u>	<u>129,178</u>	<u>88,847</u>	<u>7,078</u>	<u>439,589</u>	<u>159</u>
Total Personnel and Other Expenses	<u>507,492</u>	<u>365,645</u>	<u>310,900</u>	<u>278,833</u>	<u>2,195,007</u>	<u>751</u>
IIIC. Distributed Indirect Costs						
(a) Distributed Indirect Costs	0	0	0	0	0	0
(b) Administration	89,875	36,373	46,404	33,328	195,664	73
Total Distributed Indirect Costs	<u>89,875</u>	<u>36,373</u>	<u>46,404</u>	<u>33,328</u>	<u>195,664</u>	<u>73</u>
Total Actual Operating Expenses	<u>597,367</u>	<u>402,018</u>	<u>357,304</u>	<u>312,161</u>	<u>2,390,671</u>	<u>824</u>
IIID. Unallowable Costs	(4,817)	(3,177)	(2,445)	(1,755)	(75,970)	(6)
Total Allowable Operation Expenses	<u>\$ 592,550</u>	<u>\$ 398,841</u>	<u>\$ 354,859</u>	<u>\$ 310,406</u>	<u>\$ 2,314,701</u>	<u>\$ 818</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)**

Agency: First Step of Sarasota, Inc.

Part II: Actual Expenses (Continued)

		State Designated SAMH Cost Centers							
		State Funded SAMH Cost Centers							
		Program 1							
Expense Categories A	ASA/MH Intervention	ASA/MH Prevention	ASA Assessments	ASA Individual	ASA Group	AMH Path CCST	ASA Prevention Coalition	ASA Outreach	ASA Total Program 1
IIA. Personnel Expenses									
(1) Salaries	\$ 229,436	\$ 293,112	\$ 12,211	\$ 46,455	\$ 324,542	\$ 76,924	\$ 108,236	\$ 159,747	\$ 3,681,928
(2) Fringe Benefits	41,010	52,392	2,183	8,303	58,010	13,750	19,347	28,554	619,573
Total Personnel Expenses	<u>270,446</u>	<u>345,504</u>	<u>14,394</u>	<u>54,758</u>	<u>382,552</u>	<u>90,674</u>	<u>127,583</u>	<u>188,301</u>	<u>4,301,501</u>
IIB. Other Expenses									
(1) Professional Services	537	686	29	109	759	180	253	374	26,502
(2) Medical and Equipment	9,181	11,730	486	1,860	12,988	3,078	4,332	6,393	90,548
(3) Food Supplies	396	506	21	80	560	133	187	276	196,430
(4) Operating Supplies and Expenses	6,758	8,634	360	1,368	9,560	2,266	3,188	4,706	123,757
(5) Occupancy Expense	31,867	40,711	1,698	6,452	45,077	10,684	15,033	22,186	558,089
(6) Travel, Conference, Education, and Recruiting	6,546	8,363	349	1,325	9,260	2,195	3,088	4,558	47,562
(7) Sub-Contract Expense	0	0	0	0	0	0	0	0	0
(8) Other	17,278	22,073	919	3,498	24,438	5,793	8,151	12,030	183,997
Total Other Expenses	<u>72,563</u>	<u>92,703</u>	<u>3,862</u>	<u>14,692</u>	<u>102,642</u>	<u>24,329</u>	<u>34,232</u>	<u>50,523</u>	<u>1,226,885</u>
Total Personnel and Other Expenses	<u>343,009</u>	<u>438,207</u>	<u>18,256</u>	<u>69,450</u>	<u>485,194</u>	<u>115,003</u>	<u>161,815</u>	<u>238,824</u>	<u>5,528,386</u>
IIIC. Distributed Indirect Costs									
(a) Distributed Indirect Costs	0	0	0	0	0	0	0	0	0
(b) Administration	33,840	43,231	1,801	6,852	47,867	11,346	15,963	23,561	586,178
Total Distributed Indirect Costs	<u>33,840</u>	<u>43,231</u>	<u>1,801</u>	<u>6,852</u>	<u>47,867</u>	<u>11,346</u>	<u>15,963</u>	<u>23,561</u>	<u>586,178</u>
Total Actual Operating Expenses	<u>376,849</u>	<u>481,438</u>	<u>20,057</u>	<u>76,302</u>	<u>533,061</u>	<u>126,349</u>	<u>177,778</u>	<u>262,385</u>	<u>6,114,564</u>
IIID. Unallowable Costs	(2,816)	(3,598)	(150)	(570)	(3,983)	(944)	(1,328)	(1,961)	(103,520)
Total Allowable Operation Expenses	<u>\$ 374,033</u>	<u>\$ 477,840</u>	<u>\$ 19,907</u>	<u>\$ 75,732</u>	<u>\$ 529,078</u>	<u>\$ 125,405</u>	<u>\$ 176,450</u>	<u>\$ 260,424</u>	<u>\$ 6,011,044</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Continued)**

Agency: First Step of Sarasota, Inc.

Part II: Actual Expenses (Continued)

Expense Categories A	State Designated SAMH Cost Centers				Total for State Funded SAMH Cost D
	CSA Mothers and Infants	CSA Intervention	CSA Outreach	CSA Total Program 2	
IIA. Personnel Expenses					
(1) Salaries	\$ 186,782	\$ 70,912	\$ 39,458	\$ 297,152	\$ 3,979,080
(2) Fringe Benefits	35,270	12,675	7,053	54,998	674,571
Total Personnel Expenses	<u>222,052</u>	<u>83,587</u>	<u>46,511</u>	<u>352,150</u>	<u>4,653,651</u>
IIB. Other Expenses					
(1) Professional Services	22	166	92	280	26,782
(2) Medical and Equipment	1,294	2,838	1,579	5,711	96,259
(3) Food Supplies	24,071	122	68	24,261	220,691
(4) Operating Supplies and Expenses	7,869	2,089	1,162	11,120	134,877
(5) Occupancy Expense	41,273	9,849	5,480	56,602	614,691
(6) Travel, Conference, Education, and Recruiting	3,154	2,023	1,126	6,303	53,865
(7) Sub-Contract Expense	0	0	0	0	0
(8) Other	11,164	5,341	2,972	19,477	203,474
Total Other Expenses	<u>88,847</u>	<u>22,428</u>	<u>12,479</u>	<u>123,754</u>	<u>1,350,639</u>
Total Personnel and Other Expenses	<u>310,899</u>	<u>106,015</u>	<u>58,990</u>	<u>475,904</u>	<u>6,004,290</u>
IIIC. Distributed Indirect Costs					
(a) Distributed Indirect Costs	0	0	0	0	0
(b) Administration	46,404	10,459	5,819	62,682	648,860
Total Distributed Indirect Costs	<u>46,404</u>	<u>10,459</u>	<u>5,819</u>	<u>62,682</u>	<u>648,860</u>
Total Actual Operating Expenses	<u>357,303</u>	<u>116,474</u>	<u>64,809</u>	<u>538,586</u>	<u>6,653,150</u>
IIID. Unallowable Costs	(2,511)	(869)	(484)	(3,864)	(107,384)
Total Allowable Operation Expenses	<u>\$ 354,792</u>	<u>\$ 115,605</u>	<u>\$ 64,325</u>	<u>\$ 534,722</u>	<u>\$ 6,545,766</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
FIRST STEP OF SARASOTA, INC.
SARASOTA, FLORIDA
(Concluded)**

Agency: First Step of Sarasota, Inc.

Part II: Actual Expenses (Concluded)

<u>State Designated SAMH Cost Centers</u>					
Expense Categories A	Total for Nonstate Funded SAMH Cost Centers E	Total for all State Designated SAMH Cost Centers F	Non-SAMH Cost Center G	Administration I	Total Expenses J
IIA. Personnel Expenses					
(1) Salaries	\$ 0	\$ 3,979,080	\$ 1,445,282	\$ 601,203	\$ 6,025,565
(2) Fringe Benefits	0	674,571	250,625	86,231	1,011,427
Total Personnel Expenses	<u>0</u>	<u>4,653,651</u>	<u>1,695,907</u>	<u>687,434</u>	<u>7,036,992</u>
IIB. Other Expenses					
(1) Professional Services	0	26,782	26,267	30,217	83,266
(2) Medical and Equipment	0	96,259	60,153	2,041	158,453
(3) Food Supplies	0	220,691	252,768	3,827	477,286
(4) Operating Supplies and Expenses	0	134,877	86,059	34,526	255,462
(5) Occupancy Expense	0	614,691	385,542	204,016	1,204,249
(6) Travel, Conference, Education, and Recruiting	0	53,865	36,010	14,752	104,627
(7) Sub-Contract Expense	0	0	0	0	0
(8) Other	0	203,474	188,885	24,123	416,482
Total Other Expenses	<u>0</u>	<u>1,350,639</u>	<u>1,035,684</u>	<u>313,502</u>	<u>2,699,825</u>
Total Personnel and Other Expenses	<u>0</u>	<u>6,004,290</u>	<u>2,731,591</u>	<u>1,000,936</u>	<u>9,736,817</u>
IIIC. Distributed Indirect Costs					
(a) Distributed Indirect Costs	0	0	0	0	0
(b) Administration	0	648,860	352,076	(1,000,936)	0
Total Distributed Indirect Costs	<u>0</u>	<u>648,860</u>	<u>352,076</u>	<u>(1,000,936)</u>	<u>0</u>
Total Actual Operating Expenses	<u>0</u>	<u>6,653,150</u>	<u>3,083,667</u>	<u>0</u>	<u>9,736,817</u>
IIID. Unallowable Costs	<u>0</u>	<u>(107,384)</u>	<u>0</u>	<u>0</u>	<u>(107,384)</u>
Total Allowable Operation Expenses	<u>\$ 0</u>	<u>\$ 6,545,766</u>	<u>\$ 3,083,667</u>	<u>\$ 0</u>	<u>\$ 9,629,433</u>