

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Combined Financial Statements, Supplementary Financial Information
and Reports as Required by the Comptroller General of the
United States and the Uniform Guidance**

**June 30, 2018 and 2017
(With Independent Auditor's Report Thereon)**

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Table of Contents

	<u>Page</u>
Independent Auditor's Report on Combined Financial Statements and Supplementary Financial Information	1 - 2
Combined Financial Statements:	
Combined Statements of Financial Position	3 - 4
Combined Statements of Unrestricted Support and Revenue, Expenses and Other Changes in Unrestricted Net Assets	5
Combined Statements of Changes in Net Assets	6
Combined Statement of Functional Expenses	7
Combined Statements of Cash Flows	8
Notes to Combined Financial Statements	9 - 19
Supplementary Financial Information:	
Schedule of Expenditures of Federal Awards and State Financial Assistance	20 - 23
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	24
Substance Abuse & Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules:	
Part I: Actual Funding Sources and Revenues	25 - 26
Part II: Actual Expenses	27 - 28
Schedule of State Earnings	29
Schedule of Bed-Day Availability Payments	30
Schedule of Related Party Transaction Adjustments	31
Internal Control and Compliance:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32 - 33
Independent Auditor's 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, <i>Rules of the State of Florida Auditor General</i>	34 - 35
Schedule of Findings and Questioned Costs	36 - 37
Management Letter	38



1530 W. Cleveland Street ■ Tampa, Florida 33606
Main: 813.594.1400 ■ Fax: 813.594.1408 ■ www.mhm-pc.com

Independent Auditor’s Report on Combined Financial Statements and Supplementary Financial Information

The Board of Directors
Agency for Community Treatment Services, Inc. and Affiliates:

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Agency for Community Treatment Services, Inc. and Affiliates (the “Organization”), which comprise the combined statements of financial position as of June 30, 2018 and 2017, and the related combined statements of unrestricted support and revenue, expenses and other changes in unrestricted net assets, changes in net assets, and cash flows for the years then ended, the related combined statement of functional expenses for the year ended June 30, 2018, and the related notes to the combined financial statements.

Management’s Responsibility for the Combined Financial Statements

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization’s preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Agency for Community Treatment Services, Inc. and Affiliates as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended, and their functional expenses for the year ended June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Agency for Community Treatment Services, Inc. and Affiliates' 2017 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated September 15, 2017. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information appearing on pages 25 through 31 and the accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the State of Florida Auditor General*, are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2018, on our consideration of Agency for Community Treatment Services, Inc. and Affiliates' internal control over financial reporting and on our tests of their 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 Agency for Community Treatment Services, Inc. and Affiliates' internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

October 15, 2018
Tampa, Florida

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Combined Statements of Financial Position

June 30, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents (Note 9)	\$ 669,413	639,020
Certificates of deposit (Note 9)	419,128	417,045
Accounts receivable:		
Funding contracts (Note 9)	2,905,941	2,702,235
First and third party	58,106	157,210
Current portion of gifted facilities (Note 3)	122,181	106,943
Inventories	57,827	37,469
Prepaid expenses	<u>406,602</u>	<u>346,063</u>
Total current assets	4,639,198	4,405,985
Property and equipment, net (Notes 2, 4, 5 and 13)	7,347,883	8,044,782
Gifted facilities, less current portion (Note 3)	632,890	648,320
Other assets	<u>183,266</u>	<u>145,590</u>
	<u>\$ 12,803,237</u>	<u>13,244,677</u>

Liabilities and Net Assets	<u>2018</u>	<u>2017</u>
Current liabilities:		
Current installments under capital lease obligations (Note 6)	\$ 118,476	118,754
Current installments of long-term debt (Note 4)	317,371	302,604
Accounts payable	526,912	761,183
Accrued salaries and payroll related expenses	454,118	507,081
Other accrued expenses	50	325
	<u>1,416,927</u>	<u>1,689,947</u>
Total current liabilities		
Capital lease obligations, excluding current installments (Note 6)	85,086	203,562
Long-term debt, net of unamortized issuance costs, excluding current installments (Note 4)	2,244,711	2,560,119
Deferred payment mortgages (Note 5)	995,743	995,743
Accrued rent expense	47,134	-
	<u>4,789,601</u>	<u>5,449,371</u>
Total liabilities		
Net assets:		
Unrestricted:		
Undesignated	3,672,069	3,176,043
Net investment in property and equipment	3,013,304	2,969,619
	<u>6,685,373</u>	<u>6,145,662</u>
Temporarily restricted (Note 7)	1,328,263	1,649,644
	<u>8,013,636</u>	<u>7,795,306</u>
Total net assets		
Commitments and contingencies (Notes 6 and 8)		
	<u>\$ 12,803,237</u>	<u>13,244,677</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Combined Statements of Unrestricted Support and Revenue, Expenses
and Other Changes in Unrestricted Net Assets**

Years Ended June 30, 2018 and 2017

	2018	2017
Operating support and revenue:		
Public support:		
Contributions	\$ 10,720	6,108
In-kind contributions (Note 10)	1,254,257	1,394,140
	1,264,977	1,400,248
Revenue:		
Reimbursement of direct and indirect costs of providing services by:		
Governmental and other agencies (Note 9)	21,626,396	20,867,094
Medicaid	206,266	185,797
First and third party fees	89,805	31,911
Drug laboratory processing fees	187,434	157,251
Rental income	469,504	520,510
Food stamps	86,432	34,910
Interest income	2,932	3,037
Other income	11,084	17,459
	22,679,853	21,817,969
Net assets released from restrictions:		
Expiration of time restrictions on capital assets	321,189	346,801
Expiration of time restrictions on gifted facility leases	146,173	133,791
	467,362	480,592
Total operating support and revenue	24,412,192	23,698,809
Operating expenses:		
Program services	20,502,262	20,577,247
Supporting services	3,370,919	2,837,416
Total operating expenses	23,873,181	23,414,663
Increase in unrestricted net assets from operations	539,011	284,146
Other changes:		
Donated capital additions	-	2,735
Gain (loss) on sale of equipment	700	(10)
Increase in unrestricted net assets	\$ 539,711	286,871

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Combined Statements of Changes in Net Assets

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted net assets:		
Unrestricted operating support and revenue	\$ 23,944,830	23,218,217
Unrestricted operating expenses	(23,873,181)	(23,414,663)
Net assets released from restrictions	467,362	480,592
Donated capital additions	-	2,735
Gain (loss) on sale of equipment	700	(10)
	<u>539,711</u>	<u>286,871</u>
Increase in unrestricted net assets	539,711	286,871
Temporarily restricted net assets:		
Contributions	145,981	30,669
Net assets released from restrictions	(467,362)	(480,592)
	<u>(321,381)</u>	<u>(449,923)</u>
Decrease in temporarily restricted net assets	(321,381)	(449,923)
Increase (decrease) in net assets	218,330	(163,052)
Net assets at beginning of year	<u>7,795,306</u>	<u>7,958,358</u>
Net assets at end of year	<u>\$ 8,013,636</u>	<u>7,795,306</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Combined Statement of Functional Expenses

**Year Ended June 30, 2018
(With Comparative Totals for 2017)**

	Program Services										Supporting Services	Total Expenses	
	Adult Substance Abuse	Children's Substance Abuse	Adult Mental Health	Juvenile Justice	Jail Diversion	Child Welfare	Housing	Drug Testing	Special Projects	Total Program Services	General & Administrative	2018	2017
Salaries	\$ 3,075,220	2,022,382	484,550	786,206	77,900	644,653	1,184,548	178,714	-	8,454,173	1,832,984	10,287,157	10,106,435
Payroll taxes and employee benefits	556,102	384,420	82,990	143,683	15,205	133,105	217,165	35,192	-	1,567,862	290,942	1,858,804	1,833,425
Total salaries and related expenses	3,631,322	2,406,802	567,540	929,889	93,105	777,758	1,401,713	213,906	-	10,022,035	2,123,926	12,145,961	11,939,860
Professional services	359,310	314,754	34,294	20,708	1,559	11,310	121,025	4,099	-	867,059	167,388	1,034,447	1,010,063
Occupancy	666,117	422,724	135,509	83,815	11,690	68,467	1,845,720	13,540	-	3,247,582	106,612	3,354,194	3,327,811
Travel	18,540	37,548	3,492	6,743	2,713	5,059	36,037	100	-	110,232	36,328	146,560	137,519
Equipment costs	94,385	31,899	15,838	3,735	3,560	20,363	80,773	6,986	-	257,539	55,190	312,729	347,042
Food	511,801	298,198	107,411	9,595	101	46,083	193,625	-	-	1,166,814	13,880	1,180,694	1,200,059
Medical and pharmacy	131,275	8,206	7,221	43	90	48	146,838	-	357,881	651,602	110	651,712	412,144
Subcontractors	132,000	105,840	8,539	191,599	171,750	3,825	9,850	20,269	-	643,672	119,563	763,235	676,493
Insurance	134,549	105,080	29,621	18,894	518	18,693	129,282	5,067	-	441,704	94,585	536,289	534,687
Operating supplies and expenses	249,462	218,274	30,198	68,233	13,030	61,442	179,665	186,947	295	1,007,546	397,377	1,404,923	1,304,575
In-kind expenses (Note 10)	110,872	1,069,644	73,741	-	-	-	-	-	-	1,254,257	-	1,254,257	1,394,140
Interest	26,853	28,176	1,685	6,472	-	1,489	9,575	2,117	-	76,367	100,372	176,739	202,386
Other	25,611	12	1,021	-	1,478	88	13,960	-	-	42,170	24,504	66,674	63,142
Total expenses before depreciation and amortization	6,092,097	5,047,157	1,016,110	1,339,726	299,594	1,014,625	4,168,063	453,031	358,176	19,788,579	3,239,835	23,028,414	22,549,921
Depreciation and amortization	210,907	186,701	32,317	56,591	-	11,473	214,307	1,387	-	713,683	131,084	844,767	864,742
Total expenses before allocation of general and administrative expenses	6,303,004	5,233,858	1,048,427	1,396,317	299,594	1,026,098	4,382,370	454,418	358,176	20,502,262	3,370,919	23,873,181	23,414,663
Allocation of general and administrative expenses	1,036,321	860,535	172,379	229,578	49,258	168,708	720,536	74,714	58,890	3,370,919	(3,370,919)	-	-
Total expenses	\$ 7,339,325	6,094,393	1,220,806	1,625,895	348,852	1,194,806	5,102,906	529,132	417,066	23,873,181	-	23,873,181	23,414,663

See accompanying independent auditor's report and notes to combined financial statements.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Combined Statements of Cash Flows

Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 218,330	(163,052)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	844,767	864,742
Donated capital additions	-	(2,735)
Loss (gain) on sale of equipment	(700)	10
Increase in accounts receivable	(104,602)	(14,712)
Decrease in gifted facilities	192	103,122
Decrease (increase) in inventories	(20,358)	3,561
Increase in prepaid expenses and other assets	(98,215)	(176,321)
Decrease in accounts payable	(234,271)	(7,515)
Increase (decrease) in accrued expenses	(53,238)	85,118
Increase in accrued rent expense	47,134	-
	599,039	692,218
Net cash provided by operating activities		
Cash flows from investing activities (Note 14):		
Reinvested interest earned on certificates of deposit	(2,083)	(2,077)
Purchases of property and equipment	(145,086)	(173,743)
Proceeds from sale of equipment	700	-
	(146,469)	(175,820)
Net cash used in investing activities		
Cash flows from financing activities (Note 14):		
Principal payments on short-term mortgage note payable	-	(137,500)
Principal payments on long-term debt	(303,423)	(285,386)
Principal payments on capital lease obligations	(118,754)	(110,248)
	(422,177)	(533,134)
Net cash used in financing activities		
Net increase (decrease) in cash and cash equivalents	30,393	(16,736)
Cash and cash equivalents at beginning of year	639,020	655,756
Cash and cash equivalents at end of year	\$ 669,413	639,020
Supplemental cash flow information:		
Cash paid for interest	\$ 177,098	202,730

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements

June 30, 2018 and 2017

(1) Description of Organization and Summary of Significant Accounting Policies

(a) Description of Organization

Agency for Community Treatment Services, Inc. (“ACTS” or the “Organization”) was incorporated as a Florida not-for-profit organization in 1978. The mission of ACTS is to increase public awareness of substance abuse and its effects and to provide and manage a range of prevention, intervention, treatment, psychosocial and supportive services related to substance abuse and mental health. In addition to substance abuse and mental health services, ACTS administers program services related to child welfare, the homeless, juvenile offenders and others. ACTS provides these services throughout central and south Florida. ACTS Affordable Housing, Inc., an affiliate of ACTS, began operations in 2010, providing maintenance services to ACTS affordable housing programs. Flagship Manor, LLC, ACTS Affordable Housing, LLC, and ACTS Jersey Gardens GP, LLC were formed in 2015, 2017, and 2018, respectively, to develop multi-unit housing facilities for persons with special needs.

Funding is provided by the State of Florida Department of Children and Families, Central Florida Behavioral Health Network, Inc., the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services, Child Net, Inc., the Veteran’s Administration, Hillsborough County, the State of Florida Department of Juvenile Justice, City of Tampa, Managed Care Medicaid Plans, commercial insurance plans, and program service fees and contributions.

(b) Principles of Combination

The combined financial statements include the financial statements of Agency for Community Treatment Services, Inc., ACTS Affordable Housing, Inc., ACTS Affordable Housing, LLC, Flagship Manor, LLC, and Jersey Gardens GP, LLC (collectively, “ACTS” or the “Organization”). All significant inter-organizational balances and transactions have been eliminated in combination.

(c) Basis of Accounting

These combined financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on ACTS as a whole and to present net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- *Unrestricted net assets* consist of unrestricted amounts that are available for use in carrying out the operations of ACTS.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(1) Description of Organization and Summary of Significant Accounting Policies - Continued

(c) Basis of Accounting - Continued

- *Temporarily restricted net assets* represent those amounts which are not available until future periods or are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of unrestricted support and revenue, expenses and other changes in unrestricted net assets as net assets released from restrictions.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

(d) Comparative Financial Information

The combined statement of functional expenses includes certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACTS combined financial statements for the year ended June 30, 2017, from which the summarized information was derived.

(e) Cash Equivalents

For purposes of the statements of cash flows, ACTS considers all highly liquid investments with a maturity of three months or less at time of purchase to be cash equivalents.

(f) Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. ACTS provides for losses on accounts receivable using the allowance method. The allowance is based on uncollected funds from billings to patients, insurance companies, Medicaid or governmental agencies for services provided to patients. Funding contracts receivable represents uncollected funds from various grants and contracts for services provided to patients. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is ACTS policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(1) Description of Organization and Summary of Significant Accounting Policies - Continued

(g) Inventories

Inventories consist of pharmacy and drug testing supplies and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

(h) Property and Equipment

Property and equipment with a cost in excess of \$1,000 are capitalized, if purchased, or at estimated market value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, except for leasehold improvements, which are amortized over the shorter of the lease term or the useful life of the leased asset. Equipment held under capital leases is amortized straight-line over the estimated useful life of the leased asset.

Property acquired with governmental funds is considered to be owned by ACTS while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds therefrom is subject to applicable regulations.

(i) Income Taxes

ACTS has been recognized as exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code (the "Code"). Therefore, no provision for income taxes has been presented in these combined financial statements. ACTS has not reported any unrelated business income; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities.

The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax filings for tax years after 2014 remain subject to examination by federal and state taxing authorities.

(j) Functional Expense Allocations

The costs of providing ACTS' various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs, such as salaries and other expenses which benefit more than one program are allocated among the programs and supporting services benefitted. Administrative expenses are allocated to the various programs based on each program's total modified direct expenses.

(k) Donated Materials, Facilities and Services

Donated materials are reflected in the accompanying combined financial statements at their estimated fair market value at date of receipt. Donated facilities represent the estimated fair rental value of facilities leased by ACTS under original lease terms of less than one year. Donations of services are recorded as support at their estimated fair value if the services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(1) Description of Organization and Summary of Significant Accounting Policies - Continued

(l) Estimates in Combined Financial Statements

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

(m) Fair Value of Financial Instruments

The fair values of ACTS financial instruments which include cash, funding contracts receivable, patient accounts receivable, other receivables, accounts payable, and long-term debt approximate their carrying amounts as presented in the accompanying combined statements of financial position.

(n) Subsequent Events

ACTS has evaluated subsequent events through October 15, 2018, the date the combined financial statements were available for issuance.

(2) Property and Equipment

Property and equipment consists of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Estimated Useful Lives</u>
Land	\$ 2,020,863	2,020,863	-
Construction in progress	28,000	-	-
Buildings and improvements	10,580,900	10,545,555	10 - 40 years
Vehicles	714,924	707,494	5 - 10 years
Leasehold improvements	2,058,755	2,054,015	5 - 15 years
Equipment and furniture	<u>2,262,674</u>	<u>2,195,509</u>	4 - 5 years
	17,666,116	17,523,436	
Less accumulated depreciation and amortization	<u>10,318,233</u>	<u>9,478,654</u>	
	<u>\$ 7,347,883</u>	<u>8,044,782</u>	

Depreciation expense for the years ended June 30, 2018 and 2017 was \$841,985 and \$854,246, respectively.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(3) Gifted Facilities

Gifted facilities represent the present value of the excess of the aggregate fair rental value of building leases over below market rent payments due under two leases with original lease terms in excess of one year. In 2000, ACTS executed a lease for 18,650 square feet in the Drew Park area of Tampa, Florida for approximately \$5 per square foot. In June 2015, the Drew Park lease was extended to June 2025. In 2006, ACTS executed a 10-year lease for 14,715 square feet in Mulberry, Florida at no cost from the State of Florida Department of Children and Families. In June 2011, the Mulberry lease was extended to June 2021. In fiscal 2018, the Organization executed a lease in Thonotosassa, Florida which included contributed space valued at \$973 per month through June 2026.

Recognition of the fair values of these leases is summarized as follows:

	<u>Drew Park Facility</u>	<u>Mulberry Facility</u>	<u>Thonotosassa Facility</u>	<u>Total</u>
Balances at June 30, 2016	\$ 619,833	238,552	-	858,385
Recognition of annual fair value of gifted building leases	23,731	6,938	-	30,669
Recognition of rent expense for the year ended June 30, 2017	<u>(82,123)</u>	<u>(51,668)</u>	<u>-</u>	<u>(133,791)</u>
Balances at June 30, 2017	561,441	193,822	-	755,263
Recognition of fair value contribution for executed building lease	-	-	117,491	117,491
Recognition of annual fair value of gifted building leases	21,352	5,494	1,644	28,490
Recognition of rent expense for the year ended June 30, 2018	<u>(82,123)</u>	<u>(51,666)</u>	<u>(12,384)</u>	<u>(146,173)</u>
Balances at June 30, 2018	500,670	147,650	106,751	755,071
Current portion of gifted facilities	<u>63,247</u>	<u>47,662</u>	<u>11,272</u>	<u>122,181</u>
Gifted facilities, less current portion	<u>\$ 437,423</u>	<u>99,988</u>	<u>95,479</u>	<u>632,890</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(4) Long-Term Debt

Long-term debt consists of the following at June 30, 2018 and 2017:

	2018	2017
4.95% mortgage note payable to a commercial bank due in monthly installments of \$21,834, including interest, through February 2027; secured by real property; net of unamortized issuance costs of \$13,926 at June 30, 2018 and \$15,549 at June 30, 2017.	\$ 1,837,760	2,002,973
4% construction mortgage note payable to a commercial bank due in monthly installments of \$5,654, including interest, through January 2020; secured by real property; net of unamortized issuance costs of \$1,480 at June 30, 2018 and \$2,467 at June 30, 2017.	98,544	161,004
Mortgage note payable to Florida Community Loan Fund, Inc., modified in June 2014, due in monthly installments of \$5,481, including interest at 5.5% through June 2020; secured by real property.	120,196	177,978
4.62% mortgage note payable to a commercial bank due in monthly installments of \$3,555, including interest, through January 2027; secured by real property.	520,988	538,784
Total long-term debt	2,577,488	2,880,739
Less current installments	317,371	302,604
Less unamortized debt issuance costs	15,406	18,016
Long-term debt, excluding current installments	\$ 2,244,711	2,560,119

ACTS has a revolving line of credit with BB&T that allows ACTS to borrow up to \$900,000 at the greater of the bank's prime rate (4.75% at June 30, 2018) or 4%. The line matures in April 2019 and is secured by all of ACTS accounts receivable and depository accounts. There was no outstanding balance on the revolving line of credit at June 30, 2018 and 2017.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(4) Long-Term Debt - Continued

The 4.95% mortgage note payable agreement with BB&T includes covenants that require ACTS to maintain certain financial ratios and restrict the ability of ACTS to, among other things, incur additional debt. ACTS was in compliance with these covenants at June 30, 2018. The 4.95% mortgage note payable also includes prepayment penalties of 5% in the first year after the date of the note, then decreasing by one percent each year thereafter and then finally 1% in years five through seven.

In fiscal 2017, ACTS adopted new authoritative GAAP guidance for the presentation of debt issuance costs and related amortization. Debt issuance costs are now reported on the combined statement of financial position as a direct deduction from the face amount of debt. ACTS continues to reflect amortization of debt issuance costs as interest expense, in accordance with the new guidance.

The aggregate maturities of long-term debt for each of the five years subsequent to June 30, 2018 and thereafter are as follows:

<u>Year Ending June 30,</u>	
2019	\$ 317,371
2020	295,840
2021	212,440
2022	223,269
2023	234,650
Thereafter	<u>1,293,918</u>
	<u>\$ 2,577,488</u>

(5) Deferred Payment Mortgages

In 2011, Pasco County provided financing through a \$300,000 deferred payment mortgage funded by the federal Community Development Block Grant Program. As a condition of the funding, ACTS must continue to provide services to persons earning less than 80% of the area median income, with substance abuse and mental health disorders at this location for a period of thirty years through June 2041.

In 1999, the City of Tampa provided financing through a \$110,000 deferred payment mortgage for projects funded by the HUD Supportive Housing Program. As a condition of the HUD funding, ACTS must continue to provide supportive housing or supportive services to homeless persons at this location for a period of twenty years through January 2019.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(5) Deferred Payment Mortgages - Continued

In 2000, the City of Tampa provided financing through a \$35,300 deferred payment mortgage for projects funded by the HUD Community Development Block Grant (CDBG) Program. As a condition of the HUD funding, ACTS must continue to provide HUD services at this location for a period of twenty years through February 2020.

In 2012, ACTS assumed responsibility for a deferred payment mortgage funded by the Hillsborough Achievement and Resource Center, Inc. provided through Hillsborough County. In 2015, the deferred payment mortgage was modified to increase the indebtedness to \$287,943, funded by the Neighborhood Stabilization Program. As a condition of the funding, ACTS must acquire and rehabilitate apartments which will be rented to persons earning less than 120% of the area median income, with 3 units being limited to persons earning less than 50% of the area median income. ACTS must provide affordable supportive housing for a period of fifteen years.

In 2014, ACTS assumed responsibility for a \$262,500 deferred payment mortgage funded by the Home Investment Partnership Program provided through the City of Tampa. As a condition of the funding, ACTS must provide three residential units which will be rented to persons with disabilities or mental illness and provide case management and support services. ACTS must provide affordable supportive housing and supporting services at this location through March 2024.

The City of Tampa has provided financing through a \$76,000 deferred payment mortgage for projects funded by the HUD Community Development Block Grant Program. As a condition of the HUD funding, ACTS must continue to provide HUD services at this location for a period of twenty years. In fiscal year 2017, the loan was forgiven upon satisfaction of that requirement.

(6) Leases

ACTS is obligated under capital leases for office equipment that expire over the next three years. ACTS also has several non-cancellable operating leases, primarily for office space, that expire over the next eight years. Security deposits related to such leases are included in other assets. Rental expense on all operating leases was approximately \$1,864,000 and \$1,815,000 in fiscal 2018 and 2017, respectively.

At June 30, 2018, the gross amount of office equipment and related accumulated amortization recorded under the capital leases were \$497,193 and \$327,646, respectively. At June 30, 2017, the gross amount of office equipment and related accumulated amortization recorded under the capital leases were \$557,128 and \$276,488, respectively. Amortization of assets held under the capital lease is included in depreciation expense.

In fiscal 2015, ACTS entered into a license agreement with another non-profit organization to provide services for homeless, formerly homeless, low income and medically underserved residents at a health center in Hillsborough County. The licensing agreement may be terminated at any time with notice by either party. Licensing expense for use of the facility for the year ended June 30, 2018 and 2017 was approximately \$60,000. Licensing expense has been reflected in the accompanying combined statement of functional expenses as a component of occupancy expense.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(6) Leases - Continued

Future minimum lease payments under non-cancellable operating leases (with initial or remaining terms in excess of one year) and the present value of future minimum capital lease payments as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>	<u>Total</u>
2019	\$ 138,794	202,200	340,994
2020	89,759	207,100	296,859
2021	-	212,000	212,000
2022	-	213,800	213,800
2023	-	182,000	182,000
Thereafter	-	456,900	456,900
Total minimum lease payments	228,553	<u>1,474,000</u>	<u>1,702,553</u>
Less amount representing interest	<u>24,991</u>		
Present value of capital lease obligations	203,562		
Less current installments under capital lease obligations	<u>118,476</u>		
Obligation under capital leases, excluding current installments	<u>\$ 85,086</u>		

(7) Temporary Restrictions on Net Assets

Temporary restrictions on net assets as of June 30, 2018 and 2017 relate to the following:

	<u>2018</u>	<u>2017</u>
Gifted facilities	\$ 755,071	755,263
Facilities and equipment subject to time restrictions	<u>573,192</u>	<u>894,381</u>
	<u>\$ 1,328,263</u>	<u>1,649,644</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(8) Contingencies

The Organization has been notified of potential claims arising in the ordinary course of its operations. Management believes that any liability incurred in connection with these claims would be nominal in amount and limited to the deductible under the Organization's insurance policies.

The Organization routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's combined financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying combined financial statements.

(9) Funding and Credit Concentrations

Substantially all of the Organization's activities are supported by funds provided by the State of Florida, including pass-through awards received from Central Florida Behavioral Health Network, Inc., under performance and fixed-rate contracts. The Organization also receives direct federal support from the Department of Housing and Urban Development, and local support from Hillsborough County. At June 30, 2018, the Organization's receivables from two funding sources represented approximately 69% of funding contract receivables. Revenues from three local, state, and federal contract awards represented approximately 80% of total unrestricted support and revenue for the year ended June 30, 2018. At June 30, 2017, the Organization's receivables from two funding sources represented approximately 67% of funding contract receivables. Revenues from three local, state, and federal contract awards represented approximately 80% of total unrestricted support and revenue for the year ended June 30, 2017.

The Organization maintains several deposit accounts with what management believes to be a high credit quality financial institution. The total of these balances exceeded federal insurance limits by approximately \$1,355,000 and \$1,184,000 as of June 30, 2018 and 2017, respectively.

(10) In-Kind Contributions

The values of in-kind contributions included in the accompanying combined financial statements and the corresponding in-kind expenses for the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Consultants	\$ 786,676	908,540
Counseling services	271,047	271,047
Facilities and landscaping	170,763	185,757
Food and dietary supplies	13,050	15,875
Clothing and other supplies	12,721	12,921
	\$ 1,254,257	1,394,140

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(11) Pension Plan

Effective January 1991 and most recently restated January 2018, the Organization adopted a 403(b) retirement plan (the "Plan") under which employees may contribute the maximum allowed by the Internal Revenue Code. Employees are eligible for matching contributions once they have attained the age of 18 years. In 2017, the Plan required matching contributions of up to 5% of participants' compensation. In 2018, the Plan required matching contributions of 50% on the first 4% of participant contributions for a maximum contribution of 2%. Effective January 1, 2018, the Plan was amended to a modified three year vesting period for participants' rights to matching contributions. Previously, participants' rights to matching contributions vested over a five year period. Participants' rights to matching contributions will not have a reduction in their vested percentage due to this amendment. For the years ended June 30, 2018 and 2017, retirement plan expense was approximately \$103,000 and \$56,000, respectively.

(12) Matching Requirements

The Organization receives a substantial portion of its support from various funding sources which required a local match. These funding sources include: the State of Florida Department of Children and Families, Central Florida Behavioral Health Network, Inc., and the U.S. Department of Housing and Urban Development (HUD) under the Supportive Housing Program. The Organization has satisfied all matching requirements through local grants and by incurring sufficient eligible expenses.

(13) Joint Ownership and Occupancy Agreement

Under a revised joint ownership and occupancy agreement, ACTS and Drug Abuse Comprehensive Coordinating Office, Inc. (DACCO), a nonprofit corporation, operate a facility at 3107 North 50th Street in Tampa, Florida. ACTS licenses the facility to another provider who provides mental health residential treatment services and DACCO operates a residential program for the Department of Corrections.

During fiscal 2014, ACTS and DACCO amended this agreement in connection with capital improvements funded in disproportionate amounts. As a result, the amended agreement redefines ownership interests used to calculate each entity's share of sales proceeds upon the future sale of the property such that DACCO would be entitled to its original 50% share plus the unamortized balance of the fair value of their improvements made during fiscal 2014.

(14) Noncash Investing and Financing Activities

In fiscal 2017, ACTS financed the acquisition of a facility which is being used as a drop-in center in the amount of \$552,925 and financed the acquisition of equipment under a capital lease agreement in the amount of \$24,349.

SUPPLEMENTARY FINANCIAL INFORMATION

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2018

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract Grant Number	Total Expenditures	Transfers to Subrecipients
U.S. Department of Housing and Urban Development				
Continuum of Care (COC) Program	14.267	FL0052L4H031609	\$ 55,379	-
		FL0011L4H011609	120,690	-
		FL0048L4H031607	72,685	-
		FL0048L4H031506	42,645	-
		FL0351L4H011607	185,825	-
		FL0499L4H011603	826,651	-
		FL0499L4H011502	979,854	-
		FL0384L4H031605	107,876	-
		FL0384L4H031504	79,235	-
		FL0427L4H191502	40,223	-
		FL0553L4H031601	176,337	-
		FL0553L4H031500	52,423	-
Passed-through Tampa Hillsborough Homeless Initiative: Continuum of Care (COC) Program	14.267	FL0547L4H011500	410,651	-
Passed-through the City of Tampa: <i>CDBG - Entitlement Grants Cluster:</i> Community Development Block Grants/Entitlement Grants	14.218	N/A	<u>35,300</u>	<u>-</u>
Total CDBG - Entitlement Grants Cluster			35,300	-
Supportive Housing Program	14.235	N/A	110,000	-
Home Investment Partnerships Program	14.239	N/A	262,500	-
Housing Opportunities for Persons with AIDS	14.241	N/A 2016-751	52,376 16,592	- -
Passed-through Pasco County, Florida: Community Development Block Grants/Entitlement Grants	14.218	N/A	300,000	-
Passed-through Hillsborough County, Florida: Neighborhood Stabilization Program	14.264	N/A	<u>287,943</u>	<u>-</u>
Subtotal - U.S. Department of Housing and Urban Development			4,215,185	-
U.S. Department of Health and Human Services				
Passed-through Central Florida Behavioral Health Network, Inc.: <i>TANF Cluster:</i> Temporary Assistance for Needy Families (TANF)	93.558	QB001-17	<u>206,612</u>	<u>-</u>
Total TANF Cluster			206,612	-
State Targeted Response to the Opioid Crisis Grants	93.788	QB001-17	784,264	-
Block Grants for Community Mental Health Services	93.958	QB001-17	76,558	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	QB001-17	4,452,423	-

(Continued)

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract Grant Number	Total Expenditures	Transfers to Subrecipients
U.S. Department of Health and Human Services				
Passed-through Tampa Family Health Centers:				
<i>Health Center Program Cluster:</i>				
Affordable Care Act (ACA) Grants for New and Expanded Services Under the Health Center Program	93.527	N/A	\$ 10,000	-
Total Health Center Program Cluster			10,000	-
Passed-through Florida Alcohol and Drug Abuse Association: State Targeted Response to the Opioid Crisis Grants	93.788	N/A	28,147	-
Passed-through ChildNet, Inc.:				
Foster Care Title IV-E	93.658	ACT17RGC Clothing Allowance	300,442 1,890	- -
Social Services Block Grant	93.667	ACT17RGC Clothing Allowance	210,964 1,327	- -
Subtotal - U.S. Department of Health and Human Services			6,072,627	-
U.S. Department of Veteran Affairs				
VA Homeless Providers Grant and Per Diem Program	64.024	99-80-FL	340,540	-
Subtotal - U.S. Department of Veteran Affairs			340,540	-
U.S. Department of Justice				
Passed-through Drug Abuse Cooperative Coordinating Office: Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	n/a	73,657	-
Subtotal - U.S. Department of Justice			73,657	-
U.S. Department of Agriculture				
Passed-through Florida Department of Agriculture and Consumer Services:				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program (SBP)	10.553	01-0295	20,836	-
National School Lunch Program (NSLP)	10.555	01-0295	32,351	-
Total Child Nutrition Cluster			53,187	-
Subtotal - U.S. Department of Agriculture			53,187	-
Total Federal Expenditures			\$ 10,755,196	-

(Continued)

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSEA Number	Contract Grant Number	Total Expenditures	Transfers to Subrecipients
State of Florida, State Courts System				
Passed-through Florida Alcohol and Drug Abuse Association: Naltrexone	22.022	N/A	\$ 558,681	-
Subtotal - State of Florida, State Courts System			<u>558,681</u>	<u>-</u>
State of Florida, Department of Children and Families				
Passed-through ChildNet, Inc.: Out-of-Home Supports	60.074	ACT17RGC	126	-
Passed-through Mental Health Care, Inc.:				
Forensic Services and Competency Restoration Training	60.114	N/A	25,000	-
Centralized Receiving Systems	60.163	N/A	218,400	-
Passed-through Hillsborough County, Florida: Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	N/A	326,538	-
Passed-through Central Florida Behavioral Health Network, Inc.:				
Forensic Services and Competency Restoration Training	60.114	QB001-17	79,623	-
Subtotal - State of Florida, Department of Children and Families			<u>649,687</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,208,368</u>	<u>-</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Summarized by Federal Programs and State Projects**

Year Ended June 30, 2018

CFDA/ CSFA Number	Federal Program/State Project	Total
	<i>Child Nutrition Cluster:</i>	
10.553	School Breakfast Program (SBP)	\$ 20,836
10.555	National School Lunch Program (NSLP)	<u>32,351</u>
	Total Child Nutrition Cluster	53,187
	<i>CDBG - Entitlement Grants Cluster:</i>	
14.218	Community Development Block Grants/Entitlement Grants	<u>335,300</u>
	Total CDBG - Entitlement Grants Cluster	335,300
	<i>Health Center Program Cluster:</i>	
93.527	Affordable Care Act (ACA) Grants for New and Expanded Services Under the Health Center Program	<u>10,000</u>
		<u>10,000</u>
	<i>TANF Cluster:</i>	
93.558	Temporary Assistance for Needy Families (TANF)	<u>206,612</u>
	Total TANF Cluster	206,612
14.239	Home Investment Partnerships Program	262,500
14.235	Supportive Housing Program	110,000
14.241	Housing Opportunities for Persons with AIDS	68,968
14.264	Neighborhood Stabilization Program	287,943
14.267	Continuum of Care (COC) Program	3,150,474
16.803	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	73,657
64.024	VA Homeless Providers Grant and Per Diem Program	340,540
93.658	Foster Care Title IV-E	302,332
93.667	Social Services Block Grant	212,291
93.788	State Targeted Response to the Opioid Crisis Grants	812,411
93.958	Block Grants for Community Mental Health Services	76,558
93.959	Block Grants for Prevention and Treatment of Substance Abuse	<u>4,452,423</u>
	Total Federal Expenditures	<u>\$ 10,755,196</u>
22.022	Naltrexone	\$ 558,681
60.074	Out-of-Home Supports	126
60.114	Forensic Services and Competency Restoration Training	104,623
60.115	Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	326,538
60.163	Centralized Receiving Systems	<u>218,400</u>
	Total Expenditures of State Financial Assistance	<u>\$ 1,208,368</u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2018

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of Agency for Community Treatment Services, Inc. (the "Organization") under programs of the federal and state government for the year ended June 30, 2018. 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 Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of Agency for Community Treatment Services, Inc. and Affiliates, it is not intended to and does not present the combined financial position, changes in net assets or cash flows of Agency for Community Treatment Services, Inc. and Affiliates.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

Agency for Community Treatment Services, Inc. and Affiliates has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Loans

Loans outstanding at the beginning of the year and loans received during the year, if any, are included in the federal expenditures presented in the Schedule. The balance of outstanding loans as of June 30, 2018 consist of:

CFDA Number	Federal Program	Balance at June 30, 2018
14.218	Community Development Block Grants/Entitlement Grants	\$ 35,300
14.235	Supportive Housing Program	110,000
14.239	Home Investment Partnerships Program	262,500
14.218	Community Development Block Grants/Entitlement Grants	300,000
14.264	Neighborhood Stabilization Program	287,943

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Substance Abuse & Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules
Part I: Actual Funding Sources and Revenues**

Year Ended June 30, 2018

Funding Sources & Revenue	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers Combined Substance Abuse/Mental Health									
	Assessment Adult/ Children	Drop-In/ Self-Help Centers	Intervention Adult/ Children	Medical Services	Outpatient Adult/ Children	Outreach Adult/ Children	Prevention Children	Residential Level II Adult/ Children	Residential Level III Adult/ Children	Substance Abuse Detox Adult/ Children
IA. State SAMH Funding										
Contract #QB001-17	\$ -	203,722	982,111	1,054,977	165,058	611,978	203,284	2,423,820	218,345	4,233,245
Central Receiving Systems	-	-	-	-	-	-	-	-	-	-
MHCI-EODI	-	-	-	-	-	-	-	-	-	-
CJMHSR Reinvestment Grant	-	-	-	-	-	-	-	-	-	-
Total State SAMH Funding	-	203,722	982,111	1,054,977	165,058	611,978	203,284	2,423,820	218,345	4,233,245
IB. Other Government Funding										
(1) Other state agency funding	-	-	-	-	-	-	-	43,459	-	9,728
(2) Medicaid	-	-	-	360	26,116	-	-	-	-	2,400
(3) Local governments	-	-	-	-	119,879	-	-	864,678	-	-
(4) Federal contracts	-	-	-	-	-	-	-	-	340,540	-
(5) In-kind from local government	-	-	-	-	-	-	-	453,731	-	-
Total other government funding	-	-	-	360	145,995	-	-	1,361,868	340,540	12,128
IC. All Other Revenues										
(1) 1st & 2nd party payments	1,612	-	-	-	2,631	-	-	21,235	12,633	-
(2) 3rd party payments	-	-	-	-	3,076	-	-	139,710	9,822	7,886
(3) Medicare	-	-	-	-	-	-	-	-	-	-
(4) Contributions	-	-	-	-	-	-	-	5,494	13,238	-
(5) Other	-	-	-	-	44,063	-	-	51,695	3,496	70
(6) In-kind	-	-	786,676	-	-	-	-	13,050	-	-
Total for all other revenues	1,612	-	786,676	-	49,770	-	-	231,184	39,189	7,956
Total funding	\$ 1,612	203,722	1,768,787	1,055,337	360,823	611,978	203,284	4,016,872	598,074	4,253,329

(Continued)

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Substance Abuse & Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules
Part I: Actual Funding Sources and Revenues - Continued**

Funding Sources & Revenue	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers Combined Substance Abuse/Mental Health					Total for Non-State- Funded SAMH Cost Centers	Total for all State Designated SAMH Cost Centers	Non- SAMH Cost Center	Total Funding
	Incidentals Adult	Aftercare Adult	Room & Board Level III Adult	Recovery Support Adult/ Children	Total for State SAMH- Funded Cost Centers				
IA. State SAMH Funding									
Contract #QB001-17	\$ 74,856	4,961	859,684	162,083	11,198,124	-	11,198,124	-	11,198,124
Central Receiving Systems	-	-	-	-	-	-	-	218,400	218,400
MHCI-EODI	-	-	-	-	-	-	-	25,000	25,000
CJMHSR Reinvestment Grant	-	-	-	-	-	-	-	326,538	326,538
Total State SAMH Funding	74,856	4,961	859,684	162,083	11,198,124	-	11,198,124	569,938	11,768,062
IB. Other Government Funding									
(1) Other state agency funding	-	-	-	-	53,187	-	53,187	2,533,084	2,586,271
(2) Medicaid	-	444	-	5,847	35,167	-	35,167	171,099	206,266
(3) Local governments	-	13,453	-	4,687	1,002,697	-	1,002,697	1,674,856	2,677,553
(4) Federal contracts	-	-	-	318,573	659,113	-	659,113	3,219,442	3,878,555
(5) In-kind from local government	-	-	-	-	453,731	-	453,731	-	453,731
Total other government funding	-	13,897	-	329,107	2,203,895	-	2,203,895	7,598,481	9,802,376
IC. All Other Revenues									
(1) 1st & 2nd party payments	-	-	-	-	38,111	-	38,111	446,520	484,631
(2) 3rd party payments	-	(127)	-	651	161,018	-	161,018	92	161,110
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions	-	-	8,114	-	26,846	-	26,846	129,855	156,701
(5) Other	-	182	-	-	99,506	-	99,506	818,599	918,105
(6) In-kind	-	-	800	-	800,526	-	800,526	-	800,526
Total for all other revenues	-	55	8,914	651	1,126,007	-	1,126,007	1,395,066	2,521,073
Total funding	\$ 74,856	18,913	868,598	491,841	14,528,026	-	14,528,026	9,563,485	24,091,511

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Substance Abuse & Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules
Part II: Actual Expenses**

Year Ended June 30, 2018

Expense Categories	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers Substance Abuse/Mental Health Combined										
	Assessment Adult/ Children	Drop-In/ Self-Help Centers	Intervention Adult/ Children	Medical Services	Outpatient Individual Adult/ Children	Outreach Adult/ Children	Prevention Children	Residential Level II Adult/ Children	Residential Level III Adult/ Children	Substance Abuse Detox Adult/ Children	Incidentals Adult
IIA. Personnel Expenses											
Salaries	\$ 23,750	85,820	452,410	208,211	245,397	192,790	138,390	1,436,033	322,575	1,577,254	-
Payroll taxes and benefits	4,704	6,107	86,805	27,789	47,919	31,658	27,199	292,110	61,271	273,936	-
Total personnel costs	28,454	91,927	539,215	236,000	293,316	224,448	165,589	1,728,143	383,846	1,851,190	-
IIB. Other Expenses											
Building occupancy	477	46,187	76,359	73,130	19,045	23,045	20,857	470,547	262,012	333,881	-
Professional services	551	649	10,323	93,413	14,597	5,878	3,665	103,460	7,738	450,503	-
Travel	50	2	20,760	608	3,115	950	2,356	16,445	708	3,788	-
Equipment	1	2,398	49,451	293	7,512	532	584	92,185	24,153	44,267	-
Food services	-	1,037	37	7,052	2	15	22	510,161	102,151	182,214	-
Medical and pharmacy	-	-	176	-	7	9	6	43,375	141	97,665	-
Subcontracted services	-	-	75,850	16,000	2,490	62	47	15,665	-	5,410	12,200
Insurance	409	5,321	10,450	11,582	4,756	5,445	4,440	100,886	28,567	62,788	-
Interest	336	-	3,865	3,070	5,375	3,492	1,104	4,771	847	30,631	-
Operating supplies and expenses	358	4,479	87,462	963	14,658	12,605	12,873	111,280	27,194	169,565	-
Other	-	-	-	-	-	-	-	62	-	1,270	3,602
In-kind	-	-	786,676	-	-	-	-	466,781	-	-	-
Total other expenses	2,182	60,073	1,121,409	206,111	71,557	52,033	45,954	1,935,618	453,511	1,381,982	15,802
Total personnel and other expenses	30,636	152,000	1,660,624	442,111	364,873	276,481	211,543	3,663,761	837,357	3,233,172	15,802
IIC. Distributed Indirect Costs											
Administration	5,036	24,984	272,950	72,668	59,973	45,444	34,770	602,197	137,633	531,423	2,597
Total actual operating expenses	35,672	176,984	1,933,574	514,779	424,846	321,925	246,313	4,265,958	974,990	3,764,595	18,399
IID. Unallowable Costs											
Unallowable costs	-	-	-	-	-	-	-	71,712	16,121	-	-
Total allowable operating expenses	\$ 35,672	176,984	1,933,574	514,779	424,846	321,925	246,313	4,194,246	958,869	3,764,595	18,399
III. Capital Expenditures											
Capital expenditures	\$ -	-	-	-	-	-	-	35,113	4,250	-	-

(Continued)

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

**Substance Abuse & Mental Health Services, Program/Cost Center Actual Expenses and Revenues Schedules
Part II: Actual Expenses - Continued**

Expense Categories	State-Designated SAMH Cost Centers State SAMH-Funded Cost Centers Substance Abuse/Mental Health Combined							Administration	Total
	Aftercare Adult	Room & Board Level III Adult	Recovery Support Adult/Children	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Total for all State Designated SAMH Cost Centers	Non-SAMH Cost Center		
IIA. Personnel Expenses									
Salaries	\$ 22,710	415,409	184,364	5,305,113	-	5,305,113	3,149,060	1,832,984	10,287,157
Payroll taxes and benefits	4,658	78,826	33,300	976,282	-	976,282	591,580	290,942	1,858,804
Total personnel costs	27,368	494,235	217,664	6,281,395	-	6,281,395	3,740,640	2,123,926	12,145,961
IIB. Other Expenses									
Building occupancy	1,124	133,392	83,788	1,543,844	-	1,543,844	2,187,439	136,997	3,868,280
Professional services	760	5,562	5,954	703,053	-	703,053	164,906	166,488	1,034,447
Travel	94	2,431	1,785	53,092	-	53,092	57,140	36,328	146,560
Equipment	2	23,085	7,711	252,174	-	252,174	235,347	155,889	643,410
Food services	-	77,277	37,050	917,018	-	917,018	249,796	13,880	1,180,694
Medical and pharmacy	-	1,221	75	142,675	-	142,675	508,927	110	651,712
Subcontracted services	-	28	-	127,752	-	127,752	515,920	119,563	763,235
Insurance	723	19,755	7,679	262,801	-	262,801	178,903	94,585	536,289
Interest	848	807	1,568	56,714	-	56,714	19,653	100,372	176,739
Operating supplies and expenses	876	24,427	11,317	478,057	-	478,057	529,489	397,377	1,404,923
Other	-	-	-	4,934	-	4,934	37,236	24,504	66,674
In-kind	-	800	-	1,254,257	-	1,254,257	-	-	1,254,257
Total other expenses	4,427	288,785	156,927	5,796,371	-	5,796,371	4,684,756	1,246,093	11,727,220
Total personnel and other expenses	31,795	783,020	374,591	12,077,766	-	12,077,766	8,425,396	3,370,019	23,873,181
IIC. Distributed Indirect Costs									
Administration	5,226	128,702	61,570	1,985,173	-	1,985,173	1,384,846	(3,370,019)	-
Total actual operating expenses	37,021	911,722	436,161	14,062,939	-	14,062,939	9,810,242	-	23,873,181
IID. Unallowable Costs									
Unallowable costs	-	18,356	-	106,189	-	106,189	317,464	-	423,653
Total allowable operating expenses	\$ 37,021	893,366	436,161	13,956,750	-	13,956,750	9,492,778	-	23,449,528
III. Capital Expenditures									
Capital expenditures	\$ -	-	-	39,363	-	39,363	54,568	51,155	145,086

See accompanying independent auditor's report.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of State Earnings

Year Ended June 30, 2018

1.	Total expenditures	\$	23,873,181
2.	Less: other state and federal funds		6,671,092
3.	Less: non-match SAMH funds		10,091,601
4.	Less: unallowable costs		<u>423,653</u>
5.	Total allowable expenditures		6,686,835
6.	Maximum available earnings		5,015,126
7.	Amount of state funds requiring match		<u>1,324,923</u>
8.	Amount due to Department	\$	<u><u>-</u></u>

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Bed-Day Availability Payments

Year Ended June 30, 2018

Program	Cost Center	State Contract Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Gov't or Other State Agencies	Maximum # of Units Eligible for Payment by the Department	Amount Paid for Services by the Department	Maximum Value of Units in Column F	Amount Owed to Department
A	B	C	D	E	F	G	H	I
Children's substance abuse	Substance Abuse Detox	\$ 281	7,300	45	7,255	\$ 1,159,909	2,038,655	\$ -
Adult substance abuse	Substance Abuse Detox	281	10,950	4	10,946	3,073,336	3,075,826	-

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Related Party Transaction Adjustments*

Year Ended June 30, 2018

**There were no related party transaction adjustments for the year ended June 30, 2018.*

INTERNAL CONTROL AND COMPLIANCE



**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Combined Financial Statements
Performed in Accordance with Government Auditing Standards**

The Board of Directors
Agency for Community Treatment Services, Inc. and Affiliate:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Agency for Community Treatment Services, Inc. and Affiliates, which comprise the combined statement of financial position as of June 30, 2018, and the related combined statements of unrestricted support and revenue, expenses and other changes in unrestricted net assets, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated October 15, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 Agency for Community Treatment Services, Inc. and Affiliates' combined financial statements are free from material misstatement, we performed tests of their 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mayer Hoffman McCann P.C.

October 15, 2018
Tampa, Florida



**Independent Auditor’s 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 State of Florida Auditor General**

The Board of Directors
Agency for Community Treatment Services, Inc. and Affiliate:

Report on Compliance for Each Major Federal Program and State Project

We have audited Agency for Community Treatment Services, Inc. and Affiliates’ compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services’ State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2018. Agency for Community Treatment Services, Inc. and Affiliates’ 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 the requirements of laws, regulations, contracts and grants applicable to its federal programs and state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for Agency for Community Treatment Services, Inc. and Affiliates’ 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 of America; 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 State of Florida Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Agency for Community Treatment Services, Inc. and Affiliates’ 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 Agency for Community Treatment Services, Inc. and Affiliates’ compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Agency for Community Treatment Services, Inc. and Affiliates 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, 2018.

Report on Internal Control Over Compliance

Management of Agency for Community Treatment Services, Inc. and Affiliates 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 Agency for Community Treatment Services, Inc. and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Agency for Community Treatment Services, Inc. and Affiliates' 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 a 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. Accordingly, this report is not suitable for any other purpose.

Mayer Hoffman McCann P.C.

October 15, 2018
Tampa, Florida

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

(A) Summary of Audit Results

1. The Auditor's report expresses an unmodified opinion on the combined financial statements of Agency for Community Treatment Services, Inc. and Affiliates.
2. No significant deficiencies relating to the audit of the combined financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the combined financial statements of Agency for Community Treatment Services, Inc. were disclosed during the audit.
4. No significant deficiencies in internal control over compliance relating to the major federal programs or state projects are reported in the Independent Auditor's 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 State of Florida Auditor General*.
5. The Auditor's report on compliance for the major federal award programs and state projects expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs and state projects for Agency for Community Treatment Services, Inc. are reported in Part C and Part D of this schedule.
7. The programs tested as major federal programs and state projects were:

Federal Programs:

State Targeted Response to the Opioid Crisis Grants - CFDA No. 93.788
Block Grants for Prevention and Treatment of Substance Abuse - CFDA No. 93.959

State Projects:

Naltrexone - CSFA 22.022
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program -
CSFA 60.115

8. The threshold for distinguishing Types A and B programs was \$750,000 for major federal programs and \$300,000 for major state projects.
9. Agency for Community Treatment Services, Inc. was determined to be a low-risk auditee.

**AGENCY FOR COMMUNITY TREATMENT SERVICES, INC.
AND AFFILIATES**

Schedule of Findings and Questioned Costs - Continued

(B) Findings - Audit of Financial Statements

None.

(C) Findings and Questioned Costs - Major Federal Award Programs Audit

None.

(D) Findings and Questioned Costs - Major State Financial Assistance Projects

None.

(E) Other Issues

A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to a major federal program or state project.



The Board of Directors
Agency for Community Treatment Services, Inc. and Affiliates:

Report on Combined Financial Statements

We have audited the combined financial statements of Agency for Community Treatment Services, Inc. and Affiliates as of and for the year ended June 30, 2018, and have issued our report thereon dated October 15, 2018.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 State of Florida Auditor General*.

Other Reports and Schedule

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 Combined Financial Statements Performed in Accordance with *Government Auditing Standards*, our Independent Auditor's 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 State of Florida Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated October 15, 2018, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the combined financial statements or state project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

October 15, 2018
Tampa, Florida