

GUIDANCE/CARE CENTER, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
JUNE 30, 2019

GUIDANCE/CARE CENTER, INC.
REPORT ON FINANCIAL STATEMENTS
JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Guidance/Care Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Guidance/Care Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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 Guidance/Care Center, Inc. as of June 30, 2019 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.

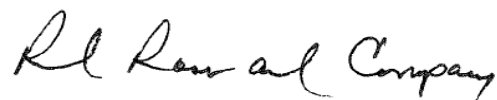
Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules 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 Auditor General is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of state earnings, schedule of program/cost center actual expenses and revenues, schedule of bed-day availability payments, and the schedule of related party adjustments are also presented for purposes of additional analysis and 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of Guidance/Care Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Guidance/Care Center, Inc.'s 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 Guidance/Care Center, Inc.'s internal control over financial reporting and compliance.



Fresno, California
December 2, 2019

GUIDANCE/CARE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 22,331	
Grant Contracts Receivable, Net of Allowance for Doubtful Account	1,806,180	
Due from Related Organization	85,609	
Prepaid Expenses	<u>74,704</u>	
Total Current Assets		\$ 1,988,824

Property and Equipment

Land	643,122	
Building and Improvements	5,162,694	
Leasehold Improvements	198,483	
Furniture and Fixtures	137,849	
Computer Equipment	8,944	
Vehicles	521,807	
Loan Fees	<u>10,700</u>	
	6,683,599	
Less: Accumulated Depreciation and Amortization	<u>(4,135,625)</u>	
Total Property and Equipment, Net		2,547,974

Other Assets

Cash Restricted for Client Funds		<u>3,552</u>
Total Assets		<u>\$ 4,540,350</u>

See accompanying notes to financial statements

GUIDANCE/CARE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 542,383
Accrued Salaries and Related Expenses	412,320
Due to Clients (Contra)	3,253
Current Portion of Deferred Revenue	110,995
Current Portion of Long Term Debt	<u>21,340</u>

Total Current Liabilities \$ 1,090,291

Long Term Liabilities

Deferred Revenue, Less Current Portion	66,025
Long Term Debt, Less Current Portion	<u>385,326</u>

Total Long Term Liabilities 451,351

Total Liabilities 1,541,642

Net Assets

Without Donor Restrictions	<u>2,998,708</u>
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Total Net Assets 2,998,708

Total Liabilities and Net Assets \$ 4,540,350

See accompanying notes to financial statements

GUIDANCE/CARE CENTER, INC.
STATEMENT OF ACTIVITIES
JUNE 30, 2019

Change in Net Assets Without Donor Restrictions

Revenues and Other Support		
Federal Contract Revenue	\$ 1,004,115	
State Contract Revenue	7,780,677	
County Contract Revenue	1,633,391	
Other Contract Revenue	203,888	
Medicare/Medicaid	847,623	
Client Fees	180,996	
Donations and Gifts	63,010	
Other Revenue	<u>536</u>	
 Total Revenues and Other Support Without Donor Restrictions		 \$11,714,236
Expenses		
Program Service Expenses		
Grants	<u>8,239,967</u>	
Total Program Service Expenses	<u>8,239,967</u>	
Supporting Services		
General and Administrative	<u>1,982,213</u>	
Total Supporting Services	<u>1,982,213</u>	
 Total Expenses		 <u>10,222,180</u>
 Change in Net Assets Without Donor Restrictions		 1,492,056
Net Assets, Beginning of Year		<u>1,506,652</u>
Net Assets, End of Year		<u>\$ 2,998,708</u>

See accompanying notes to financial statements

GUIDANCE/CARE CENTER, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets Without Donor Restrictions	\$ 1,492,056
Adjustments to Reconcile Change in Net Assets To Net Cash Provided By Operating Activities:	
Depreciation and Amortization	194,062
(Increase) or Decrease in:	
Grants Receivable	(495,457)
Prepaid Expenses	(32,789)
Increase or (Decrease) in:	
Accounts Payable and Accrued Expenses	85,429
Accrued Salaries and Related Expenses	(471)
Deferred Revenue	<u>77,395</u>
Net Cash Provided/(Used) in Operating Activities	\$ 1,320,225

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	<u>(70,787)</u>
Net Cash Provided/(Used) in Investing Activities	(70,787)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payment of Long-Term Debt	(19,759)
Repayment of Advances from Related Organization	<u>(1,251,102)</u>
Net Cash Provided/(Used) in Financing Activities	<u>(1,270,861)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(21,423)
Cash and Cash Equivalents, Beginning	<u>43,754</u>
Cash and Cash Equivalents, End	<u>\$ 22,331</u>
Supplemental Disclosure:	
Interest Paid	<u>\$ 26,176</u>

See accompanying notes to financial statements

Guidance Care Center
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	PROGRAM SERVICES							
	FEDERAL GRANTS	STATE GRANTS	LOCAL GRANTS	OTHER GRANTS	PROGRAM SUPPORT	TOTAL PROGRAM	GENERAL AND ADMINISTRATIVE	TOTAL EXPENSES
SALARIES AND RELATED EXPENSES								
Salaries	\$ 485,140	\$ 3,586,896	\$ 692,083	\$ 8,731	\$	\$ 4,772,850	\$ 321,752	\$ 5,094,602
Payroll taxes and employee benefits	<u>101,280</u>	<u>748,815</u>	<u>144,482</u>	<u>1,822</u>	<u></u>	<u>996,399</u>	<u>67,169</u>	<u>1,063,568</u>
TOTAL SALARIES AND RELATED EXPENSES	<u>586,420</u>	<u>4,335,711</u>	<u>836,565</u>	<u>10,553</u>	<u>0</u>	<u>5,769,249</u>	<u>388,921</u>	<u>6,158,170</u>
OTHER EXPENSES								
Building occupancy	174	205,959	11,361			217,494		217,494
Travel	19,244	129,060	2657	85		151,046	17,436	168,482
Equipment costs	1,843	78,982	7,520			88,345	1,473	89,818
Food costs		87,789				87,789		87,789
Medical & Pharmacy	18,379	96,050	672	3,022		118,123		118,123
Subcontracted Services								
Insurance		45,800				45,800	114,516	160,316
Operating supplies and expenses	9,397	441,954	147,461	67		598,879	92,773	691,652
Professional services	21,135	1,085,972	7,812			1,114,919	98,152	1,213,071
Donated goods and services								
Other expenses							<u>1,123,203</u>	<u>1,123,203</u>
TOTAL OTHER EXPENSES	<u>70,172</u>	<u>2,171,566</u>	<u>177,483</u>	<u>3,174</u>	<u>0</u>	<u>2,422,395</u>	<u>1,447,553</u>	<u>3,869,948</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	656,592	6,507,277	1,014,048	13,727		8,191,644	1,836,474	10,028,118
Depreciation and amortization (Note 2)		<u>48,323</u>				<u>48,323</u>	<u>145,739</u>	<u>194,062</u>
TOTAL EXPENSES	<u>\$ 656,592</u>	<u>\$ 6,555,600</u>	<u>\$ 1,014,048</u>	<u>\$ 13,727</u>	<u>\$ 0</u>	<u>\$ 8,239,967</u>	<u>\$ 1,982,213</u>	<u>\$ 10,222,180</u>

See Report of Independent Certified Public Accountants on Supplemental Information.

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Organization and Nature of Activities: Guidance/Care Center, Inc. is a tax exempt, non-profit corporation governed by a volunteer board of directors, incorporated on May 28, 1973 under the laws of the State of Florida under the name of its predecessor organization The Guidance Clinic of the Middle Keys, Inc. The Organization's purposes include, but are not limited to:

- A. To promote public awareness about mental health, substance abuse and related issues and problems; and
- B. To promote recovery from mental illness, substance abuse and/or related illnesses through developing, establishing and/or maintaining of centers for treatment and rehabilitation of individuals and their families; and
- C. To promote the health and well-being of all citizens of Monroe County, Florida

The Organization provides outpatient, residential and rehabilitation programs, criminal justice programs, primary care, and prevention programs and services all of which are related to the purposes for which it is established. Guidance/Care Center, Inc. is located in the Florida Keys with sites in Key West, Marathon and Key Largo, Florida.

Accreditation: During the year ended June 30, 2017, the Clinic applied for re-accreditation under CARF (Commission on Accreditation of Rehabilitation Facilities). The process involved completion of a survey document and a three-day site visit by a team of three CARF surveyors. Although the resulting recommendations by the committee could result in no accreditation, a one-year accreditation, or three-year accreditation, the Clinic was awarded the highest recommendation, a three-year accreditation from July 2016 through June 2019.

Basis of Presentation: The accompanying financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued):

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations: The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures contained in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Organization considers investments available for current use with an initial maturity of three months or less to be cash equivalents.

Receivables: Receivables are stated at the amount management expects to collect from balances outstanding at year end. The receivables are primarily contracts and/or grants from funding sources for services performed under cost reimbursement contracts. It is the practice of the Organization to record an allowance for doubtful accounts. Bad debts are charged to the allowance account as incurred. Based on management's assessment of receivables it has concluded that an allowance is not necessary at June 30, 2019. Balances that are still outstanding after management has used reasonable collection efforts are written off to bad debt expense.

Contract Revenue: Revenue under some third-party payor agreements is subject to audit and retroactive adjustments. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered, if determinable.

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued):

Contributions: Contributions are recorded as income at the estimated value at date of receipt as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. No donations with donor-imposed restrictions have been received.

Donated Services and In-Kind Contributions: Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Donated goods are recorded at fair value at the date of donation. Donated services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2019, respectively.

Compensated Absences: The Organization's policy allows employees to accumulate vacation and sick leave based on the length of service, position, and other factors. Accrual of vacation time is included in the accompanying financial statements. The total amount accrued for vacation at June 30, 2019 was \$183,010, respectively.

Income Taxes: The Organization qualifies as a not-for-profit organization as described in Section 501 (c)(3) of the Internal Revenue Code, and is tax exempt from federal and state income taxes; therefore no provisions for federal and state income taxes have been made. Management is of the opinion that there is no unrelated business income subject to taxation. Management is also of the opinion that there are no material uncertain tax positions. The federal income tax returns are subject to examination by the IRS, generally for three years after they were filed. All tax returns have been appropriately filed by the Organization.

Property and Equipment: The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated assets to a specific purpose. The cost of maintenance and repairs is charged to expense as incurred, significant renewals and betterments are capitalized. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Bond Issuance Cost: The issuance costs associated with the origination of the bond have been deferred and are being amortized over the term of the debt. The amortization related to the loan costs for the year ended June 30, 2019 was \$713.

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued):

Functional Expenses: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Such expenses are charged to grant programs and supporting services on the basis of program costs. General and administrative costs include those expenses that are not directly identifiable with any specific program but provide for the overall support of the Organization. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Salaries and benefits are charged directly to the program for which work has been done based on time and effort. Other expenses and overhead costs are based on staff allocation to functional areas.

New Accounting Pronouncement: On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The implementation had no impact on previously reported net assets.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Organization to concentration of credit risk are cash and receivables. Concentration of credit risk with respect to receivables is limited because a substantial portion of these balances are due from federal and state governmental agencies.

The Organization may be subject to credit risk to its cash, which is placed with high credit quality financial institutions. The Federal Deposit Insurance Corporation (“FDIC”) covers up to \$250,000 per financial institution, for substantially all depository accounts. Management believes the Organization is not exposed to any significant credit risk on cash. At June 30, 2019, the Organization did not have cash in excess of the FDIC insured limit.

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 3 – RESTRICTIONS ON ASSETS:

Restrictions, if any, on assets as of June 30, 2019, are related to grant awards and/or lending agreements. Such assets must be used in accordance with the purposes established by laws and regulations of the grants or agreements in contrast with unrestricted funds over which the governing board remained full control to use in achieving any of its organizational purposes.

Separate cash accounts are maintained as required by grant and/or lending agreements. The Organization also holds cash in trust for participants in various programs.

NOTE 4 – LONG TERM DEBT:

Long term debt consists of the following at June 30, 2019:

Mortgage payable to Keys Federal Credit Union, collateralized by real property, equipment, accounts receivable, deposits, investments, fixtures, and proceeds of various government contracts, payable in monthly installments of \$3,758.08 including interest at 6.00%, matures June, 2027.	\$ 406,666
Less current portion	<u>21,340</u>
Total long term portion	<u><u>\$ 385,326</u></u>

The aggregate maturity of the long term debt for each of the five years subsequent to June 30, 2019 and thereafter is as follows:

Year ending June 30,	
2020	21,340
2021	22,569
2022	24,021
2023	25,496
2024 thereafter	<u>313,240</u>
Total	<u><u>\$ 406,666</u></u>

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 5 – COMMITMENTS AND CONTINGENCIES:

Operating Leases:

As of June 30, 2019 the Organization had entered into various non-cancelable operating lease agreements for real property. The approximate minimum future commitments on an annual basis are as follows: 2019 \$70,102; 2020 \$47,964; and thereafter \$-0-

Contingencies:

Federal Grants – The Organization receives financial assistance from the federal government in the form of grants and entitlements. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal laws and regulations, including the expenditure of resources for eligible purposes. Accordingly, expenditures financed by these programs are subject to financial and compliance audits by the grantor agencies, which could result in request for reimbursement by the grantor agencies for expenditures, if disallowed by the granting agencies, cannot be determined at this time. Management believes that such disallowances, if any, will not have a material adverse effect on the financial position of the Organization.

NOTE 6 – EMPLOYEE BENEFIT PLAN:

The Organization has retirement plans for eligible employees. The annual contribution is discretionary, and is determined and authorized by the Board of Directors each plan year.

NOTE 7 – RELATED PARTY TRANSACTION:

WestCare Foundation, Inc. is a managing and governing oversight organization for Guidance/Care Center, Inc. During the year ending June 30, 2019, WestCare Foundation, Inc. received management fees for general and administrative expenses of \$1,092,025 from Guidance/Care Center, Inc.

In addition, Guidance/Care Center, Inc. has advanced funds as of June 30, 2019 to WestCare Foundation, Inc. for \$85,609.

FitzHouse Enterprises, Inc. provides maintenance services to Guidance/Care Center, Inc. During the year ended June 30, 2019, FitzHouse Enterprises, Inc. received income for the purpose of providing facility maintenance in the amount of \$12,000.

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 8 – ECONOMIC DEPENDENCY:

The Organization receives a significant portion of its support and revenues from contracts and/or agreements with the United States Department of Health and Human Services, State of Florida, Department of Children and Families, Monroe County, and the South Florida Behavioral Health Network, Inc. The Organization's ability to continue operating is predicated on the government's continued support and funding of its programs. The continuation of program services in the subsequent year is expected based on contract renewals and continuations received to date. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the programs and activities.

NOTE 9 - 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, South 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.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets available within one year of the statement of financial position date. There are no amounts reduced and not available for general use because of donor-imposed restrictions or long-term investments.

Cash and cash equivalents	\$ 22,331
Grants receivable, net	1,806,180
Due from Related Organization	85,609
Prepaid expenses	<u>74,704</u>
Total available for general expenditures	<u>\$1,988,824</u>

As part of the Organization's liquidity management, it utilizes a zero balance account (zba) with WestCare Foundation, Inc., a checking account in which a balance of zero is maintained by automatically transferring funds from a master account in an amount only large enough to cover checks presented. This cash pooling system is designed to leave in the current accounts of the subsidiaries the minimum amounts to be able to deal with their debts contracted. The advantage of this system is to centralize the cash to be able to obtain better rates. Any excess cash is invested in short-term investments, including money market accounts and certificates of deposit. There were no such investments at June 30, 2019. In addition, the Organization has a line of credit available to meet cash flow needs through a related affiliate, WestCare Foundation, Inc.

GUIDANCE/CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 11 – SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 2, 2019, the date which the financial statements were available to be issued and has determined that there were no events occurring during that period that required disclosure to the accompanying financial statements.

END OF NOTES TO THE FINANCIAL STATEMENTS

GUIDANCE/CARE CENTER, INC.

SUPPLEMENTAL MATERIAL

GUIDANCE/CARE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

	Pass through Identifying #	Federal CFDA#	Federal Expenditures	Transfers to Subrecipients
US Department of Agriculture				
<u>Child and Adult Care Food Program</u>				
Pass Through Award(s):				
Florida Department of Elderly Affairs	Y6118	10.558	7,898	
Total Child and Adult Care Food Program			<u>7,898</u>	-
US Department of Justice				
<u>Residential Substance Abuse Treatment for State Prisoners</u>				
Pass Through Award(s):				
Monroe County	2018-RSAT-MONR-1-U4-004	16.593	39,274	
Total Residential Substance Abuse Treatment for State Prisoners			<u>39,274</u>	-
<u>Edward Byrne Memorial Justice Assistance Grant Program</u>				
Pass Through Award(s):				
Florida Department of Law Enforcement				
via Monroe County	2019-JAGC-MONR-2-N2-110	16.738	25,902	
via Monroe County	2019-JAGC-MONR-1-N2-089	16.738	28,587	
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>54,489</u>	-
US Department of Health & Human Services:				
<u>Projects for Assistance in Transition from Homelessness (PATH)</u>				
Pass Through Award(s): Florida Department of Children & Families				
Via South Florida Behavioral Health Network, Inc. (Managing Entity)				
Community Health Services Block Grant for the Homeless	ME 225-9-27	93.150	116,635	
Total Projects for Assistance in Transition from Homelessness (PATH)			<u>116,635</u>	-
<u>Health Resources & Services Administration</u>				
Pass Through Award(s):				
Florida Alcohol and Drug Abuse Association, Inc.				
Rural Communities Opioid Response - Planning	1G25RH32426-01-00	93.211	18,561	
Total Health Resources & Services Administration			<u>18,561</u>	-
<u>Substance Abuse and Mental Health Services</u>				
<u>Projects of Regional and National Significance</u>				
Direct Award(s):				
SAMHSA - CMHS Primary and Behavioral Health Care Integration	6H79SM060822	93.243	315,512	
SAMHSA - CSAT Offender Reentry Program	5H79TI026303	93.243	162,621	
SAMHSA - CSAT TCE-HIV	6H79TI026171	93.243	229,073	
SAMHSA - CMHS MAI	1H79SM080587	93.243	167,476	
Total Substance Abuse and Mental Health Services			<u>874,682</u>	-
<u>HIV Prevention Activities Health Department Based</u>				
Pass Through Award(s):				
Florida Department of Health				
HIV Prevention	CODPZ	93.940	17,070	
Total HIV Prevention Activities Health Department Based			<u>17,070</u>	-
<u>Block Grants for Community Mental Health Services</u>				
Pass Through Award(s): Florida Department of Children & Families				
Via South Florida Behavioral Health Network, Inc. (Managing Entity)				
Adult and Children's Mental Health Services & Support	ME 225-9-27	93.958	1,174,796	
Total Block Grants for Community Mental Health Services			<u>1,174,796</u>	-
<u>Block Grants for the Prevention and Treatment of Substance Abuse</u>				
Pass Through Award(s): Florida Department of Children & Families				
Via South Florida Behavioral Health Network, Inc. (Managing Entity)				
Adult and Children's Substance Abuse Services & Support	ME 225-9-27	93.959	720,753	
Substance Abuse Prevention Partnership Program	P-04	93.959	150,000	
Total Block Grants for the Prevention and Treatment of Substance Abuse			<u>870,753</u>	-
Total Expenditures of Federal Awards			\$ 3,174,158	\$ -

GUIDANCE/CARE CENTER, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Identifying #</u>	<u>State CSDA#</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
Direct Programs:				
State of Florida Commission for the Transportation Disadvantaged Trip & Equipment Grant	G0X48	55.001	321,887	
State of Florida Commission for the Transportation Disadvantaged Trip & Equipment and Administrative Support Grants	G0Y27	55.001	21,071	
State of Florida Department of Children & Families Criminal Justice Mental Health Substance Abuse Reinvestment Grant	LHZ53	60.115	386,663	
Pass through Programs:				
State of Florida Department of Children & Families Via South Florida Behavioral Health Network, Inc. (Managing Entity)				
Block Grants for Community Mental Health Svcs - State Match	ME 225-9-27	93.958	2,984,586	
Block Grants for Prevention and Treatment of Substance Abuse - State Match	ME 225-9-27	93.959	1,292,526	239,516
Comprehensive Community Mental Health Svcs for Children - State Match	ME 225-9-27	93.104	37,209	
State Targeted Response to Opioid Crisis Grant	ME 225-9-27	93.788	109,264	
Mental Health Disaster Assistance & Emergency	ME 225-9-27	93.982	484,313	
Total Expenditures of State Financial Assistance			<u>\$ 5,637,519</u>	<u>\$ 239,516</u>

**GUIDANCE/CARE CENTER, INC.
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE A - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of Guidance/Care Center, Inc. under programs of the federal and state government for the year ended June 30, 2019. The information in the schedules 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 *Florida Single Audit Act, Auditor General Rule 10.650*. Because the Schedules present only a selected portion of the operations of Guidance/Care Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Guidance/Care Center, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650 Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

Guidance/Care Center, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Guidance/Care Center, Inc. has a provisional indirect rate agreement for 35.16% for the year ended June 30, 2019.

**GUIDANCE/CARE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Projects

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Types of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.656?	No

Identification of major programs:	
<u>Federal Program or Cluster</u>	<u>Federal CFDA No.</u>
Block Grant for Community Mental Health Services	93.958
<u>State Project</u>	<u>State CFDA/CFSA No.</u>
State of Florida Dept. of Children & Families – Via South Florida Behavioral Health Network, Inc.	
Block Grant for Community Mental Health Services	93.958
Block Grant for Prevention & Treatment of Substance Abuse	93.959

Dollar threshold used to distinguish between type A & type B programs:

Federal Programs:	\$750,000
State Programs:	\$750,000

Auditee qualified as low-risk auditee pursuant to Uniform Guidance: Yes
(Not applicable for State projects)

Section II – Financial Statement Findings

None reported

Section III – Federal/State Award Findings and Questioned Costs

None reported

Section IV – Other Issues/Prior Year Audit Findings

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

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings.

No Corrective Action Plan is required because there were no findings required to be reported.



AUDIT SCHEDULE

**Schedule of State Earnings
Year Ended June 30, 2019**

1	Total Expenditures	\$	10,222,180
2	Less Other State and Federal Funds	\$	(2,398,721)
3	Less Non-Match SAMH Funds		(4,517,966)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$	-
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$	3,305,493
6	Maximum Available Earnings (Line 5 times 75%)	\$	2,479,120
7	Amount of State Funds Requiring Match		2,412,140
8	Amount Due to Department (Subtract line 7 from line 6. If negative, funds are due to State)	\$	66,980

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

Year Ended June 30, 2019
 AGENCY: GUIDANCE/CARE CENTER INC.
 CONTRACTS: ME 225-9-27 PPG -04

PART I: ACTUAL FUNDING SOURCES & REVENUES

STATE DESIGNATED SAMH COST CENTERS													
STATE SAMH-FUNDED COST CENTERS													
FUNDING SOURCES & REVENUES	Assessment	Case Management, Crisis Support & Info/Referral	IHOS	Intervention	Medical Services	AfterCare & OP	Outreach & Hope	Crisis Stabilization	Substance Abuse Detox	Transitional Housing & Incidentals	CAT	MRT	TASC
IA. TOTAL STATE SAMH FUNDING													
(1a) Direct from DCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2a) Managing Entity(SFBHN) Main Contract	359,984	391,480	319,655	490,603	595,373	305,451	423,068	1,328,955	410,728	37,220	750,000	417,222	-
(2b) Managing Entity(SFBHN) Other Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
(2c) Managing Entity(SFBHN) Prior Year Adj	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. SAMH FUNDING =	359,984	391,480	319,655	490,603	595,373	305,451	423,068	1,328,955	410,728	37,220	750,000	417,222	-
IB. OTHER GOVT. FUNDING													
(1) Other State Agency Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) Medicaid	23,233	115,801	136,866	-	90,099	35,489	-	89,665	35,172	-	-	-	-
(3) Local Government	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. OTHER GOVT. FUNDING =	23,233	115,801	136,866	-	90,099	35,489	-	89,665	35,172	-	-	-	-
IC. ALL OTHER REVENUES													
(1) 1st & 2nd Party Payments	8,932	28	283	-	12,916	30,624	-	6,364	196	-	-	-	-
(2) 3rd Party Payments (except Medicare)	830	-	9,658	-	5,986	4,386	-	11,460	1,244	-	-	-	-
(3) Medicare	-	-	-	-	41,801	42,453	-	2,100	-	-	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) Other	-	-	-	-	-	-	-	-	-	-	-	-	-
(6) In-kind	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. ALL OTHER REVENUES =	9,762	28	9,941	-	60,703	77,463	-	19,924	1,440	-	-	-	-
TOTAL PROJECTED FUNDING =	392,979	507,309	466,462	490,603	746,175	418,403	423,068	1,438,544	447,340	37,220	750,000	417,222	-

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

Year Ended June 30, 2019
 AGENCY: GUIDANCE/CARE CENTER INC.
 CONTRACTS: ME 225-9-27 PPG -04

PART II: ACTUAL EXPENSES													
STATE SAMH-FUNDED COST CENTERS													
EXPENSE CATEGORIES	Assessment	Case Management, Crisis Support & Info/Referral	IHOS	Interven-tion	Medical Services	AfterCare & OP	Outreach & Hope	Crisis Stabilization	Substance Abuse Detox	Transitional Housing & Incidentals	CAT	MRT	TASC
A	B _{1-a}	B _{1-b}	B _{1-d}	B _{1-g}	B _{1-h}	B _{1-i}	B _{1-j}	B _{1-l}	B _{1-m}	B _{1-n}	B _{1-o}	B _{1-p}	B _{1-q}
IIA. PERSONNEL EXPENSES													
(1) Salaries	\$ 94,784	\$ 258,822	\$ 322,311	\$ 196,322	\$ 289,544	\$ 104,780	\$ 170,940	\$ 613,288	\$ 150,179	\$ -	\$ 211,147	\$ 137,957	\$ 7,107
(2) Fringe Benefits	19,787	54,033	67,287	40,985	60,446	21,874	35,686	128,032	31,352	-	44,080	28,800	1,484
TOTAL PERSONNEL EXPENSES =	114,571	312,855	389,598	237,307	349,990	126,654	206,626	741,320	181,531	-	255,227	166,757	8,591
IIB. OTHER EXPENSES													
(1) Building Occupancy	16,445	25,721	20,980	18,826	46,719			25,691	5,863		4,500	6,800	
(2) Professional Services	857	1,070	857	1,070	173,764	16,250		396,507	99,023		53,853		
(3) Travel	1,843	5,830	10,534	7,377	22,193	314	17,370	729	182		18,410	5,206	51
(4) Equipment	19,697	5,706	4,583	5,706	10,190			13,770	3,431		1,700		
(5) Food Services								34,639	8,680				
(6) Medical and Pharmacy	165	200	165	200	27,267			25,422	6,342	32,241	1,310		
(7) Subcontracted Services													
(8) Insurance													
(9) Interest Paid													
(10) Operating Supplies & Expenses	19,162	26,114	23,003	23,512	42,501	3,947	3,004	87,533	22,136	32,443	14,202	4,074	515
(11) Other	75	90	75	90	171								
(12) Donated Items	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES =	58,244	64,731	60,197	56,781	322,805	20,511	20,374	584,291	145,657	64,684	93,975	16,080	566
TOT. PERSONNEL & OTH. EXP. =	172,815	377,586	449,795	294,088	672,795	147,165	227,000	1,325,611	327,188	64,684	349,202	182,837	9,157
IIIC. DISTRIBUTED INDIRECT COSTS													
(a) Other Support Costs (Optional)													
(b) Administration	35,368	45,658	41,982	44,154	67,156	37,656	38,076	129,469	40,261	3,350	67,500	37,550	-
TOT. DISTR'D INDIRECT COSTS =	35,368	45,658	41,982	44,154	67,156	37,656	38,076	129,469	40,261	3,350	67,500	37,550	-
TOTAL ACTUAL OPERATING EXPENSES =	\$ 208,184	\$ 423,243	\$ 491,776	\$ 338,242	\$ 739,951	\$ 184,822	\$ 265,076	\$ 1,455,080	\$ 367,449	\$ 68,034	\$ 416,702	\$ 220,387	\$ 9,157
IIID. LESS UNALLOWABLE COSTS (Related Party)													
TOTAL ALLOWABLE OPERATING EXPENSES=	\$ 208,184	\$ 423,243	\$ 491,776	\$ 338,242	\$ 739,951	\$ 184,822	\$ 265,076	\$ 1,455,080	\$ 367,449	\$ 68,034	\$ 416,702	\$ 220,387	\$ 9,157
IIIF. CAPITAL EXPENDITURES													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PART III: CERTIFICATION

20.8764%
 9.0%

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

Year Ended June 30, 2019
 AGENCY: GUIDANCE/CARE CENTER INC.
 CONTRACTS: ME 225-9-27 PPG -04

PART I: ACTUAL FUNDING SOURCES &

FUNDING SOURCES & REVENUES	Room & Bd	Clubhouse	Prevention	FITT	Total for State	PPG	Total for Non-	Tot. for All State-	Non-SAMH Cost	Total Funding
	Lvl 3 (Heron)	(PGC & Drop-In)								
IA. TOTAL STATE SAMH FUNDING										
(1a) Direct from DCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2a) Managing Entity(SFBHN) Main Contract	178,629	42,531	243,696	633,187	6,927,782	150,000	-	7,077,782	-	7,077,782
(2b) Managing Entity(SFBHN) Other Contracts	-	-	-	-	-	-	-	-	-	-
(2c) Managing Entity(SFBHN) Prior Year Adj	-	-	-	-	-	-	-	-	-	-
TOT. SAMH FUNDING =	178,629	42,531	243,696	633,187	6,927,782	150,000	-	7,077,782	-	7,077,782
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding	-	-	-	-	-	-	-	-	702,894	702,894
(2) Medicaid	15,622	149,765	-	-	691,712	-	-	691,712	-	691,712
(3) Local Government	93,982	-	-	-	93,982	-	1,539,409	1,633,391	-	1,633,391
(4) Federal Grants and Contracts	-	-	-	-	-	-	1,004,115	1,004,115	-	1,004,115
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-	-	-
TOT. OTHER GOVT. FUNDING =	109,604	149,765	-	-	785,694	-	2,543,524	3,329,218	702,894	4,032,112
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	100,234	-	-	-	159,577	-	15,710	175,287	5,710	180,997
(2) 3rd Party Payments (except Medicare)	35,993	-	-	-	69,557	-	-	69,557	-	69,557
(3) Medicare	-	-	-	-	86,354	-	-	86,354	-	86,354
(4) Contributions and Donations	62,989	-	-	-	62,989	-	-	62,989	21	63,010
(5) Other	16,000	-	-	-	16,000	-	187,888	203,888	536	204,424
(6) In-kind	-	-	-	-	-	-	-	-	-	-
TOT. ALL OTHER REVENUES =	215,216	-	-	-	394,477	-	203,598	598,075	6,267	604,342
TOTAL PROJECTED FUNDING =	503,449	192,296	243,696	633,187	8,107,953	150,000	2,747,122	11,005,075	709,161	11,714,236

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

Year Ended June 30, 2019
 AGENCY: GUIDANCE/CARE CENTER INC.
 CONTRACTS: ME 225-9-27 PPG -04

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES	Room & Bd Lvl 3 (Heron)	Clubhouse (PGC & Drop- In)	Prevention	FITT	Total for State SAMH-Funded Cost Centers (B _{1a} +...+B _{1x})	PPG	Total for Non- State-Funded SAMH Cost Centers	Tot. for All State- Designated SAMH Cost Centers (C+D+E)	Non-SAMH Cost Center	Other Support Costs (optional)	Administration	Total Expenses (F+G+H+I)
A	B _{1r}	B _{1s}	B _{1t}	B _{1x}	C	D	E	F	G	H	I	J
IIA. PERSONNEL EXPENSES												
(1) Salaries	\$ 246,222	\$ 117,892	\$ 125,264	\$ 96,200	\$ 3,142,759	\$ 143,440	\$ 1,145,535	\$ 4,431,734	\$ 341,116	\$ -	\$ 321,752	\$ 5,094,602
(2) Fringe Benefits	51,402	24,612	26,151	20,083	656,094	29,945	239,146	925,185	71,213	-	67,170	1,063,568
TOTAL PERSONNEL EXPENSES =	297,624	142,504	151,415	116,283	3,798,853	173,385	1,384,681	5,356,919	412,329	-	388,922	6,158,170
IIIB. OTHER EXPENSES												
(1) Building Occupancy	33,116	6,419			211,080	-	164	211,244	6,250			217,494
(2) Professional Services	12,450			239,516	995,217		28,947	1,024,164	90,754		98,153	1,213,071
(3) Travel	172	69	13,334	21,597	125,211	1,432	21,986	148,629	2,417		17,436	168,482
(4) Equipment	5,122	6,314	11		76,230		9,363	85,593	2,754		1,471	89,818
(5) Food Services	34,104	10,366			87,789			87,789				87,789
(6) Medical and Pharmacy	295	300		1,547	95,454		22,075	117,529	594			118,123
(7) Subcontracted Services					-			-				-
(8) Insurance					-			-	45,800		114,516	160,316
(9) Interest Paid					-			-			26,176	26,176
(10) Operating Supplies & Expenses	26,286	10,503	3,641	655	343,231	2,420	156,389	502,040	96,846		92,766	691,652
(11) Other					501			501	48,323		150,240	199,064
(12) Donated Items					-			-				-
TOTAL OTHER EXPENSES =	111,545	33,971	16,986	263,315	1,934,713	3,852	238,924	2,177,489	293,738	-	500,758	2,971,985
TOT. PERSONNEL & OTH. EXP. =	409,169	176,475	168,401	379,598	5,733,566	177,237	1,623,605	7,534,408	706,067	-	889,680	9,130,155
IIIC. DISTRIBUTED INDIRECT COSTS												
(a) Other Support Costs (Optional)												
(b) Administration	45,310	17,307	21,933	56,987	729,716	13,500	247,241	990,457	63,824		37,744	1,092,025
TOT. DISTR'D INDIRECT COSTS =	45,310	17,307	21,933	56,987	729,716	13,500	247,241	990,457	63,824	-	37,744	1,092,025
TOTAL ACTUAL OPERATING EXPENSES =	\$ 454,480	\$ 193,781	\$ 190,333	\$ 436,585	\$ 6,463,282	\$ 190,737	\$ 1,870,846	\$ 8,524,865	\$ 769,891	\$ -	\$ 927,424	\$ 10,222,180
IIID. LESS UNALLOWABLE COSTS (Related Party)												
TOTAL ALLOWABLE OPERATING EXPENSES=	\$ 454,480	\$ 193,781	\$ 190,333	\$ 436,585	\$ 6,463,282	\$ 190,737	\$ 1,870,846	\$ 8,524,865	\$ 769,891	\$ -	\$ 927,424	\$ 10,222,180
IIIF. CAPITAL EXPENDITURES												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PART III: CERTIFICATION

I certify the above to be an accurate projection and in agreement with the contractor's records and with the terms of the contract.

Kristen A. Chaffee
 Signature
 Controller-Eastern Division
 Title

AUDIT SCHEDULE

Schedule of Bed-Day Availability Payments
Year Ended June 30, 2019

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 Govt. or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, whichever is greater) I
Children's MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Adult MH	Crisis Stabilization Unit	\$ 351.62	4,015	235	3,780	1,328,955.00	1,329,123.60	\$0.00
Children's SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox	\$ 293.96	2,221	510	1,711	410,728.00	\$502,886.19	\$0.00
Adult MH	Short-term Residential Treatment				0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					Total Amount Owed to Department =			
					\$0.00			

AUDIT SCHEDULE

**Schedule of Related Party Transaction Adjustments
Year Ended June 30, 2019**

Revenues From Grantee	Related Party	Allocation of Related Party Transactions Adjustment					Total
		State-Designated Cost Centers					
		FITT Program	Residential Level 2	Non-State Funded SAMH Cost Centers	General Support	Admin	
Rent	XXX						-
Services	Village South	239,516					239,516
Interest	XXX						-
Total Revenue From Grantee	XXX	239,516	-	-	-	-	239,516
Expenses Associated with Grantee Transactions							
Personnel Services	Village South	143,710	-	-	-	-	143,710
Other	Village South	95,806	-	-	-	-	95,806
Total Associated Expenses	YYY	239,516	-	-	-	-	239,516
Related Party Transaction Adjustment	<u>ZZZ</u>	-		-	-	-	-

Florida Department of Children and Families
Substance Abuse and Mental Health
Local Match Calculation Form (R)



Description	Value	Explanation
FUNDING		
1 Direct Department SAMH Funding	\$ -	Total value of SAMH funds received directly from the Department of Children and Families (not through a managing entity).
2 ME Department SAMH Funding	\$ 7,077,782	Total value of SAMH funds received from the managing entity (ME).
3 Total Department Funding	\$ 7,077,782	Sum of Items 1 & 2.
LOCAL MATCHING FUNDS REQUIRED		
4 Excluded RTF Funding	\$ -	Value of SAMH funds received from the Department and ME for Residential Treatment Facilities Levels I-IV.
5 Excluded SRT Funding	\$ -	Value of SAMH funds received from the Department and ME for Short-term Residential Treatment facilities (SRTs), excluding acute care continuum programs supported with Baker Act funds and operated by a public receiving facility.
6 Excluded Supportive Housing Funding	\$ -	Value of SAMH funds received from the Department and ME for Supportive Housing/Living.
7 Excluded Case Management Funding	\$ -	Value of SAMH funds received from the Department and ME for Case Management.
8 Excluded Intensive Case Management Funding	\$ -	Value of SAMH funds received from the Department and ME for Intensive Case Management.
9 FACT Team Funding	\$ -	Value of SAMH funds received from the Department and ME for Florida Assertive Community Treatment (FACT) Team.
10 Drop-In/Self Help Funding	\$ -	Value of SAMH funds received from the Department and ME for Drop-In/Self Help Centers.
11 MH Clubhouse Funding	\$ -	Value of SAMH funds received from the Department and ME for Mental Health Clubhouse Services.
12 Recovery Support Funding	\$ -	Value of SAMH funds received from the Department and ME for Recovery Support services.
13 R&B Supervision Funding	\$ -	Value of SAMH funds received from the Department and ME for Room and Board with Supervision Levels I - III.
14 MH Special Category Funding	\$ -	Value of SAMH funds received from the Department and ME in Children's Mental Health Categories 100435 and 102780.
15 SA Special Category Funding	\$ 1,918,312	Value of General Revenue funds received from the Department and ME in Substance Abuse Categories 100618 and 100420 as determined in compliance with Rule 65E-14.005(3)(d), F.A.C.
16 SAMH Block Grant Funding	\$ 75,000	Value of Substance Abuse and Mental Health Block Grant funds received from the Department and ME for local community mental health centers.
17 Excluded Funding Subtotal	\$ 1,993,312	Total Items 4 through 16
18 State Share	\$ 5,084,470	Item 3 less Item 17.
19 Local Matching Funds Required	\$ 1,694,823	Item 18 divided by 3. This is the amount of local matching funds which the provider is entitled to receive.
Local Matching Funds Provided		
20 Private grants	\$ 204,424	Value of grants received from private foundations or charitable organizations.
21 Local governmental grants	\$ 1,633,391	Value of grants received from municipal governments, special taxing districts, or other local governmental entities (but excluding state or federal entities).
22 Charitable contributions	\$ 63,010	Value of charitable contributions from private individuals.
23 Volunteer services	\$ -	Value of volunteer services, not to exceed 10 percent of the provider's total budget.
24 Self-pay fees	\$ 180,997	Value of fees received from self-pay clients
25 In-kind contributions	\$ -	Value of in-kind contributions (such as services, space, or equipment) from all third parties other than state or federal entities).
26 Non County Funds Subtotal	\$ 2,081,822	Total Items 20 through 25
27 County Share	\$ (386,999)	Item 19 less Item 26. This is the amount of local matching funds which must be provided by the county.

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

To the Board of Directors
Guidance/Care Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Guidance/Care Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guidance/Care Center, Inc.'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 Guidance/Care Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Guidance/Care Center, Inc.'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.

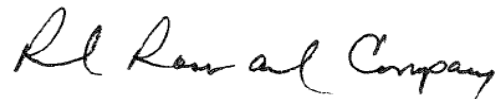
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guidance/Care Center, Inc.'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 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.

A handwritten signature in cursive script that reads "RL Rowland Company".

Fresno, California
December 2, 2019

ROLAND ROOS & COMPANY

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

To the Board of Directors
Guidance/Care Center, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Guidance/Care Center, Inc.'s 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 Guidance/Care Center, Inc.'s major federal programs and state projects for the year ended June 30, 2019. Guidance/Care Center, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Guidance/Care Center, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about Guidance/Care Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Guidance/Care Center, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Guidance/Care Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Guidance/Care Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Guidance/Care Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, 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 Guidance/Care Center, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and 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 and 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 the 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 significant deficiencies or material weaknesses. 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 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.

Fresno, California
December 2, 2019

