

VILLAGE SOUTH, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
JUNE 30, 2019

VILLAGE SOUTH, INC.
REPORT ON FINANCIAL STATEMENTS
JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Village South, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Village South, 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 Village South, Inc. as of June 30, 2019 and the change 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.

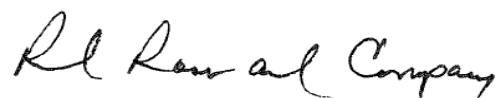
Other Matters

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 6, 2019, on our consideration of Village South, 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 Village South, 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 Village South, Inc.'s internal control over financial reporting and compliance.



Fresno, California
December 6, 2019

VILLAGE SOUTH, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 106,396	
Grant Contracts Receivable, Net of Allowance for Doubtful Account	2,052,738	
Prepaid Expenses	194,953	
Due from Related Organization	<u>15,508,134</u>	
Total Current Assets		\$17,862,221

Property and Equipment

Furniture and Fixtures	23,532	
Vehicles	388,111	
Construction in Progress	<u>212,593</u>	
	624,236	
Less: Accumulated Depreciation	<u>(349,369)</u>	
Total Property and Equipment, Net		<u>274,867</u>
Total Assets		<u>\$18,137,088</u>

See accompanying notes to financial statements

VILLAGE SOUTH, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 584,395
Accrued Salaries and Related Expenses	697,089
Current Portion of Deferred Revenue	<u>14,254</u>

Total Current Liabilities \$1,295,738

Long Term Liabilities

Deferred Revenue, Less Current Portion 28,533

Total Long Term Liabilities 28,533

Total Liabilities 1,324,271

Net Assets

Without Donor Restrictions 16,812,817

Total Net Assets 16,812,817

Total Liabilities and Net Assets \$18,137,088

See accompanying notes to financial statements

VILLAGE SOUTH, INC.
STATEMENT OF ACTIVITIES
JUNE 30, 2019

Change in Net Assets Without Donor Restrictions

Revenues and Other Support		
Federal Contract Revenue	\$ 1,125,104	
State Contract Revenue	10,493,601	
County Contract Revenue	1,105,442	
Other Contract Revenue	2,266,770	
Client Fees	120,858	
Donations and Gifts	6,237	
Other Revenue	<u>17,529</u>	
 Total Revenues and Other Support Without Donor Restrictions		 \$ 15,135,541
 Expenses		
Program Service Expenses		
Grants	<u>11,085,296</u>	
Total Program Service Expenses	<u>11,085,296</u>	
 Supporting Services		
General and Administrative	<u>3,017,326</u>	
Total Supporting Services	<u>3,017,326</u>	
 Total Expenses		 <u>14,102,622</u>
 Change in Net Assets Without Donor Restrictions		 1,032,919
 Net Assets, Beginning of Year		 <u>15,779,898</u>
 Net Assets, End of Year		 <u>\$ 16,812,817</u>

See accompanying notes to financial statements

VILLAGE SOUTH, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets Without Donor Restrictions	\$ 1,032,919
Adjustments to Reconcile Change in Net Assets To Net Cash Provided By Operating Activities:	
Depreciation and Amortization	30,274
(Increase) or Decrease in:	
Grants Receivable	(113,180)
Prepaid Expenses	(17,936)
Increase or (Decrease) in:	
Accounts Payable and Accrued Expenses	16,181
Accrued Salaries and Related Expenses	41,367
Deferred Revenue	<u>592</u>
Net Cash Provided/(Used) in Operating Activities	\$ 990,217

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	<u>(232,383)</u>
Net Cash Provided/(Used) in Investing Activities	(232,383)

CASH FLOWS FROM FINANCING ACTIVITIES:

Advances to Related Organization	<u>(1,171,199)</u>
Net Cash Provided/(Used) in Financing Activities	(1,171,199)
Net Increase (Decrease) in Cash and Cash Equivalents	(413,365)
Cash and Cash Equivalents, Beginning	<u>519,761</u>
Cash and Cash Equivalents, End	<u>\$ 106,396</u>
Supplemental Disclosure:	
Interest Paid	<u>\$ --</u>

See accompanying notes to financial statements

VILLAGE SOUTH, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

PROGRAM SERVICES

	<u>FEDERAL GRANTS</u>	<u>STATE GRANTS</u>	<u>LOCAL GRANTS</u>	<u>OTHER GRANTS</u>	<u>PROGRAM SUPPORT</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>TOTAL EXPENSES</u>
SALARIES AND RELATED EXPENSES								
Salaries	\$ 379,789	\$ 3,783,580	\$ 714,028	\$ 908,454	\$ 712,320	\$ 6,498,171	\$ 399,141	\$ 6,897,312
Payroll taxes and employee benefits	<u>84,947</u>	<u>846,266</u>	<u>159,705</u>	<u>203,192</u>	<u>159,323</u>	<u>1,453,433</u>	<u>89,274</u>	<u>1,542,707</u>
TOTAL SALARIES AND RELATED EXPENSES	<u>464,736</u>	<u>4,629,846</u>	<u>873,733</u>	<u>1,111,646</u>	<u>871,643</u>	<u>7,951,604</u>	<u>488,415</u>	<u>8,440,019</u>
OTHER EXPENSES								
Building occupancy		764,605	310,124	105,235		1,179,964	8,281	1,188,245
Travel	39,299	277,756	423	72,030		389,508	52,091	441,599
Equipment costs	2,846	44,297	3,350	19,921		70,414	39,112	109,526
Food costs		150,328	89,616	254		240,198	217	240,415
Medical & Pharmacy	1,987	352,413	86,893	5,432		446,725		446,725
Subcontracted Services								
Insurance							374,362	374,362
Operating supplies and expenses	73,270	444,896	93,970	69,765	14,423	696,324	123,026	819,350
Professional services	51,146	26,370	16,013	2,180		95,709	44,306	140,015
Donated goods and services								
Other expenses							<u>1,872,092</u>	<u>1,872,092</u>
TOTAL OTHER EXPENSES	<u>168,548</u>	<u>2,060,665</u>	<u>600,389</u>	<u>274,817</u>	<u>14,423</u>	<u>3,118,842</u>	<u>2,513,487</u>	<u>5,632,329</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>633,284</u>	<u>6,690,511</u>	<u>1,474,122</u>	<u>1,386,463</u>	<u>886,066</u>	<u>11,070,446</u>	<u>3,001,902</u>	<u>14,072,348</u>
Depreciation and amortization (Note 2)		<u>14,850</u>				<u>14,850</u>	<u>15,424</u>	<u>30,274</u>
TOTAL EXPENSES	<u>\$ 633,284</u>	<u>\$ 6,705,361</u>	<u>\$ 1,474,122</u>	<u>\$ 1,386,463</u>	<u>\$ 886,066</u>	<u>\$ 11,085,296</u>	<u>\$ 3,017,326</u>	<u>\$ 14,102,622</u>

See Report of Independent Certified Public Accountants on Supplemental Information.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Organization and Nature of Activities: Village South, Inc. is a tax exempt, non-profit corporation governed by a volunteer board of directors incorporated on May 4, 1973 whose purposes include, but are not limited to the following:

- A. To promote public awareness about chemical dependency and related issues and problems; and,
- B. To promote recovery from chemical dependency and or related illnesses, through developing, establishing and/or maintaining of centers for the rehabilitation of individuals and their families.
- C. To promote the health and well being of all citizens.

The Organization provides residential and out-patient rehabilitation programs, health related and a variety of prevention programs and services all of which are related to the purposes for which it is established.

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:

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.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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

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 purpose 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 agreement 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.

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.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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

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 \$373,402, 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.

Some of the vehicles utilized for transporting program participants were obtained through contracts with the State of Florida, Department of Transportation (F.D.O.T.) with 90% of the funds being provided by F.D.O.T. for the purchase of such vehicles (See Note 9). The Organization receives title and ownership to the vehicles, subject to F.D.O.T. being the recorded first lien holder. Village South, Inc. retains ownership and use of the vehicle during the contract.

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.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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

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.

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.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 4 – COMMITMENTS AND CONTINGENCIES:

Operating Leases:

As of June 30, 2019, the Organization had entered into various non-cancellable operating lease agreements for real property. The approximate minimum future commitments on an annual basis are as follows: 2019 \$868,169; 2020 \$837,037; 2021 \$833,179; 2022 \$717,063; 2023 \$465,478; and thereafter \$12,684,284.

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 5 – 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 6 – RELATED PARTY TRANSACTION:

WestCare Foundation, Inc. is a managing and governing oversight organization for Village South, Inc. During the year ending June 30, 2019, WestCare Foundation, Inc. received management fees for general and administrative expenses of \$1,599,523 from Village South, Inc.

In addition, Village South, Inc. has advanced funds as of June 30, 2019 to WestCare Foundation, Inc. for \$15,508,134.

FitzHouse Enterprises, Inc. owns property that is leased to Village South, Inc. During the year ended June 30, 2019, FitzHouse Enterprises, Inc. received rental income for the purpose of providing funds for operating expenses and debt service requirements of \$233,347.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 7 – ECONOMIC DEPENDENCY:

The Organization receives a significant portion of its support and revenues from contracts and/or agreements with agencies of the Government of the United States. 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 8- 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 Broward Behavioral Health Coalition. The Organization has satisfied all matching requirements through local grants, donations and by incurring sufficient eligible expenses.

NOTE 9 – 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	\$ 106,396
Grants receivable, net	2,052,738
Prepaid expenses	194,953
Due from Related Organization	<u>15,508,134</u>
Total available for general expenditures	<u>\$ 17,862,221</u>

As part of the Organization's liquidity management, it utilizes a zero balance account (zba), 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 related affiliate, WestCare Foundation, Inc.

VILLAGE SOUTH, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 10 – DEFERRED REVENUE:

The State of Florida, Department of Transportation provided 85% - 90% of the funds for some of the vehicles utilized in providing transportation for the clients of the Organization (See Note 1).

The deferred revenue as of June 30, 2019 is comprised of the following:

<u>Deferred Revenue Related To:</u>	<u>Total</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
F.D.O.T.- Vehicle Acquisition	<u>\$ 42,787</u>	<u>14,254</u>	<u>28,533</u>
	<u>\$ 42,787</u>	<u>14,254</u>	<u>28,533</u>

NOTE 11 – SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 6, 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

VILLAGE SOUTH, INC.
SUPPLEMENTAL MATERIAL

THE VILLAGE SOUTH, INC.
SCHEDULE OF FEDERAL EXPENDITURES AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Pass through Identifying #</u>	<u>CFDA/ CSDA</u>	<u>Expenditure</u>
SCHEDULE OF FEDERAL AWARDS			
TANF Cluster			
US Department of Health and Human Services			
<u>Temporary Assistance for Needy Families</u>			
Pass Through Award(s):			
State of Florida Department of Children & Families			
Via South Florida Provider Coalition, Inc. (Managing Entity)			
	ME225-9-19	93.558	586,009
Via Broward Behavioral Health Coalition (Managing Entity)			
	34383-17-4	93.558	<u>184,737</u>
Total TANF Cluster			<u>770,746</u>
Medicaid Cluster			
US Department of Health & Human Services			
<u>Medical Assistance Program</u>			
Pass Through Award(s):			
Florida Dept of Health - Via Healthy Start Coalition of Miami-Dade County			
	HSTVS-1517	93.778	<u>384,160</u>
Total Medicaid Cluster			<u>384,160</u>
US Department of Agriculture:			
<u>Child and Adult Care Food Program</u>			
Pass Through Award(s):			
Florida Department of Health - Child Care Food Program			
	H -1486	10.558	<u>1,746</u>
Total Child and Adult Care Food Program			<u>1,746</u>
US Department of Health and Human Services			
<u>Substance Abuse and Mental Health Services</u>			
<u>Projects of Regional and National Significance</u>			
Direct Award(s):			
CSAP - Project Style			
	5H79SP021153-04	93.243	301,945
CSAP - Project Style Technical Assistance			
	3H79SP021153-04S1	93.243	25,000
CSAT - TCE HIV High Risk Populations HART			
	5H79TI080676-02	93.243	<u>479,762</u>
Total Substance Abuse and Mental Health Services			<u>806,708</u>
<u>Health Resources & Services Administration</u>			
Pass Through Award(s):			
Florida International University Board of Trustees			
Mental and Behavioral Health Education and Training Grants			
	1M01HP312990100	93.732	<u>11,000</u>
Total Health Resources & Services Administration			<u>11,000</u>
<u>HIV Emergency Relief Project Grants</u>			
Pass Through Award(s):			
Miami-Dade County			
HIV Emergency Relief Project Grants (Ryan White Part A)			
	BU3VIL26	93.914	885,668
HIV Emergency Relief Project Grants (Ryan White Part A)			
	BU3VIL27	93.914	<u>169,812</u>
Total HIV Emergency Relief Project Grants			<u>1,055,480</u>
<u>HIV Prevention Activities Health Department Based</u>			
Pass Through Award(s):			
Florida Department of Health			
High Impact Prevention			
	CODN	93.940	157,149
High Impact Prevention			
	CODPS	93.940	<u>61,925</u>
Total HIV Prevention Activities Health Department Based			<u>219,075</u>
<u>Block Grants for Community Health Services</u>			
Pass Through Award(s):			
State of Florida Department of Children & Families			
Via South Florida Behavioral Health Network, Inc. (Managing Entity)			
	ME225-9-19	93.958	16,742
Via Broward Behavioral Health Coalition (Managing Entity)			
	34383-17-4	93.958	<u>671</u>
Total Block Grants for Community Health Services			<u>17,413</u>
<u>Block Grants for Prevention and Treatment of Substance Abuse</u>			
Pass Through Award(s):			
State of Florida Department of Children & Families			
Via South Florida Behavioral Health Network, Inc. (Managing Entity)			
Adult and Children's Substance Abuse Services & Support			
	ME225-9-19	93.959	3,624,169
Substance Abuse Prevention Partnership Program			
	P-06	93.959	147,112
Via Broward Behavioral Health Coalition (Managing Entity)			
	34383-17-4	93.959	<u>49,177</u>
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>3,820,458</u>
<u>Maternal and Child Health Services Block Grant to the States</u>			
Pass Through Award(s):			
Florida Department of Health			
Via Healthy Start Coalition of Miami-Dade County			
	HSTVS-1517	93.994	<u>256,107</u>
Total Maternal and Child Health Services Block Grant to the States			<u>256,107</u>
TOTAL FEDERAL AWARDS			\$ <u>7,342,892</u>

THE VILLAGE SOUTH, INC.
SCHEDULE OF FEDERAL EXPENDITURES AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Pass through Identifying #</u>	<u>CFDA/ CSDA</u>	<u>Expenditure</u>
SCHEDULE OF STATE FINANCIAL ASSISTANCE			
<u>State of Florida Department of Children & Families</u>			
Via South Florida Behavioral Health Network, Inc. (Managing Entity)			
Block Grants for Community Mental Health Svcs - State Match	ME225-9-19	93.958	84,028
Block Grants for Prevention and Treatment of Substance Abuse - State Match	ME225-9-19	93.959	4,084,467
Via Broward Behavioral Health Coalition (Managing Entity)			
Block Grants for Community Mental Health Svcs - State Match	34383-17-4	93.958	4,329
Block Grants for Prevention and Treatment of Substance Abuse - State Match	34383-17-4	93.959	387,895
Via South Florida Behavioral Health Network, Inc. (Managing Entity)			
Via Guidance/Care Center, Inc.			
Substance Abuse Treatment and Aftercare Services for Adults	ME 225-9-27	93.959	239,516
Via South Florida Behavioral Health Network, Inc. (Managing Entity)			
State Targeted Response to Opioid Crisis Grant	ME225-9-19	93.788	968,072
Via Broward Behavioral Health Coalition (Managing Entity)			
State Targeted Response to Opioid Crisis Grant	34383-17-4	93.788	25,000
<u>Florida Department of Corrections</u>			
Broward County	B4E378	70.016	6,093
TOTAL STATE FINANCIAL ASSISTANCE			\$ <u>5,799,399</u>

**VILLAGE SOUTH, 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 Village South, 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 Village South, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Village South, 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

Village South, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Village South, Inc. has a provisional indirect rate agreement for 36.03% for the year ended June 30, 2019.

**VILLAGE SOUTH, 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>
Medical Assistance Program	93.778
HIV Emergency Relief Project	93.914
Maternal & Child Health Services Block Grant	93.994

<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 Grants 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: (Not applicable for State Projects)	Yes
--	-----

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.

**The Village South, Inc.
Schedule of State Earnings for
Year Ended June 30, 2019**

1	Total Expenditures	14,102,622
2	Less Other State and Federal Funds	(2,056,298)
3	Less Non-Match SAMH Funds	
	South Florida Providers Coalition	(6,252,510)
	Broward Behavioral Health Coalition	(616,743)
	Total Amount of State Funds Requiring Match	(6,869,253)
4	Less Unallowable Costs per 65E-14, F.A.C.	
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	5,177,071
6	Maximum Available Earnings (Line 5 times 75%)	3,882,803
7	State Funds Requiring Match	
	South Florida Providers Coalition	3,576,810
	Broward Behavioral Health Coalition	35,065
	Total Amount of State Funds Requiring Match	3,611,875
8	Amount Due to Department (Subtract line 7 from line 6)	270,928

PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
 Year Ended June 30, 2019

AGENCY: THE Village South, Inc.

CONTRACT #: SFBHN #ME225-9-19

BBHC #34383-18

PART I: ACTUAL FUNDING

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	PROGRAM 1									
	Assessment B 1-a	Case Mgt B 1-b	Outpatient B 1-c	Residential Level 2 B 1-d	Residential Level 3 B 1-e	Residential Level 4 B 1-f	Outreach B 1-g	Intervention B 1-h	Prevention B 1-i	In-Home/ On-site B 1-j
IA. STATE SAMH FUNDING										
(1) SFBHN	\$ 1,651	\$ 183,455	\$	\$ 3,358,779	\$ 53,036	\$ 43,819	\$ 482,122	\$ 36,477	\$ 283,546	\$ 3,742,653
(2) BBHC	\$	\$ 65,181	\$ 65,181	\$ 224,233	\$ 153,481	\$ 65,181	\$	\$ 65,181	\$	\$ 9,472
(3)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(4)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(5) From Other Districts	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL STATE SAMH FUNDING	<u>\$ 1,651</u>	<u>\$ 248,636</u>	<u>\$ 65,181</u>	<u>\$ 3,583,012</u>	<u>\$ 206,517</u>	<u>\$ 109,000</u>	<u>\$ 482,122</u>	<u>\$ 101,658</u>	<u>\$ 283,546</u>	<u>\$ 3,752,125</u>
IB. OTHER GOVERNMENT FUNDING										
(1) Other State Agency Funding	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(2) Medicaid	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(3) Local Government	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(4) Federal Grants and Contracts	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(5) In-kind from local govt. only	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL OTHER GOV'T FUNDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	\$	\$	\$	\$ 92,813	\$	\$	\$	\$	\$	\$ 1,380
(2) 3rd Party Payments (except Medicare)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(3) Medicare	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(4) Contributions and Donations	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other - GCC FITT/EBA/FIU/Citrus/Transsocial,										
(5) Inc./Healthy Start/Daycare Lease/Interest	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(6) In-kind	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL ALL OTHER REVENUES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 92,813</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,380</u>
TOTAL FUNDING	<u>\$ 1,651</u>	<u>\$ 248,636</u>	<u>\$ 65,181</u>	<u>\$ 3,675,825</u>	<u>\$ 206,517</u>	<u>\$ 109,000</u>	<u>\$ 482,122</u>	<u>\$ 101,658</u>	<u>\$ 283,546</u>	<u>\$ 3,753,505</u>

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

PART II - ACTUAL EXPENSES

PROGRAM 1										
A	Assessment	Case Mgt	Outpatient	Residential Level 2	Residential Level 3	Residential Level 4	Outreach	Intervention	Prevention	In-Home/ On-site
	B 1-a	B 1-b	B 1-c	B 1-d	B 1-e	B 1-f	B 1-g	B 1-h	B 1-i	B 1-j
EXPENSE CATAGORIES										
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$ 2,588	\$ 103,914	\$ 7,046	\$ 1,734,362	\$ 25,520	\$ 7,046	\$ 252,286	\$ 23,774	\$ 145,366	\$ 1,350,611
(2) Fringe Benefits	\$ 579	\$ 23,242	\$ 1,576	\$ 387,921	\$ 5,708	\$ 1,576	\$ 56,428	\$ 5,317	\$ 32,514	\$ 302,088
TOTAL PERSONNEL EXPENSES =	\$ 3,167	\$ 127,156	\$ 8,622	\$ 2,122,283	\$ 31,228	\$ 8,622	\$ 308,714	\$ 29,091	\$ 177,880	\$ 1,652,699
IIB. OTHER EXPENSES										
(1) Building occupancy	\$ 0	\$ 11,941	\$ 11,941	\$ 498,425	\$ 78,211	\$ 12,889	\$ 314	\$ 11,941	\$ 0	\$ 98,264
(2) Professional services	\$ 0	\$ 59	\$ 59	\$ 19,599	\$ 2,860	\$ 59	\$ 59	\$ 59	\$ 0	\$ 0
(3) Travel	\$ 0	\$ 0	\$ 926	\$ 3,472	\$ 72	\$ 6	\$ 6,755	\$ 0	\$ 17,785	\$ 166,551
(4) Equipment costs	\$ 0	\$ 399	\$ 399	\$ 18,720	\$ 1,460	\$ 399	\$ 0	\$ 399	\$ 0	\$ 15,360
(5) Food costs	\$ 0	\$ 163	\$ 163	\$ 135,116	\$ 14,151	\$ 206	\$ 0	\$ 163	\$ 0	\$ 0
(6) Medical & Pharmacy	\$ 0	\$ 167	\$ 167	\$ 183,850	\$ 22,613	\$ 2,993	\$ 100,121	\$ 167	\$ 0	\$ 62,268
(7) Subcontracted Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(8) Insurance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(9) Interest Paid	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(10) Operating supplies and expenses	\$ 0	\$ 2,439	\$ 1,809	\$ 207,956	\$ 18,699	\$ 2,069	\$ 3,434	\$ 1,857	\$ 6,878	\$ 47,026
(11) Other Exp-Taxes/Legal Settlements/Depreciation	\$ 0	\$ 0	\$ 0	\$ 669	\$ 106	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(12) Donated goods and services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL OTHER EXPENSES =	\$ 0	\$ 15,168	\$ 15,464	\$ 1,067,807	\$ 138,172	\$ 18,621	\$ 110,624	\$ 14,586	\$ 24,663	\$ 389,469
TOTAL PERSONNEL & OTHER EXPENSES=	\$ 3,167	\$ 142,324	\$ 24,086	\$ 3,190,090	\$ 169,400	\$ 27,243	\$ 419,338	\$ 43,677	\$ 202,543	\$ 2,042,168
IIIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Costs (Optional)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Administration	\$ 163	\$ 24,615	\$ 6,453	\$ 363,907	\$ 20,445	\$ 10,791	\$ 47,730	\$ 10,064	\$ 28,071	\$ 371,597
TOTAL DISTRIBUTED INDIRECT COSTS=	\$ 163	\$ 24,615	\$ 6,453	\$ 363,907	\$ 20,445	\$ 10,791	\$ 47,730	\$ 10,064	\$ 28,071	\$ 371,597
TOTAL ACTUAL OPERATING EXPENSES=	\$ 3,330	\$ 166,939	\$ 30,539	\$ 3,553,997	\$ 189,845	\$ 38,034	\$ 467,068	\$ 53,742	\$ 230,614	\$ 2,413,765
IIID. LESS UNALLOWABLE COSTS										
(1) Related Party Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL ALLOWABLE OPERATING EXPENSES=	\$ 3,330	\$ 166,939	\$ 30,539	\$ 3,553,997	\$ 189,845	\$ 38,034	\$ 467,068	\$ 53,742	\$ 230,614	\$ 2,413,765
IIIE. 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. Claffee
 Signature Title
 Controller-Eastern Division

**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
Year Ended June 30, 2019**

AGENCY: THE Village South, Inc.

CONTRACT #: SFBHN #ME225-9-19

BBHC #34383-18

PART I: ACTUAL FUNDING

FUNDING SOURCES & REVENUES	PROGRAM 2				Total for State-Funded AMH Cost Centers	Total for Non-State SAMH-Funded Cost Centers	Total for All State Designated SAMH Cost Centers	Non-SAMH Cost Centers	Total Funding
	Total for Program 1	PPG	SOR & Medical Services	Total for Program 2					
	C1	D 2-a	B 1-g	E2					
A	F	G	H	I	J				
IA. STATE SAMH FUNDING									
(1) SFBHN	\$ 8,185,538	\$ 147,112	\$ 581,848	\$ 728,960	\$ 8,914,498	\$ XXXXXXXX	\$ 8,914,498	\$ XXXXXXXX	\$ 8,914,498
(2) BBHC	\$ 647,910	\$ -	\$ -	\$ -	\$ 647,910	\$ XXXXXXXX	\$ 647,910	\$ XXXXXXXX	\$ 647,910
(3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ XXXXXXXX	\$ -	\$ XXXXXXXX	\$ -
(4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ XXXXXXXX	\$ -	\$ XXXXXXXX	\$ -
(5) From Other Districts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ XXXXXXXX	\$ -	\$ XXXXXXXX	\$ -
TOTAL STATE SAMH FUNDING	<u>\$ 8,833,448</u>	<u>\$ 147,112</u>	<u>\$ 581,848</u>	<u>\$ 728,960</u>	<u>\$ 9,562,407</u>	<u>\$ -</u>	<u>\$ 9,562,407</u>	<u>\$ -</u>	<u>\$ 9,562,407</u>
IB. OTHER GOVERNMENT FUNDING									
(1) Other State Agency Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,194	\$ 931,194
(2) Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Local Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,105,442	\$ -	\$ -	\$ 1,105,442
(4) Federal Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125,104	\$ -	\$ -	\$ 1,125,104
(5) In-kind from local govt. only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER GOV'T FUNDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,230,546</u>	<u>\$ 0</u>	<u>\$ 931,194</u>	<u>\$ 3,161,740</u>
IC. ALL OTHER REVENUES									
(1) 1st & 2nd Party Payments	\$ 94,193	\$ -	\$ -	\$ -	\$ -	\$ 26,413	\$ -	\$ 252	\$ 120,858
(2) 3rd Party Payments (except Medicare)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Contributions and Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,237	\$ 6,237
Other - GCC FITT/EBA/FIU/Citrus/Transsocial,									
(5) Inc./Healthy Start/Daycare Lease/Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,027,254	\$ -	\$ 257,044	\$ 2,284,298
(6) In-kind	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL OTHER REVENUES	<u>\$ 94,193</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,053,667</u>	<u>\$ 0</u>	<u>\$ 263,533</u>	<u>\$ 2,411,393</u>
TOTAL FUNDING	<u>\$ 8,927,641</u>	<u>\$ 147,112</u>	<u>\$ 581,848</u>	<u>\$ 728,960</u>	<u>\$ 9,562,407</u>	<u>\$ 4,284,213</u>	<u>\$ 9,562,407</u>	<u>\$ 1,194,727</u>	<u>\$ 15,135,540</u>

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
 PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

PART II - ACTUAL EXPENSES

A	PROGRAM 2										
	Total for Program 1	PPG	SOR & Medical & Medical Svcs.	Total for Program 2	Total for State-Funded AMH Cost Centers	Total for Non-State SAMH-Funded Cost Centers	Total for All State Designated SAMH Cost Centers	Non-SAMH Cost Centers	Other Support Costs (optional)	Administration	Total Expenses
C1	D 2-a	B 1-q	E2	F	G	H	I	J	K	L	
EXPENSE CATAGORIES											
IIA. PERSONNEL EXPENSES											
(1) Salaries	\$ 3,652,513	\$ 115,887	121,559	\$ 237,446	\$ 3,889,959	\$ 2,002,270	\$ 5,892,229	\$ 577,450	\$ 28,493	399,140	\$ 6,897,312
(2) Fringe Benefits	\$ 816,949	\$ 25,920	27,189	\$ 53,109	\$ 870,058	\$ 447,843	\$ 1,317,901	\$ 129,157	\$ 6,373	89,276	\$ 1,542,707
TOTAL PERSONNEL EXPENSES =	\$ 4,469,462	\$ 141,807	148,748	\$ 290,555	\$ 4,760,017	\$ 2,450,113	\$ 7,210,131	\$ 706,607	\$ 34,866	488,416	\$ 8,440,019
IIB. OTHER EXPENSES											
(1) Building occupancy	\$ 723,926	\$ 0	0	\$ 0	\$ 723,926	\$ 415,359	\$ 1,139,285	\$ 40,678	\$ 0	8,282	\$ 1,188,245
(2) Professional services	\$ 22,695	\$ 0	3,675	\$ 3,675	\$ 26,370	\$ 69,339	\$ 95,709	\$ 0	\$ 0	44,306	\$ 140,015
(3) Travel	\$ 195,567	\$ 6,283	53	\$ 6,336	\$ 201,903	\$ 111,752	\$ 313,655	\$ 75,854	\$ 0	52,090	\$ 441,599
(4) Equipment costs	\$ 37,136	\$ 0	762	\$ 762	\$ 37,898	\$ 26,117	\$ 64,015	\$ 6,400	\$ 0	39,111	\$ 109,526
(5) Food costs	\$ 149,962	\$ 0	0	\$ 0	\$ 149,962	\$ 89,869	\$ 239,831	\$ 368	\$ 0	216	\$ 240,415
(6) Medical & Pharmacy	\$ 372,346	\$ 0	0	\$ 0	\$ 372,346	\$ 74,051	\$ 446,397	\$ 328	\$ 0	0	\$ 446,725
(7) Subcontracted Services	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
(8) Insurance	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	374,362	\$ 374,362
(9) Interest Paid	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
(10) Operating supplies and expenses	\$ 292,167	\$ 8,753	81,308	\$ 90,061	\$ 382,228	\$ 257,269	\$ 639,497	\$ 76,512	\$ 577	102,764	\$ 819,350
(11) Other Exp-Taxes/Legal Settlements/Depreciation	\$ 775	\$ 0	0	\$ 0	\$ 775	\$ 404	\$ 1,179	\$ 14,850	\$ 0	286,815	\$ 302,844
(12) Donated goods and services	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
TOTAL OTHER EXPENSES =	\$ 1,794,574	\$ 15,036	85,798	\$ 100,834	\$ 1,895,408	\$ 1,044,160	\$ 2,939,568	\$ 214,990	\$ 577	907,946	\$ 4,063,081
TOTAL PERSONNEL & OTHER EXPENSES=	\$ 6,264,037	\$ 156,843	234,546	\$ 391,389	\$ 6,655,426	\$ 3,494,273	\$ 10,149,699	\$ 921,597	\$ 35,443	1,396,362	\$ 12,503,099
IIIC. DISTRIBUTED INDIRECT COSTS											
(a) Other Support Costs (Optional)	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
(b) Administration	\$ 883,836	\$ 14,564	57,603	\$ 72,167	\$ 956,003	\$ 424,137	\$ 1,380,141	\$ 219,382	\$ 0	0	\$ 1,599,523
TOTAL DISTRIBUTED INDIRECT COSTS=	\$ 883,836	\$ 14,564	57,603	\$ 72,167	\$ 956,003	\$ 424,137	\$ 1,380,141	\$ 219,382	\$ 0	0	\$ 1,599,523
TOTAL ACTUAL OPERATING EXPENSES=	\$ 7,147,873	\$ 171,407	292,149	\$ 463,556	\$ 7,611,429	\$ 3,918,410	\$ 11,529,839	\$ 1,140,979	\$ 35,443	1,396,362	\$ 14,102,622
IIID. LESS UNALLOWABLE COSTS											
(1) Related Party Costs	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
TOTAL ALLOWABLE OPERATING EXPENSES=	\$ 7,147,873	\$ 171,407	292,149	\$ 463,556	\$ 7,611,429	\$ 3,918,410	\$ 11,529,839	\$ 1,140,979	\$ 35,443	1,396,362	\$ 14,102,622
IIIE. CAPITAL EXPENDITURES											
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

The Village South, Inc.
 Schedule of Related Party Transaction Adjustments
 Fiscal Year Ended 6/30/2019

AUDIT SCHEDULE Village South, Inc. Schedule of Related Party Transaction Adjustments Year Ended June 30, 2019						
	Related Party	Allocation of Related Party Transactions Adjustment				
		State-Designated Cost Centers				Total
		1	2	3	
Revenues From Grantee						
Rent	XXX					
Services	XXX					
Interest	XXX					
Other	<u>XXX</u>					
Total Revenue From Grantee	XXX	This Schedule N/A				
Expenses Associated with Grantee Transactions						
Personnel Services	YYY					
Depreciation	YYY					
Interest	YYY					
Other	<u>YYY</u>					
Total Associated Expenses	YYY					
Related Party Transaction Adjustment	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>

**Florida Department of Children and Families
Substance Abuse and Mental Health
Local Match Calculation Form (Rev. 8-18-14)**



	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	\$ 9,562,407	Total value of SAMH funds received from the managing entity (ME).
3	Total Department Funding	\$ 9,562,407	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	\$ 3,455,634	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	\$ 3,530,634	Total Items 4 through 16
18	State Share	\$ 6,031,773	Item 3 less Item 17.
19	Local Matching Funds Required	\$ 2,010,591	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	\$ 2,284,298	Value of grants received from private foundations or charitable organizations.
21	Local governmental grants	\$ 1,105,442	Value of grants received from municipal governments, special taxing districts, or other local governmental entities (but excluding state or federal entities).
22	Charitable contributions	\$ 6,237	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	\$ 120,858	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	\$ 3,516,835	Total Items 20 through 25
27	County Share	\$ (1,506,244)	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
Village South, 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 Village South, 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 6, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village South, 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 Village South, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization'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.

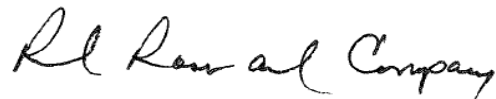
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Village South, 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 6, 2019

ROLAND ROOS & COMPANY

Certified Public Accountants

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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
Village South, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Village South, 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 Village South, Inc.'s major federal programs and state projects for the year ended June 30, 2019. Village South, 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 Village South, 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 Village South, 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 Village South, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Village South, 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 Village South, 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 Village South, 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 Village South, 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 6, 2019