

DISC VILLAGE, INC. AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

DISC VILLAGE, INC. AND AFFILIATES
TABLE OF CONTENTS
JUNE 30, 2025

	<u>Page(s)</u>
Independent Auditors' Report	1 – 3
Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 – 16
Schedule of Expenditures of Federal Awards	17 – 20
Notes to Schedule of Expenditures of Federal Awards	21
Other Information	22 – 30
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 – 32
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in accordance with the Uniform Guidance	33 – 35
Schedule of Findings and Questioned Costs	36 – 37



INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
DISC Village, Inc. and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Disc Village, Inc. and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* referenced above will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

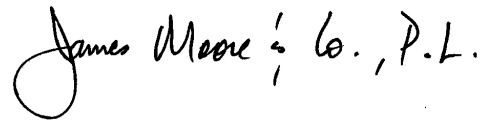
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Section 215.97, Florida Statutes, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information which comprises the various Department of Children and Families required forms and the Consolidating Schedule of Revenues, Expenses and Changes in Net Assets is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
March 9, 2026

DISC VILLAGE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current assets	
Cash and cash equivalents	\$ 5,151,482
Grants and contracts receivable	2,479,965
Current portion of notes receivable	19,110
Prepaid expenses	53,196
Total current assets	7,703,753
 Noncurrent assets	
Investments	25,209,715
Notes receivable, less current portion	854,573
Property and equipment, net	9,021,485
Total noncurrent assets	35,085,773
 Total Assets	
	\$ 42,789,526

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 99,735
Due to grantor	871,490
Accrued salaries and benefits	892,478
Accrued leave	362,336
Refundable advance	251,185
Other accrued liabilities	68,745
Deferred compensation	602,500
Total current liabilities	3,148,469
 Total liabilities	
	3,148,469
 Net assets	
Without donor restrictions	
Undesignated	30,619,572
Invested in property and equipment	9,021,485
Total net assets	39,641,057
 Total Liabilities and Net Assets	
	\$ 42,789,526

The accompanying notes to consolidated financial statements
are an integral part of this statement.

DISC VILLAGE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions
Support and revenue	
Grants and contracts	\$ 16,643,835
Client service revenue, net	111,039
Contributions	8,250
In-kind contributions	1,826,992
Lease revenue	512,084
Interest and dividends	614,118
Net realized and unrealized gains from investments	2,270,963
Other revenue	508,152
Total support and revenue	22,495,433
Expenses	
Program services	
Substance abuse	13,150,396
Child welfare	1,891,873
Intervention - juvenile services non-substance abuse	1,258,410
Other programs	1,361,774
Total program services	17,662,453
Support services	
General and administrative	1,988,155
Total expenses	19,650,608
Increase in net assets	2,844,825
Net assets, beginning of year	36,796,232
Net assets, end of year	\$ 39,641,057

The accompanying notes to consolidated financial statements
are an integral part of this statement.

DISC VILLAGE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>				<u>Support Services</u>	<u>Total</u>
	<u>Substance Abuse</u>	<u>Child Welfare</u>	<u>Intervention Services</u>	<u>Other Programs</u>	<u>General and Administrative</u>	
Salaries & payroll taxes	\$ 6,303,426	\$ 1,378,162	\$ 852,322	\$ 338,914	\$ 1,498,960	\$ 10,371,784
Fringe benefits	961,477	207,673	117,296	88,545	125,640	1,500,631
Advertising	203,899	967	218	-	-	205,084
Banking charges	6,992	-	2	20	6,670	13,684
Contractual services	69,495	7,730	11,489	-	17,772	106,486
Depreciation	228,808	31,194	7,130	300,545	5,445	573,122
Dues & subscriptions	366	3	1,001	6,464	48,081	55,915
Educational supplies	33,948	579	32,680	-	9,857	77,064
Equipment	27,811	206	233	13,339	89	41,678
Food supplies	412,311	89	-	-	-	412,400
Household supplies	42,119	1,069	5,634	5,609	1,121	55,552
In-kind expense	1,748,931	40,821	37,240	-	-	1,826,992
Insurance	256,166	35,344	19,059	73,356	30,893	414,818
Leased equipment	32,970	5,224	12,604	4,116	22,473	77,387
Licenses & fees	24,559	6,407	4,510	2,145	4,044	41,665
Medical services & supplies	1,273,038	3,310	1,050	-	403	1,277,801
Miscellaneous	108,712	1,528	20,039	22,728	615	153,622
Occupancy cost	392,887	16,033	22,206	209,248	9,882	650,256
Office supplies	36,808	3,008	5,857	1,279	5,908	52,860
Postage & freight	49	589	371	-	879	1,888
Printing & copying	13,922	712	962	-	1,918	17,514
Professional services	177,056	10,239	9,050	100,807	127,903	425,055
Repairs & maintenance	289,523	16,744	17,684	182,615	8,091	514,657
Communications	265,392	50,965	41,489	4,172	29,579	391,597
Non-payroll related staff expense	239,731	73,277	38,284	7,872	31,932	391,096
Total direct expenses	<u>13,150,396</u>	<u>1,891,873</u>	<u>1,258,410</u>	<u>1,361,774</u>	<u>1,988,155</u>	<u>19,650,608</u>
Allocation of general and administrative expenses	1,100,806	158,177	104,964	50,077	(1,414,024)	-
Total expenses	<u>\$ 14,251,202</u>	<u>\$ 2,050,050</u>	<u>\$ 1,363,374</u>	<u>\$ 1,411,851</u>	<u>\$ 574,131</u>	<u>\$ 19,650,608</u>

The accompanying notes to consolidated financial statements
are an integral part of this statement.

DISC VILLAGE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash flows from operating activities	
Cash received from grantors, contractors and contributors	\$ 19,805,805
Cash paid to employees, vendors, grantors and subcontractors	(16,924,160)
Cash received from interest and dividends	614,118
Net cash provided by (used in) operating activities	<u>3,495,763</u>
Cash flows from investing activities	
Proceeds from maturity of certificates of deposit	969,896
Purchases of investments	(1,345,507)
Proceeds from sales of investments	267,097
Purchases of property and equipment	(547,609)
Net cash provided by (used in) investing activities	<u>(656,123)</u>
Cash flows from financing activities	
Receipts from notes receivable	13,473
Net increase (decrease) in cash and cash equivalents	<u>2,853,113</u>
Cash and cash equivalents, beginning of year	2,298,369
Cash and cash equivalents, end of year	<u><u>\$ 5,151,482</u></u>
Reconciliation of increase (decrease) in net assets to net cash provided by (used in) operating activities	
Increase (decrease) in net assets	<u>\$ 2,844,825</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:	
Depreciation	573,122
Net realized and unrealized gain on investments	(2,270,963)
(Gain) loss on disposal of fixed assets	2,095
(Increase) decrease in grants and contracts receivable	1,924,765
(Increase) decrease in prepaid expenses	(25,626)
Increase (decrease) in accounts payable	(132,809)
Increase (decrease) in grantor payable	770,957
Increase (decrease) in accrued payroll liabilities	(142,574)
Increase (decrease) in accrued salaries	84,262
Increase (decrease) in accrued leave	(22,808)
Increase (decrease) in other accrued liabilities	49,932
Increase (decrease) in deferred revenue	95,585
Increase (decrease) in deferred compensation	(255,000)
Total adjustments	<u>650,938</u>
Net cash provided by (used in) operating activities	<u><u>\$ 3,495,763</u></u>

The accompanying notes to consolidated financial statements
are an integral part of this statement.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of DISC Village, Inc., and Affiliates (the “Organization”) which affect significant elements of the accompanying consolidated financial statements:

(a) **General**—The Organization is engaged in providing a comprehensive array of alcohol, drug and mental health rehabilitative services to residents of North Florida. In August 2001, DISC Village, Inc. formed Woodville Properties, Inc. and DISC Village Foundation, Inc. All organizations share a common Board of Directors and management. The consolidated financial statements include the accounts of DISC Village, Inc., Woodville Properties, Inc. and DISC Village Foundation, Inc. Woodville Properties, Inc. and DISC Village Foundation, Inc. are consolidated since DISC Village, Inc. has both an economic interest in and control of these entities through a majority voting interest in their governing boards. All significant inter-company transactions and accounts are eliminated.

(b) **Property and equipment**—Property and equipment acquired by the Organization is considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal Government has a reversionary interest in those assets purchased with its funds which have cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$5,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to forty years. Repairs and maintenance, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred.

(c) **Income taxes**—DISC Village, Inc., Woodville Properties, Inc. and DISC Village Foundation, Inc. are generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying consolidated financial statements. The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the consolidated financial statements.

(d) **Cash and cash equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits held with banks, and short-term investments with original maturities of 90 days or less.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Use of estimates**—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(f) **Basis of accounting**—The consolidated financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

(g) **Net assets**—Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2025, there are no net assets with donor restrictions.

(h) **Functional allocation of expenses**—The cost of providing the various services and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

(i) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increases this net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of not implying a time restriction on contributions of such assets that expires. Therefore, all contributions of property and equipment, and of the assets contributed to acquire property and equipment, are recorded as unrestricted support or contributions.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

Contributed nonfinancial assets include donated supplies and professional services, which are recorded at the respective fair value of the goods or services received. Donated professional services are recognized as contributions in accordance with accounting principles generally accepted in the United States of America, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many volunteers provide services throughout the year that are not recognized as contributions in the consolidated financial statements, because the recognition criteria under accounting principles generally accepted in the United States of America was not met. It is impracticable to determine the fair value of all donated services by volunteers of the Organization beyond those recognized as income.

(j) **Investments**—Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

(k) **Accrued leave**—The Organization compensates its employees for unused accrued paid time off upon termination of employment. The amount of the change in accrued leave for all employees from one year to the next is reported as an expense during the current year.

(l) **Grants and contracts receivable**—Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers, grantors, and contractors having outstanding balances and current relationships with them, it has concluded that realization credit losses on balances outstanding at year-end will be immaterial. Therefore, no allowance for credit losses was considered necessary.

(m) **Revenue recognition**—The Organization receives all of its grant and contract revenue from Federal, state and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. A portion of revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. As of June 30, 2025, \$251,185 was received in advance under federal and state contracts and grants.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Notes receivable**—Notes receivable are reported at their outstanding principal balance. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of the borrowers, the estimated value of the underlying collateral, and current economic conditions.

(o) **Investment policy**—The Organization’s investment policy intends for the Organization to invest idle funds that are not needed for operations in investment accounts. The investments must be properly authorized and accurately accounted for. All investments are safeguarded against physical loss or misuse. The Organization targets a diversified asset allocation that places a greater emphasis on money markets accounts, certificates of deposit, treasury notes, mutual funds, corporate bonds, and corporate stocks. The investment accounts must be with a large asset management company that has a proven track record, low fees, and no investment violations.

(2) **Significant Funding Sources:**

The Organization receives approximately 74% of its funding from state and federal contracts. A significant reduction in the level of this funding, if it were to occur, could have an adverse effect on the Organization’s programs and activities.

(3) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand and time deposits**—The Organization maintains cash and time deposits with several financial institutions and brokerage houses. The Organization has no policy requiring collateral or other security to support its deposits, although all demand and time deposits with the financial institutions are federally insured up to FDIC limits. At brokerage houses, amounts are insured by the Securities Investor Protection Corporation (SIPC) up to the SIPC limits.

(b) **Grants and contracts receivable**—The Organization’s receivables are for amounts due under contracts with local, state, and Federal government agencies. The Organization has no policy requiring collateral or other security to support its receivables.

(c) **Financial instruments**—Financial instruments that potentially subject the Organization to concentrations of credit risk include investments. The investments are held in high quality institutions and companies with high credit ratings.

(d) **Notes receivable**—The Organization’s notes receivable are amounts due from corporations. The Organization has a policy of requiring collateral to support the notes receivable secured by a purchase money mortgage.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(4) **Property and Equipment:**

The following is a summary of property and equipment at June 30, 2025:

Vehicles	\$ 685,928
Furniture and equipment	1,180,063
Buildings and land improvements	15,693,336
Construction in process	28,862
Land	<u>1,581,285</u>
	19,169,474
Less: Accumulated depreciation	<u>(10,147,989)</u>
Total	<u>\$ 9,021,485</u>

Depreciation expense for the year ending June 30, 2025, was \$573,122. Depreciation expense has been included on the consolidated statement of functional expenses.

(5) **401(K) Profit Sharing Retirement Plan:**

The Organization currently maintains a 401(K) Profit Sharing Retirement Plan (a defined contribution plan). All employees may contribute to the 401(K) plan through salary deductions. The Organization makes an employer contribution equal to 4% of eligible compensation regardless of employee contributions. The contribution for the year ended June 30, 2025, was \$377,448.

(6) **Medicaid:**

The Organization bills Medicaid at the Medicaid established rates for eligible services performed. Services rendered are reimbursed by Medicaid subject to specific documentation requirements. Compliance audits are conducted periodically by the Medicaid fiscal intermediaries, as well as the Organization's corporate compliance program, which can result in the recoupment of fees paid to the Organization.

(7) **Grant Matching Requirements:**

Contributions reported to grantors are revenues received from local funds and used to satisfy the matching requirements of certain grants. A portion of local match revenue consists of contributions from volunteers and subcontractors. The remainder of match required by the grants and contracts is received from governmental and non-profit organizations.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(8) Nonqualified Deferred Compensation Agreements:

The Organization has non-qualified deferred compensation agreements with three key employees funded by unrestricted, discretionary funds. The agreements provide for cash compensation, contingent on certain conditions, to be paid out as individual agreement conditions are met. The Organization reports the present value of the estimated future benefit as a liability on the Consolidated Statement of Financial Position. During the year, the Organization recognized expense of \$15,000, \$530,000, and \$15,000 respectively, for the three key employees. These expenses are included in salaries and payroll taxes on the Consolidated Statement of Functional Expenses for the year ended June 30, 2025. Payouts on the deferred compensation agreements were \$315,000, \$500,000, and \$0, respectively for the three key employees during the year. Amounts earned but not paid out are invested by the Organization in accordance with the Organization’s investment policy until the key employee elects to receive a payout. Provided certain conditions are met, the Organization will owe one key employee \$30,000 annually for the duration of their employment and another key employee \$15,000 annually through fiscal year 2026.

(9) In-kind Support:

The Organization receives in-kind rental space that is used to serve clients. The value of this in-kind support is based upon the fair commercial rent value of this space. In-kind rent revenue totaled \$720,000 at June 30, 2025.

The Organization receives donations of supplies and equipment to help serve clients. The value of in-kind contributions of supplies and equipment are valued using estimated U.S. wholesale prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed supplies and equipment are used in program services and were \$148,933 at June 30, 2025.

Contributed professional services are provided by professional case management counselors who provide case management and counseling services and are priced at the current rate for similar case management and counseling services. Contributed professional services are used in program services and were \$958,059 at June 30, 2025.

(10) Notes Receivable:

Notes receivable consists of the following at June 30, 2025:

5.5% interest bearing note receivable due from corporation, secured by a purchase money mortgage, to be repaid by monthly payments of \$5,536 principal and interest, until August 2028, when the remaining principal balance, together with accrued interest, shall be due and payable.	\$	873,683
		873,683
Less: current portion of notes receivable		19,110
Notes receivable, less current portion	\$	854,573

Interest revenue for the related notes receivable totaled \$46,297 for the year ended June 30, 2025, and is recognized in the consolidated statement of activities.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(11) **Contingencies:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

The Organization is party to routine legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such actions will have no material impact on the Organization's financial condition.

(12) **Property Leased to Others:**

During the year ended June 30, 2025, the Organization recognized rental income from properties leased to others in the amount of \$512,084. The following is a schedule of future rentals under non-cancellable operating leases as of June 30, 2025. The amounts below may differ from actual future rental income due to new leases entered into, the expiration of existing leases, or the recognition of rental revenue resulting from escalators, if any:

Year Ending	
June 30,	Amount
2026	\$ 566,024
2027	517,877
2028	434,237
2029	396,693
2030	404,627
Thereafter	1,589,936
	<u>\$ 3,909,394</u>

(13) **Investments and Fair Value Measurements:**

On July 1, 2010, the Organization adopted the provisions of FASB ASC 820-10 which provides a framework for measuring fair value under generally accepted accounting principles. These standards define fair value, provide guidance for measuring fair value and require certain disclosures. These standards do not require any new fair value measurements, but rather apply to all other accounting pronouncements that require or permit fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The following is a brief description of the three levels within the fair value hierarchy that prioritize the inputs to valuation techniques:

- **Level 1:** Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(13) **Investments and Fair Value Measurements:** (Continued)

- **Level 2:** Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities that are not active. Such inputs may include interest rates and yield curves, volatilities, prepayment speeds, credit risks, and default rates.
- **Level 3:** Unobservable inputs to measure fair value of assets and liabilities for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based upon the best information at the time, to the extent that inputs are available without undue cost and effort.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

Mutual funds– Valued at quoted market prices.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a summary of the valuation as of June 30, 2025, for the Organization's investments based upon the three levels defined above:

	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments in mutual funds:				
Equities	\$ 17,890,278	\$ 17,890,278	\$ -	\$ -
Fixed income	7,319,437	7,319,437	-	-
Total investments at fair value	<u>\$ 25,209,715</u>	<u>\$ 25,209,715</u>	<u>\$ -</u>	<u>\$ -</u>

The following schedule summarizes the investment return in the Consolidated Statement of Activities for the year ended June 30, 2025:

Interest and dividend income	\$ 614,118
Net realized and unrealized gains	2,324,695
Investment fees	(53,732)
Total	<u>\$ 2,885,081</u>

DISC VILLAGE, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

(14) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through March 9, 2026, the date which the consolidated financial statements were available to be issued. No subsequent events have been recognized or disclosed other than the event noted below.

(15) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor restrictions or internal board designations limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 5,151,482
Investments	25,209,715
Grants and contracts receivable	2,479,965
Current portion of notes receivable	19,110
Financial assets available to meet cash needs for general expenditures	<u>\$ 32,860,272</u>

The Organization's investments are subject to the spending policy as described in Note 1(o).

DISC VILLAGE, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor	Federal Assistance Listing Number/CFSA	Contract Number	Current Year Expenditures
<u>FEDERAL AWARDS</u>			
U.S. Department of Health and Human Services			
Passed through NWF Health Network, Inc.			
Temporary Assistance for Needy Families	93.558	25822	\$ 289,211
Temporary Assistance for Needy Families	93.558	B0040	166,621
			<u>455,832</u>
Passed through NWF Health Network, Inc.			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B0040	2,620,741
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B0807	176,417
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B0800	268,417
			<u>3,065,575</u>
Passed through the Florida Alcohol and Drug Abuse Association			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	---	119,817
			<u>119,817</u>
Total Block Grants for Prevention and Treatment of Substance Abuse			
			<u>3,185,392</u>
Passed through NWF Health Network, Inc.			
Promoting Safe and Stable Families	93.556	B0901	60,736
Promoting Safe and Stable Families	93.556	25822	56,519
			<u>117,255</u>
Passed through NWF Health Network, Inc.			
Social Services Block Grant	93.667	B0901	58,228
Social Services Block Grant	93.667	25822	29,114
			<u>87,342</u>

- The accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this Schedule -

DISC VILLAGE, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

<u>Federal Grantor/Pass Through Grantor/</u>	<u>Federal Assistance Listing Number/CFSA</u>	<u>Contract Number</u>	<u>Current Year Expenditures</u>
FEDERAL AWARDS (Continued)			
U.S. Department of Health and Human Services (Continued)			
Passed through NWF Health Network, Inc. Foster Care Title IV-E	93.658	25822	\$ <u>209,237</u>
Passed through NWF Health Network, Inc. Adoption Assistance	93.659	25822	<u>28,797</u>
Passed through NWF Health Network, Inc. Child Abuse and Neglect State Grants	93.669	B0901	4,517
Child Abuse and Neglect State Grants	93.669	25822	<u>72</u>
			<u>4,589</u>
Passed through NWF Health Network, Inc. Stephanie Tubbs Jones Child Welfare Services Program	93.645	25822	<u>44,106</u>
Passed through NWF Health Network, Inc. Grants to States for Access and Visitation Programs	93.597	25822	<u>27,440</u>
Passed through NWF Health Network, Inc. Block Grants for Community Mental Health Services	93.958	B0040	<u>17,729</u>

- The accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this Schedule -

DISC VILLAGE, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

<u>Federal Grantor/Pass Through Grantor/</u>	<u>Federal Assistance Listing Number/CFSA</u>	<u>Contract Number</u>	<u>Current Year Expenditures</u>
FEDERAL AWARDS (Continued)			
U.S. Department of Health and Human Services (Continued)			
Passed through NWF Health Network, Inc.			
Opioid STR	93.788	B0800	\$ 1,444,378
Opioid STR	93.788	B0040	<u>1,187,537</u>
			<u>2,631,915</u>
Passed through the Florida Alcohol and Drug Abuse Association:			
Opioid STR	93.788	---	57,054
Total Opioid STR			<u>2,688,969</u>
Passed through NWF Health Network, Inc.			
Medical Assistance Program - Medicaid Cluster	93.778	25822	<u>1,971</u>
U.S. Department of Justice			
Passed through Leon County Board of County Commissioners			
Edward Byrne Memorial Justice Assistance Grant	16.738	JAG-B-25-166	50,000
Passed through the City of Tallahassee			
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22GG-02142-JAGX	60,132
Total Edward Byrne Memorial Justice Assistance Grant			<u>110,132</u>
Direct:			
Florida's Jail Re-Entry Network	16.812	2020-RW-BX-0004	162,335
Total Expenditures of Federal Awards			<u>\$ 7,141,126</u>

- The accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this Schedule -

DISC VILLAGE, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

<u>Federal Grantor/Pass Through Grantor/</u>	<u>Federal Assistance Listing Number/CFSA</u>	<u>Contract Number</u>	<u>Current Year Expenditures</u>
<u>STATE FINANCIAL ASSISTANCE</u>			
Florida Department of Children and Families			
Passed through NWF Health Network, Inc. Substance Abuse and Mental Health Community Services	60.153	B0800	\$ 24,448
Passed through NWF Health Network, Inc. Early Childhood Court Case Management & Prevention	60.225	25822	47,513
Passed through NWF Health Network, Inc. Out-of-Home Supports	60.074	25822	11,440
Passed through NWF Health Network, Inc. State Opioid Settlement Trust Fund Services	60.355	B0040	1,107,551
State Opioid Settlement Trust Fund Services	60.355	B0800	260,000
			<u>1,367,551</u>
Florida Department of Juvenile Justice			
Direct:			
Delinquency Prevention	80.029	10561	80,427
Juvenile Assessment Centers (JAC)	80.020	10847	560,958
Florida State Court System			
Direct:			
Neltrexone	22.022	---	58,774
Medication Assisted Treatment	22.030	---	121,118
Total Expenditures of State Financial Assistance			<u>\$ 2,272,229</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 9,413,355</u>

- The accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this Schedule -

**DISC VILLAGE, INC. AND AFFILIATES
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State awards activity of Disc Village, Inc. and Affiliates under programs of the federal government for the year ended June 30, 2025 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 Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of Disc Village, Inc. and Affiliates it is not intended to and does not present the financial position, changes in net assets, or cash flows of Disc Village, Inc. and Affiliates.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

Disc Village, Inc. and Affiliates have elected to use the de minimis indirect cost rate as allowed under Uniform Guidance.

(4) **Subrecipients:**

For the year ended June 30, 2025, there were no amounts passed through to subrecipients.

**DISC VILLAGE, INC. AND AFFILIATES
ADDITIONAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

AUDIT SCHEDULE
Schedule of State Earnings for
Fiscal Year 07/01/2024 - 06/30/2025

1	Total Expenditures	\$	19,650,608
2	Less Other State and Federal Funds	\$	(5,092,752)
3	Less Non-Match SAMH Funds	\$	(5,786,198)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$	-
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$	8,771,658
6	Maximum Available Earnings (Line 5 times 75%)	\$	6,578,744
7	Amount of State Funds Requiring Match	\$	5,933,157
8	Amount Due to Department	\$	-

- SEE INDEPENDENT ACCOUNTANTS' REPORT ON ADDITIONAL INFORMATION -

NOT APPLICABLE



AUDIT SCHEDULE
7/1/2024 - 6/30/2025

Schedule of Related Party Transaction Adjustments
for the Fiscal Year Ending ____ / ____ / ____

	Related Party	Allocation of Related Party Transactions Adjustment					Total
		SAMH Covered Services					
		1	2	3		
Revenues From Grantee							
Rent	XXX						
Services	XXX						
Interest	XXX						
Other	<u>XXX</u>						
Total Revenue From Grantee	XXX						
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>	<u>ZZZ</u>

NOT APPLICABLE



AUDIT SCHEDULE

Schedule of Bed-Day Availability Payments
For Fiscal Year Ending 06/30/2025

Program A	Covered Service B	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				0		\$0.00	\$0.00
Children's SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox				0		\$0.00	\$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

DISC VILLAGE, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

Without Donor Restrictions	DISC Village, Inc.	Woodville Properties, Inc.	Disc Village Foundation, Inc.	Total
Support and Revenue				
Grants and contracts	\$ 16,643,835	\$ -	\$ -	\$ 16,643,835
Client service revenue, net	111,039	-	-	111,039
Contributions	8,250	-	-	8,250
In-kind contributions	1,826,992	-	-	1,826,992
Rent	-	512,084	-	512,084
Interest and dividends	40,898	46,297	526,923	614,118
Net realized and unrealized gains	147,238	-	2,123,725	2,270,963
Other revenue	195,761	312,391	-	508,152
Total support and revenue	<u>18,974,013</u>	<u>870,772</u>	<u>2,650,648</u>	<u>22,495,433</u>
Expenses				
Salaries & payroll taxes	9,988,834	79,549	303,401	10,371,784
Fringe benefits	1,456,122	13,626	30,883	1,500,631
Advertising	205,084	-	-	205,084
Banking charges	13,664	-	20	13,684
Contractual services	106,486	-	-	106,486
Depreciation	340,689	232,433	-	573,122
Dues & subscriptions	55,850	65	-	55,915
Educational supplies	77,064	-	-	77,064
Equipment	28,339	13,339	-	41,678
Food supplies	412,400	-	-	412,400
Household supplies	49,943	5,609	-	55,552
In-kind	1,826,992	-	-	1,826,992
Insurance	341,463	73,355	-	414,818
Leased equipment	73,271	4,116	-	77,387
Licenses & fees	39,520	2,145	-	41,665
Medical services & supplies	1,277,801	-	-	1,277,801
Miscellaneous	130,894	22,728	-	153,622
Occupancy	441,007	209,249	-	650,256
Office supplies	51,581	1,279	-	52,860
Postage & freight	1,888	-	-	1,888
Printing & copying	17,514	-	-	17,514
Professional services	323,278	101,777	-	425,055
Repairs & maintenance	332,043	182,614	-	514,657
Communications	387,425	4,172	-	391,597
Non-payroll related staff expense	383,224	7,872	-	391,096
Total Expenses	<u>18,362,376</u>	<u>953,928</u>	<u>334,304</u>	<u>19,650,608</u>
Increase (decrease) in net assets	<u>\$ 611,637</u>	<u>\$ (83,156)</u>	<u>\$ 2,316,344</u>	<u>\$ 2,844,825</u>

Note – The schedule above is presented for additional analysis. This schedule is intended to provide readers a more detailed overview of the changes in net assets by individual company. The presentation of this schedule is consistent with the reporting of the consolidated financial statements.

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

To the Board of Directors,
DISC Village, Inc. and Affiliates:

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 consolidated financial statements of DISC Village, Inc. and Affiliates (the Organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

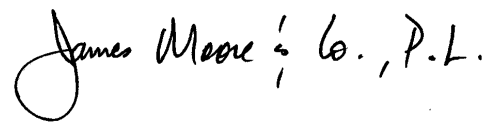
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 financial statements. 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 black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida
March 9, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors,
DISC Village, Inc. and Affiliates:

Report on Compliance for Each Major Federal Program and Each Major State Project

Opinion on Each Major Federal Program and Major State Project

We have audited DISC Village, Inc. and Affiliate's (the "Organization") compliance with the types of compliance requirements identified as subject to audit 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 the Organization's major federal programs and major state projects for the year ended June 30, 2025. The Organization's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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. Our responsibilities under those standards and the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and each major state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

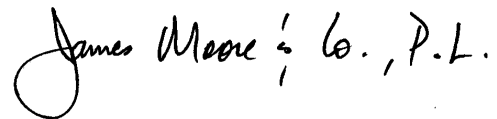
Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J" and a period at the end of the company name.

Tallahassee, Florida
March 9, 2026

**DISC VILLAGE, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards:

Internal control over major Federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Types of auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a) _____ yes X no

Dollar threshold used to distinguish between type A and type B Federal programs: \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

Identification of major Federal programs:

Federal Program	Federal Assistance Listing Number
Block Grants for Prevention and Treatment of Substance Abuse	93.959
Opioid STR	93.788

