

WESTCARE GULFCOAST-FLORIDA, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2025

WESTCARE GULFCOAST-FLORIDA, INC.
REPORT ON FINANCIAL STATEMENTS
JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
WestCare GulfCoast-Florida, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of WestCare GulfCoast-Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of WestCare GulfCoast-Florida, Inc. as of June 30, 2025, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WestCare GulfCoast-Florida, Inc. 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 opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WestCare GulfCoast-Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 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 WestCare GulfCoast-Florida, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WestCare GulfCoast-Florida, Inc.'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 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 accompanying schedules of funding sources for program/cost center actual expenses and revenues are 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 above 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 8, 2025, on our consideration of WestCare GulfCoast-Florida, 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 WestCare GulfCoast-Florida, 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 WestCare GulfCoast-Florida, Inc.'s internal control over financial reporting and compliance.

Roos & McNabb CPA's

Fresno, California
December 8, 2025

WESTCARE GULFCOAST-FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Cash and Cash Equivalents	\$ 1,100	
Grant Contracts Receivable	3,638,474	
Prepaid Expenses	83,375	
Cash Restricted for Client Funds	468,270	
Property and Equipment, Net	2,151,148	
Right of Use Asset	<u>1,019,168</u>	
Total Assets		<u>\$7,361,535</u>

LIABILITIES

Accounts Payable and Accrued Expenses	\$1,164,533	
Accrued Salaries and Related Expenses	573,179	
Due to Clients (Contra)	67,988	
Due to Related Organization	4,120,821	
Deferred Revenue	1,460,414	
Lease Liability	<u>954,367</u>	
Total Liabilities		\$8,341,302

NET ASSETS

Without Donor Restrictions	<u>(979,767)</u>	
Total Net Assets		<u>(979,767)</u>
Total Liabilities and Net Assets		<u>\$7,361,535</u>

See accompanying notes to financial statements

WESTCARE GULFCOAST-FLORIDA, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Change in Net Assets Without Donor Restrictions

Revenues and Other Support		
Federal Contract Revenue	\$ 2,077,063	
State Contract Revenue	11,352,099	
County Contract Revenue	2,405,203	
City Contract Revenue	523,903	
Other Contract Revenue	671,228	
Client Fees	1,410,638	
Donations and Gifts	235,296	
Other Revenue	<u>113,961</u>	
Total Revenues and Other Support Without Donor Restrictions		\$ 18,789,391
Expenses		
Grants and Program Support	16,487,991	
Fundraising	94,092	
General and Administrative	<u>1,953,523</u>	
Total Expenses		<u>18,535,606</u>
Change in Net Assets Without Donor Restrictions		253,785
Net Assets, Beginning of Year		<u>(1,233,552)</u>
Net Assets, End of Year		\$ <u>(979,767)</u>

See accompanying notes to financial statements

WESTCARE GULF COAST-FLORIDA, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets Without Donor Restrictions	\$253,785
Adjustments to Reconcile Change in Net Assets To Net Cash Provided/(Used) by Operating Activities:	
Depreciation	224,623
Amortization of Right-of-Use Asset	(25,297)
Changes in Operating Assets and Liabilities:	
Grants Receivable	(1,114,276)
Prepaid Expenses	(19,565)
Accounts Payable and Accrued Expenses	315,020
Accrued Salaries and Related Expenses	36,536
Clients Funds (Contra)	12,215
Deferred Revenue	<u>109,108</u>
Net Cash Provided/(Used) in Operating Activities	\$ (207,851)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	(497,374)
Net Cash Provided/(Used) in Investing Activities	(497,374)

CASH FLOWS FROM FINANCING ACTIVITIES:

Advances to/from Related Organization	<u>1,009,115</u>
Net Cash Provided/(Used) in Financing Activities	<u>1,009,115</u>

Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	303,890
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Beginning Cash, Cash Equivalents, and Restricted Cash	<u>165,480</u>
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Ending Cash, Cash Equivalents, and Restricted Cash	<u><u>\$ 469,370</u></u>
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Supplemental Disclosure:	
Interest Paid	<u><u>\$ -</u></u>

See accompanying notes to financial statements

WestCare Gulfcoast Florida, Inc

Statement of Functional Expenses

Year Ended June 30, 2025

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Local Grants</u>	<u>Other Grants</u>	<u>Prog Support</u>	<u>Total Program</u>	<u>Fundraising</u>	<u>Operations</u>	<u>Total</u>
Salaries and Related Expenses									
Salaries & Wages	\$ 1,076,146	\$ 2,964,243	\$ 1,757,318	\$ 186,248	\$ 333,435	\$ 6,317,390	\$ 73,333	\$ 779,978	\$ 7,170,700
Payroll taxes and employee benefits	236,891	652,516	386,837	40,998	73,399	1,390,641	16,143	171,699	1,578,482
Total Salaries and Related Expenses	<u>1,313,037</u>	<u>3,616,759</u>	<u>2,144,155</u>	<u>227,246</u>	<u>406,834</u>	<u>7,708,030</u>	<u>89,476</u>	<u>951,676</u>	<u>8,749,182</u>
Other Expenses									
Building Occupancy	118,916	446,645	250,360	3,485	178,578	997,984	-	54,584	1,052,568
Travel	21,710	13,106	23,437	807	2,865	61,925	114	51,031	113,070
Equipment costs	17,076	103,187	27,308	265	8,871	156,707	-	32,077	188,784
Food Costs	-	862,066	49,209	-	106,222	1,017,497	-	342	1,017,839
Medical & Pharmacy	76,214	2,131,372	38,381	1,028,415	13,908	3,288,290	-	-	3,288,290
Subcontracted Services	-	-	-	-	-	-	-	-	-
Insurance	16,292	51,726	12,123	8,164	8,000	96,305	-	392,862	489,167
Operating Supplies and Expenses	124,376	393,854	127,224	21,818	114,314	781,586	4,502	184,005	970,093
Professional Services	74,505	286,707	220	22,689	4,105	388,226	-	49,567	437,793
Donated Goods and Services	-	-	-	-	-	-	-	-	-
Management Fees	216,932	1,099,848	323,668	44,147	152,570	1,837,165	-	192,328	2,029,493
Total Other Expenses	<u>666,021</u>	<u>5,388,511</u>	<u>851,930</u>	<u>1,129,790</u>	<u>589,433</u>	<u>8,625,685</u>	<u>4,616</u>	<u>956,797</u>	<u>9,587,098</u>
Total Expenses Before Depreciation and Amortization	1,979,058	9,005,270	2,996,085	1,357,036	996,267	16,333,715	94,092	1,908,473	18,336,280
Lease Adjustment Amortization ASC-842	(5,170)	(8,827)	(5,007)	(165)	(3,802)	(22,971)	-	(2,326)	(25,297)
Depreciation	-	55,793	91,200	9,790	20,464	177,247	-	47,376	224,623
Total Expense	<u>1,973,888</u>	<u>9,052,236</u>	<u>3,082,278</u>	<u>1,366,661</u>	<u>1,012,929</u>	<u>16,487,991</u>	<u>94,092</u>	<u>1,953,523</u>	<u>18,535,606</u>

See accompanying notes to financial statements.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES:

WestCare GulfCoast-Florida, Inc. is a tax exempt, non-profit corporation governed by a volunteer board of directors incorporated in 2001 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, criminal justice programs, health related and a variety of prevention programs and services all of which are related to the purposes for which it is established.

WestCare GulfCoast-Florida, Inc. applied for re-accreditation under CARF (Commission on Accreditation of Rehabilitation Facilities). The process involved completion of an Intent/Application document and a three-day site visit by a team of four CARF surveyors. WestCare GulfCoast-Florida, Inc. was awarded the highest recommendation, a three-year accreditation from January 2024 through January 2027.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting: 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.

Basis of Presentation: Net assets and revenues, expenses, 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. These net assets may be used at the discretion of Management and the Board of Directors.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF 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 returns from investments and other activities considered to be of a more unusual or non-recurring nature.

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

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

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. Management believes the Organization is not exposed to any significant credit risk on cash. The Organization maintains its cash in various bank accounts that, at times, may exceed federally insured limits. These accounts have been placed with high credit quality financial institutions. On June 30, 2025, the Organization did not have cash in excess of the FDIC insured limit.

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 on June 30, 2025. Balances that are still outstanding after management has used reasonable collection efforts are written off to bad debt expense.

Revenue and Revenue Recognition: Grant revenue is recognized as the Organization meets the terms and conditions (also referred to as the performance obligations) of the grant award. Program service fees are earned for payee services provided by clients and are recognized on a monthly basis as the performance obligation is met. Revenue and payments received in advance are deferred until the performance obligation has been met.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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

Contributions: Contributions are recognized 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.

Conditional Promises to Give: Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable advances.

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. Contributed 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, 2025.

Due to/from related parties: Amounts as due to/from related parties, included in the accompanying statements of financial position, arise principally from the collaborative activities between the affiliates to further the mission of 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.

Leases: All right of use assets and corresponding lease liabilities in excess of \$10,000 and that extend beyond one year are capitalized. The right of use assets represent the Organization's right to use the underlying assets for the lease term, and the lease liabilities represent management's obligation to make lease payments arising from the leases. Operating lease expense is recognized on a straight-line basis over the lease term.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF 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. Accrued vacation time is included in the accompanying financial statements. The total amount accrued for vacation on June 30, 2025 was \$267,438.

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 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. All tax returns have been appropriately filed by the Organization.

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

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

NOTE 3 – CASH AND CASH EQUIVALENTS:

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the amounts shown in the statement of cash flows:

Cash and Cash Equivalents	\$ 1,100
Cash Restricted for Client Funds	<u>468,270</u>
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows	<u>\$469,370</u>

WESTCARE GULF COAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 – RESTRICTIONS ON ASSETS:

Restrictions, if any, on assets as of June 30, 2025, are related to grant awards and/or lending agreements. Such assets must be used in accordance with the purposes established by laws and regulations of the grants or agreements in contrast with unrestricted funds over which the governing board remained full control to use in achieving any of its organizational purposes.

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

NOTE 5 – 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	\$ 1,100
Grant contracts receivable	<u>3,638,474</u>
Total available for general expenditures	<u>\$3,639,574</u>

As part of the Organization’s liquidity management, it utilizes a zero-balance account (zba) with WestCare Foundation, Inc., a checking account in which a balance of zero is maintained by automatically transferring funds from a master account in an amount only large enough to cover checks presented. This cash pooling system is designed to leave in the current accounts of the subsidiaries the minimum amounts to be able to deal with their debts contracted. The advantage of this system is to centralize the cash to be able to obtain better rates. In addition, the Organization transfers amounts as needed to meet cash flow needs through a related affiliate, WestCare Foundation, Inc.

NOTE 6 – PROPERTY AND EQUIPMENT, NET:

Property and equipment, net consisted of the following on June 30, 2025:

Leasehold Improvements	\$3,094,787
Furniture and Fixtures	23,876
Vehicles	646,275
Construction in Progress	<u>183,545</u>
	3,948,483
Less: Accumulated Depreciation	<u>(1,797,335)</u>
Total Property and Equipment, Net	<u>\$2,151,148</u>

For the year ended June 30, 2025, depreciation expense totaled \$224,623.

**WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 – EMPLOYEE BENEFIT PLAN:

The Organization has a 401(k)-retirement plan covering eligible employees held with Voya Financial with a Safe Harbor Match. The Organization’s match is 3% of each qualified employee’s basic contribution plus an additional \$.50 for each \$1 contributed for the next 2% earnings. Plan contribution by the Organization for the year ended June 30, 2025 was \$95,722.

NOTE 8 – LEASES

The Organization leases property at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2030 and provide for renewal options ranging from one to five years. The operating leases provide for increases in future minimum annual rental payments. The lease agreements do not contain any material residual value guarantees, restrictions, or covenants. Management has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. Management used a discount rate of 1.5% for these leases at adoption. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the year ended June 30, 2025 was \$225,408 and is included in occupancy expense on the statement of functional expenses.

Information related to adoption of ASC-842

Right-of-use asset obtained in exchange for lease obligations	\$1,182,000
Net present value discount on lease	62,576
Lease obligation at adoption	1,244,576
Cash paid for operating lease during 2024-25	(290,209)
Future required payments	\$ 954,367

Future minimum lease payments under non-cancellable operating leases with terms greater than one year are listed below as of June 30, 2025:

2026	\$ 257,679
2027	181,330
2028	181,330
2029	190,873
2030	143,155
	\$ 954,367

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – COMMITMENTS AND 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 10 – 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 11 - MATCHING REQUIREMENTS:

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

**WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 – RELATED PARTY TRANSACTIONS:

WestCare Foundation, Inc. is a managing and governing oversight organization for WestCare GulfCoast-Florida, Inc. During the year ending June 30, 2025, WestCare Foundation, Inc. received management fees for general and administrative expenses of \$2,029,493 from WestCare GulfCoast-Florida, Inc.

In addition, WestCare Foundation, Inc. has advanced funds as of June 30, 2025 to WestCare GulfCoast-Florida, Inc. for \$4,120,821.

FitzHouse Enterprises, Inc. owns property that is leased to WestCare GulfCoast-Florida, Inc. During the year ended June 30, 2025, FitzHouse Enterprises, Inc. received rental income for the purpose of providing funds for facility maintenance expenses of \$224,244.

NOTE 13 – SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 8, 2025, 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

WESTCARE GULFCOAST-FLORIDA, INC.
SUPPLEMENTARY AND OTHER INFORMATION

WESTCARE GULFCOAST-FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

	Pass through Identifying #	Federal ALN	Federal Expenditures
CDBG - Entitlement Grants Cluster			
US Department of Housing & Urban Development			
<u>Community Development Block Grants/Entitlement Grants</u>			
Pass Through Award(s):			
City of Clearwater - CDBG	N/A	14.218	39,935
City of Largo - CDBG	B20MC120028 & B23MC120028	14.218	25,000
City of St. Petersburg - ESG / CDBG	B-24-MC-12-0017	14.218	42,313
Total CDBG - Entitlement Grants Cluster			107,248
US Department of Housing & Urban Development			
<u>Emergency Solutions Grant Program</u>			
Pass Through Award(s):			
City of St. Petersburg - ESG / CDBG	E-24-MC-12-0017	14.231	19,688
Total Emergency Solutions Grant Program			19,688
US Department of Justice			
<u>Drug Court Discretionary Grant Program</u>			
Pass Through Award(s):			
Pasco County - BJA Adult Drug Court	15PBJA-24-GG-03888-DGCT	16.585	48,701
Total Drug Court Discretionary Grant Program			48,701
<u>Edward Byrne Memorial Justice Assistance Grant Program</u>			
Pass Through Award(s):			
Florida Department of Law Enforcement through Pinellas County Health and Community Ser	15PBJA-23-GG-02972 MUM	16.738	35,619
Total Edward Byrne Memorial Justice Assistance Grant Program			35,619
<u>Department of Justice, Office of Justice Programs - Comprehensive Opioid Abuse Site-Based Program</u>			
Pass Through Award(s):			
Pinellas County - OJJDP Families on Track	15PJDP-21-GG-04515-COAP	16.838	286,905
Total Department of Justice COAP			286,905
US Department of Health & Human Services			
<u>Substance Abuse and Mental Health Services</u>			
<u>Projects of Regional and National Significance</u>			
Direct Award(s):			
SAMHSA Workforce	1H79TI083388	93.243	484,278
SAMHSA MAT	1H79TI084342	93.243	596,076
SAMHSA - CSAP Prevention Framework	1H79SP083933	93.243	171,956
Pass Through Award(s):			
Pinellas County Adult Drug Court - Thrive	1H79TI81905	93.243	73,075
Pasco County Adult Drug Court - Thrive	1H79TI082965	93.243	384,779
Pinellas County Adult Drug Court - Inspire	1H79TI087284	93.243	21,836
Pinellas County Dependency Drug Court	1H79TI087283	93.243	9,456
Total Substance Abuse and Mental Health Services			1,741,456
<u>Block Grants for Prevention and Treatment of Substance Abuse</u>			
Pass Through Award(s):			
Florida Alcohol and Drug Abuse Association, Inc.	DCFFAD202425-45	93.788	56,679
DCF - CFBHN - HIV Testing	QG055	93.959	49,962
DCF - CFBHN - Recovery Support & Supplemental SA	QG055	93.959	734,888
DCF - CFBHN - Prevention	QG055	93.959	189,013
Florida Alcohol and Drug Abuse Association, Inc.	DCFFAD202425-45	93.959	29,954
Total Block Grants for Prevention and Treatment of Substance Abuse			1,003,817
Total Expenditures of Federal Awards			\$ 3,300,113

The accompanying notes are an integral part of this schedule.

WESTCARE GULFCOAST-FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

	Pass through Identifying #	Federal ALN	Federal Expenditures
WESTCARE GULFCOAST-FLORIDA, INC. SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2025			
	Contract #	CFSA #	Expenditures
<u>State of Florida Courts System</u>			
Pass Through Award(s):			
Hillsborough County - Tampa Drug Court Expansion	1300DDC	22.021	350,533
<u>Opioid Treatment (MAT Services)</u>			
Pass Through Award(s):			
Florida Alcohol and Drug Abuse Association, Inc.			
MAT Programs	OSCAFAD202425-57	22.022	79,131
MAT Programs	OSCAFAD202425-57	22.030	306,331
<u>Department of Children and Families</u>			
Direct Award(s):			
State Opioid Settlement Trust Fund Services	LH875 & LD208	60.355	364,843
<u>Department of Children and Families</u>			
Pass Through Award(s):			
Pinellas County - CJMHSA Reinvestment - Complex			
Case Reintegration Program (CCRP)	LH834	60.115	132,991
DCF - CFBHN - MAT	QG055	60.302	2,028,229
DCF - CFBHN - MAT	QG055	60.401	1,752,803
<u>Department of Corrections</u>			
Direct Award(s):			
Department of Corrections - Residential	C3024	70.016	4,870,940
Department of Corrections - Mental Health Overlay	C3F85B	70.016	550,000
Total Expenditures of State Financial Assistance			\$ 10,435,801

The accompanying notes are an integral part of this schedule.

**WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025**

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 WestCare Gulfcoast-Florida, Inc. under programs of the federal and state government for the year ended June 30, 2025. 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 WestCare Gulfcoast-Florida, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of WestCare Gulfcoast-Florida, 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:

WestCare Gulfcoast-Florida, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. WestCare Gulfcoast-Florida, Inc. has a provisional indirect rate agreement for 24.7% for the year ended June 30, 2025.

**WESTCARE GULFCOAST-FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2025**

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 ALN</u>
Substance Abuse and Mental Health Services	93.243

<u>State Project</u>	<u>State CFSA</u>
Department of Children/Families – State Opioid	60.355
Department of Corrections – Focus	70.016

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.

ACTUAL OPERATING REVENUE & EXPENSES

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CONTRACT # Q1

WESTCARE GULFCOAST-FLORIDA, INC.
YEAR ENDED JUNE 30, 2025

PART I: ACTUAL FUNDING SOURCES & REVENUES - Substance Abuse

FUNDING SOURCES & REVENUES	01 Assessment	02 Case Management	11 Intervention - Individual	12 Medical Services	14 Outpatient - Individual	15 Outreach	28 Incidental Expenses	35 Outpatient - Group	46 Recovery Support - Individual	47 Recovery Support - Group	49 Selective Prevention	Total for State Funded SAMH Cost Centers	Total All SAMH Cost Centers	Non-SAMH (change name to actual cost pool)	Non-SAMH Cost Center	Total Revenue	Total Expenses
IA. STATE SAMH FUNDING																	
(1) Central Florida Behavioral Health Network	34,998	109,404	165,990	1,606,531	139,467	42,773	2,259,274	41,507	131,362	263,135	189,013	4,983,454	4,983,454			4,983,454	=====
MS000	-	-	116,028	215,358	-	42,773	-	-	85,684	263,135	-	722,978	722,978			722,978	=====
MS011			116,028	215,358		42,773			85,684	263,135		722,978	722,978			722,978	=====
MS011 CF (FY 23-24)			-	11,911								11,911	11,911			11,911	=====
MS023			49,962									49,962	49,962			49,962	=====
MS025											189,013	189,013	189,013			189,013	=====
MSOTR	92	133		110,222	129		116,872	111				227,559	227,559			227,559	=====
MSSM6	7,890	24,786		326,190	33,612		448,997	7,457	9,131			858,063	858,063			858,063	=====
MSMN6	12,370	38,331		461,155	54,051		568,897	17,115	18,247			1,170,166	1,170,166			1,170,166	=====
MSSM7	14,646	46,154		481,695	51,675		1,124,508	16,824	18,300			1,753,802	1,753,802			1,753,802	=====
IB. OTHER GOVT. FUNDING																	
(1) Other State Agency Funding												-	-	6,365,864	6,365,864	6,365,864	=====
(2) Medicaid												-	-	-	-	-	=====
(3) Local Government												-	-	2,931,492	2,931,492	2,931,492	=====
(4) Federal Grants and Contracts												-	-	2,084,209	2,084,209	2,084,209	=====
(5) In-kind from local government only												-	-	-	-	-	=====
TOTAL GOVERNMENT FUNDING =														11,381,565	11,381,565	11,381,565	=====
IC. ALL OTHER REVENUES																	
(1) 1st & 2nd Party Payments												-	-	-	-	-	=====
(2) 3rd Party Payments (except Medicare)												-	-	1,410,624	1,410,624	1,410,624	=====
(3) Medicare												-	-	-	-	-	=====
(4) Contributions and Donations												-	-	235,296	235,296	235,296	=====
(5) Other												-	-	776,214	776,214	776,214	=====
(6) In-kind												-	-	-	-	-	=====
TOTAL ALL OTHER REVENUES =														2,422,134	2,422,134	2,422,134	=====
TOTAL ACTUAL FUNDING =	34,998	109,404	165,990	1,606,531	139,467	42,773	2,259,274	41,507	131,362	263,135	189,013	4,983,454	4,983,454	13,803,699	13,803,699	18,787,153	=====

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES	01	02	11	12	14	15	28	35	46	47	49	Total for State Funded SAMH Cost Centers	Total SAMH Cost Centers	Non-SAMH (change name to actual cost pool)	Non-SAMH Cost Center	Total Expenses
	Assessment	Case Management	Intervention - Individual	Medical Services	Outpatient - Individual	Outreach	Incidental Expenses	Outpatient - Group	Recovery Support - Individual	Recovery Support - Group	Prevention Selective					
IIA. PERSONNEL EXPENSES																
(1) Salaries	52,195	50,065	84,300	265,602	48,545	97,885	-	53,560	118,445	194,195	87,720	1,052,512	1,052,512	6,118,730	6,118,730	7,171,242
(2) Fringe Benefits	11,547	11,076	18,649	58,757	10,739	21,654	-	11,849	26,203	42,960	19,406	232,840	232,840	1,353,605	1,353,605	1,586,445
TOTAL PERSONNEL EXPENSES =	63,742	61,141	102,949	324,359	59,284	119,539	-	65,409	144,648	237,155	107,126	1,285,352	1,285,352	7,472,335	7,472,335	8,757,687
IIIB. OTHER EXPENSES																
(1) Building Occupancy	21,450	21,450	12,550	76,711	21,450	5,500	-	11,000	8,000	33,000	5,000	216,111	216,111	747,425	747,425	963,536
(2) Professional Services	-	-	-	331,510	-	-	-	-	-	-	-	362,010	362,010	75,783	75,783	437,793
(3) Travel	-	4,500	7,531	-	4,544	14,471	-	-	-	-	-	37,546	37,546	75,494	75,494	113,040
(4) Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	103,214	103,214	103,214
(5) Food Services	-	-	-	-	-	-	-	-	45,000	-	-	45,000	45,000	972,839	972,839	1,017,839
(6) Medical and Pharmacy	-	-	-	546,240	-	-	2,647,055	-	-	-	-	3,193,295	3,193,295	94,994	94,994	3,288,289
(7) Subcontracted Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(8) Insurance	15,000	15,000	15,000	55,000	30,000	15,000	-	7,500	25,000	20,000	7,500	205,000	205,000	285,761	285,761	490,761
(9) Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expenses	6,535	6,810	6,235	140,104	6,775	6,775	-	-	12,775	6,775	7,775	200,559	200,559	168,121	168,121	368,680
(11) Other Expense	6,500	4,500	6,700	136,805	4,825	10,000	-	300	13,000	10,000	11,500	204,130	204,130	773,628	773,628	977,758
TOTAL OTHER EXPENSES =	49,485	52,260	48,016	1,286,370	67,594	51,746	2,647,055	18,800	103,775	69,775	68,775	4,463,651	4,463,651	3,297,259	3,297,259	7,760,910
**Donated items are not allowable																
TOTAL PERSONNEL & OTHER EXPENSES =	113,227	113,401	150,965	1,610,729	126,878	171,285	2,647,055	84,209	248,423	306,930	175,901	5,749,003	5,749,003	10,769,594	10,769,594	16,518,597
IIIC. DISTRIBUTED INDIRECT COSTS																
(b) Administration	11,323	11,340	15,097	161,073	12,688	17,129	-	8,421	24,842	30,693	17,590	310,196	310,196	1,719,297	1,719,297	2,029,493
TOTAL DISTRIBUTED INDIRECT COSTS =	11,323	11,340	15,097	161,073	12,688	17,129	-	8,421	24,842	30,693	17,590	310,196	310,196	1,719,297	1,719,297	2,029,493
TOTAL ACTUAL OPERATING EXPENSES =	124,550	124,741	166,062	1,771,802	139,566	188,414	2,647,055	92,630	273,265	337,623	193,491	6,059,199	6,059,199	12,488,891	12,488,891	18,548,090
IIID. UNALLOWABLE COSTS																
IIIE. CAPITAL EXPENDITURES																
TOTAL ALLOWABLE OPERATING EXPENSES =	124,550	124,741	166,062	1,771,802	139,566	188,414	2,647,055	92,630	273,265	337,623	193,491	6,059,199	6,059,199	12,488,891	12,488,891	18,548,090

IIIG. BUDGET NARRATIVE

Attach separate set of workpapers

PART III: CERTIFICATION

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

Ronda Lieberman

Signature



**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 of
WestCare GulfCoast-Florida, 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 WestCare GulfCoast-Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WestCare GulfCoast-Florida, Inc.'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of WestCare GulfCoast-Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the WestCare GulfCoast-Florida, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether WestCare GulfCoast-Florida, 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 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.

Roos & McNabb CPA's

Fresno, California
December 8, 2025



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

To the Board of Directors of
WestCare GulfCoast-Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited WestCare GulfCoast-Florida, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements identified in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of WestCare GulfCoast-Florida, Inc.'s major federal programs and state projects for the year ended June 30, 2025. WestCare GulfCoast-Florida, 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.

In our opinion, WestCare GulfCoast-Florida, 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, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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; 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, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of WestCare GulfCoast-Florida, Inc. 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 state project. Our audit does not provide a legal determination of WestCare GulfCoast-Florida, Inc.'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 WestCare GulfCoast-Florida, Inc.'s federal programs and state projects.

Auditor's 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 WestCare GulfCoast-Florida, Inc.'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 generally accepted auditing standards, *Government Auditing Standards*,

and 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 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 WestCare GulfCoast-Florida, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 WestCare GulfCoast-Florida, Inc.'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 WestCare GulfCoast-Florida, Inc.'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 WestCare GulfCoast-Florida, Inc.'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

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 Auditor's 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. 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.

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 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 8, 2025

Roos & McNabb CPA's