

WESTCARE GULFCOAST-FLORIDA, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2014

**WESTCARE GULFCOAST-FLORIDA, INC.
REPORT ON FINANCIAL STATEMENTS
JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
WestCare GulfCoast-Florida, Inc.
1735 Dr. Martin Luther King Jr. St, S
St. Petersburg, Florida 33705

Report on the Financial Statements

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, 2014, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

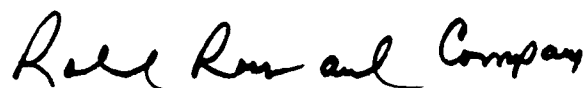
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WestCare GulfCoast-Florida, Inc. as of June 30, 2014 and the statement of activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state earnings, the schedule of program/cost center actual expenses and revenues, the schedule of bed-day availability payments, and the schedule of related party transaction payments are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards and the schedule of findings and questioned costs is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Auditing of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, 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 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 WestCare GulfCoast-Florida, Inc.'s internal control over financial reporting and compliance.



Fresno, California
November 20, 2014

WESTCARE GULFCOAST-FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 65,685	
Accounts Receivable-Net of Allowance for Doubtful Account (Note 1)	1,107,863	
Prepaid Expenses	<u>38,724</u>	
Total Current Assets		\$ 1,212,272
Property and Equipment: (Note 1)		
Furniture and Fixtures	219,900	
Vehicles	295,748	
Leasehold Improvements	732,205	
Computer Equipment	<u>84,919</u>	
	1,332,772	
Less Accumulated Depreciation	<u>(920,417)</u>	
Total Property and Equipment		<u>412,355</u>
Total Assets		<u>\$ 1,624,627</u>

See accompanying notes to financial statements

WESTCARE GULFCOAST-FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 274,194
Accrued Salaries and Related Expenses	326,051
Accrued Expenses	22,712
Deferred Revenue	<u>112,677</u>

Total Current Liabilities \$ 735,634

Long Term Liabilities:

Deferred Revenue	121,052
Due to Related Organizations (Note 3)	<u>2,053,498</u>

Total Long Term Liabilities 2,174,550

Total Liabilities 2,910,184

Unrestricted Net Assets (1,285,557)

Total Liabilities and Net Assets \$ 1,624,627

See accompanying notes to financial statements

WESTCARE GULFCOAST-FLORIDA, INC.
STATEMENT OF ACTIVITIES
JUNE 30, 2014

Revenues and Support		
Federal Contract Revenue	\$ 1,460,391	
State Contract Revenue	3,312,776	
County Contract Revenue	1,193,504	
City Contract Revenue	227,420	
Other Contract Revenue	477,900	
Client Fees	1,089,692	
Donations and Gifts	8,970	
Other Revenue	<u>20,753</u>	
Total Revenues and Support		\$ 7,791,406
Expenses		
Salaries and Wages	3,558,745	
Employee Benefits and Payroll Taxes	720,022	
Furniture and Equipment	137,471	
Operating Supplies & Expenses	191,135	
Conferences, Training and Travel	118,164	
Professional Fees	16,882	
Miscellaneous Expense	16,371	
Insurance	150,036	
Food- Program	598,000	
Repairs and Maintenance	199,769	
Program Supplies and Expense	414,726	
Consultants and Contract Services	159,920	
Building Occupancy	66,284	
Utilities	317,706	
Depreciation and Amortization	93,941	
Management Fees	709,332	
Rental Fees	<u>305,749</u>	
Total Expenses		<u>7,774,253</u>
Changes in Net Assets		17,153
Unrestricted Net Assets at the Beginning of Year		<u>(1,302,710)</u>
Unrestricted Net Assets at End of Year		<u>\$ (1,285,557)</u>

See accompanying notes to financial statements

WESTCARE GULF COAST-FLORIDA, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 17,153	
Adjustments to Reconcile Change in Net Assets To Net Cash Provided By Operating Activities:		
Depreciation and Amortization	93,941	
(Increase) or Decrease in:		
Accounts Receivable	200,564	
Prepaid Expenses	3,084	
Increase or (Decrease) in:		
Accounts Payable and Accrued Expenses	38,038	
Accrued Payroll, Taxes and Benefits	62,719	
Deferred Revenue	<u>(58,459)</u>	
Net Cash Provided/Used By Operating Activities		\$ 357,040
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and Equipment, Net	<u>(7,377)</u>	
Net Cash Provided/Used In Investing Activities		(7,377)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments to/from Related Party	<u>(354,221)</u>	
Net Cash Provided/Used In Financing Activities		<u>(354,221)</u>
Net Increase (Decrease) in Cash		(4,558)
Cash and Equivalents Beginning		<u>70,243</u>
Cash and Equivalents Ending		<u>\$ 65,685</u>
Supplemental Disclosure:		
Interest Paid		<u>\$ -</u>

See accompanying notes to financial statements

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Nature of Activities: WestCare GulfCoast-Florida, Inc. is a tax exempt, non-profit corporation governed by a volunteer board of directors incorporated on May 9, 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.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting as prescribed by generally accepted accounting principles in the United States of America.

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.

Contributions: Contributions are recorded as income at the estimated value at date of receipt as unrestricted, temporarily restricted or permanently restricted depending on the existence and nature of donor restrictions. No donations with donor-imposed restrictions have been received.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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

The federal income tax returns are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents: For purpose of the statement of cash flows, the Organization considers investments available for current use with an initial maturity of three months or less to be cash equivalents. Management believes the Organization is not exposed to any significant credit risk.

Accounts Receivable: It is the practice of the facility to record an allowance for doubtful accounts. Bad debts are charged to the allowance account as incurred. Allowance for Doubtful Accounts at June 30, 2014 was \$0.

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.

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.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 2 – COMMITMENTS AND CONTINGENCIES:

As of June 30, 2014, the Organization had entered into various noncancellable operating lease agreements for real property. The approximate minimum future commitments on an annual basis are as follows:

2014	28,586
2015	<u>12,087</u>
Total	<u>\$ 40,673</u>

NOTE 3 – RELATED PARTY TRANSACTION:

WestCare Foundation, Inc. is a managing and governing oversight organization for WestCare GulfCoast-Florida, Inc. During the year ending June 30, 2014, WestCare Foundation, Inc. received management fees for general and administrative expenses of \$709,332.

FitzHouse Enterprises, Inc. owns property that is leased to WestCare GulfCoast-Florida, Inc. During the year ended June 30, 2014, FitzHouse Enterprises, Inc. received rental income for the purpose of providing funds for facility maintenance expenses and debt service requirements of \$305,749.

In addition, WestCare Foundation, Inc. has advanced funds as of June 30, 2014 to WestCare GulfCoast-Florida, Inc. for \$2,053,498.

NOTE 4 – 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 5 – FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been allocated among the programs and supporting services benefited. Program expenses totaled \$5,603,637 and management and general expenses totaled \$2,170,616.

WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 6 – EMPLOYEE BENEFIT PLAN:

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

NOTE 7 – SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through November 20, 2014, the date which the financial statements were available to be issued.

WESTCARE GULFCOAST-FLORIDA, INC.

SUPPLEMENTAL MATERIAL

WESTCARE GULFCOAST-FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL AWARDS:

	Federal CFDA#	Federal Expenditures
US Department of Health & Human Services:		
Direct Programs:		
CSAT - Homeless	93.243	350,000
Pass Through Programs:		
CSAT - Drug Court - You Can	93.243	217,516
CSAT - Pasco County Young Adult Drug Court	93.243	120,064
CSAT - Veterans Drug Court	93.243	126,457
CFBHN - HIV Testing	93.959	14,098
CFBHN - Mental Health	93.958	42,874
CFBHN - Recovery Support & Supplemental SA	93.959	187,071
CFBHN - Prevention	93.959	48,057
Ryan White HIV MAI	93.914	11,116
		1,117,253
US Department of Housing & Urban Development:		
Direct Programs:		
Supportive Housing Program Rapid Rehousing	14.235	18,567
Supportive Housing Program	14.235	172,921
Pass Through Programs:		
City of Clearwater - CDBG	14.218	12,750
Pinellas County - CDBG	14.231	5,780
City of St. Petersburg - ESG	14.231	53,327
City of St. Petersburg - CDBG	14.218	3,158
		266,503
Federal Emergency Management Agency (FEMA)		
Direct Programs:		
Emergency Food & Shelter Program	97.024	6,378
US Department of Justice:		
Direct Programs:		
BJA - Second Chance Mentoring	16.812	91,808
Pass Through Programs:		
BJA - Mental Health Trauma Beds - Women	16.745	80,049
BJA - Prison Diversion - Pasco County	16.585	36,621
		208,478
US Department of Veterans Affairs		
Direct Program:		
VA Per Diem	64.024	184,773
Total Expenditures of Federal Awards		\$ 1,783,385

WESTCARE GULFCOAST-FLORIDA, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2014

STATE OF FLORIDA AWARDS:	<u>Contract #</u>	<u>CFSA #</u>	<u>Expenditures</u>
Department of Corrections - Emerge	C2494	70.016	1,140,110
Department of Corrections - Focus	C2654	70.016	1,828,336
Department of Juvenile Justice - DMC	GI1100	16.540	573
Passed through from OJJDP			
Office of Juvenile Justice & Delinquency Prevention			
Department of Juvenile Justice - Paxen			22,792
Passed through from OJJDP			
Office of Juvenile Justice & Delinquency Prevention			
DCF Florida Access to Recovery	PIC12	60.033	74,271
Florida Department of Transportation			
Passed through from Federal Transit Administration	Year 34	20.513	1,248
Florida Department of Transportation	Year 34	55.001	139
Florida Department of Transportation			
Passed through from Federal Transit Administration	Year 35	20.513	10,697
Florida Department of Transportation	Year 35	55.001	1,189
Florida Department of Transportation			
Passed through from Federal Transit Administration	Year 36	20.513	10,730
Florida Department of Transportation	Year 36	55.001	1,192
Florida State Veterans Treatment Court	06004J0		221,499
Passed through Pinellas County Board of County Commissioners			
Adult Drug Court Treatment - Prison Diversion	232883		187,564
Total Expenditures of State Financial Assistance			<u>\$ 3,500,340</u>

**WESTCARE GULFCOAST-FLORIDA, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
AND STATE FINANCIAL ASSISTANCE
AS OF JUNE 30, 2014**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of Federal and State awards include the federal and State of Florida grant activity of WestCare GulfCoast-Florida, Inc. and are presented on the accrual basis of accounting. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of the basic financial statements.

**WESTCARE GULFCOAST-FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2014**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the WestCare GulfCoast-Florida, Inc. basic financial statements.
2. No reportable conditions or material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of WestCare GulfCoast-Florida, Inc. were disclosed during the audit.
4. No reportable conditions or material weaknesses were identified during the audit of the major Federal programs or State projects.
5. The auditor's report on compliance with requirements applicable to the major Federal programs and State projects for WestCare GulfCoast-Florida, Inc. expresses an unqualified opinion.
6. Our audit disclosed no findings required to be reported related to Federal programs under section 510(a) of OMB Circular A-133, nor did our audit disclose any findings related to State projects required to be disclosed under Chapter 10.656(3) for nonprofit organizations.

The programs/projects tested as major programs/projects included:

Federal Program:	Federal CFDA #:	Year:
US Department of Health & Human Services -		
CSAT	93.243	2014
CFBHN	93.959	2014
State Project:	State CSFA #:	Year:
Department of Corrections – Focus	70.016	2014

7. The threshold for distinguishing Type A and B programs/projects was \$300,000 for major Federal programs and \$100,000 for major State projects.
8. WestCare GulfCoast-Florida, Inc. was determined to be a low risk auditee.
9. No management letter is required because there were no findings required to be reported in the management letter.
10. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or State projects.
11. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

AUDIT SCHEDULE

**Schedule of State Earnings for
Fiscal Year 7/1/13 - 6/30/14**

1	Total Expenditures	7,785,225.00
2	Less Other State and Federal Funds	(7,499,831.00)
3	Less Non-Match SAMH Funds	(291,574.54)
4	Less Unallowable Costs per 65E-14, F.A.C.	0.00
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	(6,180.54)
6	Maximum Available Earnings (Line 5 times 75%)	(4,635.40)
7	Amount of State Funds Requiring Match	(64,088.00)
8	Amount Due to Department (Subtract line 7 from line 6)	59,452.60

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

AGENCY: WestCare Gulfcoast Florida, Inc.

DATE PREPARED: 10/31/2014

CONTRACT #: QA055

BUDGET PERIOD: FROM 7/1/2013 TO 6/30/2014

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS										Non-SAMH Cost Center G	Total Funding (F+G) H
	STATE SAMH-FUNDED COST CENTERS						Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₂) D	Total for Non- State-Funded SAMH Cost Centers E	Tot. for All State- Designated SAMH Cost Centers (D+E) F			
	Program 1 - Adult			Program 2 - Children								
	Treatment & Aftercare B _{1a}	Mental Health B _{1b}	Total for Program 1 (B _{1a} +...+B _{1d}) C ₁	Prevention B _{2a}	(CC name) B _{2b}	Total for Program 2 (B _{2a} +...+B _{2d}) C ₂						
IA. STATE SAMH FUNDING												
(1) CFBHN - HIV	\$ 14,098	\$	\$ 14,098	\$ -	\$	\$ -	\$ 14,098	XXXXXXXXXX	\$ 14,098	XXXXXXXXXX	\$ 14,098	
(2) CFBHN - Recovery Support	\$ 187,071	\$	\$ 187,071	\$ -	\$	\$ -	\$ 187,071	XXXXXXXXXX	\$ 187,071	XXXXXXXXXX	\$ 187,071	
(3) CFBHN - Mental Health	\$ -	\$ 42,349	\$ 42,349	\$	\$	\$ -	\$ 42,349	XXXXXXXXXX	\$ 42,349	XXXXXXXXXX	\$ 42,349	
(4) CFBHN - Prevention	\$	\$	\$ -	\$ 48,057	\$	\$ 48,057	\$ 48,057	XXXXXXXXXX	\$ 48,057	XXXXXXXXXX	\$ 48,057	
(5)	\$	\$	\$	\$	\$	\$	\$	XXXXXXXXXX	\$	XXXXXXXXXX	\$	
(6) From Other Districts	\$	\$	\$	\$	\$	\$	\$	XXXXXXXXXX	\$	XXXXXXXXXX	\$	
TOTAL STATE SAMH FUNDING =	\$ 201,169	\$ 42,349	\$ 243,518	\$ 48,057	\$ -	\$ 48,057	\$ 291,575	XXXXXXXXXX	\$ 291,575	XXXXXXXXXX	\$ 291,575	
III. OTHER GOVT. FUNDING												
(1) Other State Agency Funding	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ 3,312,776	
(2) Medicaid	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -	
(3) Local Government	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ 1,420,824	
(4) Federal Grants and Contracts	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ 1,460,391	
(5) In-kind from local govt. only	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$	
TOT. OTHER GOVT. FUNDING =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,194,091	
IC. ALL OTHER REVENUES												
(1) 1st & 2nd Party Payments	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ -	
(2) 3rd Party Payments (except Medicare)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,089,692	
(3) Medicare	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ -	
(4) Contributions and Donations	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 68,969	
(5) Other	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 147,079	
(6) In-kind	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ -	
TOT. ALL OTHER REVENUES =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,305,740	
TOTAL FUNDING =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,499,831	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,791,406	

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

AGENCY: WestCare Outcoast Florida, Inc.

DATE PREPARED: 10/31/2014

CONTRACT #: QA055

BUDGET PERIOD: FROM 7/1/2013 TO 6/30/2014

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	STATE-DESIGNATED SAMH COST CENTERS										Non-SAMH Cost Center G	Other Support Costs (optional) H	Administration I	Total Expenses (F+G+H+I) J
	STATE SAMH-FUNDED COST CENTERS						Total for State-Funded AMH Cost Centers (C ₁ +...+C ₂) D	Total for Non-State-Funded SAMH Cost Centers E	Tot. for All State-Designated SAMH Cost Centers (D+E) F					
	Program 1			Program 2										
	Treatment & Aftercare B _{1a}	Mental Health B _{1b}	Program 1 Total (B _{1a} +...+B _{1n}) C ₁	Prevention B _{2a}	(CC name) B _{2b}	Program 2 Total (B _{2a} +...+B _{2n}) C ₂								
*except IIC & IID														
IIA. PERSONNEL EXPENSES														
(1) Salaries	\$ 117,000	\$ 35,260	\$ 152,260	\$ 36,192	\$ -	\$ 36,192	\$ 188,452	\$ -	\$ 188,452	\$ 3,370,293	\$ -	\$ -	\$ -	\$ 3,558,745
(2) Fringe Benefits	\$ 23,689	\$ 7,133	\$ 30,802	\$ 7,322	\$ -	\$ 7,322	\$ 38,124	\$ -	\$ 38,124	\$ 681,898	\$ -	\$ -	\$ -	\$ 720,022
TOTAL PERSONNEL EXPENSES =	\$ 140,689	\$ 42,393	\$ 183,082	\$ 43,514	\$ -	\$ 43,514	\$ 226,576	\$ -	\$ 226,576	\$ 4,052,191	\$ -	\$ -	\$ -	\$ 4,278,767
IIIB. OTHER EXPENSES														
(1) Building Occupancy	\$ 25,062	\$ 10,025	\$ 35,086	\$ 7,000	\$ -	\$ 7,000	\$ 42,086	\$ -	\$ 42,086	\$ 692,277	\$ -	\$ -	\$ -	\$ 734,363
(2) Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,802	\$ -	\$ -	\$ -	\$ 178,802
(3) Travel	\$ 149	\$ 60	\$ 209	\$ 33	\$ -	\$ 33	\$ 242	\$ -	\$ 242	\$ 85,826	\$ -	\$ -	\$ -	\$ 86,168
(4) Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,147	\$ -	\$ -	\$ -	\$ 101,147
(5) Food Services	\$ 13,515	\$ -	\$ 13,515	\$ -	\$ -	\$ -	\$ 13,515	\$ -	\$ 13,515	\$ 564,485	\$ -	\$ -	\$ -	\$ 598,000
(6) Medical and Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,110	\$ -	\$ -	\$ -	\$ 189,110
(7) Subcontracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Insurance	\$ 2,875	\$ 1,062	\$ 3,937	\$ 2,423	\$ -	\$ 2,423	\$ 6,360	\$ -	\$ 6,360	\$ 143,678	\$ -	\$ -	\$ -	\$ 150,036
(9) Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(10) Operating Supplies & Expenses	\$ 13,991	\$ 5,590	\$ 19,587	\$ 2,197	\$ -	\$ 2,197	\$ 21,784	\$ -	\$ 21,784	\$ 434,376	\$ -	\$ -	\$ -	\$ 456,160
(11) Repair & Maintenance	\$ 11,322	\$ 4,529	\$ 15,851	\$ 260	\$ -	\$ 260	\$ 16,117	\$ -	\$ 16,117	\$ 277,504	\$ -	\$ -	\$ -	\$ 293,711
(12) Donated Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(13) Behavioral Health Fee	\$ 7,557	\$ 1,610	\$ 9,167	\$ 1,806	\$ -	\$ 1,806	\$ 10,973	\$ -	\$ 10,973	\$ -	\$ -	\$ -	\$ -	\$ 10,973
TOTAL OTHER EXPENSES =	\$ 74,471	\$ 22,862	\$ 97,352	\$ 13,725	\$ -	\$ 13,725	\$ 111,077	\$ -	\$ 111,077	\$ 2,666,049	\$ -	\$ -	\$ -	\$ 2,797,126
TOT. PERSONNEL & OTH. EXP. =	\$ 215,140	\$ 65,275	\$ 280,415	\$ 57,239	\$ -	\$ 57,239	\$ 337,653	\$ -	\$ 337,653	\$ 6,738,240	\$ -	\$ -	\$ -	\$ 7,075,893
IIIC. DISTRIBUTED INDIRECT COSTS														
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,332	\$ -	\$ -	\$ -	\$ 709,332
TOT. DISTRD INDIRECT COSTS =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,332	\$ -	\$ -	\$ -	\$ 709,332
TOTAL ACTUAL OPER. EXPENSES =	\$ 215,140	\$ 65,275	\$ 280,415	\$ 57,239	\$ -	\$ 57,239	\$ 337,653	\$ -	\$ 337,653	\$ 7,447,572	\$ -	\$ -	\$ -	\$ 7,785,225
IIID. UNALLOWABLE COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOT. ALLOWABLE OPER. EXP. =	\$ 215,140	\$ 65,275	\$ 280,415	\$ 57,239	\$ -	\$ 57,239	\$ 337,653	\$ -	\$ 337,653	\$ 7,447,572	\$ -	\$ -	\$ -	\$ 7,785,225
IIIE. CAPITAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AUDIT SCHEDULE
WestCare Gulfcoast Florida, Inc.
Schedule of Related Party Transaction Adjustments
for the Fiscal Year Ending 6/30/2014

	Related Party	Allocation of Related Party Transactions Adjustment				
		State-Designated Cost Centers				
		1	2	3	Total
Revenues From Grantee						
Rent	XXX					
Services	XXX					
Interest	XXX					
Other	<u>XXX</u>					
Total Revenue From Grantee	XXX	This Schedule N/A				
Expenses Associated with Grantee Transactions						
Personnel Services	YYY					
Depreciation	YYY					
Interest	YYY					
Other	<u>YYY</u>					
Total Associated Expenses	YYY					
Related Party Transaction Adjustment	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>	<u>ZZZ</u>

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

To the Board of Directors
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, 2014, and the related statement of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2014.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WestCare GulfCoast-Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether WestCare GulfCoast-Florida, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fresno, California
November 20, 2014



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.656(3), RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program

We have audited WestCare GulfCoast-Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 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 WestCare GulfCoast-Florida, Inc.'s major federal programs and state projects for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of WestCare GulfCoast-Florida, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.656(3), Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.656(3), Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about WestCare GulfCoast-Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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, 2014.

Report on Internal Control over Compliance

Management of WestCare GulfCoast-Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WestCare GulfCoast-Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A- 133 and Chapter 10.656(3), Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WestCare GulfCoast-Florida, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, and Chapter 10.656(3), Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Fresno, California
November 20, 2014

