

TRI-COUNTY HUMAN SERVICES, INC.

**AUDITED COMPLIANCE
FINANCIAL STATEMENTS**

**JUNE 30, 2016
WITH COMPARATIVE TOTALS
JUNE 30, 2015**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tri-County Human Services, Inc.
Lakeland, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Tri-County Human Services, Inc. (the "Agency"), a nonprofit organization, which consists of the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Agency'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 Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient to provide a reasonable 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 Tri-County Human Services, Inc., as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was performed for the purpose of forming an opinion on the financial statements of the Agency taken as a whole. The schedules of Functional Expenses, Funding and Revenue Sources, State Earnings, Bed-Day Availability Payments, and Related Party Transaction Adjustments are presented for purposes of additional analysis as required by Rule 65E-14.003, Florida Administrative Code, and are not a required part of the financial statements. The schedule of Assets, Liabilities, Net Assets and Activity for DUI Program are presented for purposes of additional analysis as required by Rule 15A-10.012, Florida Administrative code, and are not a required part of the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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.



Board of Directors
Tri-County Human Services, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2016 on our consideration of Tri-County Human Services, Inc.'s internal control and its compliance with laws, regulations, contracts, 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance and should be read in conjunction with this report in considering the results of our audit.

Report on Summarized Comparative Information

We have previously audited the Tri-County Human Services, Inc.'s 2015 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 6, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent in all material respects, with the audited financial statements from which it was derived.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
October 13, 2016



TRI-COUNTY HUMAN SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

	2016	2015
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,900,272	\$ 2,158,476
Grants receivable	1,393,575	1,253,650
Accounts receivable, net	386,203	384,194
Inventory	62,459	31,893
Prepaid expenses	254,995	108,886
Other current assets	8,844	6,114
Total current assets	4,006,348	3,943,213
PROPERTY AND EQUIPMENT, net	3,760,942	3,848,651
TOTAL ASSETS	\$ 7,767,290	\$ 7,791,864
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,097,822	\$ 945,492
Mortgage note payable, current portion	39,603	37,756
Total current liabilities	1,137,425	983,248
LONG TERM LIABILITIES	1,083,674	1,123,277
Total liabilities	2,221,099	2,106,525
NET ASSETS		
Unrestricted		
Undesignated	2,908,526	2,997,721
Net investment in property and equipment	2,637,665	2,687,618
Total unrestricted	5,546,191	5,685,339
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	5,546,191	5,685,339
TOTAL LIABILITIES AND NET ASSETS	\$ 7,767,290	\$ 7,791,864

See accompanying Independent Auditors' Report and Notes to Financial Statements

TRI-COUNTY HUMAN SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
SUPPORT AND REVENUE				
Support:				
Contributions	\$ 8,801	\$ -	\$ 8,801	12,632
Contributions in kind	502,164	-	502,164	554,481
United Way	99,374	-	99,374	100,496
Special events	-	-	-	180
Net assets released from restrictions	-	-	-	-
Total support	<u>610,339</u>	<u>-</u>	<u>610,339</u>	<u>667,789</u>
Revenue:				
Net patient service revenue	764,875	-	764,875	344,767
State of Florida contract	7,516,320	-	7,516,320	7,131,874
Federal grants and contracts	259,307	-	259,307	282,814
Public grants and contracts	1,838,609	-	1,838,609	1,890,141
DWUI/DWI program	-	400,749	400,749	401,078
Interest	2,882	-	2,882	3,154
Business-like activities	255,693	-	255,693	421,403
Gain (loss) on disposal of assets	(39,634)	-	(39,634)	(3,640)
Miscellaneous	561,792	-	561,792	496,840
Total revenue	<u>11,159,844</u>	<u>400,749</u>	<u>11,560,593</u>	<u>10,968,431</u>
Total support and revenue	<u>11,770,183</u>	<u>400,749</u>	<u>12,170,932</u>	<u>11,636,220</u>
EXPENSES				
Program services:				
Mental health - adolescent	202,659	-	202,659	155,350
Mental health - adult	955,195	-	955,195	1,052,612
Substance abuse - adolescent	662,481	-	662,481	847,799
Substance abuse - adult	7,069,599	-	7,069,599	6,416,285
Other programs - adult	1,292,563	-	1,292,563	971,659
DWUI/DWI program	-	400,749	400,749	401,078
Total program services	<u>10,182,497</u>	<u>400,749</u>	<u>10,583,246</u>	<u>9,844,783</u>
Supporting services:				
Business-like activities	847,826	-	847,826	1,033,703
Management and general	878,422	-	878,422	1,125,519
Fund raising	586	-	586	275
Total supporting services	<u>1,726,834</u>	<u>-</u>	<u>1,726,834</u>	<u>2,159,497</u>
Total expenses	<u>11,909,331</u>	<u>400,749</u>	<u>12,310,080</u>	<u>12,004,280</u>
CHANGE IN NET ASSETS	\$ (139,148)	\$ -	\$ (139,148)	\$ (368,060)
Net assets, beginning of year	<u>5,685,339</u>	<u>-</u>	<u>5,685,339</u>	<u>6,053,399</u>
NET ASSETS, end of year	<u>\$ 5,546,191</u>	<u>\$ -</u>	<u>\$ 5,546,191</u>	<u>\$ 5,685,339</u>

See accompanying Independent Auditors' Report and Notes to Financial Statements

TRI-COUNTY HUMAN SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
SUPPORT AND REVENUE				
Support:				
Contributions	\$ 12,632	\$ -	\$ 12,632	\$ 14,140
Contributions in kind	554,481	-	554,481	604,349
United Way	100,496	-	100,496	116,527
Special events	180	-	180	1,650
Net assets released from restrictions	-	-	-	-
Total support	<u>667,789</u>	<u>-</u>	<u>667,789</u>	<u>736,666</u>
Revenue:				
Net patient service revenue	344,767	-	344,767	799,854
State of Florida contract	7,131,874	-	7,131,874	6,610,094
Federal grants and contracts	282,814	-	282,814	237,060
Public grants and contracts	1,890,141	-	1,890,141	2,117,774
DWUI/DWI program	-	401,078	401,078	448,622
Interest	3,154	-	3,154	3,739
Business-like activities	421,403	-	421,403	588,550
Gain (loss) on disposal of assets	(3,640)	-	(3,640)	1,817
Miscellaneous	496,840	-	496,840	481,873
Total revenue	<u>10,567,353</u>	<u>401,078</u>	<u>10,968,431</u>	<u>11,289,383</u>
Total support and revenue	<u>11,235,142</u>	<u>401,078</u>	<u>11,636,220</u>	<u>12,026,049</u>
EXPENSES				
Program services:				
Mental health - adolescent	155,350	-	155,350	127,637
Mental health - adult	1,052,612	-	1,052,612	1,026,444
Substance abuse - adolescent	847,799	-	847,799	644,091
Substance abuse - adult	6,416,285	-	6,416,285	6,453,046
Other programs - adult	971,659	-	971,659	1,007,813
DWUI/DWI program	-	401,078	401,078	448,622
Total program services	<u>9,443,705</u>	<u>401,078</u>	<u>9,844,783</u>	<u>9,707,653</u>
Supporting services:				
Business-like activities	1,033,703	-	1,033,703	1,370,016
Management and general	1,125,519	-	1,125,519	1,074,305
Fund raising	275	-	275	1,194
Total supporting services	<u>2,159,497</u>	<u>-</u>	<u>2,159,497</u>	<u>2,445,515</u>
Total expenses	<u>11,603,202</u>	<u>401,078</u>	<u>12,004,280</u>	<u>12,153,168</u>
CHANGE IN NET ASSETS	\$ (368,060)	\$ -	\$ (368,060)	\$ (127,119)
Net assets, beginning of year	6,053,399	-	6,053,399	6,180,518
NET ASSETS, end of year	<u>\$ 5,685,339</u>	<u>\$ -</u>	<u>\$ 5,685,339</u>	<u>\$ 6,053,399</u>

See accompanying Independent Auditors' Report and Notes to Financial Statements

TRI-COUNTY HUMAN SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	2016	2015
OPERATING ACTIVITIES		
Change in net assets	(\$139,148)	(\$368,060)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	235,729	234,728
(Gain) loss on disposal of assets	39,634	3,640
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	(139,925)	456,608
(Increase) decrease in accounts receivable	(2,009)	102,777
(Increase) decrease in inventory	(30,566)	76,496
(Increase) decrease in prepaid expenses and other current assets	(148,839)	101,660
Increase (decrease) in accounts payable and accrued expenses	152,330	(33,648)
Increase (decrease) in accrued interest payable	-	1,560
	(32,794)	575,761
INVESTING ACTIVITIES		
Purchase of property and equipment	(187,654)	(67,475)
Proceeds from sale of equipment	-	3,831
	(187,654)	(63,644)
FINANCING ACTIVITIES		
Principal payments on long term borrowings	(37,756)	(1,213,252)
Proceeds from refinanced long term borrowings	-	1,173,536
	(37,756)	(39,716)
CHANGE IN CASH AND CASH EQUIVALENTS	(258,204)	472,401
CASH AND CASH EQUIVALENTS, beginning of year	2,158,476	1,686,075
CASH AND CASH EQUIVALENTS, end of year	\$1,900,272	\$2,158,476

See accompanying Independent Auditors' Report and Notes to Financial Statements

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tri-County Human Services, Inc. (the "Agency") is a nonprofit provider of evaluation, counseling, substance abuse treatment, mental health treatment, and co-occurring treatment of individuals directly and under contract to various governmental and other third party payors. The Agency endeavors to provide an array of high quality human services consistent with the needs of the community. Services are provided in a cost effective, ethical, and professional manner and focus on improving the quality of life of persons served. The Board is self sustaining with members elected by existing members.

The Agency serves Polk, Hardee and Highlands counties. The Agency operates all of its programs with the philosophy that substance addiction and mental health disorders are primary, progressive, chronic, and potentially fatal if left untreated. The Agency accepts the premise that substance addiction and mental health conditions impact all areas of an individual's life, including his/her interpersonal relationships, vocational/educational skills, emotional well-being, and physical health. The Agency does not adhere to any one etiological theory regarding substance addiction or mental health conditions. On the contrary, staff understands that addictive disorders and mental health conditions are likely caused by a combination of several factors, including genetics, emotional/psychological influences, cultural attitudes, and behavioral reinforcement. The Agency's staff understands that substance addiction and mental health conditions are family illnesses in which each member of the affected individual's immediate and perhaps extended family is affected by the behaviors and attitudes of the addicted individual. In keeping with this philosophy, treatment teams encourage family participation in the treatment process whenever possible.

The Agency recognizes that many of the individuals served by the Agency's substance abuse program have a concurrent mental health problem. Like substance abuse disorders, mental health problems can cause severe dysfunction in an individual's life, especially in the areas of day-to-day living skills, interpersonal relationships, and vocational/educational skills. For these dually diagnosed clients, simultaneous treatment of both disorders is preferred. Residential treatment is available for dually diagnosed clients who have not responded favorably to outpatient treatment or whose symptom severity contraindicates outpatient care.

The Agency is licensed by the State of Florida as a provider of substance abuse prevention, intervention, and treatment services and as a primary vendor for both substance abuse and mental health counseling. Consistent with this licensure, agency programs and services are reviewed and audited annually by the State of Florida. The Agency's C.A.R.F. accreditation for integrated substance abuse/mental health services has been extended through 2017.

The Agency is funded through a variety of sources, including the United Way of Central Florida, State of Florida, GiveWell Community Foundation, Polk, Hardee and Highlands counties, Central Florida Behavioral Health Network, Homeless Coalition, H.U.D. funds, program fees, various fund raising events sponsored by the board of directors, federal and private grants, and private contributions.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

The Agency utilizes the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. On January 30, 1991, the State of Florida, Department of Health and Rehabilitative Services published new alcohol, drug abuse and mental health services financial management standards. The standards indicated that accounting principles generally accepted in the United States of America should be followed in all reports filed with the department and in the annual audited financial statements and that most of the department's alcohol, drug abuse and mental health services providers should adopt the American Institute of Certified Public Accounting's guide, *Audits of Providers of Health Care Services*, as the primary source of specialized accounting principles. The guide and the department indicate the accrual basis of accounting is the only basis of accounting that is the generally accepted accounting principle for providers of health care services.

Cash Equivalents

The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Interest received was \$2,873 and \$3,154 for the years ended June 30, 2016 and 2015, respectively.

Financial Instruments and Credit Risk

The carrying amounts approximate fair value based on quoted market prices or discounted cash flow analyses for cash equivalents and other financial instruments. The Agency is subject to some credit risk through short-term cash investments which are placed with high credit quality financial institutions. At times cash equivalents may exceed the F.D.I.C. limits and other insured limits. At June 30, 2016 and 2015, the Agency exceeded F.D.I.C. and other insured limits by \$664,639 and \$264,196, respectively. The Agency has entered into an agreement with a bank whereby their operating checking account is collateralized with federal securities wholly owned by the Agency.

Grants Receivable

Grants receivable represents amounts due from Central Florida Behavioral Health Network, Medicaid, Polk County and other federal, state and local agencies.

Management has determined that the grants receivable are fully collectible, therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2016 and 2015.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are patient obligations due for services rendered. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is based on a combination of identified patient accounts believed to be uncollectible and on a percentage of aged receivables, based on historical experience. If actual collections experience changes, revisions to the allowance percentage are made. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, management believes the allowance for doubtful accounts as of June 30, 2016 and 2015 are adequate. However, actual write-offs may exceed the recorded allowance.

Inventory

Inventories of medical supplies are carried at the lower of cost or market, using the first-in, first-out method of costing.

Property and Equipment

The Agency follows the state guidelines of capitalizing all expenditures of \$1,000 or more for property and equipment at cost; the fair market value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

Derivative Instruments

The Agency uses interest rate swap to effectively convert the variable rate on its mortgage note payable to a fixed rate. The changes in the fair value of the swap agreement and the payments to or receipts from the counterparty to the swap are netted with the interest expense on the bonds and allocated among the functional expense categories. Cash flows from interest rate swap contracts are classified as a financing activity on the statement of cash flows.

Unrestricted Net Assets

Unrestricted net assets consist of resources available for the various programs and administration of the Agency which have not been restricted by a donor or other outside party.

Undesignated net assets are available for the various programs and administration of the Agency.

Net investment in property and equipment represents amounts expended for property and equipment used in the operations of the Agency, net of amounts borrowed, if any.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are deemed to be earned and are reported as temporarily restricted revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted revenue.

When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes in accordance with donor stipulations. The Agency does not imply a time restriction on gifts of long-lived assets.

Net Patient Service Revenue and Charity

The Agency provides care to all patients without regard to their ability to pay. Patients are charged on a sliding scale based on their ability to pay as determined by the Florida Department of Children and Family Services. Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payers and others for services rendered since there is no pursuit of collection for the charges in excess of ability to pay or contractual agreement.

Concentration of Revenue Sources

About 62% of the Agency's revenue is derived from indirect federal and state grants funding passed through Central Florida Behavioral Health Network which are renewed annually. The current level of the Agency's operations and program services may be impacted or segments discontinued if funding is not renewed.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes

The Agency is a not-for-profit organization that is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Agency has also been classified as an entity that is not a private foundation with the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The most significant tax positions of the Agency are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Agency's Forms 990 for 2013 through 2015 are open to examination by the Internal Revenue Service as of June 30, 2016.

Allocation of Indirect Costs and Functional Allocation of Expenses

All direct costs are allocated directly. Support costs and administrative costs (indirect costs) which cannot be directly allocated are allocated, by one or more distribution bases, appropriate to the costs and clearly represent a reasonable basis for allocating among the benefiting functions or programs. Administrative costs with no more reasonable basis for allocation are distributed based on the relationship of the cost center's total costs to all cost centers accumulated costs. Each provider must receive prior approval on its cost allocation plan which is submitted to the Central Florida Behavioral Health Network (CFBHN) with its budget for prior approval a plan for cost allocations in the budget year. The schedule of functional expenses is presented only for the year ended June 30, 2016, with comparative totals for the year ended June 30, 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain 2015 items may have been reclassified in order to conform with the 2016 financial statement presentation.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE B - PROPERTY AND EQUIPMENT

A summary of property and equipment, at cost, as of June 30, 2016 and 2015, is as follows:

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Lives</u>
Land	\$ 528,938	\$ 528,938	-
Construction in progress	4,500	171	-
Buildings	2,490,201	2,490,201	5 - 30 years
Leasehold improvements	1,923,114	1,863,024	5 - 30 years
Machinery and equipment	1,158,851	1,159,149	5 - 10 years
Furniture and fixtures	<u>22,588</u>	<u>22,588</u>	5 - 10 years
	6,128,192	6,064,071	
Less accumulated depreciation	<u>(2,367,250)</u>	<u>(2,215,420)</u>	
Total	<u>\$3,760,942</u>	<u>\$3,848,651</u>	

Depreciation expense was \$235,729 and \$234,728 for the years ended June 30, 2016 and 2015, respectively.

Building improvements with a net book value of \$179,755 were acquired in 2008 with grant funds received from the Homeless Coalition of Polk County. Under terms of the grant agreement, any buildings/units constructed or rehabilitated using grant funds must be used to serve persons who are homeless for a minimum of 10 years. Any assets purchased or improved with grant funds must be reverted by the Agency to the Homeless Coalition if those assets are disposed of within 5 years of date of acquisition, which has passed.

NOTE C - COMPENSATED ABSENCES

The Agency's liability for compensated absences was \$386,491 and \$384,331 which was included in accounts payable and accrued expenses as of June 30, 2016 and 2015, respectively. This represents amounts owed to employees under the Agency's accrued time off (ATO) policy. The Agency revised its ATO policy during 2010. For employees hired prior to July 1, 2009, the employees may carryover up to a maximum of 40 days unused ATO each year. For employees hired from July 1, 2009 to the present, employees may carry up to 160 hours into the next calendar year. Excess hours as of December 31 are forfeited.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE D - LONG TERM LIABILITIES

A summary of mortgage note payable as of June 30, 2016 and 2015, respectively, is as follows:

	2016	2015
Mortgage note payable, payable in 120 monthly installments of \$7,381 with principle balloon payment of \$721,952 in February 2025. Variable interest rate of LIBOR plus 2.25% is included in monthly payment, with interest rate swap of fixed rate of 4.37%. Collateralized with administration building real estate, with a net book value of \$1,338,794	\$ 1,123,277	\$ 1,161,033
	1,123,277	1,161,033
Less portion considered current	(39,603)	(37,756)
Total long term liabilities	\$ 1,083,674	\$ 1,123,277

As of the date of this report, the Agency is in material compliance with loan covenants.

Annual maturities of long term debt for the next five years and thereafter are as follows:

Year Ending June 30,	Amount
2017	\$ 39,603
2018	41,394
2019	43,265
2020	45,103
2021	47,433
Thereafter	906,479
Total	\$ 1,123,277

Interest paid was \$50,734 and \$44,667 for the years ended June 30, 2016 and 2015, respectively.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE D - LONG TERM LIABILITIES - CONTINUED

Line of Credit

The Agency has a line of credit up to \$500,000, secured by accounts receivable of which \$0 was outstanding at June 30, 2016. Principal and interest would be due on demand, with interest based on the bank's prime rate.

The Agency has \$0 outstanding borrowings on the line of credit as of the date of this report.

NOTE E - COMMITMENTS AND CONTINGENCIES

Lease Expense

The Agency has a number of multi-year lease commitments on office equipment and building rentals. Buildings, or space in buildings, are used for the Agency's administration and its community service programs. Space is provided at various locations in Highlands and Hardee counties for counseling services. Free use of facilities and other assets are recorded as in-kind contributions and as equipment and facilities expenses based on market square footage rental rates or equipment rental rates in the communities where facilities are located. Some of the leases are non-cancelable. The lease payments range from \$71 to \$3,500 per month for a period of 36 - 84 months. The lease expense under these leases was \$219,785 and \$226,196 for the years ended June 30, 2016 and 2015, respectively.

Future minimum lease payments under the lease are as follows:

Year Ending June 30,	Amount
2017	\$ 65,040
2018	57,501
2019	43,292
2020	42,000
2021	42,000
Thereafter	56,000
Total	\$ 305,833

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE E - COMMITMENTS AND CONTINGENCIES - CONTINUED

Lease Income

The Agency, as lessor, leases a portion of the administrative building under a multi-year operating lease agreement. The lease has two renewal options to renew for a period of five years each, with rental payment increases of the lesser of 3% or the increase in the Consumer Price Index, beginning the fourth lease year and for each year thereafter. The Agency has obtained a lien on certain real property owned by the lessee, as security for lease income under this agreement. The lease income under this lease is included in business-like activities, and was \$58,223 and \$57,768 for the years ended June 30, 2016 and 2015, respectively.

Future minimum lease income under this lease is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 59,314
2018	61,092
2019	62,925
2020	37,341
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 220,672</u>

Other

The Agency participates in a number of federal and state programs, which are subject to financial and compliance audits by the grantors or their representatives. The audits of all programs for or including the year ended June 30, 2016, have not been completed. The amount, if any, of expenditures which may be disallowed by the grantor agencies, cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.

Subsequent Events

Management has evaluated subsequent events through October 13, 2016, the date which the financial statements were available for issue and has determined that there are no additional adjustments and/or disclosures required.

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE F - DEFINED CONTRIBUTION PLAN

The Agency has The Tri-County Human Services, Inc. Profit Sharing Plan which is a defined contribution pension plan that was established by the Agency in 1999 to provide benefits at retirement to substantially all employees of the Agency. Employees become eligible for participation in the plan after attainment of age 18 and one year of full-time service. Plan benefits vest at a rate of 20% per year and become fully vested after 6 years of service. Employer contributions are discretionary and are determined annually by the board of directors. For the years ended June 30, 2016 and 2015, contributions totaled \$-0- and \$-0-, respectively. At June 30, 2016 and 2015, the Agency has a payable to the Plan of \$7,791 and \$6,605, respectively. For the years ended June 30, 2016 and 2015, fees incurred and paid for the Plan were \$250 and \$250, respectively.

NOTE G - RELATED PARTIES

The Agency receives grant funding from Central Florida Behavioral Health Network (CFBHN), for which the chief executive officer serves on their board of directors. Below is a summary of transactions during the year from Central Florida Behavioral Health Network:

	2016	2015
Substance abuse and mental health contracts	\$ 7,516,320	\$ 7,131,874
Year-end accounts receivable on above contracts	(733,974)	(785,233)
Less behavioral health administration fees	(17,556)	(17,754)
Total related party receipts, net of fees	\$ 6,764,790	\$ 6,328,887

NOTE H - CONTRIBUTED MATERIALS, EQUIPMENT AND SERVICES

A number of volunteers have donated significant amounts of their time to the Agency's administrative services and fund raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services are not professional in nature, and, as such, do not meet the criteria for recognition as contributed services.

Donated materials and space received as donations, if any, are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. The Agency received \$502,164 and \$554,481 in donated materials and space for the years ended June 30, 2016 and 2015, respectively.

SUPPLEMENTARY INFORMATION

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CONTRACT #: QB050, QB051

BUDGET PERIOD: FROM 07/01/2015 TO 06/30/2016

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	ADULT MENTAL HEALTH (AMH)									
	Case Management	Crisis Support/ Emergency	Medical Services	Outreach	Residential Level II	Incidental Expenses	Information & Referral	CCST - Individual	Total for AMH	
IA. STATE SAMH FUNDING										
(1) CFBHN	\$ 39,335	\$ 165,079	\$ 196,013	\$ 279,928	\$ 100,950	\$ 44,644	\$ 900	\$ 6,500	\$ 833,349	
(2) From Other Districts	-	-	-	-	-	-	-	-	-	
(3) Behavioral Health Fee	-	-	-	-	-	-	-	-	-	
TOTAL STATE SAMH FUNDING =	39,335	165,079	196,013	279,928	100,950	44,644	900	6,500	833,349	
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding	-	-	542	-	-	-	-	-	542	
(2) Medicaid - Suncoast Region	-	-	-	-	-	-	-	-	-	
(3) Medicaid - All other Regions	-	-	12,978	-	-	-	-	3,574	16,552	
(4) Local Government	3,185	7,533	41,675	-	-	-	-	49,990	102,383	
(5) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	
(6) In-kind from local govt. only	-	-	-	-	-	-	-	-	-	
TOT. OTHER GOVT. FUNDING =	3,185	7,533	55,195	-	-	-	-	53,564	119,477	
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	-	-	38,892	14	-	-	-	(14,767)	24,139	
(2) 3rd Party Payments (except Mer	-	-	100,671	-	-	-	-	27,709	128,380	
(3) Medicare	-	-	-	-	-	-	-	-	-	
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-	
(5) Other	(44)	(210)	(199)	4,294	(62)	-	(2)	(1)	3,777	
(6) In-kind	-	28	68	44	-	-	-	64	204	
TOT. ALL OTHER REVENUES =	(44)	(182)	139,432	4,353	(62)	-	(2)	13,005	156,500	
TOTAL FUNDING =	\$ 42,476	\$ 172,431	\$ 390,640	\$ 284,281	\$ 100,888	\$ 44,644	\$ 898	\$ 73,069	\$ 1,109,326	

**TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
	ADOLESCENT MENTAL HEALTH (CMH)								
	Case Management	Crisis Support/ Emergency	Medical Services	Outreach	Residential Level II	Incidental Expenses	Information & Referral	CCST - Individual	Total for CMH
IA. STATE SAMH FUNDING									
(1) CFBHN	\$ 10,005	\$ 47,505	\$ 4,729	\$ 64,663	\$ -	\$ -	\$ 29,686	\$ 1,000	\$ 157,588
(2) From Other Districts	-	-	-	-	-	-	-	-	-
(3) Behavioral Health Fee	-	-	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING =	10,005	47,505	4,729	64,663	-	-	29,686	1,000	157,588
IB. OTHER GOVT. FUNDING									
(1) Other State Agency Funding	-	-	13	-	-	-	-	-	13
(2) Medicaid - Suncoast Region	-	-	-	-	-	-	-	-	-
(3) Medicaid - All other Regions	-	-	1,284	-	-	-	4,549	-	5,832
(4) Local Government	810	3,044	1,005	-	-	-	7,689	-	12,548
(5) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-
(6) In-kind from local govt. only	-	-	-	-	-	-	-	-	-
TOT. OTHER GOVT. FUNDING =	810	3,044	2,302	-	-	-	-	12,237	18,394
IC. ALL OTHER REVENUES									
(1) 1st & 2nd Party Payments	-	-	9,123	-	-	-	(2,271)	-	6,852
(2) 3rd Party Payments (except Mer	-	-	41,119	-	-	-	25,577	-	66,697
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-
(5) Other	(11)	(60)	(5)	(104)	-	-	(58)	(0)	(239)
(6) In-kind	-	11	2	-	-	-	9	10	32
TOT. ALL OTHER REVENUES =	(11)	(49)	50,239	(104)	-	-	(49)	23,316	73,341
TOTAL FUNDING =	\$ 10,804	\$ 50,500	\$ 57,270	\$ 64,559	\$ -	\$ -	\$ 29,637	\$ 36,553	\$ 249,323

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS										
	STATE SAMH-FUNDED COST CENTERS										
	ADULT SUBSTANCE ABUSE (ASA)										
	Assessment	Case Management	Intervention - Individual	Medical Services	Outpatient - Individual	Outreach	Residential Level II	Residential Level III	Residential Level IV	Substance Abuse Detox	Incidental Expenses
IA. STATE SAMH FUNDING											
(1) CFBHN	\$ 161,686	\$ 787,940	\$ 180,169	\$ 68,883	\$ 294,281	\$ 157,638	\$ 815,359	\$ 444,709	\$ 24,635	\$ 763,428	\$ 60,049
(2) From Other Districts	-	-	-	-	-	-	-	-	-	-	-
(3) Behavioral Health Fee	-	-	-	-	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING =	161,686	787,940	180,169	68,883	294,281	157,638	815,359	444,709	24,635	763,428	60,049
IB. OTHER GOVT. FUNDING											
(1) Other State Agency Funding	-	-	-	-	-	-	18,868	9,694	-	-	-
(2) Medicaid - Suncoast Region	-	-	-	-	-	-	-	-	-	-	-
(3) Medicaid - All other Regions	-	-	-	317	59,219	-	12,484	24,016	-	-	-
(4) Local Government	-	85,931	-	-	123,032	-	3,787	3,125	-	231,264	-
(5) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-
(6) In-kind from local govt. only	-	-	-	-	14,081	-	-	-	-	-	-
TOT. OTHER GOVT. FUNDING =	-	85,931	-	317	196,332	-	35,139	36,835	-	231,264	-
IC. ALL OTHER REVENUES											
(1) 1st & 2nd Party Payments	-	-	-	2,993	69,600	-	(18,341)	188	3,001	17,073	-
(2) 3rd Party Payments (except Mer	-	-	-	2,863	90,821	-	24,794	14,193	-	9,800	-
(3) Medicare	-	-	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	-	-	-	-	11,256	-	12,991	68,751	-	9,373	-
(5) Other	(208)	(874)	(209)	21,719	3,354	(222)	(11,734)	(492)	29	(15,071)	-
(6) In-kind	38	91	104	8	2,456	141	10,369	96	4	216	-
TOT. ALL OTHER REVENUES =	(170)	(783)	(105)	27,582	177,486	(81)	18,079	82,736	3,034	21,390	-
TOTAL FUNDING =	\$ 161,516	\$ 873,088	\$ 180,064	\$ 96,782	\$ 668,099	\$ 157,557	\$ 868,577	\$ 564,280	\$ 27,669	\$ 1,016,082	\$ 60,049

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	ADULT SUBSTANCE ABUSE (ASA) - CONTINUED					ADOLESCENT SUBSTANCE ABUSE (ASA)				
	Aftercare - Individual	Room & Board Level II	Room & Board Level III	Residential Level II-QB051	Incidental Expenses-QB051	Total for Program ASA	Assessment	Case Management	CSST	Intervention - Individual
IA. STATE SAMH FUNDING										
(1) CFBHN	\$ 7,710	\$ 166,527	\$ 31,336	\$ 1,774,265	\$ 20,131	\$ 5,758,746	\$ 8,720	\$ 68,075	\$ 206,171	\$ 4,751
(2) From Other Districts	-	-	-	-	-	-	-	-	-	-
(3) Behavioral Health Fee	-	-	-	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING =	7,710	166,527	31,336	1,774,265	20,131	5,758,746	8,720	68,075	206,171	4,751
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding	-	-	-	40,141	-	68,703	-	-	-	-
(2) Medicaid - Suncoast Region	-	-	-	-	-	-	-	-	-	-
(3) Medicaid - All other Regions	-	-	-	-	-	96,037	-	-	-	-
(4) Local Government	9,984	-	-	129,750	-	586,872	-	7,421	-	-
(5) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
(6) In-kind from local govt. only	-	-	-	-	-	14,081	-	-	-	-
TOT. OTHER GOVT. FUNDING =	9,984	-	-	169,891	-	765,693	-	7,421	-	-
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	131	-	-	(70,248)	-	4,396	-	-	-	-
(2) 3rd Party Payments (except Mer	-	-	-	-	-	142,471	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	-	-	-	1,000	-	103,370	-	-	-	-
(5) Other	(26)	(223)	(39)	5,078	-	1,081	(5)	(41)	(289)	(6)
(6) In-kind	34	23	2	368,945	-	382,527	-	-	-	3
TOT. ALL OTHER REVENUES =	139	(201)	(37)	304,775	-	633,845	(5)	(41)	(289)	(3)
TOTAL FUNDING =	\$ 17,833	\$ 166,326	\$ 31,299	\$ 2,248,931	\$ 20,131	\$ 7,158,284	\$ 8,715	\$ 75,455	\$ 205,882	\$ 4,748

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CONTRACT #: QB050, QB051

BUDGET PERIOD: FROM 07/01/2015 TO 06/30/2016

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
	ADULT MENTAL HEALTH (AMH)								
	Case Management	Crisis Support/ Emergency	Medical Services	Outreach	Residential Level II	Incidental Expenses	Information & Referral	CCST - Individual	Total for AMH
IA. STATE SAMH FUNDING									
(1) CFBHN	\$ 39,335	\$ 165,079	\$ 196,013	\$ 279,928	\$ 100,950	\$ 44,644	\$ 900	\$ 6,500	\$ 833,349
(2) From Other Districts	-	-	-	-	-	-	-	-	-
(3) Behavioral Health Fee	-	-	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING =	39,335	165,079	196,013	279,928	100,950	44,644	900	6,500	833,349
IB. OTHER GOVT. FUNDING									
(1) Other State Agency Funding	-	-	542	-	-	-	-	-	542
(2) Medicaid - Suncoast Region	-	-	-	-	-	-	-	-	-
(3) Medicaid - All other Regions	-	-	12,978	-	-	-	-	3,574	16,552
(4) Local Government	3,185	7,533	41,675	-	-	-	-	49,990	102,383
(5) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-
(6) In-kind from local govt. only	-	-	-	-	-	-	-	-	-
TOT. OTHER GOVT. FUNDING =	3,185	7,533	55,195	-	-	-	-	53,564	119,477
IC. ALL OTHER REVENUES									
(1) 1st & 2nd Party Payments	-	-	38,892	14	-	-	-	(14,767)	24,139
(2) 3rd Party Payments (except Mer	-	-	100,671	-	-	-	-	27,709	128,380
(3) Medicare	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-
(5) Other	(44)	(210)	(199)	4,294	(62)	-	(2)	(1)	3,777
(6) In-kind	-	28	68	44	-	-	-	64	204
TOT. ALL OTHER REVENUES =	(44)	(182)	139,432	4,353	(62)	-	(2)	13,005	156,500
TOTAL FUNDING =	\$ 42,476	\$ 172,431	\$ 390,640	\$ 284,281	\$ 100,888	\$ 44,644	\$ 898	\$ 73,069	\$ 1,109,326

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FUNDING SOURCES & REVENUES	Behavioral Health Fee	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Tot. for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Total Funding
IA. STATE SAMH FUNDING						
(1) CFBHN	\$ -	\$ 7,515,767	\$ -	\$ 7,515,767	\$ -	\$ 7,515,767
(2) From Other Districts	-	-	-	-	-	\$ -
(3) Behavioral Health Fee	91,117	91,117	-	91,117	-	\$ 91,117
TOTAL STATE SAMH FUNDING =	91,117	7,606,884	-	7,606,884	-	\$ 7,606,884
IB. OTHER GOVT. FUNDING						
(1) Other State Agency Funding	-	69,258	180	69,438	-	\$ 69,438
(2) Medicaid - Suncoast Region	-	-	-	-	-	\$ -
(3) Medicaid - All other Regions	-	147,191	11,605	158,796	21,081	\$ 179,877
(4) Local Government	-	709,225	716,748	1,425,973	412,637	\$ 1,838,610
(5) Federal Grants and Contracts	-	-	259,307	259,307	-	\$ 259,307
(6) In-kind from local govt. only	-	14,081	-	14,081	-	\$ 14,081
TOT. OTHER GOVT. FUNDING =	-	939,755	987,840	1,927,594	433,718	\$ 2,361,313
IC. ALL OTHER REVENUES						
(1) 1st & 2nd Party Payments	-	43,641	427,525	471,166	4,395	\$ 475,560
(2) 3rd Party Payments (except Me	-	371,626	4,410	376,036	65,266	\$ 441,302
(3) Medicare	-	-	-	-	-	\$ -
(4) Contributions and Donations	-	106,292	1,883	108,175	-	\$ 108,175
(5) Other	-	4,573	424,752	429,325	260,300	\$ 689,625
(6) In-kind	-	487,931	145	488,076	-	\$ 488,076
TOT. ALL OTHER REVENUES =	-	1,014,062	858,716	1,872,778	329,961	\$ 2,202,739
TOTAL FUNDING =	\$ 91,117	\$ 9,560,701	\$ 1,846,555	\$ 11,407,256	\$ 763,680	\$ 12,170,936

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
	ADULT MENTAL HEALTH (AMH)								
	Case Management	Crisis Support/ Emergency	Medical Services	Outreach	Residential Level II	Incidental Expenses	Information & Referral	CCST - Individual	Program AMH Total
IIA. PERSONNEL EXPENSES									
(1) Salaries	\$ 8,903	\$ 37,634	\$ 41,325	\$ 270,163	\$ 25,125	\$ -	\$ 15,406	\$ 159,501	\$ 558,058
(2) Fringe Benefits	(79)	4,040	15,697	18,435	2,073	-	2,320	16,736	59,222
TOTAL PERSONNEL EXPENSES =	8,824	41,674	57,023	288,598	27,198	-	17,727	176,237	617,280
IIB. OTHER EXPENSES									
(1) Building Occupancy	-	10,233	14,191	27	70	-	-	16,215	40,735
(2) Professional Services	8	376	70,203	959	30	-	96	1,166	72,838
(3) Travel	-	174	259	9,529	-	-	838	5,369	16,168
(4) Equipment	-	569	1,471	3,394	-	-	459	901	6,794
(5) Food Services	-	-	-	-	-	-	-	-	-
(6) Medical and Pharmacy	-	-	2,693	234	-	-	-	-	2,927
(7) Subcontracted Services	4	1,515	110,772	5,867	36	-	9	2,471	120,673
(8) Insurance	125	882	1,483	3,425	868	-	214	3,020	10,016
(9) Interest Paid	-	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expense	-	1,278	7,480	6,310	-	-	105	4,090	19,263
(11) Other	-	-	(258)	3,401	-	45,357	-	-	48,500
(12) Donated Items	-	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES =	137	15,026	208,296	33,144	1,003	45,357	1,720	33,231	337,914
TOT. PERSONNEL & OTH. EXP. =	8,961	56,700	265,318	321,742	28,201	45,357	19,446	209,468	955,195
IIC. DISTRIBUTED INDIRECT COSTS									
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-
(b) Administration	905	5,708	28,450	19,008	2,836	-	1,954	20,982	79,843
TOT. DISTR'D INDIRECT COSTS =	905	5,708	28,450	19,008	2,836	-	1,954	20,982	79,843
TOTAL ACTUAL OPER. EXPENSES =	9,867	62,408	293,768	340,751	31,037	45,357	21,400	230,450	1,035,038
IIID. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPER. EXP. =	\$ 9,867	\$ 62,408	\$ 293,768	\$ 340,751	\$ 31,037	\$ 45,357	\$ 21,400	\$ 230,450	\$ 1,035,038
IIIE. CAPITAL EXPENDITURES	-	-	2,073	-	-	-	-	-	2,073

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
	ADOLESCENT MENTAL HEALTH (CMH)								
	Case Management	Crisis Support/ Emergency	Medical Services	Outreach	Residential Level II	Incidental Expenses	Information & Referral	CCST - Individual	Program CMH Total
IIA. PERSONNEL EXPENSES									
(1) Salaries	\$ 2,403	\$ 28,641	\$ 11,318	\$ 44,038	\$ -	\$ -	\$ 12,620	\$ 17,787	\$ 116,808
(2) Fringe Benefits	184	2,191	866	3,084	-	-	965	1,361	8,651
TOTAL PERSONNEL EXPENSES =	2,587	30,832	12,184	47,122	-	-	13,586	19,148	125,459
IIB. OTHER EXPENSES									
(1) Building Occupancy	-	7,789	3,887	-	-	-	-	1,808	13,483
(2) Professional Services	2	286	19,228	46	-	-	78	130	19,771
(3) Travel	-	132	71	1,824	-	-	686	598	3,312
(4) Equipment	-	433	403	835	-	-	376	100	2,147
(5) Food Services	-	-	-	-	-	-	-	-	-
(6) Medical and Pharmacy	-	-	738	-	-	-	-	-	738
(7) Subcontracted Services	1	1,153	30,339	23	-	-	7	275	31,799
(8) Insurance	34	671	406	474	-	-	175	337	2,097
(9) Interest Paid	-	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expense	-	973	2,049	361	-	-	86	456	3,924
(11) Other	-	-	(71)	-	-	-	-	-	(71)
(12) Donated Items	-	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES =	37	11,437	57,049	3,564	-	-	1,409	3,705	77,200
TOT. PERSONNEL & OTH. EXP. =	2,624	42,270	69,233	50,686	-	-	14,994	22,852	202,659
IIC. DISTRIBUTED INDIRECT COSTS									
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-
(b) Administration	265	4,255	7,424	5,096	-	-	1,507	2,289	20,835
TOT. DISTR'D INDIRECT COSTS =	265	4,255	7,424	5,096	-	-	1,507	2,289	20,835
TOTAL ACTUAL OPER. EXPENSES =	2,889	46,525	76,657	55,781	-	-	16,501	25,141	223,495
IID. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPER. EXP. =	\$ 2,889	\$ 46,525	\$ 76,657	\$ 55,781	\$ -	\$ -	\$ 16,501	\$ 25,141	\$ 223,495
III. CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-	-

**TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS										
	STATE SAMH-FUNDED COST CENTERS										
	ADULT SUBSTANCE ABUSE (ASA)										
	Assessment	Case Management	Intervention - Individual	Medical Services	Outpatient - Individual	Outreach	Residential Level II	Residential Level III	Residential Level IV	Substance Abuse Detox	Incidental Expenses
IIA. PERSONNEL EXPENSES											
(1) Salaries	\$ 133,461	\$ 371,317	\$ 158,969	\$ 62,300	\$ 849,605	\$ 93,407	\$ 493,025	\$ 273,584	\$ 13,294	\$ 628,358	\$ -
(2) Fringe Benefits	9,034	41,612	16,154	(1,692)	109,375	6,232	74,964	29,695	386	75,062	-
TOTAL PERSONNEL EXPENSES =	142,494	412,929	175,123	60,608	958,980	99,640	567,989	303,279	13,679	703,420	-
IIB. OTHER EXPENSES											
(1) Building Occupancy	387	9,583	8,862	407	93,750	2,305	84,487	31,442	14,955	85,542	-
(2) Professional Services	781	1,865	9,047	11,154	909	2,292	7,713	1,753	136	22,906	-
(3) Travel	4,488	15,691	4,001	206	11,168	1,926	624	3,167	702	618	-
(4) Equipment	1,544	2,517	1,260	835	12,134	657	11,541	7,860	2,474	16,639	-
(5) Food Services	-	-	-	-	-	-	48,861	17,348	-	58,718	-
(6) Medical and Pharmacy	2,254	167	27,786	18,172	28,657	18	10,268	3,405	-	16,712	-
(7) Subcontracted Services	13,457	238	901	410	21,738	14,946	20,593	2,210	8	46,287	-
(8) Insurance	1,824	5,374	2,371	1,418	28,674	1,040	23,979	12,318	1,557	22,440	-
(9) Interest Paid	-	-	-	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expense	5,121	11,667	6,899	463	58,796	2,143	21,029	12,523	2,539	18,355	-
(11) Other	236	861	-	-	3,057	103	14,198	506	29	2,441	70,695
(12) Donated Items	-	-	-	-	14,081	-	-	-	-	-	-
TOTAL OTHER EXPENSES =	30,092	47,965	61,126	33,065	272,964	25,428	243,294	92,532	22,401	290,659	70,695
TOT. PERSONNEL & OTH. EXP. =	172,586	460,894	236,248	93,673	1,231,944	125,068	811,284	395,811	36,080	994,080	70,695
IIC. DISTRIBUTED INDIRECT COSTS											
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-	-	-
(b) Administration	18,072	49,251	23,702	9,386	126,948	13,452	81,839	39,735	3,628	99,763	-
TOT. DISTR'D INDIRECT COSTS =	18,072	49,251	23,702	9,386	126,948	13,452	81,839	39,735	3,628	99,763	-
TOTAL ACTUAL OPER. EXPENSES =	190,658	510,146	259,950	103,060	1,358,892	138,520	893,122	435,546	39,708	1,093,842	70,695
IIID. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPER. EXP. =	\$ 190,658	\$ 510,146	\$ 259,950	\$ 103,060	\$ 1,358,892	\$ 138,520	\$ 893,122	\$ 435,546	\$ 39,708	\$ 1,093,842	\$ 70,695
IIIE. CAPITAL EXPENDITURES	14,029	-	-	-	55,067	-	28,724	3,800	-	34,573	-

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	ADULT SUBSTANCE ABUSE (ASA) - CONTINUED					ADOLESCENT SUBSTANCE ABUSE (ASA)				
	Aftercare - Individual	Room & Board Level II	Room & Board Level III	Residential Level II-QB051	Incidental Expenses-QB051	Program ASA Total	Assessment	Case Management	CSST	Intervention - Individual
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$ 97,463	\$ 86,493	\$ 50,826	\$ 1,189,095	\$ -	\$ 4,501,197	\$ 3,029	\$ 13,287	\$ 97,768	\$ 3,237
(2) Fringe Benefits	16,859	13,645	4,027	158,646	-	553,998	232	1,016	6,854	248
TOTAL PERSONNEL EXPENSES =	114,322	100,137	54,853	1,347,741	-	5,055,195	3,261	14,304	104,622	3,484
IIB. OTHER EXPENSES										
(1) Building Occupancy	4,538	-	-	119,298	-	455,557	7	521	-	180
(2) Professional Services	597	445	88	25,384	-	85,071	22	86	187	184
(3) Travel	5,112	-	-	1,851	-	49,555	8	15	4,160	81
(4) Equipment	2,337	835	835	5,576	-	67,046	44	111	-	19
(5) Food Services	-	-	-	76,792	-	201,720	-	-	-	-
(6) Medical and Pharmacy	90	-	-	48,779	-	156,307	71	1	-	566
(7) Subcontracted Services	835	52	26	57,237	-	178,939	433	8	92	18
(8) Insurance	2,287	2,499	1,522	44,655	-	151,958	41	193	1,502	48
(9) Interest Paid	-	-	-	\$	-	-	-	-	-	-
(10) Operating Supplies & Expense	4,376	267	53	38,331	-	182,561	95	217	2,603	140
(11) Other	-	-	-	4,341	24,042	120,509	-	-	-	-
(12) Donated Items	-	-	-	351,100	-	365,181	-	-	-	-
TOTAL OTHER EXPENSES =	20,172	4,099	2,526	773,345	24,042	2,014,404	721	1,153	8,544	1,238
TOT. PERSONNEL & OTH. EXP. =	134,494	104,236	57,378	2,121,086	24,042	7,069,599	3,982	15,457	113,165	4,722
IIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-	-
(b) Administration	13,476	10,481	5,754	215,316	-	710,804	281	931	11,485	474
TOT. DISTR'D INDIRECT COSTS =	13,476	10,481	5,754	215,316	-	710,804	281	931	11,485	474
TOTAL ACTUAL OPER. EXPENSES =	147,970	114,717	63,133	2,336,402	24,042	7,780,404	4,263	16,388	124,650	5,196
IID. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPER. EXP. =	\$ 147,970	\$ 114,717	\$ 63,133	\$ 2,336,402	\$ 24,042	\$ 7,780,404	\$ 4,263	\$ 16,388	\$ 124,650	\$ 5,196
III. CAPITAL EXPENDITURES	-	-	-	-	-	136,193	-	-	-	-

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	ADOLESCENT SUBSTANCE ABUSE (ASA) - CONTINUED									
	Outpatient - Individual	Outreach	Residential Level IV	Incidental Expenses	Aftercare - Individual	Prevention Indicated	Prevention Selective	Prevention Universal Direct	Prevention Universal Indirect	Program CSA Total
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$ 31,597	\$ 33,026	\$ 1,747	\$ -	\$ -	\$ 47,997	\$ 29,156	\$ 20,759	\$ 83,071	\$ 364,673
(2) Fringe Benefits	1,905	2,527	134	-	-	6,048	3,674	2,616	10,468	35,721
TOTAL PERSONNEL EXPENSES =	33,502	35,553	1,880	-	-	54,045	32,830	23,374	93,539	400,394
IIB. OTHER EXPENSES										
(1) Building Occupancy	25,373	964	1,965	-	-	157	96	68	272	29,604
(2) Professional Services	31	973	18	-	-	668	406	289	1,157	4,021
(3) Travel	75	38	92	-	-	3,631	2,206	1,570	6,284	18,160
(4) Equipment	2,011	253	325	-	-	399	242	173	691	4,267
(5) Food Services	-	-	-	-	-	-	-	-	-	-
(6) Medical and Pharmacy	9,992	-	-	-	-	6	4	3	11	10,653
(7) Subcontracted Services	4,757	6,471	1	-	-	3,315	2,014	1,434	5,737	24,279
(8) Insurance	569	344	205	-	-	739	449	320	1,279	5,688
(9) Interest Paid	-	-	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expense	6,526	518	334	-	-	13,950	8,474	6,034	24,145	63,035
(11) Other	318	-	4	972	-	23	14	10	39	1,378
(12) Donated Items	-	-	-	-	-	26,785	16,271	11,585	46,359	101,000
TOTAL OTHER EXPENSES =	49,651	9,559	2,943	972	-	49,673	30,175	21,484	85,973	262,087
TOT. PERSONNEL & OTH. EXP. =	83,153	45,112	4,824	972	-	103,718	63,005	44,858	179,512	662,481
IIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-	-
(b) Administration	8,338	3,924	485	-	-	10,411	6,324	4,503	18,019	65,174
TOT. DISTR'D INDIRECT COSTS =	8,338	3,924	485	-	-	10,411	6,324	4,503	18,019	65,174
TOTAL ACTUAL OPER. EXPENSES =	91,491	49,036	5,309	972	-	114,129	69,329	49,361	197,531	727,655
IID. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPER. EXP. =	\$ 91,491	\$ 49,036	\$ 5,309	\$ 972	\$ -	\$ 114,129	\$ 69,329	\$ 49,361	\$ 197,531	\$ 727,655
III. CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-	-	-

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF ACTUAL REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENSE CATEGORIES	*except IIC & IID							
	Behavioral Health Fees	Total for State-Funded SAMH Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Tot. for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Other Support Costs (optional)	Administration	Total Expenses
IIA. PERSONNEL EXPENSES								
(1) Salaries	\$ -	\$ 5,540,736	\$ 830,626	\$ 6,371,362	\$ 415,526	\$ -	\$ 674,835	\$ 7,461,722
(2) Fringe Benefits	-	657,593	81,003	738,595	18,200	-	93,363	850,158
TOTAL PERSONNEL EXPENSES =	-	6,198,328	911,629	7,109,957	433,725	-	768,198	\$ 8,311,881
IIB. OTHER EXPENSES								
(1) Building Occupancy	-	539,380	75,489	614,869	53,826	-	66,292	\$ 734,987
(2) Professional Services	-	181,701	48,936	230,638	366	-	9,495	\$ 240,498
(3) Travel	-	87,196	13,687	100,882	1,879	-	13,960	\$ 116,721
(4) Equipment	-	80,254	12,660	92,915	27,968	-	67,447	\$ 188,330
(5) Food Services	-	201,720	22,325	224,044	244,468	-	136	\$ 468,648
(6) Medical and Pharmacy	-	170,625	6,561	177,186	830	-	300	\$ 178,316
(7) Subcontracted Services	-	355,690	74,784	430,474	22,980	-	9,754	\$ 463,208
(8) Insurance	-	169,759	25,221	194,980	28,597	-	26,263	\$ 249,840
(9) Interest Paid	-	-	6,225	6,225	21,866	-	22,643	\$ 50,734
(10) Operating Supplies & Expense	-	268,783	95,046	363,829	10,571	-	85,603	\$ 460,003
(11) Other	17,556	187,873	181,353	369,226	749	-	10,766	\$ 380,741
(12) Donated Items	-	466,181	-	466,181	-	-	-	\$ 466,181
TOTAL OTHER EXPENSES =	17,556	2,709,162	562,288	3,271,450	414,100	-	312,657	\$ 3,998,207
TOT. PERSONNEL & OTH. EXP. =	17,556	8,907,490	1,473,917	10,381,407	847,826	-	1,080,855	\$ 12,310,088
IIC. DISTRIBUTED INDIRECT COSTS								
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	\$ -
(b) Administration	-	876,657	119,278	995,935	84,920	-	(1,080,855)	\$ 1,080,855
TOT. DISTR'D INDIRECT COSTS =	-	876,657	119,278	995,935	84,920	-	(1,080,855)	\$ 1,080,855
TOTAL ACTUAL OPER. EXPENSES =	17,556	9,784,147	1,593,195	11,377,342	932,745	-	-	\$ 13,390,943
IID. UNALLOWABLE COSTS								
	-	-	23,741	23,741	847,826	-	-	\$ 871,567
TOT. ALLOWABLE OPER. EXP. =	\$ 17,556	\$ 9,784,147	\$ 1,569,454	\$ 11,353,601	\$ 84,920	\$ -	\$ -	\$ 12,519,376
III. CAPITAL EXPENDITURES								
	-	138,266	41,069	179,335	3,997	-	-	\$ 183,332

**TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF STATE EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

1. Total expenditures	\$ 12,310,088
2. Less other state and federal funds	\$ (1,087,424)
3. Less non-match SAMH Funds	\$ (3,545,396)
4. Less unallowable costs per 65E-14, FAC	\$ (871,567)
5. Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$ 6,805,701
6. Total amount of state earnings (Line 5 times 75%)	\$ 5,104,275
7. Amount of state funds requiring match	\$ 2,976,141
8. Amount due to department (Subtract line 7 from line 6. If negative, the amount of the difference is due the department up to the amount of line 7)	\$ -

**TRI-COUNTY HUMAN SERVICES, INC.
 SUPPLEMENTAL AUDIT SCHEDULE
 SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
Children's MH	Crisis Stabilization Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adult MH	Crisis Stabilization Unit	-	-	-	-	-	-	-
Children's SA	Substance Abuse Detox	-	-	-	-	-	-	-
Adult SA	Substance Abuse Detox	213	7,320	1,151	6,169	763,003	1,312,080	-
Adult MH	Short-term Residential Treatment	-	-	-	-	-	-	-
Total Amount Owed to Department =								\$ -

TRI-COUNTY HUMAN SERVICES, INC.
SUPPLEMENTAL AUDIT SCHEDULE
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

TRI-COUNTY HUMAN SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2016

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA/ CFSA Number	Contract Number	Expenditures
FEDERAL AWARDS			
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Direct Program			
Continuum of Care Program	14.267	FL0057L4H031407	\$ 53,300
Continuum of Care Program	14.267	FL0155L4H161407	50,853
Continuum of Care Program	14.267	FL0050L4H031405	46,193
Continuum of Care Program	14.267	FL0385B4H161402	<u>62,294</u>
Total Continuum of Care Program			<u>\$ 212,640</u>
Indirect Program			
PASSED THROUGH POLK COUNTY, FLORIDA			
Community Development Block Grant	14.218	C160012	<u>\$ 13,795</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>\$ 226,435</u>
U.S. DEPARTMENT OF JUSTICE			
Indirect Programs			
PASSED THROUGH POLK COUNTY, FLORIDA			
Residential Substance Abuse Treatment (RSAT) for State Prisoners	16.593	2015-RSAT-POLK-1-R2-001	\$ 50,000
PASSED THROUGH HIGHLANDS COUNTY, FLORIDA			
Residential Substance Abuse Treatment (RSAT) for State Prisoners	16.593	2016-RSAT-HIGH-1-J5-001	<u>42,739</u>
Total Residential Substance Abuse Treatment (RSAT) for State Prisoners			<u>92,739</u>
PASSED THROUGH HIGHLANDS COUNTY, FLORIDA			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0698	<u>\$ 13,742</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 106,481</u>

TRI-COUNTY HUMAN SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED
JUNE 30, 2016

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA/ CFSA Number	Contract Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Indirect Programs			
PASSED THROUGH CENTRAL FLORIDA BEHAVIORIAL HEALTH NETWORK:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	QB050-051	\$ 188,584
Temporary Assistance for Needy Families (TANF)	93.558	QB050-051	482,995
Block Grants for Community Mental Health Services	93.958	QB050-051	588,487
Block Grants for Prevention and Treatment of Substance Abuse	93.959 *	QB050-051	<u>6,126,190</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 7,386,256</u>
TOTAL FEDERAL AWARDS			<u>\$ 7,719,172</u>
STATE FINANCIAL ASSISTANCE			
Indirect Project			
PASSED THROUGH CENTRAL FLORIDA BEHAVIORIAL HEALTH NETWORK:			
Community Forensic Beds and Competency Restoration Training	60.114	QB050-051	\$ 101,863
PASSED THROUGH FLORIDA ALCOHOL AND DRUG ABUSE ASSOCIATION:			
Naltrexone	22.022		<u>26,973</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 128,836</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 7,848,008</u>

*Major Federal Programs and State Projects

**TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE A - GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the expenditures of all federal awards and state financial assistance programs of Tri-County Human Services, Inc. (the "Agency") for the year ended June 30, 2016. The reporting entity for the Agency is defined in Note A to the basic financial statements for the year ended June 30, 2016. The information in the Schedule 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). Because the Schedule presents only a select portion of operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows for the Agency.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C - INDIRECT COST RATE

The Agency has not used the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D - CONTINGENCIES

Grant monies received and disbursed by the Agency are for specific purposes and are subject to review by the grantor agencies. Such audits may result in request for reimbursement to be denied due to disallowed expenditures. Based upon prior experience, the Agency does not believe that such disallowances, if any, would have a material effect on the financial position of the Center. As of October 13, 2016 there were no material questioned costs or disallowed costs as a result of grant audits in process or completed.

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

Board of Directors
Tri-County Human Services, Inc.
Lakeland, Florida

We have audited, 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, the financial statements of Tri-County Human Services, Inc. (the "Agency,"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2016, and the related statements 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 October 13, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 Agency'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 Agency's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
October 13, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Tri-County Human Services, Inc.
Lakeland, Florida

Report on Compliance for Each Major Federal Program

We have audited Tri-County Human Services, Inc.'s (the "Agency") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2016. Tri-County Human Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tri-County Human Services, Inc.'s major federal programs 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 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). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about Tri-County Human Services, 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. However, our audit does not provide a legal determination of Tri-County Human Services, Inc.'s compliance.



Opinion on Each Major Federal Program

In our opinion, Tri-County Human Services, 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 for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Tri-County Human Services, 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 Tri-County Human Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Tri-County Human Services, 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 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 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 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 material weaknesses or significant deficiencies. 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.



Board of Directors
Tri-County Human Services, Inc.

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
October 13, 2016



**TRI-COUNTY HUMAN SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

PART I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal and State Awards Section

Dollar threshold used to determine Type A programs:	\$750,000
Auditee qualified as low-risk auditee for federal awards?	Yes
Type of auditors' report on compliance for major programs:	Unmodified
Internal control over compliance:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

CFDA Number	Program or Cluster Name
93.959	Block Grants for Prevention and Treatment of Substance Abuse

TRI-COUNTY HUMAN SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016

PART II - SCHEDULE OF FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with *Government Auditing Standards*.

No significant deficiencies, material weaknesses or instances of noncompliance, including questioned costs, related to the financial statements were noted.

PART III - SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs as required to be reported by 2 CFR 200.516(a).

No significant deficiencies, material weaknesses, or instances of noncompliance, including questioned costs, related to the audit of major federal programs were noted.

TRI COUNTY HUMAN SERVICES, INC.
SCHEDULE OF ASSETS, LIABILITIES, NET ASSETS AND ACTIVITY
FOR DUI PROGRAM
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>DUI</u>	<u>SSS</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 1,351	\$ 487	\$ 1,838
Total current assets	<u>1,351</u>	<u>487</u>	<u>1,838</u>
Total assets	<u>\$ 1,351</u>	<u>\$ 487</u>	<u>\$ 1,838</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Due to Agency operating funds	\$ 46,184	\$ 6,508	\$ 52,692
Due to State of Florida	<u>1,351</u>	<u>487</u>	<u>1,838</u>
Total current liabilities	<u>47,535</u>	<u>6,995</u>	<u>54,530</u>
Total liabilities	<u>47,535</u>	<u>6,995</u>	<u>54,530</u>
Net assets, unrestricted	(46,184)	(6,508)	(52,692)
Net assets, temporarily restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>(46,184)</u>	<u>(6,508)</u>	<u>(52,692)</u>
Total liabilities and net assets	<u>\$ 1,351</u>	<u>\$ 487</u>	<u>\$ 1,838</u>
<u>REVENUE, EXPENSES AND CHANGE IN NET ASSETS</u>			
Revenue - DUI Fees	\$ 294,553	\$ 106,196	\$ 400,749
Program Expenses	<u>(264,055)</u>	<u>(95,201)</u>	<u>(359,256)</u>
Change in net assets, DUI	<u>\$ 30,498</u>	<u>\$ 10,995</u>	<u>\$ 41,493</u>
Net assets, beginning of year, DUI	<u>(76,682)</u>	<u>(17,503)</u>	<u>(94,185)</u>
Net assets, end of year, DUI	<u><u>\$ (46,184)</u></u>	<u><u>\$ (6,508)</u></u>	<u><u>\$ (52,692)</u></u>

See accompanying Independent Auditors' Report and Notes to Schedule of Assets, Liabilities, Net Assets and Activity for DUI Program

TRI-COUNTY HUMAN SERVICES, INC.
SCHEDULE OF ASSETS, LIABILITIES, NET ASSETS AND ACTIVITY
FOR DUI PROGRAM
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

<u>ASSETS</u>	<u>DUI</u>	<u>SSS</u>	<u>Total</u>
Current assets:			
Cash	\$ 1,710	\$ -	\$ 1,710
Total current assets	1,710	-	1,710
Total assets	\$ 1,710	\$ -	\$ 1,710
 <u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Due to Agency operating funds	\$ 76,682	\$ 17,503	\$ 94,185
Due to State of Florida	1,710		1,710
Total current liabilities	78,392	17,503	95,895
Total liabilities	78,392	17,503	95,895
Net assets, unrestricted	(76,682)	(17,503)	(94,185)
Net assets, temporarily restricted	-	-	-
Total net assets	(76,682)	(17,503)	(94,185)
Total liabilities and net assets	\$ 1,710	\$ -	\$ 1,710
 <u>REVENUE, EXPENSES AND CHANGE IN NET ASSETS</u>			
Revenue - DUI Fees	\$ 302,730	\$ 98,348	\$ 401,078
Program Expenses	(323,335)	(105,042)	(428,377)
Change in Net Assets, DUI	\$ (20,605)	\$ (6,694)	\$ (27,299)
Net assets, beginning of year, DUI	(56,077)	(10,809)	(66,886)
Net assets, end of year, DUI	\$ (76,682)	\$ (17,503)	\$ (94,185)

See accompanying Independent Auditors' Report and Notes to Schedule of Assets, Liabilities, Net Assets and Activity for DUI Program

TRI-COUNTY HUMAN SERVICES, INC.
NOTES TO SCHEDULE OF ASSETS, LIABILITIES, NET ASSETS
AND ACTIVITY FOR DUI PROGRAM
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

NOTE A - STATE ASSESSMENT FEES

As required by Section 322.293, Florida Statutes, and Section 15A-10.012, Florida Administrative Code, the Agency collects a \$15 assessment fee on every client enrolling in its DUI program and remits the fee to the State of Florida. State assessment fees collected and distributed to the State of Florida are summarized as follows:

	June 30,	
	2016	2015
STATE ASSESSMENT FEES		
Fees due from prior year	\$ 1,710	\$ 1,230
Fees collected current year	17,025	17,295
Fee remitted current year	(17,160)	(16,815)
Fees due to state	\$ 1,575	\$ 1,710

Procedures have been developed and followed which adequately account for all DUI fees received by the program and all receipts issued by the Agency's DUI program.

NOTE B - PROGRAM EXPENSES

The cost standards of the Agency are reasonable and equitable as defined in Section 15A-10.014, Florida Administrative Code and the method for allocating indirect costs as defined in the basic financial statements is fair and equitable as defined in Section 15A-10.014, Florida Administrative Code.

There were no contributions to the employees' profit sharing plan for the fiscal years ended June 30, 2016 and 2015.

During 2005, the agency purchased a building for the use of administration and the DUI program. The DUI program is allocated a portion of the expenditures associated with the occupancy of the building.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Board of Directors
Tri-County Human Services, Inc.
Lakeland, Florida

Report on the Financial Statements

We have audited the financial statements of Tri-County Human Services, Inc., as of and for the year ended June 30, 2016, and have issued our report thereon dated October 13, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance in accordance with the Uniform Guidance, and Chapter 10.650, Rules of the Florida Auditor General; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated October 13, 2016, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.



Board of Directors
Tri-County Human Services, Inc.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
October 13, 2016

