# LIFE MANAGEMENT CENTER
# OF
# NORTHWEST FLORIDA, INC.

**Panama City, Florida**

**Independent Auditors' Report**
**and**
**Audited Financial Statements**

**June 30, 2013**

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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Life Management Center of Northwest Florida, Inc.
Panama City, Florida

## Report on the Financial Statements

We have audited the accompanying financial statements of Life Management Center of Northwest Florida, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

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

## 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 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 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 Life Management Center of Northwest Florida, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

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 on pages 16 and 17 as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General, State of Florida, is presented for purposes of additional analysis, and is not a required part of the financial statements of the Organization. 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 Schedule of Expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2013, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

Smith Miles & Company, P.A.

Panama City, Florida
December 20, 2013

**LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.**
**Statement of Financial Position**
**June 30, 2013**

## ASSETS

| | | |
|---|---|---|
| **Current assets:** | | |
| Cash operating accounts | $ | 2,775,272 |
| Accounts and grants receivable | | 1,761,405 |
| Prepaid expenses | | 119,130 |
| Total current assets | | 4,655,807 |
| **Property and equipment:** | | |
| Land | | 511,409 |
| Buildings and improvements | | 7,738,788 |
| Equipment and furniture | | 3,526,282 |
| | | 11,776,479 |
| Less accumulated depreciation | | 8,482,106 |
| Property and equipment, net | | 3,294,373 |
| **Other assets:** | | |
| Utility and security deposits | | 562 |
| Loan costs | | 13,817 |
| Total other assets | | 14,379 |
| Total assets | $ | 7,964,559 |

## LIABILITIES AND UNRESTRICTED NET ASSETS

| | | |
|---|---|---|
| **Current liabilities:** | | |
| Mortgage payable – current maturities | $ | 103,089 |
| Accounts payable | | 128,691 |
| Accrued expenses | | 625,343 |
| Unearned income | | 5,943 |
| Total current liabilities | | 863,066 |
| **Long-term debt:** | | |
| Mortgage payable – less current maturities | | 284,942 |
| Total liabilities | | 1,148,008 |
| **Unrestricted net assets:** | | |
| Undesignated | | 6,816,551 |
| Total liabilities and unrestricted net assets | $ | 7,964,559 |

The accompanying notes are an integral part of these financial statements.

**LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.**
**Statement of Activities**
**Year Ended June 30, 2013**

| | | |
|---|---|---|
| **Service Revenues:** | | |
| Fees | $ | 1,588,732 |
| Medicaid | | 4,353,310 |
| | | 5,942,042 |
| **Nonservice Revenues:** | | |
| Federal and state funds | | 8,337,439 |
| In-kind revenue | | 263,732 |
| Interest | | 1,825 |
| Miscellaneous | | 101,922 |
| Donations | | 57,430 |
| | | 8,762,348 |
| Total revenues | | 14,704,390 |
| **Expenses:** | | |
| Case management | | 2,426,521 |
| Crisis stabilization | | 1,983,546 |
| Crisis support | | 618,288 |
| Day/night | | 786,597 |
| Medical services | | 2,999,362 |
| Out patient | | 1,889,797 |
| Residential 2 | | 271,178 |
| Drop-In center | | 47,651 |
| Information and referral | | 225,855 |
| Community Based Care | | 2,079,430 |
| FACT | | 453,762 |
| Non-SAMH | | 681,323 |
| Total functional expenses | | 14,463,310 |
| Increase in net assets from operations | | 241,080 |
| **Unrestricted net assets July 1** | | 6,575,471 |
| **Unrestricted net assets June 30** | $ | 6,816,551 |

The accompanying notes are an integral part of these financial statements.

## LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.
## Statement of Functional Expenses
## Year Ended June 30, 2013

| | | Case Management | Crisis Stabilization | Crisis Support | Day/Night | Medical Services | Outpatient | Residential 2 | Drop In Center | Information & Referral | Total SAMH* | Community Based Care | FACT | Non SAMH* | Administration | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Personnel Expenses:** | | | | | | | | | | | | | | | | |
| Salaries | $ | 1,208,038 | 1,112,929 | 396,814 | 300,502 | 1,809,702 | 1,046,442 | 141,285 | 21,217 | 170,693 | 6,207,622 | 1,293,521 | 271,128 | 302,059 | 1,247,995 | 9,322,325 |
| Fringe Benefits | | 310,139 | 215,702 | 59,793 | 68,223 | 303,257 | 203,383 | 26,893 | 9,322 | 16,653 | 1,213,365 | 354,433 | 61,864 | 77,119 | 288,288 | 1,995,069 |
| Total Personnel Expenses | | 1,518,177 | 1,328,631 | 456,607 | 368,725 | 2,112,959 | 1,249,825 | 168,178 | 30,539 | 187,346 | 7,420,987 | 1,647,954 | 332,992 | 379,178 | 1,536,283 | 11,317,394 |
| **Operating Expenses:** | | | | | | | | | | | | | | | | |
| Building Occupancy | | 115,628 | 181,784 | 20,982 | 45,724 | 100,521 | 97,133 | 32,245 | 1,758 | 6,900 | 602,675 | 42,218 | 9,874 | 40,980 | 153,809 | 849,556 |
| Professional Services | | 41,329 | 13,497 | 8,464 | 8,186 | 45,258 | 30,363 | 988 | 948 | 1,895 | 150,928 | 38,880 | 12,559 | 8,525 | 102,435 | 313,327 |
| Travel | | 52,689 | 2,439 | 3,255 | 16,705 | 34,783 | 25,725 | 4,774 | 10 | - | 140,380 | 48,105 | 6,716 | 15,059 | 15,099 | 225,359 |
| Equipment Costs | | 46,349 | 31,992 | 10,285 | 11,362 | 26,784 | 20,557 | 4,315 | 883 | 3,253 | 155,780 | 27,650 | 6,536 | 11,958 | 171,854 | 373,778 |
| Food Services | | 976 | 40,981 | - | 10,069 | - | 322 | 14,484 | 2,540 | - | 69,372 | 182 | 183 | 51 | 34 | 69,822 |
| Medical and Pharmacy | | - | 50,506 | - | - | 67,806 | 40,632 | - | - | - | 158,944 | 7 | - | - | 10 | 158,961 |
| Subcontracted Services | | 1,252 | 29,389 | 134 | 1,820 | 585 | 507 | 128 | - | - | 33,815 | 1,018 | - | 68,487 | 42,312 | 145,632 |
| Insurance | | 30,740 | 21,879 | 3,781 | 7,699 | 16,073 | 15,650 | 4,935 | 432 | 1,835 | 103,024 | 17,252 | 5,499 | 5,205 | 31,441 | 162,421 |
| Interest | | 6,921 | - | 1,487 | - | 2,563 | 1,487 | - | - | - | 12,458 | 1,128 | - | - | 12,047 | 25,633 |
| Operating Supplies & Expenses | | 71,598 | 19,720 | 7,226 | 17,679 | 76,028 | 64,473 | 2,985 | 1,250 | 4,027 | 264,986 | 68,850 | 25,100 | 13,566 | 118,344 | 490,846 |
| Other | | 1,682 | 3,886 | 62 | 52 | 78 | 1,384 | 205 | - | - | 7,349 | 2,563 | 172 | 30 | 43,101 | 53,215 |
| Donated items | | 21,741 | 13,874 | - | 120,209 | - | 3,992 | - | - | - | 159,816 | 44,931 | - | 71,819 | 800 | 277,366 |
| Total Operating Expenses | | 390,905 | 409,947 | 55,676 | 239,505 | 370,479 | 302,225 | 65,059 | 7,821 | 17,910 | 1,859,527 | 292,784 | 66,639 | 235,680 | 691,286 | 3,145,916 |
| **Other Expenses:** | | | | | | | | | | | | | | | | |
| Administration | | 517,439 | 244,968 | 106,005 | 178,367 | 515,924 | 337,747 | 37,941 | 9,291 | 20,599 | 1,968,281 | 138,692 | 54,131 | 66,465 | (2,227,569) | - |
| Total Expenses | $ | 2,426,521 | 1,983,546 | 618,288 | 786,597 | 2,999,362 | 1,889,797 | 271,178 | 47,651 | 225,855 | 11,248,795 | 2,079,430 | 453,762 | 681,323 | - | 14,463,310 |

*Substance Abuse Mental Health

The accompanying notes are an integral part of these financial statements.

**LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.**
**Statement of Cash Flows**
**Year Ended June 30, 2013**

| | | |
|---|---|---|
| **OPERATING ACTIVITIES:** | | |
| Increase in net assets | $ | 241,080 |
| **Adjustments to reconcile increase in net assets provided by (used in) operating activities:** | | |
| Depreciation | | 460,218 |
| Amortization | | 3,277 |
| Accounts receivable | | (13,517) |
| Prepaid expenses | | 132,561 |
| Accounts payable | | (55,668) |
| Accrued expenses | | (77,157) |
| Unearned income | | 1,348 |
| Security deposits | | (2) |
| Net cash provided by operating activities | | 692,140 |
| **CASH FLOWS USED IN INVESTING ACTIVITIES:** | | |
| Capital expenditures | | (345,197) |
| **CASH FLOWS USED IN FINANCING ACTIVITIES:** | | |
| Principal payments on mortgage payable | | (96,943) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | 250,000 |
| **CASH AND CASH EQUIVALENTS, JULY 1** | | 2,525,272 |
| **CASH AND CASH EQUIVALENTS, JUNE 30** | $ | 2,775,272 |
| **SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:** | | |
| **Cash paid during the year for** | | |
| Interest | $ | 25,633 |

The accompanying notes are an integral part of these financial statements.

**LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.**
**Notes to Financial Statements**
**June 30, 2013**

1. **Nature of Operations**
Life Management Center of Northwest Florida, Inc. (Life Management) is a nonprofit organization organized to provide behavioral health care services to residents of Bay, Calhoun, Holmes, Jackson, Washington and Gulf Counties as a community mental health center.

2. **Summary of Significant Accounting Policies**

**Basis of Accounting**
Life Management follows standards of accounting and financial reporting prescribed for behavioral health care agencies. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred. Federal, state, local government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses. Expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses are allocated to the various programs based on each program's expenditures.

**Property and Equipment**
Property and equipment is recorded at cost. Maintenance and repairs are charged to expense as incurred, and renewals and betterments are capitalized. Gains or losses on disposal are credited or charged to operations.

Certain capital expenditures are authorized by the grantors of specific programs. The organization incurs all costs of maintaining and operating the authorized equipment during the period under grant. The equipment so purchased may become the property of the grantors at the end of the grant.

**Depreciation**
Provisions for depreciation are computed using the straight-line method over the estimated useful life of the property or equipment which varies from 5 to 40 years.

**Amortization**
Loan costs are being amortized over the 10 year life of the loan using the straight-line method.

2. **Summary of Significant Accounting Policies - Continued**

**Basis of Presentation**

Financial statement presentation follows the recommendation of the ASC 958-205, *Financial Statements of Not-For-Profit*. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

- Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by Life Management. Generally, the donors of such assets permit Life Management to use all or part of the income earned on the assets.
- Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of Life Management pursuant to those stipulations or that expire by the passage of time.
- Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. At June 30, 2013, all net assets of Life Management were unrestricted.

**Income Taxes**

Life Management is a non-profit corporation and is exempt from income taxes under the Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been made.

Life Management records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonable estimated. Life Management has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject Life Management to any material income tax exposure. A reconciliation of the beginning and ending amount of unrecognized tax benefits is not included, nor is there any interest accrued related to unrecognized tax benefits in interest expense and penalties in the statements of activities as there are no unrecognized tax benefits.

We do not believe that there will be any material changes in our unrecognized tax positions over the next twelve months. We continually evaluate expiring statues of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. **Summary of Significant Accounting Policies – Continued**

**Pension Plan**

The organization has a non-contributory Internal Revenue Code Section (IRC) 401(a) pension plan, that covers all employees who have been employed for one year and work over 1,000 hours. Contributions amount to 4% of employee compensation. In addition to the IRC 401(a) plan, the organization maintains an IRC 403(b) plan and matches up to 4% of employee contributions. Employee contributions to the IRC 403(b) plan are limited to Internal Revenue Service limits. Employees become 100% vested in both plans after six years of service. Future contributions will be reduced by any forfeitures. Contributions to the plan amounted to $373,686 for the year ended June 30, 2013. It is the organization's policy to fund pension plan contributions on a current basis.

**Accounts Receivable**

Accounts receivable are presented net of the provision for uncollectible accounts of $54,476 for the year ended June 30, 2013.

**In-kind Revenues**

In-kind revenues are recorded based on the nature of the services or item received. In-kind rental revenues are valued based on State of Florida Guidelines for space rentals determined by size and services furnished by the donor. In-kind services received from volunteers are valued at the lowest pay grade for Center employees performing similar tasks with similar educational and experience backgrounds. In-kind donations of equipment are valued at estimated fair market value.

**Cash and Cash Equivalents**

The organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of a demand deposit account at approximate fair value. The credit risk associated with cash and cash equivalents is considered low due to the quality of the financial institutions in which these assets are held.

**Fair Value Measurement**

The financial statements are prepared in accordance with ASC 820 for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – Quotes market prices in active markets for identical assets or liabilities
Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data
Level 3 – Unobservable inputs that are not corroborated by market data

2. **Summary of Significant Accounting Policies - Continued**

**Fair Value of Financial Instruments**

Life Management's financial instruments include cash, accounts receivable, notes payable and accounts payable. The following methods and assumptions were used by Life Management in estimating the fair value of its financial instruments:

*Cash, Accounts receivable and Accounts payable* – the carrying amount reported in the statements of financial position approximates fair value because of the short maturity of those instruments.

*Notes payable* – The carrying amount and interest rates of these loans are considered to approximate the net realizable value.

3. **Accounts and Grants Receivable**

Accounts and grants receivable at June 30, 2013 are comprised as follows:

| | | |
|---|---|---|
| State contracts | $ | 571,374 |
| County and other local funds | | 124,049 |
| Patient fees – insurance and other | | 831,240 |
| Patient fees – self pay | | 55,513 |
| Big Bend Community Based Care | | 179,229 |
| Total | $ | 1,761,405 |

4. **Leases**

Life Management leases certain buildings used for its programs. These leases are treated as operating leases and expire at various dates within the next year. The leases have options to renew provided the buildings are not sold by their owners. Rental expense for the operating leases amounted to $2,475 for the year ended June 30, 2013.

5. **Concentration of Risk**

At June 30, 2013, Life Management had concentrations of risk with financial institutions in the form of bank cash in excess of regulatory insurance limits. If the financial institution failed to perform under the terms of the financial instruments, the exposure for credit loss would be the amount of the financial instruments less amounts covered by regulatory insurance.

6. **Line of Credit**

A line of credit in the amount of $350,000 was established at Regions Bank of Florida to assist with cash flow. The note bears interest at the rate of 1 percent over prime as established by Regions Bank. Interest and principal are to be paid monthly. At June 30, 2013, $350,000 of this line of credit was available to borrow.

7. **Schedule of Expenditures of Federal Awards and State Financial Assistance**
The schedule of expenditures of federal awards and state financial assistance presents the activity of all federal and state grant activity of Life Management Center of Northwest Florida, Inc., and is presented on the modified accrual or accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General, State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

8. **Mortgage Payable**
On December 4, 2006, Life Management secured a new loan with Regions Bank in the amount of $932,249. The proceeds from this loan were used to consolidate their existing debt. This new loan, which is secured by a mortgage on real estate, is payable in monthly installments of $10,215, including principal and interest at 5.71%. Payments began January 4, 2007 with the mortgage maturing on December 4, 2016. The balance at June 30, 2013 is $388,031.

Maturities are as follows:

| | | |
|---|---|---|
| 2014 | | 103,089 |
| 2015 | | 109,132 |
| 2016 | | 115,529 |
| 2017 | | 60,281 |
| Total | | 388,031 |
| Less current portion | | 103,089 |
| Noncurrent | $ | 284,942 |

9. **Local Match**
The organization is required by certain grant and contract provisions to meet matching requirements during each applicable contract period. As of June 30, 2013, Life Management has met all grant and contract matching requirements.

10. **Related Party Transactions**
There were no related party transactions.

11. **Subsequent Events**
Life Management evaluated its June 30, 2013 financial statements for subsequent events through December 20, 2013, the date the financial statements were available to be issued. On August 28, 2013 the mortgage payable with Regions Bank discussed in note 8 was paid in full.

# SUPPLEMENTAL INFORMATION

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

To the Board of Directors
Life Management Center of Northwest Florida, Inc.
Panama City, Florida

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 Life Management Center of Northwest Florida, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, 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 December 20, 2013.

### Internal Control Over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of the 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 an other purpose.

Smith, Miles & Company, P.A

December 20, 2013
Panama City, Florida

**SMITH, MILES & COMPANY, P.A**
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA

To the Board of Directors
Life Management Center of Northwest Florida, Inc.
Panama City, Florida

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

We have audited Life Management Center of Northwest Florida, Inc.'s (a non-profit organization), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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 the Organization's major Federal programs and major State projects for the year ended June 30, 2013. The Organization's major Federal programs and major State projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major Federal programs and major 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 10.065, Rules of the Auditor General, State of Florida. Those standards and OMB Circular A-133, and Chapter 10.065, Rules of the Auditor General, State of Florida 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 or major State project occurred. An audit includes examining, on a test basis, evidence about the Organization'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 of the Organization's major Federal programs and major State projects. However, our audit does not provide a legal determination of the Organization's compliance.

**Opinion on Each Major Federal Program and Major State Project**

In our opinion, the Organization 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 major State projects for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the Organization 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major Federal programs and major State projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of its major Federal programs and major State projects and to test and report on internal control over compliance in accordance with OMB Circular A-133 and chapter 10.650, Rules of The Auditor General, State of Florida, 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 the Organization'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 or 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 or a State project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program or a 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 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.

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 10.650, Rules of The Auditor General, State of Florida. Accordingly, this report is not suitable for any other purpose.

December 20, 2013
Panama City, Florida

Smith Miles & Company P.A

## LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.
## Schedule of Expenditures of Federal Awards and State Financial Assistance
## Year Ended June 30, 2013

| FEDERAL/STATE AGENCY<br>PASS THROUGH ENTITY/PROGRAM TITLE | CFDA NUMBER | STATE CONTRACT GRANT NUMBER | EXPENDITURES |
|---|---|---|---|
| US DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | |
| **PASSED THROUGH STATE OF FLORIDA, DEPARTMENT OF CHILDREN AND FAMILIES** | | | |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | BHW02 | $ 143,788 |
| SOCIAL SERVICES BLOCK GRANTS | 93.667 | BHW02 | 28,913 |
| BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES | 93.958 | BHW02 | 229,990 |
| **TOTAL CONTRACT BHW02** | | | 402,691 |
| CHILDREN'S HEALTH INSURANCE PROGRAM | 93.767 | BHV03 | 107,000 |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.958 | BH201 | 92,919 |
| MEDICAL ASSISTANCE PROGRAM | 93.778 | BH201 | 220,291 |
| **TOTAL CONTRACT BH201** | | | 313,210 |
| **TOTAL DEPARTMENT OF CHILDREN AND FAMILIES** | | | 822,901 |
| **PASSED THROUGH BIG BEND COMMUNITY BASED CARE** | | | |
| PROMOTING SAFE AND STABLE FAMILIES | 93.556 | 232 | 86,123 |
| PROMOTING SAFE AND STABLE FAMILIES | 93.556 | 249 | 55,452 |
| PROMOTING SAFE AND STABLE FAMILIES | 93.556 | 251 | 2,277 |
| PROMOTING SAFE AND STABLE FAMILIES | 93.556 | 254 | 122,443 |
| **TOTAL CFDA #93.556** | | | 266,295 |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | BHW02 | 47,555 |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | 249 | 22,180 |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | 251 | 81,398 |
| **TOTAL CFDA # 93.558** | | | 151,133 |
| STEPHANIE TUBBS JONES CHILD WELFARE SERVICES | 93.645 | 232 | 17,697 |
| STEPHANIE TUBBS JONES CHILD WELFARE SERVICES | 93.645 | 251 | 17,847 |
| **TOTAL 93.645** | | | 35,544 |
| FOSTER CARE TITLE IV-E | 93.658 | 249 | 4,878 |
| FOSTER CARE TITLE IV-E | 93.658 | 251 | 140,745 |
| **TOTAL CFDA # 93.658** | | | 145,623 |
| ADOPTION ASSISTANCE | 93.659 | 249 | 361,698 |
| ADOPTION ASSISTANCE | 93.659 | 251 | 65,105 |
| **TOTAL CFDA # 93.659** | | | 426,803 |
| SOCIAL SERVICES BLOCK GRANTS | 93.667 | BHW02 | 14,887 |
| CHILD ABUSE AND NEGLECT STATE GRANTS | 93.669 | 232 | 15,806 |
| CHILDREN'S HEALTH INSURANCE PROGRAM | 93.767 | BHV03 | 32,643 |
| MEDICAL ASSISTANCE PROGRAM | 93.778 | BH201 | 141,570 |
| BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES | 93.958 | BHW02 | 1,131,436 |
| BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES | 93.958 | BH201 | 112,830 |
| **TOTAL CFDA # 93.958** | | | 1,244,266 |
| **TOTAL BIG BEND COMMUNITY BASED CARE** | | | 2,474,570 |
| **PASSED THROUGH OUNCE OF PREVENTION FUND OF FLORIDA** | | | |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | 13-14-8 | 233,000 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 3,530,471 |
| **TOTAL EXPENDITURES OF FEDERAL AWARDS** | | | $ 3,530,471 |

## LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.
## Schedule of Expenditures of Federal Awards and State Financial Assistance
## Year Ended June 30, 2013

| STATE AGENCY AND PROGRAM TITLE | CFSA NUMBER | STATE CONTRACT GRANT NUMBER | EXPENDITURES |
|---|---|---|---|
| **STATE OF FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES** | | | |
| CHILDREN'S BAKER ACT SERVICES | 60.001 | BHW02 | $ 63,109 |
| BAKER ACT | 60.006 | BHW02 | 1,025,130 |
| INDIGENT PSYCHIATRIC OUTPATIENT SERVICES | 60.039 | BHW02 | 32,102 |
| ADULT COMMUNITY MENTAL HEALTH FLORIDA ASSERTIVE COMMUINITY TREATMENT TEAMS | 60.042 | BH201 | 94,591 |
| CHILDREN'S MENTAL HEALTH COMMUNITY SUPPORT SERVICES | 60.055 | BHW02 | 1,595,205 |
| ADULT MENTAL HEALTH - SPECIAL PROJECTS RECOVERY AND RESILIENCY | 60.063 | BHW02 | 514,061 |
| | 60.114 | BHW02 | 210,000 |
| **TOTAL DEPARTMENT OF CHILDREN AND FAMILIES** | | | 3,534,198 |
| **PASSED THROUGH BIG BEND COMMUNITY BASED CARE** | | | |
| COMMUNITY BASED CARE (CBC) SUPPORTS | 60.094 | 232 | 675,273 |
| COMMUNITY BASED CARE (CBC) SUPPORTS | 60.094 | 249 | 93,192 |
| COMMUNITY BASED CARE (CBC) SUPPORTS | 60.094 | 251 | 179,032 |
| COMMUNITY BASED CARE (CBC) SUPPORTS | 60.094 | 254 | 123,089 |
| **TOTAL CSFA # 60.094** | | | 1,070,586 |
| CHILDREN'S MENTAL HEALTH - SPECIAL PROJECTS RECOVERY AND RESILIENCY | 60.100 | BHW02 | 74,923 |
| **TOTAL BIG BEND COMMUNITY BASED CARE** | | | 1,145,509 |
| **STATE OF FLORIDA, DEPARTMENT OF JUVENILE JUSTICE** | | | |
| MENTAL HEALTH SERVICES | 80.011 | X1625 | 127,261 |
| **TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE** | | | 4,806,968 |
| **TOTAL EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE** | | | $ 8,337,439 |

## LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.
## Schedule of Community Based Care Programs
## Year Ended June 30, 2013

Supplemental Schedule I

| REVENUES: | Visitation | Foster Parent Support | Adoptions | Family Empowerment | Total Community Base Care |
|---|---|---|---|---|---|
| Service Revenues | | | | | |
| 3 Party Contractual Revenue | $ 245,532 | 486,404 | 537,400 | 794,899 | 2,064,235 |
| Medicaid | - | - | - | - | - |
| In-kind Revenue | 25,512 | 1,955 | 1,050 | 10,156 | 38,673 |
| Interest | - | - | - | - | - |
| Miscellaneous | 333 | 2,026 | 51 | - | 2,410 |
| Donations | 5,407 | 4,424 | 7,236 | 5,801 | 22,868 |
| Total Revenues | 276,784 | 494,809 | 545,737 | 810,856 | 2,128,186 |
| **EXPENSES:** | | | | | |
| **Personnel Services:** | | | | | |
| Salaries | 131,036 | 307,389 | 357,505 | 497,591 | 1,293,521 |
| Fringe Benefits | 30,732 | 89,219 | 93,273 | 141,209 | 354,433 |
| Total Personnel | 161,768 | 396,608 | 450,778 | 638,800 | 1,647,954 |
| **Operating Expenses:** | | | | | |
| Building Occupancy | 33,138 | 4,822 | 4,024 | 234 | 42,218 |
| Professional Services | 3,613 | 9,560 | 9,762 | 15,945 | 38,880 |
| Travel | 5,974 | 11,205 | 15,154 | 15,772 | 48,105 |
| Equipment Costs | 12,487 | 5,214 | 5,403 | 4,546 | 27,650 |
| Food Services | 20 | - | - | 162 | 182 |
| Medical and Pharmacy | - | 7 | - | - | 7 |
| Subcontracted Services | - | 509 | 509 | - | 1,018 |
| Insurance | 3,472 | 4,431 | 3,256 | 6,093 | 17,252 |
| Interest | - | 564 | 564 | - | 1,128 |
| Operating Supplies & Expenses | 8,990 | 22,694 | 18,341 | 18,825 | 68,850 |
| Other | 2,511 | - | 3 | 49 | 2,563 |
| Donated Items | 25,765 | 6,340 | 2,503 | 10,323 | 44,931 |
| Total Operating Expenses | 95,970 | 65,346 | 59,519 | 71,949 | 292,784 |
| **Other Expenses:** | | | | | |
| Administrative | 18,727 | 32,039 | 34,344 | 53,582 | 138,692 |
| Total Expenses | 276,465 | 493,993 | 544,641 | 764,331 | 2,079,430 |
| **Total Income(Loss)** | $ 319 | 816 | 1,096 | 46,525 | 48,756 |

# LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.
# SCHEDULE OF SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
# PROGRAM – COST CENTER ACTUAL REVENUES AND EXPENSES
# Year Ended June 30, 2013

Supplemental Schedule II

| FUNDING SOURCES & REVENUES | Case Manage | Outpatient | Group | Medical | Residential 2 | Rm Board w/ Supervision | Emergency Services | CSU | Forensic/ CCST | General/ CCST |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total state SAMH funding:** | | | | | | | | | | |
| From the district funding this Contract BHW02 | $ 15,948 | 177,569 | 2,533 | 1,135,309 | 66,534 | 101,911 | 520,464 | 1,174,116 | 409,626 | 1,359,881 |
| From other districts | - | - | - | - | - | - | - | - | - | - |
| Total state SAMH funding | 15,948 | 177,569 | 2,533 | 1,135,309 | 66,534 | 101,911 | 520,464 | 1,174,116 | 409,626 | 1,359,881 |
| **Other government funding:** | | | | | | | | | | |
| Other state agency funding | - | 142,392 | - | 54,685 | 46 | 71 | - | 25,229 | - | 1,166 |
| Medicaid | - | 1,221,795 | - | 879,988 | - | 13,262 | - | 127,449 | 78,873 | 459,259 |
| Local government | - | 12,706 | - | 49,289 | - | - | 129,232 | 318,706 | 37,427 | - |
| Federal grants and contracts | - | - | - | - | - | - | - | - | - | - |
| In-Kind from local govt only | - | - | - | - | - | - | - | - | - | - |
| Total other government funding | - | 1,376,893 | - | 983,962 | 46 | 13,333 | 129,232 | 471,384 | 116,300 | 460,425 |
| **All other revenues:** | | | | | | | | | | |
| 1st & 2nd party payments | - | 41,742 | - | 135,377 | - | - | 4,427 | 12,554 | 221 | 8,796 |
| 3rd party payments(exceptMedicare) | - | 62,883 | - | 137,567 | 12,539 | 19,206 | 542 | 26,499 | 175 | 36,242 |
| Medicare | - | 30,976 | - | 182,840 | - | - | - | - | 422 | 23,431 |
| Contributions and donations | - | 322 | - | 483 | - | - | 5,460 | - | - | 353 |
| Other | - | 6,780 | - | 4,370 | - | - | 214 | 41,207 | 864 | 9,128 |
| In-kind | - | 3,877 | - | - | - | - | - | 13,874 | - | 21,485 |
| Total all other revenues | - | 146,580 | - | 460,657 | 12,539 | 19,206 | 10,643 | 94,134 | 1,682 | 99,435 |
| Total Projected Funding | 15,948 | 1,701,042 | 2,533 | 2,579,928 | 79,119 | 134,450 | 660,339 | 1,739,634 | 527,608 | 1,919,741 |
| EXPENSE CATEGORIES | | | | | | | | | | |
| **Personnel expenses:** | | | | | | | | | | |
| Salaries | 6,274 | 1,072,216 | 997 | 1,809,702 | 55,806 | 85,479 | 396,814 | 1,112,929 | 263,697 | 869,010 |
| Fringe benefits | 1,627 | 210,067 | 259 | 303,257 | 10,622 | 16,271 | 59,793 | 215,702 | 65,557 | 225,047 |
| Total personnel expenses | 7,901 | 1,282,283 | 1,256 | 2,112,959 | 66,428 | 101,750 | 456,607 | 1,328,631 | 329,254 | 1,094,057 |
| **Operating expenses:** | | | | | | | | | | |
| Building occupancy | 626 | 99,704 | 99 | 100,521 | 12,736 | 19,509 | 20,982 | 181,784 | 13,526 | 94,588 |
| Professional services | 213 | 31,240 | 34 | 45,258 | 390 | 598 | 8,464 | 13,497 | 8,353 | 30,413 |
| Travel | 229 | 26,667 | 36 | 34,783 | 1,886 | 2,888 | 3,255 | 2,439 | 18,610 | 31,326 |
| Equipment costs | 262 | 21,716 | 45 | 26,784 | 1,704 | 2,611 | 10,285 | 31,992 | 3,513 | 39,449 |
| Food services | 8 | 355 | 1 | - | 5,721 | 8,763 | - | 40,981 | 33 | 845 |
| Medical and pharmacy | - | 40,632 | - | 67,806 | - | - | - | 50,506 | - | - |
| Subcontracted services | 6 | 532 | 1 | 585 | 51 | 77 | 134 | 29,389 | 191 | 988 |
| Insurance | 180 | 16,390 | 29 | 16,073 | 1,949 | 2,986 | 3,781 | 21,879 | 4,818 | 23,758 |
| Interest | 54 | 1,708 | 9 | 2,563 | - | - | 1,487 | - | - | 6,273 |
| Operating supplies & expenses | 375 | 66,012 | 60 | 76,028 | 1,179 | 1,806 | 7,226 | 19,720 | 11,357 | 55,743 |
| Other | 12 | 1,437 | 2 | 78 | 81 | 124 | 62 | 3,886 | 160 | 1,368 |
| Donated items | 185 | 4,752 | 30 | - | - | - | - | 13,874 | - | 19,518 |
| Total operating expenses | 2,170 | 311,145 | 346 | 370,479 | 25,697 | 39,362 | 55,676 | 409,947 | 60,561 | 304,269 |
| **Distributed Indirect costs:** | | | | | | | | | | |
| Administration | 2,713 | 348,892 | 431 | 515,924 | 14,986 | 22,955 | 106,005 | 244,968 | 101,925 | 382,941 |
| Total distributed indirect costs | 2,713 | 348,892 | 431 | 515,924 | 14,986 | 22,955 | 106,005 | 244,968 | 101,925 | 382,941 |
| Total actual operating expenses | 12,784 | 1,942,320 | 2,033 | 2,999,362 | 107,111 | 164,067 | 618,288 | 1,983,546 | 491,740 | 1,781,267 |
| **Unallowable costs:** | - | - | - | - | - | - | - | - | - | - |
| Total allowable oper. expenses | 12,784 | 1,942,320 | 2,033 | 2,999,362 | 107,111 | 164,067 | 618,288 | 1,983,546 | 491,740 | 1,781,267 |
| **Capital expenditures:** | - | - | - | - | - | - | - | - | - | - |
| Excluding SAMH credit equivalent | $ 12,784 | 1,942,320 | 2,033 | 2,999,362 | 107,111 | 164,067 | 618,288 | 1,983,546 | 491,740 | 1,781,267 |

| Outreach Prevent. | In-Home On-Site | Supported Employment | Drop In Center | FACT | Total for Program | 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 | Admin | Total Expenses |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 58,427 | 41,761 | 7,294 | 39,725 | 662,201 | 5,773,299 | 5,773,299 | - | 5,773,299 | - | 5,773,299 | - | 5,773,299 |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58,427 | 41,761 | 7,294 | 39,725 | 662,201 | 5,773,299 | 5,773,299 | - | 5,773,299 | - | 5,773,299 | - | 5,773,299 |
| - | - | - | - | - | 223,589 | 223,589 | - | 223,589 | 360,721 | 584,310 | - | |
| - | - | - | - | - | 2,780,626 | 2,780,626 | 197,384 | 2,978,010 | 1,375,300 | 4,353,310 | - | |
| - | - | - | - | - | 547,360 | 547,360 | - | 547,360 | 43,526 | 590,886 | - | |
| - | - | - | - | - | - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | - | - | - | - | - | |
| - | - | - | - | - | 3,551,575 | 3,551,575 | 197,384 | 3,748,959 | 1,779,547 | 5,528,506 | - | |
| - | - | - | - | 41 | 203,117 | 203,117 | 14 | 203,131 | 70,506 | 273,637 | - | |
| - | - | - | - | - | 295,714 | 295,714 | 70 | 295,784 | 2,158,541 | 2,454,325 | - | |
| - | - | - | - | - | 237,669 | 237,669 | - | 237,669 | 13,800 | 251,469 | - | |
| - | - | - | - | - | 6,618 | 6,618 | - | 6,618 | 50,812 | 57,430 | - | |
| - | - | - | 26 | 140 | 62,729 | 62,729 | - | 62,729 | 39,263 | 101,992 | - | |
| - | - | - | - | - | 39,236 | 39,236 | - | 39,236 | 224,496 | 263,732 | - | |
| - | - | - | 26 | 181 | 845,083 | 845,083 | 84 | 845,167 | 2,557,418 | 3,402,585 | - | |
| 58,427 | 41,761 | 7,294 | 39,751 | 662,382 | 10,169,957 | 10,169,957 | 197,468 | 10,367,425 | 4,336,965 | 14,704,390 | - | |
| 22,986 | 16,430 | 2,870 | 21,217 | 271,128 | 6,007,555 | 6,007,555 | 170,693 | 6,178,248 | 1,896,082 | 8,074,330 | 1,247,995 | 9,322,325 |
| 5,961 | 4,260 | 745 | 9,322 | 61,864 | 1,190,354 | 1,190,354 | 16,653 | 1,207,007 | 499,774 | 1,706,781 | 288,288 | 1,995,069 |
| 28,947 | 20,690 | 3,615 | 30,539 | 332,992 | 7,197,909 | 7,197,909 | 187,346 | 7,385,255 | 2,395,856 | 9,781,111 | 1,536,283 | 11,317,394 |
| 2,293 | 1,639 | 286 | 1,758 | 9,874 | 559,925 | 559,925 | 6,900 | 566,825 | 128,922 | 695,747 | 153,809 | 849,556 |
| 782 | 559 | 98 | 948 | 12,559 | 153,406 | 153,406 | 1,895 | 155,301 | 55,591 | 210,892 | 102,435 | 313,327 |
| 840 | 601 | 105 | 10 | 6,716 | 130,391 | 130,391 | - | 130,391 | 79,869 | 210,260 | 15,099 | 225,359 |
| 1,033 | 739 | 129 | 883 | 6,536 | 147,701 | 147,701 | 3,253 | 150,954 | 50,970 | 201,924 | 171,854 | 373,778 |
| 30 | 21 | 5 | 2,540 | 183 | 59,486 | 59,486 | - | 59,486 | 10,302 | 69,788 | 34 | 69,822 |
| - | - | - | - | - | 158,944 | 158,944 | - | 158,944 | 7 | 158,951 | 10 | 158,961 |
| 22 | 16 | 3 | - | - | 31,995 | 31,995 | - | 31,995 | 71,325 | 103,320 | 42,312 | 145,632 |
| 660 | 473 | 82 | 432 | 5,499 | 98,989 | 98,989 | 1,835 | 100,824 | 30,156 | 130,980 | 31,441 | 162,421 |
| 197 | 142 | 25 | - | - | 12,458 | 12,458 | - | 12,458 | 1,128 | 13,586 | 12,047 | 25,633 |
| 1,373 | 980 | 171 | 1,250 | 25,100 | 268,380 | 268,380 | 4,027 | 272,407 | 100,095 | 372,502 | 118,344 | 490,846 |
| 47 | 34 | 6 | - | 172 | 7,469 | 7,469 | - | 7,469 | 2,645 | 10,114 | 43,101 | 53,215 |
| 678 | 485 | 85 | - | - | 39,607 | 39,607 | - | 39,607 | 236,959 | 276,566 | 800 | 277,366 |
| 7,955 | 5,689 | 995 | 7,821 | 66,639 | 1,668,751 | 1,668,751 | 17,910 | 1,686,661 | 767,969 | 2,454,630 | 691,286 | 3,145,916 |
| 9,939 | 7,104 | 1,241 | 9,291 | 54,131 | 1,823,446 | 1,823,446 | 20,599 | 1,844,045 | 383,524 | 2,227,569 | (2,227,569) | - |
| 9,939 | 7,104 | 1,241 | 9,291 | 54,131 | 1,823,446 | 1,823,446 | 20,599 | 1,844,045 | 383,524 | 2,227,569 | (2,227,569) | - |
| 46,841 | 33,483 | 5,851 | 47,651 | 453,762 | 10,690,106 | 10,690,106 | 225,855 | 10,915,961 | 3,547,349 | 14,463,310 | - | 14,463,310 |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| 46,841 | 33,483 | 5,851 | 47,651 | 453,762 | 10,690,106 | 10,690,106 | 225,855 | 10,915,961 | 3,547,349 | - | - | - |
| - | - | - | - | 94,591 | 94,591 | 94,591 | - | 94,591 | - | 94,591 | - | 94,591 |
| 46,841 | 33,483 | 5,851 | 47,651 | 548,353 | 10,784,697 | 10,784,697 | 225,855 | 11,010,552 | 3,547,349 | 14,557,901 | - | 14,557,901 |

Due to lack of activity Assessment, Residential Level III and Other Support Costs were omitted

## LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.
## Schedule of Bed-Day Availability Payments
## Year Ended June 30, 2013

| 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 Number of Units Eligible for Payment By Department | Amount Paid for Services by the Department | Maximum $ Value of Units Eligible for Payment By Department | Amount Owed To Department |
|---|---|---|---|---|---|---|---|---|---|
| Adult Mental Health | Crisis Stabilization Unit | $ | 291.24 | 5,840 | 264 | 5,576.00 | 983,082 | 1,623,954 | - |
| Adult Mental Health | Room & Board w/Supervision Lev II | | 66.07 | 1,256 | - | 1,256.46 | 83,014 | 83,014 | - |
| Adult Mental Health | Residential Level II | | 68.38 | 820 | - | 819.86 | 56,062 | 56,062 | - |
| Children's Mental Health | Crisis Stabilization Unit | | 291.24 | 1,460 | 63 | 1,397.00 | 203,261 | 406,862 | - |
| | Total Amount Owed to Department | $ | | | | | | | - |

**LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.**
**Schedule of State Earnings**
**Year Ended June 30, 2013**

| | | | |
|---|---|---|---|
| Line 1 | TOTAL EXPENDITURES | $ | 14,463,310 |
| Line 2 | LESS OTHER STATE AND FEDERAL FUNDS | | (4,604,779) |
| Line 3 | LESS NON MATCH SAMH FUNDS | | (2,907,315) |
| Line 4 | LESS UNALLOWABLE COSTS PER 65-E14, FAC | | (35,829) |
| Line 5 | TOTAL ALLOWABLE EXPENDITURES | | 6,915,387 |
| Line 6 | MAXIMUM AVAILABLE EARNINGS LINE 5 TIMES 75% | | 5,186,540 |
| Line 7 | AMOUNT OF STATE FUNDS REQUIRING MATCH | | 4,763,381 |
| Line 8 | AMOUNT DUE TO DEPARTMENT IF NEGATIVE Line 6 Less Line 7 | $ | 423,159 |

**LIFE MANAGEMENT CENTER OF NORTHWEST FLORIDA, INC.**
**Schedule of Findings and Questioned Costs –**
**Federal Awards Programs and State Financial Assistance Projects**
**Year Ended June 30, 2013**

1. Summary of the auditors' results:

   i) The type of report the auditor issued on the financial statements of the auditee: Unqualified opinion

   ii) Where applicable, a statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses: None

   iii) A statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee: None

   iv) Where applicable, a statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses: None

   v) The type of report the auditor issued on compliance for major federal and state projects: Unqualified opinion

   vi) A statement as to whether the audit disclosed any audit findings which the auditor is required to report under §133.510(a), or chapter 10.650 Rules of the Auditor General, State of Florida: None

   vii) Identification of major programs: CFDA #93.958 Block Grants for Community Mental Health Services, CFDA #93.558 Temporary Assistance for Needy Families, CFSA #60.006 Baker Act, CFSA #60.055 Children's Mental Health Community Support Services, CFSA #60.063 Adult Mental Health Special Projects Recovery and Resiliency, and CFSA #60.094 Community Based Care (CBC) Supports.

   viii) The dollar threshold used to distinguish between Type A and Type B programs: $300,000 for major federal awards programs and major state financial assistance projects.

   ix) A statement as to whether the auditee qualified as a low risk auditee under §133.530: Yes

2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS: None

3. Findings and questioned costs for federal awards which shall include audit findings as defined in §133.510: None

4. Findings and questioned costs relating to state awards: None - As a result, we have not included a management letter, summary schedule of prior audit findings, or a corrective action plan.