

**Boley Centers, Inc. And Affiliates**

**Audited Consolidated Financial Statements  
And Supplementary Information**

**June 30, 2011 And 2010**

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# Gregory, Sharer & Stuart, P.A.

Certified Public Accountants and Business Consultants

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## Independent Auditor's Report

Board of Directors  
Boley Centers, Inc. and Affiliates  
St. Petersburg, Florida

We have audited the accompanying consolidated statement of financial position of Boley Centers, Inc. and affiliates as of June 30, 2011, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of Boley Centers, Inc. and affiliates' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year's summarized comparative information has been derived from Boley Centers, Inc. and affiliates' 2010 consolidated financial statements and, in our report dated December 14, 2010, we expressed an unqualified opinion on those consolidated financial statements.

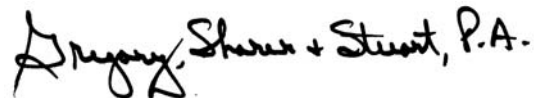
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boley Centers, Inc. and affiliates' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boley Centers, Inc. and affiliates as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011 on our consideration of Boley Centers, Inc. and affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our 2011 audit.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General, and is not a required part of the consolidated financial statements. The additional supplementary information listed in the table of contents is presented for purposes of additional analysis as required by certain funding sources and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

**Gregory, Sharer & Stuart, P.A.**

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." The signature is written in a cursive, flowing style.

St. Petersburg, Florida  
November 16, 2011

**Boley Centers, Inc. And Affiliates**  
**Consolidated Statements Of Financial Position**

	June 30,	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 1,470,570	\$ 1,017,213
Cash - restricted	495,721	459,250
Certificates of deposit	736,599	511,221
Accounts receivable		
Grants and funding sources	2,560,074	2,736,679
Clients and other, net of allowance for uncollectible accounts of \$25,000 and \$18,000, at June 30, 2011 and 2010, respectively	398,913	1,242,735
Facility lease receivable	64,783	71,724
Prepaid expenses and other	305,937	380,573
Investments	1,628,103	1,450,391
Investment in joint venture	309,435	160,729
Construction in progress	559,860	1,569,005
Property and equipment, net of accumulated depreciation	<u>28,085,869</u>	<u>22,565,177</u>
<b>Total Assets</b>	<b><u>\$ 36,615,864</u></b>	<b><u>\$ 32,164,697</u></b>
 <b>Liabilities And Net Assets</b>		
Liabilities		
Accounts payable	\$ 792,781	\$ 428,144
Accrued expenses		
Salaries	424,058	537,160
Vacation pay	306,514	362,652
Retirement plan contributions	238,992	345,683
Other	275,132	303,296
Unearned revenue	1,101	84,038
Mortgages payable		
With forgiveness provisions	8,940,109	7,104,954
Other	<u>2,652,805</u>	<u>2,657,523</u>
Total Liabilities	<u>13,631,492</u>	<u>11,823,450</u>
Net Assets		
Unrestricted		
Board designated	125,305	61,098
Undesignated	<u>22,131,994</u>	<u>19,466,001</u>
	<u>22,257,299</u>	<u>19,527,099</u>
Temporarily restricted	727,073	814,148
Total Net Assets	<u>22,984,372</u>	<u>20,341,247</u>
<b>Total Liabilities And Net Assets</b>	<b><u>\$ 36,615,864</u></b>	<b><u>\$ 32,164,697</u></b>

**Boley Centers, Inc. And Affiliates**  
**Consolidated Statement Of Activities For The Year Ended June 30, 2011**  
**With Summarized Financial Information For The Year Ended June 30, 2010**

	Year Ended June 30, 2011			Summarized Comparative Totals Year Ended June 30, 2010
	Unrestricted	Temporarily Restricted	Total	
Revenue, Gains (Losses), And Other Support				
Governmental funding				
Federal	\$ 10,680,069	\$ -	\$ 10,680,069	\$ 10,049,461
State	3,598,972	-	3,598,972	2,318,202
Local	1,303,917	-	1,303,917	1,348,584
Other funding and revenues				
Medicaid	1,964,818	-	1,964,818	2,254,162
Client fees and rents	1,259,737	-	1,259,737	1,181,414
Thrift store	554,712	-	554,712	592,732
Unrealized and realized gain on investments	183,089	-	183,089	124,699
Gain (loss) on disposal/impairment of property and equipment	11,000	-	11,000	(737,369)
Allocated loss on investment in joint venture	(16,589)	-	(16,589)	(33,061)
Other	1,546,118	-	1,546,118	1,189,880
Net assets released from restriction	87,075	(87,075)	-	-
Total Revenue, Gains (Losses), And Other Support	21,172,918	(87,075)	21,085,843	18,288,704
Expenses				
Program services	15,717,080	-	15,717,080	15,635,251
Fundraising - thrift store	543,396	-	543,396	586,912
Administration	2,182,242	-	2,182,242	2,036,867
Total Expenses	18,442,718	-	18,442,718	18,259,030
<b>Change In Net Assets</b>	<b>2,730,200</b>	<b>(87,075)</b>	<b>2,643,125</b>	<b>29,674</b>
<b>Net Assets At Beginning Of Year</b>	<b>19,527,099</b>	<b>814,148</b>	<b>20,341,247</b>	<b>20,311,573</b>
<b>Net Assets At End Of Year</b>	<b>\$ 22,257,299</b>	<b>\$ 727,073</b>	<b>\$ 22,984,372</b>	<b>\$ 20,341,247</b>

**Boley Centers, Inc. And Affiliates**

**Consolidated Statement Of Functional Expenses For The Year Ended June 30, 2011  
With Summarized Financial Information For The Year Ended June 30, 2010**

	Year Ended June 30, 2011											Summarized Comparative Total Year Ended June 30, 2010	
	Program Services										Total Year Ended June 30, 2011		
	CCST - Comprehensive Community Service Teams	Vocational	Residential	Clinical	Youth	Assertive Community Treatment	Housing	Contract Services	Total Program Services	Fundraising Thrift Store			Administration
Salaries	\$ 585,919	\$ 631,682	\$ 2,480,087	\$ 560,809	\$ 794,649	\$ 463,769	\$ 271,281	\$ 187,791	\$ 5,975,987	\$ 241,453	\$ 1,226,868	<b>\$ 7,444,308</b>	\$ 7,451,453
Payroll related expenses	139,902	150,682	547,150	126,519	117,366	88,382	57,185	40,784	1,267,970	56,814	245,880	<b>1,570,664</b>	1,688,888
Total Salaries And Related Expenses	725,821	782,364	3,027,237	687,328	912,015	552,151	328,466	228,575	7,243,957	298,267	1,472,748	<b>9,014,972</b>	9,140,341
Building & Equipment Rental	4,973	98,739	17,599	11,491	52,699	3,340	9,733	1,364	199,938	134,300	13,709	<b>347,947</b>	361,693
Operating Supplies	5,488	12,213	116,244	17,172	21,223	2,202	58,469	2,939	235,950	22,571	45,075	<b>303,596</b>	298,377
Insurance	5,396	4,204	94,154	7,060	2,897	3,528	127,017	2,142	246,398	4,754	16,019	<b>267,171</b>	252,266
Professional fees	576	-	24,010	139,000	-	150,320	12,215	-	326,121	-	212,754	<b>538,875</b>	496,065
Contractual Services	1,627	2,754	50,931	56,293	158,169	883	124,151	5,223	400,031	2,666	43,751	<b>446,448</b>	266,955
Travel	11,637	37,040	15,561	427	16,355	23,427	3,838	3,670	111,955	-	30,005	<b>141,960</b>	141,680
Utilities	27,701	39,061	368,275	45,633	26,732	21,256	218,392	9,907	756,957	47,514	31,007	<b>835,478</b>	821,209
Repairs and maintenance	7,594	10,798	279,784	24,775	3,918	5,007	155,998	8,160	496,034	11,595	83,686	<b>591,315</b>	532,897
Client support	139,744	1,334	266,536	43,544	25,881	230,265	502	709	708,515	-	-	<b>708,515</b>	746,489
Interest expense	-	-	34,967	-	-	-	168,535	-	203,502	-	70	<b>203,572</b>	207,322
Food supplies	570	491	276,119	93,759	702	102	245	389	372,377	185	4,924	<b>377,486</b>	379,601
Medical supplies	97,472	-	73,007	37,394	-	41	-	-	207,914	-	-	<b>207,914</b>	210,354
Small Equipment	6,511	2,453	77,205	1,769	3,919	285	12,423	1,130	105,695	200	8,722	<b>114,617</b>	100,483
Personnel costs	8,603	23,456	65,448	11,440	9,506	4,544	4,135	789	127,921	4,241	13,437	<b>145,599</b>	155,078
Agency	3,178	2,171	2,311	60	-	65	1,000	-	8,785	-	71,973	<b>80,758</b>	97,546
Vehicle	74,307	-	210,401	86,764	-	49,508	-	14,239	435,219	-	-	<b>435,219</b>	450,515
Taxes and licenses	-	-	16,641	1,726	-	-	18,302	-	36,669	146	1,090	<b>37,905</b>	46,709
Depreciation and amortization	12,262	5,233	334,981	32,983	223	13,851	383,881	1,436	784,850	-	39,112	<b>823,962</b>	783,866
Housing vouchers and rent	-	-	-	-	-	-	2,645,800	-	2,645,800	-	-	<b>2,645,800</b>	2,728,710
Other expense	-	-	59,638	-	-	-	2,854	-	62,492	16,957	94,160	<b>173,609</b>	40,874
Total Expenses	<b>\$ 1,133,460</b>	<b>\$ 1,022,311</b>	<b>\$5,411,049</b>	<b>\$1,298,618</b>	<b>\$1,234,239</b>	<b>\$ 1,060,775</b>	<b>\$4,275,956</b>	<b>\$280,672</b>	<b>\$15,717,080</b>	<b>\$ 543,396</b>	<b>\$ 2,182,242</b>	<b>\$ 18,442,718</b>	<b>\$ 18,259,030</b>

**Boley Centers, Inc. And Affiliates**  
**Consolidated Statements Of Cash Flows**

	Year Ended June 30,	
	2011	2010
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 2,643,125	\$ 29,674
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	823,962	783,866
HUD capital advance	(1,878,600)	(305,178)
Grants for capital projects	(246,929)	-
(Gain) loss on impairment/disposal of property	(11,000)	737,369
Allocated loss on investment in joint venture	16,589	33,061
Unrealized and realized gain on investments	(183,089)	(124,699)
Accretion of loan discounts	80,622	80,731
Forgiveness of loans	(186,649)	(9,897)
Decrease (increase) in operating assets		
Accounts receivable - grants and funding sources	147,607	(783,433)
Accounts receivable - clients and other	843,822	133,629
Facility lease receivable	6,941	6,942
Prepaid expenses and other	74,636	9,551
Restricted cash	(36,471)	(42,782)
Increase (decrease) in operating liabilities		
Accounts payable	364,637	(208,165)
Accrued expenses	(304,095)	61,091
Unearned revenue	(82,937)	50,514
Net Cash Provided By Operating Activities	2,072,171	452,274
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(126)	(707,852)
Construction in progress	(3,355,481)	(1,049,875)
Proceeds from sale of property and equipment	11,000	4,173
Purchases of certificates of deposit and interest retained	(225,378)	(492,385)
Purchases of investments	(1,329,623)	(2,948,970)
Proceeds from sale of investments	1,335,000	2,948,766
Investment in joint venture	(165,295)	(193,790)
Net Cash Used By Investing Activities	(3,729,903)	(2,439,933)
<b>Cash Flows From Financing Activities</b>		
HUD capital advance received	1,667,598	305,178
Grants received for capital projects	486,929	-
Payments on mortgages payable	(43,438)	(41,095)
Net Cash Provided By Financing Activities	2,111,089	264,083
<b>Net Change In Cash</b>	453,357	(1,723,576)
<b>Cash At Beginning Of Year</b>	1,017,213	2,740,789
<b>Cash At End Of Year</b>	\$ 1,470,570	\$ 1,017,213
<b>Supplemental Disclosure</b>		
Cash paid for interest	\$ 122,950	\$ 126,514
<b>Non-Cash Investing And Financing Activities</b>		
Acquisition of property by assuming debt	\$ 1,979,902	\$ 1,465,829
Transfers from construction in progress to property and equipment	\$ 5,929,530	\$ 1,266,234

## **Note A - Organization And Summary Of Significant Accounting Policies**

### *Organization And Purpose*

Boley Centers, Inc. and affiliates (the Organization) is comprised of Boley Centers, Inc. (Boley); Bessie Boley Foundation; Boley Foundation, Inc.; 128 Place, Inc. (128 PL); Arlington Avenue Apartments, Inc. (AA); Broadwater Place, Inc. (BP); Clam Bayou Apartments, Inc. (CB); Community Housing of Pinellas County, Inc. (CHP); Dome District Apartments, Inc. (DD); Forest Lane Apartments, Inc. (FLA); Forest Meadows Apartments, Inc. (FMA); Lake Winds Apartments, Inc. (LW); Laurel Trace Apartments, Inc. (LT); Palmetto Breeze Apartments, Inc. (PB); Pinellas Affordable Living, Inc. (PAL); Pinellas County Housing, Inc. (PCH); Shady Pines Apartments, Inc. (SP); and Twin Brooks Apartments, Inc. (TB). All of the affiliated entities in these consolidated financial statements are not-for-profit corporations. The entities comprising the Organization are related through an economic interest and Boley's direct and indirect ability to determine the direction of management.

Boley is a Florida not-for-profit corporation which primarily provides room and board services, as well as case management, educational and skills training, and vocational services for individuals with chronic mental illness residing in Pinellas County, Florida. Boley is also the managing agent for 128 PL, AA, BP, CB, CHP, DD, FLA, FMA, LW, LT, PB, PAL, PCH, SP, and TB.

Bessie Boley Foundation manages certain investments and distributes the income to Boley.

Boley Foundation, Inc. is organized as the fundraising arm of Boley.

128 PL, AA, CB, CHP, DD, FLA, FMA, LW, SP, PB, PCH, and TB are residential facilities for individuals with chronic mental illness, regulated by the Department of Housing and Urban Development (HUD) as to rent charges and operating methods.

BP and LT are residential facilities for individuals with chronic mental illness that are in varying stages of construction as of year end. These projects will also be regulated by HUD as to rent charges and operating methods.

PAL is a Community Housing Development Organization that develops integrated affordable housing for individuals with mental illness and/or low income within the guidelines of various funding programs. PAL operates several different housing projects in St. Petersburg, Florida, as follows: Bayou Pass, Clam Bayou, Oak Park, Parkside, and Williams House. During 2011, PAL began operating Twin Brooks and began construction on a new project, Broadwater Place. During 2010, PAL closed PAL Village. Through October 2009, PAL also operated the Youthbuild program for Boley to provide vocational skills and leadership development for young adults aged 16-24.

### *Principles Of Consolidation*

The accompanying consolidated financial statements include the activities of Boley; Bessie Boley Foundation; Boley Foundation, Inc.; 128 PL; AA; BP; CB; CHP; DD; FLA; FMA; LW; LT; PB; PAL; PCH; SP; and TB. All significant inter-organization accounts and transactions are eliminated in the consolidation.

### *Basis Of Presentation*

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - include net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets - contributions for which donor imposed restrictions have not been met.

### *Restricted Cash*

Restricted cash includes escrow accounts; security deposits accounts; and reserves and residual receipts accounts required by HUD and under certain agreements.

### *Certificates Of Deposit*

The Organization's certificates of deposit consist of certificates of deposit with commercial banks with original maturities of more than 12 months.

*Accounts Receivable And Allowance*

Accounts receivable are stated at cost less an allowance for doubtful accounts. Management's determination of the allowance is based on an evaluation of past collection history. Management provides for probable uncollectable amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

An allowance for doubtful accounts is provided for accounts receivable – clients and other. An allowance for other classifications of accounts receivable is considered unnecessary by management.

*Investments*

Investments are recorded at fair value. Cash designated for long-term purposes is classified as an investment.

The Organization follows current accounting guidance, which defines fair value, expands disclosure requirements, and specifies a hierarchy of valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted market prices for identical assets in active markets which are accessible by the Organization.
- Level 2 - Observable prices in active markets for similar assets. Prices for identical or similar assets in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.
- Level 3 - Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

*Investment In Joint Venture*

Boley is an equal owner with another non-profit organization in a joint venture that was started during 2010. Boley's investment in the venture is carried on the equity method. Boley's initial investment in the venture was recorded as an asset and was adjusted by Boley's share of the joint venture's loss (see Note C).

*Investment In Limited Partnership*

PAL is the general partner in Salt Creek Apartments, Ltd. (Salt Creek) (a limited partnership). Salt Creek is a housing project for individuals with low to moderate income. As general partner, PAL's investment in Salt Creek is carried on the equity method, which was zero at June 30, 2011 and 2010. PAL's initial investment in the partnership was recorded as an asset and was adjusted by the partnership's losses.

*Property And Equipment*

Property and equipment are carried at cost if purchased or at estimated fair market value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from three to 40 years. It is the Organization's policy to capitalize assets with costs greater than or equal to \$1,000 and estimated useful lives greater than one year.

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of property and equipment assets are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition and the ownership of any proceeds are subject to applicable regulations.

*Income Taxes*

Boley Centers, Inc. and its affiliates are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and have been determined not to be private foundations.

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

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Management has evaluated its tax positions taken for all open tax years and has not identified any uncertain tax positions. The 2007, 2008, and 2009 tax years are open and subject to examination by the Internal Revenue Service (IRS). Boley Centers, Inc. and its affiliates are not currently under audit nor have they been contacted by the IRS.

Salt Creek is a limited partnership. In lieu of corporate income taxes, the owners of a limited partnership are taxed on the partnership's income. PAL is responsible for paying taxes on any Salt Creek income. PAL files Form 990T related to Salt Creek income and losses. No income has been earned to date; therefore, no provision or liability for income taxes has been included in the accompanying consolidated financial statements.

*Consolidated Statement Of Functional Expenses*

The costs of providing the various programs and other activities have been detailed in the accompanying consolidated statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

Maintenance, training, quality assurance, food, and transportation department costs are allocated to natural expense classifications (i.e., repairs and maintenance, personnel costs, quality assurance, food expense, etc.), based on usage, and recorded as program and supporting services.

*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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Reclassifications*

Certain amounts in the accompanying 2010 consolidated financial statements have been reclassified to conform to the 2011 presentation. These reclassifications had no effect on the previously reported change in net assets.

*Summarized Financial Information For 2010*

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**Note B - Cash, Certificates Of Deposit, And Investments**

Cash held by financial institutions consists of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Cash in banks	\$ 1,093,733	\$ 703,443
Money market accounts in banks	<u>376,837</u>	313,770
	<u>\$ 1,470,570</u>	<u>\$ 1,017,213</u>

Certificates of deposit consists of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Boley Centers, Inc.	\$ 491,598	\$ 492,385
Boley Foundation, Inc.	225,899	-
Minimum capital investment reserve required by HUD: Clam Bayou Apartments, Inc.	<u>8,783</u>	8,731
Arlington Avenue Apartments, Inc.	<u>10,319</u>	10,105
	<u>\$ 736,599</u>	<u>\$ 511,221</u>

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

Investments consist of the following at June 30:

	Boley	Bessie Boley Foundation	Boley Foundation	Total
<i>2011</i>				
Cash and money market accounts	\$ -	\$ 130,520	\$ -	\$ 130,520
Fixed income securities	-	385,599	-	385,599
Equities	-	585,121	-	585,121
Mutual funds	53,680	245,788	-	299,468
Other	16,000	-	211,395	227,395
	<u>\$ 69,680</u>	<u>\$ 1,347,028</u>	<u>\$ 211,395</u>	<u>\$ 1,628,103</u>
<i>2010</i>				
Cash and money market accounts	\$ -	\$ 176,245	\$ -	\$ 176,245
Fixed income securities	-	473,768	-	473,768
Equities	-	552,503	-	552,503
Mutual funds	44,418	188,457	-	232,875
Other	15,000	-	-	15,000
	<u>\$ 59,418</u>	<u>\$ 1,390,973</u>	<u>\$ -</u>	<u>\$ 1,450,391</u>

Total interest and dividends are included in other revenue and consist of the following for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Interest and dividends on investments	\$ 37,188	\$ 37,293
Interest on cash and money market accounts	16,133	16,636
Discounts earned	11,184	12,116
	<u>\$ 64,505</u>	<u>\$ 66,045</u>

Administrative fees for investments were \$13,477 and \$13,363 for the years ended June 30, 2011 and 2010, respectively, and are included in other administrative expenses in the accompanying consolidated statements of activities.

**Note C - Investment In Joint Venture**

During 2010, Boley and another non-profit organization formed an equally-owned Florida corporation named Solutions for Administrative Services, Inc. (SAS). SAS has since filed for tax-exempt status with the IRS.

The primary purpose of SAS is to serve as an administrative services organization that efficiently provides management, support, and administrative services to qualifying tax-exempt organizations that operate in the geographic area served by SAS, including the current members, Boley and Operation PAR, Inc.

The members and other area tax-exempt organizations desiring to utilize SAS' services will have the benefit of collaborating and sharing a variety of management and related administrative services, thereby gaining efficiencies and economies of scale and enabling participants to focus on their respective missions, goals, and programs for which they are organized.

Specific services that will be provided by SAS include four core service areas: human resources, finance/accounting and electronic health record development/management, information technology, and support services.

During 2011 and 2010, Boley invested \$165,295 and \$193,790, respectively, in the joint venture to fund start-up organization costs and new computer software applications.

Boley's share of the operating losses of SAS for the years ended June 30, 2011 and 2010 was \$16,589 and \$33,061, respectively, and was accounted for using the equity method.

Boley's investment at June 30, 2011 and 2010 was \$309,435 and \$160,729, respectively.

**Note D - Facility Lease Receivable**

In October 2000, PAL entered into an agreement to lease certain real property (Parkside) for \$1 annually. The property may be used only for the purpose of improving and operating an eight-unit apartment complex. The agreement expires 20 years after the date of issuance of the certificate of occupancy. At the landlord's sole discretion, the lease can be extended for an additional 20-year term or the landlord can purchase the property improvements at fair value. A land lease receivable was recorded equal to the fair value of the real property, which will be recognized as lease expense over the term of the lease.

The facility lease receivable is expected to be realized as follows:

In one year or less	\$ 6,941
Between one and five years	34,706
Greater than five years	23,136
	<u>\$ 64,783</u>

**Note E - Construction In Progress And Property And Equipment**

Construction in progress and construction commitments consist of the following at June 30:

	Construction In Progress		Construction
	June 30,		Commitments
	2011	2010	June 30,
			2011
Boley Centers, Inc.			
Burlington Gardens	\$ -	\$ 403,094	\$ -
Fountain View	178,126	47,634	821,000
Covert Apartments	208,732	12,128	245,000
	<u>386,858</u>	462,856	<u>1,066,000</u>
Arlington Avenue Apartments, Inc.	-	105,282	-
Broadwater Place, Inc.	43,606	597,326	1,097,000
Laurel Trace Apartments, Inc.	74,745	-	923,000
Pinellas Affordable Living, Inc.			
Broadwater Place	54,651	-	1,600,000
Twin Brooks	-	403,541	-
	<u>\$ 559,860</u>	<u>\$ 1,569,005</u>	<u>\$ 4,686,000</u>

Property and equipment consists of the following at June 30:

	2011	2010
Land	\$ 6,937,371	\$ 6,767,833
Buildings and improvements	28,852,682	22,824,508
Furniture and equipment	1,461,398	1,368,242
Vehicles	1,039,849	951,519
Leasehold improvements	289,812	277,991
	<u>38,581,112</u>	32,190,093
Less accumulated depreciation	<u>(10,495,243)</u>	<u>(9,624,916)</u>
	<u>\$ 28,085,869</u>	<u>\$ 22,565,177</u>

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

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**Note F - Mortgages Payable**

Mortgages payable, net of discounts where applicable consist of the following at June 30:

	2011	2010
<i>128 Place, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through April 2017. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$161,500 and is presented net of a discount of \$38,713 and \$45,436 as of June 30, 2011 and 2010, respectively.	<b>\$ 122,787</b>	\$ 116,064
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through September 2023. The original mortgage amount was \$62,000 and is presented net of a discount of \$26,698 and \$28,534 as of June 30, 2011 and 2010, respectively.	<b>35,302</b>	33,466
<i>Arlington Avenue Apartments, Inc.</i>		
Mortgage payable to the City of St. Petersburg (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through June 2030. The original mortgage amount was \$500,000 and is not discounted.	<b>500,000</b>	500,000
<i>Boley Centers, Inc.</i>		
Broadwater II: Mortgage payable to the City of St. Petersburg (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through January 2031. The maximum amount available under the note is \$239,549 and is not discounted.	<b>227,456</b>	-
Burlington Gardens: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through December 2030. The maximum amount available under the note is \$1,669,215 and is not discounted.	<b>1,388,798</b>	512,440
Butterfly and Grove Street: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, deferred if the property continues to be used for its intended purpose through December 2016. The original mortgage amount was \$340,500 and is presented net of a discount of \$57,196 and \$69,858 as of June 30, 2011 and 2010, respectively.	<b>283,304</b>	270,642
Fountain View: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through March 2041. The maximum amount available under the note is \$1,434,076 and is not discounted.	<b>367,611</b>	320,069
Grove Park: Mortgage payable to Pinellas County (Home Investment Partnerships Program), no principal or interest payments required until 2016, monthly payments of principal and interest (3% per annum) through maturity, collateralized by real property. \$176,752 of the note was forgiven in June 2011. The balance will be due at maturity, April 2046. The original mortgage amount was \$687,500 and is presented net of forgiveness of \$176,752 and \$0 as of June 30, 2011 and 2010, respectively, and is not discounted.	<b>510,748</b>	687,500
Grove Park: Mortgage payable to Pinellas County, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through October 2038. The original note was \$302,000 and is not discounted.	<b>302,000</b>	302,000
Grove Park: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through April 2029. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original note was \$117,377 and is not discounted.	<b>117,377</b>	117,377

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

	2011	2010
Kenwood: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, deferred if the property continues to be used for its intended purpose through January 2015. The original mortgage amount was \$55,000 and is presented net of a discount of \$6,869 and \$8,844 as of June 30, 2011 and 2010, respectively.	48,131	46,156
Marconi: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through January 2020. The original note was \$135,000 and is presented net of a discount of \$49,124 and \$54,893 as of June 30, 2011 and 2010, respectively.	85,876	80,107
Mid County Safe Haven: Mortgage payable to Pinellas County (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through May 2037. The original note was \$2,135,880 and is not discounted.	2,135,880	2,135,880
Safe Haven: Mortgage payable to the City of St. Petersburg (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through January 2027. The original note was \$433,812 and is presented net of a discount of \$227,506 and \$242,066 as of June 30, 2011 and 2010, respectively.	206,306	191,746
Safe Haven: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through April 2021. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original note was \$118,421 and is not discounted.	118,421	118,421
<i>Clam Bayou Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and the assignment of rents, forgiven if the property continues to be used for its intended purpose through July 2026. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$187,960 and is not discounted.	187,960	187,960
Mortgage payable to Florida Housing Finance Corporation, no principal payments required until maturity, interest free, collateralized by real property and assignment of rents. All principal is due at maturity, September 2046. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full. The original mortgage amount was \$184,130 and is not discounted.	184,130	184,130
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through December 2027. The original mortgage amount was \$91,500 and is not discounted.	91,500	91,500
<i>Dome District Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2030. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$90,000 and is not discounted.	90,000	90,000
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2021. The original mortgage amount was \$9,000 and is not discounted.	9,000	9,000

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

	2011	2010
<i>Lake Winds Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through April 2031. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$79,000 and is not discounted.	79,000	79,000
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2018. The original mortgage amount was \$33,975 and is not discounted.	33,975	33,975
<i>Laurel Trace Apartments, Inc.</i>		
Mortgage payable to Pinellas County (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through September 2040. The original mortgage amount was \$140,000 and is not discounted.	140,000	-
<i>Palmetto Breeze Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through August 2018. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$107,875 and is presented net of a discount of \$22,836 and \$27,330 as of June 30, 2011 and 2010, respectively.	85,039	80,545
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2025. The original mortgage amount was \$82,000 and is presented net of a discount of \$33,178 and \$35,808 as of June 30, 2011 and 2010, respectively.	48,822	46,192
<i>Pinellas Affordable Living, Inc.</i>		
Bayou Pass Apartments: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through February 2015. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$126,000 and is presented net of a discount of \$21,596 and \$27,486 as of June 30, 2011 and 2010, respectively.	104,404	98,514
Bayou Pass Apartments: Mortgage payable to Neighborhood Lending Partners, Inc.; quarterly payments of \$2,030 include principal and interest of 2% per annum; collateralized by real property and assignment of rents; matures February 2030. The original mortgage amount was \$180,000 and is presented net of principal payments and a discount of \$45,747 and \$49,638 as of June 30, 2011 and 2010, respectively.	79,990	81,597
Bayou Pass Apartments: Mortgage payable to Neighborhood Lending Partners, Inc., monthly payments of \$978 include principal and interest of 7.25% per annum, collateralized by real property and assignment of rents, entire remaining principal balance due at maturity, October 2015. The original mortgage amount was \$135,000 and is not discounted.	116,497	118,900
Bayou Pass Apartments: Mortgage payable to the City of St. Petersburg, no principal payments required until maturity, interest free, collateralized by real property. All principal is due at maturity, January 2021. The original mortgage amount was \$111,000 and is presented net of a discount of \$38,123 and \$42,564 as of June 30, 2011 and 2010, respectively.	72,877	68,436
Clam Bayou Apartments-PAL: Mortgage payable to Synovus Bank no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through April 2022. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$60,034 and is not discounted.	60,034	60,034

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

	2011	2010
Clam Bayou Apartments-PAL: Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through June 2028. The original mortgage amount was \$399,294 and is not discounted.	399,294	399,294
Oak Park Apartments: Mortgage payable to Neighborhood Lending Partners, Inc.; monthly payments of \$1,096 include principal and interest of 7.5% per annum; collateralized by real property and assignment of rents; entire remaining principal balance due at maturity, December 2016. The original mortgage amount was \$135,000 and is not discounted.	93,575	99,494
Oak Park Apartments: Mortgages payable to the City of St. Petersburg with multiple maturity dates. The notes are all interest free. One note of \$59,247; maturing April 2012; will be forgiven 10% per year over 10 years. One note in the original amount of \$59,247; maturing July 2022; requires monthly payments of \$225. The remaining note of \$125,000; maturing April 2017; is payable in full on the maturity date. The mortgages are collateralized by real property. The original mortgage amounts total \$243,493 and are presented net of discounts of \$56,190 and \$65,067 and forgiveness of \$83,376 and \$75,730 as of June 30, 2011 and 2010, respectively.	103,927	102,696
Parkside Apartments: Mortgages payable to the City of St. Petersburg with maturity dates in January 2022. One note of \$90,000 is interest free and will be forgiven 5% per year over 20 years. The other note of \$90,000 is interest free and is payable in full on the maturity date. The outstanding principal is payable upon an event of default. The mortgages are collateralized by the Oaks Apartments. The original mortgage amounts total \$180,000 and are presented net of discounts of \$38,513 and \$45,176 and forgiveness of \$45,000 and \$40,500; as of June 30, 2011 and 2010, respectively	96,487	94,324
Twin Brooks Apartments-PAL: Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through December 2049. The original mortgage amount was \$1,641,199 and is not discounted.	1,641,199	952,653
<i>Pinellas County Housing, Inc.</i> Mortgage payable to the U.S. Department of Housing and Urban Development; monthly payments of \$10,962 include principal and interest at 9.25% per annum; collateralized by real property, equipment, and assignment of rents; matures January 2028.	1,113,540	1,140,698
<i>Twin Brooks Apartments, Inc.</i> Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through September 2028. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$120,000 and is not discounted.	120,000	120,000
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through December 2049. The original mortgage amount was \$191,667 and is not discounted.	191,667	191,667
	<u>\$ 11,592,914</u>	<u>\$ 9,762,477</u>
Certain mortgages payable will be forgiven if certain conditions as described above are met. The following summarizes loans which will be forgiven and those which will require payments:		
With forgiveness provisions	\$ 8,940,109	\$ 7,104,954
Other	2,652,805	2,657,523
	<u>\$ 11,592,914</u>	<u>\$ 9,762,477</u>

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

The aggregate maturities of mortgages payable (before discounts) are as follows:

2012	\$	52,452
2013		50,776
2014		54,810
2015		240,209
2016		223,265
Thereafter		11,633,692
Total before discounts		12,255,204
Discounts		(662,290)
Net of discounts	\$	<u>11,592,914</u>

*Interest Free And Below Market Mortgages*

The recorded amounts of certain mortgages which are interest free or have below-market interest are calculated based on fair value using the prevailing market interest rates for similar transactions at the time the mortgages were executed, ranging from 6.54% to 8.54%. Each year, interest expense is recognized and the mortgage liability is increased (accrued).

Other interest free and below-market interest rate mortgages payable are recorded at face value which management had determined approximates fair value.

Certain mortgages payable with forgiveness provisions are recorded net of accumulated forgiveness.

**Note H - Fair Values Of Financial Assets**

The fair values of financial assets are as follows as of and for the year ended June 30, 2011:

Asset Category	Assets/Liabilities Measured at Fair Value June 30, 2011	Measured Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 1,470,570	\$ 1,470,570	\$ -	\$ -
Restricted cash	495,721	495,721	-	-
Certificates of deposit	736,599	736,599	-	-
Investments	1,628,103	761,147	639,561	227,395
	<u>\$ 4,330,993</u>	<u>\$ 3,464,037</u>	<u>\$ 639,561</u>	<u>\$ 227,395</u>

For the valuation of certain investments, the Organization used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

For the valuation of certain other investments, the Organization used significant unobservable inputs, including information from fund managers or other valuation methods (Level 3). Management reviews and evaluates the values provided by the fund managers and agrees with the valuation methods and assumptions used in determining the fair value of the investments.

*Neighborhood Lending Partners, Inc. Mortgages*

The mortgages payable to Neighborhood Lending Partners, Inc. (NLP) include a provision whereby PAL agrees that a default under the terms of any promissory note or loan executed by PAL in connection with any loan by NLP, whether now existing or hereafter existing, will be deemed a default under the terms of all promissory notes and loans by NLP to PAL. Upon the happening of any such default, NLP may, at its option, declare the entire outstanding indebtedness owed to be immediately due and payable in full. All indebtedness of PAL to NLP is cross collateralized.

**Note G - Line Of Credit**

Boley has an unsecured line of credit of \$1 million with Synovus Bank, none of which was outstanding at June 30, 2011 or 2010. Borrowings under the credit line carry a variable interest rate (4.00% and 3.378% at June 30, 2011 and 2010, respectively), subject to change based on the Three Month LIBOR as published weekly in the Wall Street Journal. This credit line is payable on demand.

**Boley Centers, Inc. And Affiliates**  
**Notes To Consolidated Financial Statements**  
**June 30, 2011 And 2010**

The table below sets forth a reconciliation of the Organization's beginning and ending Level 3 financial assets for the year ended June 30, 2011:

Other Investments:		
Beginning of year	\$	15,000
Realized/unrealized losses included in change in net assets		14,549
Purchases, sales, issuances, and settlements, net		197,846
End of year	\$	<u>227,395</u>

**Note I - Unrestricted Net Assets**

Unrestricted net assets consist of the following at June 30:

	2011	2010
Board designated	\$ 125,305	\$ 61,098
Section 811 capital advances	11,330,748	9,331,758
Operating surplus	10,801,246	10,134,243
	<u>\$ 22,257,299</u>	<u>\$ 19,527,099</u>

The board of directors has designated certain cash to be used for capital purchases and operations and retirement plan contributions. For the years ended June 30, 2011 and 2010, board designated net assets totaled \$125,305 and \$61,098, respectively.

**Note J - Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at June 30:

	2011	2010
Discount on below market rate mortgages	\$ 662,290	\$ 742,424
Facility lease receivable	64,783	71,724
	<u>\$ 727,073</u>	<u>\$ 814,148</u>

**Note K - Thrift Store Revenue**

Thrift store revenue for the years ended June 30 consists of the following:

	2011	2010
Contributions - donated goods	\$ 311,561	\$ 304,994
Sales and other	243,151	287,738
	<u>\$ 554,712</u>	<u>\$ 592,732</u>

**Note L - Gain (Loss) On Disposal/Impairment Of Property And Equipment**

During the years ended June 30, 2011 and 2010, Boley sold various vehicles and recognized gains of \$11,000 and \$2,475, respectively.

During 2010, Boley sold Williams House to PAL and recognized an impairment loss of \$67,094.

During 2010, PAL demolished the buildings at PAL Village. The buildings demolished had a net book value of \$66,545. Additionally, management evaluated the value of the land at PAL Village. Based on an appraisal received, management decided to write down the value of the PAL Village land to the appraised amount, which is the estimated future cash flows to be generated in the event that the land is sold. An impairment loss of \$55,000 was recognized on the PAL Village land. Total losses recognized for PAL Village during 2010 were \$121,545.

During September 2009, heavy rain storms caused significant damage to Twin Brooks-PAL, which was under construction. Approximately \$1.6 million was incurred in construction costs. Management estimated that only \$315,000 was salvageable. Accordingly, approximately \$1.3 million of construction costs had to be written off. There were an additional \$115,516 of costs associated with legal, architectural, and site costs incurred related to the incident that were paid on PAL's behalf by Boley.

Management negotiated with their insurance company to recover \$850,000 of the losses.

Net losses related to the rain storms at Twin Brooks-PAL are as follows:

Construction costs	\$ 1,600,689
Less amount salvageable	<u>(315,000)</u>
Construction costs written off	1,285,689
Less insurance recovery	(850,000)
Additional expenses incurred	115,516
Losses realized	<u>\$ 551,205</u>

**Note M - Other Revenue**

Other revenue for the years ended June 30 consists of the following:

	<u>2011</u>	<u>2010</u>
Donations	\$ 508,592	\$ 151,312
Other revenues	450,637	395,272
Interest and dividends	64,505	66,045
Special events, net	81,534	104,559
Food stamp income	159,349	175,681
Management revenue	61,270	58,001
Maintenance revenue	200,040	191,455
Medicare	17,364	17,765
Consulting	2,827	29,790
	<u>\$ 1,546,118</u>	<u>\$ 1,189,880</u>

**Note N - Related Party Transactions**

Included in clients and other accounts receivable is \$295,112 and \$264,672 due from Salt Creek as of June 30, 2011 and 2010, respectively.

Included in accounts payable is \$32,078 and \$0 due to SAS as of June 30, 2011 and 2010, respectively.

**Note O - Retirement Plan**

Boley has a defined contribution (profit sharing) plan. Employees who have completed one year of service and are 18 years or older are eligible to participate. The Organization's contribution to the plan is discretionary and is limited to the maximum amount allowable under the Internal Revenue Code. Contributions for the years ended June 30, 2011 and 2010 were approximately \$240,000 and \$346,000, respectively, determined for eligible participants gross earnings ranging from 2.5% to 7.5% based on years of service.

**Note P - Operating Leases**

Boley leases facilities for the vocational program and a thrift store, as well as various pieces of equipment under various operating leases. Rental expense for the years ended June 30, 2011 and 2010 was approximately \$331,000 and \$349,000, respectively.

Future minimum lease payments are as follows:

2012	\$ 266,340
2013	212,765
2014	196,729
2015	188,079
2016	16,030
	<u>\$ 879,943</u>

**Note Q - Restrictive Covenants, Contingencies, And Concentrations**

*Cash Balances*

From time to time, the Organization may maintain cash balances that exceed federal insurance limits. Management believes the risk of loss is remote.

*Accounts Receivable*

Concentrations of credit risk with respect to accounts receivable are considered minimal as the majority of the amounts receivable relate to grants from federal and state government agencies and/or have been collected subsequent to year-end.

*Federal And State Audits*

The Organization is subject to federal and state audits to determine compliance with grant funding requirements and provisions under Medicaid and Medicare. In the event that expenditures are disallowed or submitted claims are denied, repayment could be required. A Medicaid allowance has been established.

*Community Development Block Grants/Entitlement Grants*

The Organization has received Community Development Block Grants/Entitlement Grants to purchase community residential housing. In the event the Organization should dispose of or alter the use of the property within the period stipulated by the related contracts, the pro-rata share must be returned to the City of St. Petersburg.

*Home Investment Partnerships Program Funds*

The Organization has received Home Investment Partnerships Program funds to purchase community residential housing. In the event the Organization should dispose of or alter the use of the property within the period stipulated by the related contract, the pro-rata share must be returned to the respective funding source.

*Noncompliance*

The Organization is required under various loans and HUD regulatory agreements to operate certain residential housing as qualified low-income projects, as well as comply with various other provisions. In the event of noncompliance, the properties could be forfeited and/or the repayment of disallowed expenditures may be required.

*Section 811 Capital Advances*

HUD has provided funding through Section 811 Capital Advances of approximately \$11.3 million and \$9.3 million as of June 30, 2011 and 2010, respectively. These capital advances are collateralized by mortgages to HUD. These mortgages bear no interest and are not required to be repaid to HUD, as long as the mortgaged property remains available for low-income individuals with chronic mental illness for at least 40 years. It is the intention of management to meet this requirement and, therefore, these capital advances are reflected in unrestricted net assets. Failure to keep the projects available for low-income, mentally disabled individuals would result in repayment of the entire capital advance outstanding plus interest since the date of the first advance.

These projects operate in a heavily regulated environment. The operations of the projects are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by and act of Congress or and administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

**Note R - Subsequent Events**

For the year ended June 30, 2011, management of the Organization has evaluated subsequent events for potential disclosure through November 16, 2011, the date the financial statements were available to be issued. Management determined the following should be disclosed:

Subsequent to year end, Boley transferred to PAL the assets of Wild Acres and Owls Nest at book value. PAL began operating Wild Acres and Owls Nest. Together these facilities provide 13 beds in a group home setting.

The PCH mortgage payable to HUD is in the process of being refinanced. The refinanced mortgage payable is in the amount of \$1,626,000 with a maturity date 420 months from the date of closing. Payments will consist of principal and interest at 4.75% per annum and are required monthly. The mortgage will be collateralized by real property and assignment of rents.

## **Supplementary Information**

**Boley Centers, Inc. And Affiliates**  
**Schedule Of Expenditures Of Federal Awards And State Financial Assistance**  
**Year Ended June 30, 2011**

<b>Federal/State Agency</b> <i>Pass-Through Entity</i> Federal Program/State Project	<b>CFDA Number</b>	<b>CSFA Number</b>	<b>Contract #</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Transfers To Subrecipients</b>
<b>U.S. Department of Agriculture</b>						
<i>Passed through the State of Florida Department of Elder Affairs</i>						
Child and Adult Care Food Program	10.558		Y1030	\$ 80,127		\$ -
Child and Adult Care Food Program	10.558		Y0030	27,505		-
				<u>107,632</u>		<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>						
<i>Direct funding</i>						
Supportive Housing for Persons with Disabilities	14.181		N/A	1,878,600 (1)		-
<i>Passed through the City of St. Petersburg, Florida</i>						
Community Development Block Grants/Entitlement Grants	14.218		N/A	1,388,798 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	367,611 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	340,500 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	135,000 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	55,000 *		-
Community Development Block Grants/Entitlement Grants	14.218		B-10-MC-12-0017	53,287		-
Community Development Block Grants/Entitlement Grants	14.218		B-09-MC-12-0017	3,273		-
Subtotal - CFDA 14.218				<u>2,343,469</u>		<u>-</u>
<i>Direct funding</i>						
Supportive Housing Program	14.235		FL0040B4H020802	256,368		-
Supportive Housing Program	14.235		FL0040B4H020801	149,420		-
Supportive Housing Program	14.235		FL0039B4H020802	253,776		-
Supportive Housing Program	14.235		FL0031B4H020802	101,164		-
Supportive Housing Program	14.235		FL0031B4H020801	24,326		-
Supportive Housing Program	14.235		FL0038B4H820802	171,627		-
Supportive Housing Program	14.235		FL0038B4H820801	70,454		-
Supportive Housing Program	14.235		FL0036B4H020803	26,218		3,789
Supportive Housing Program	14.235		FL0036B4H020802	42,782		11,652
Supportive Housing Program	14.235		FL0037B4H020802	70,306		-
Supportive Housing Program	14.235		FL0037B4H020801	11,476		-
Supportive Housing Program	14.235		FL29B702001	35,491		-
Supportive Housing Program	14.235		FL0352B4H021001	27,522		-
Supportive Housing Program	14.235		FL0029B4H020800	53,890		-
Supportive Housing Program	14.235		FL0325B4H020900	155,394		155,087
Subtotal - CFDA 14.235				<u>1,450,214</u>		<u>170,528</u>
<i>Direct funding</i>						
Shelter Plus Care	14.238		FL29C302001	505,109		-
<i>Passed through Pinellas County, Florida</i>						
Home Investment Partnerships Program	14.239		N/A	2,135,880 *		-
Home Investment Partnerships Program	14.239		N/A	510,748 *		-
Home Investment Partnerships Program	14.239		N/A	140,000 * (2)		-
<i>Passed through the City of St. Petersburg, Florida</i>						
Home Investment Partnerships Program	14.239		N/A	500,000 * (1)		-
Home Investment Partnerships Program	14.239		N/A	433,812 *		-
Home Investment Partnerships Program	14.239		N/A	227,456 *		-
Home Investment Partnerships Program	14.239		M-10-MC-12-0220	171,405		-
Home Investment Partnerships Program	14.239		M-09-MC-12-0220	60,105		-
Subtotal - CFDA 14.239				<u>4,179,406</u>		<u>-</u>
<i>Passed through the City of Tampa, Florida</i>						
Housing Opportunities for Persons with AIDS	14.241		PY10	631,681		-
Housing Opportunities for Persons with AIDS	14.241		PY09	190,838		-
Subtotal - CFDA 14.241				<u>822,519</u>		<u>-</u>
<i>Direct funding</i>						
Section 8 Housing Choice Vouchers	14.871		Various	1,407,429		-

**Boley Centers, Inc. And Affiliates**  
**Schedule Of Expenditures Of Federal Awards And State Financial Assistance**  
**Year Ended June 30, 2011**

<b>Federal/State Agency</b>	<b>CFDA Number</b>	<b>CSFA Number</b>	<b>Contract #</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Transfers To Subrecipients</b>
<b>U.S. Department of Labor</b>						
<i>Passed through the City of St. Petersburg, Florida</i>						
WIA Pilots, Demonstrations, and Research Projects	17.261		N/A	239,757		-
<i>Direct funding</i>						
Youthbuild	17.274		YB-16924-08-60-A-12	12,859		-
<i>Direct funding</i>						
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275		GJ19926R	775,383 **		-
<b>U.S. Department of Transportation</b>						
<i>Passed through the Florida Department of Transportation</i>						
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		N/A	113,731		-
<b>U.S. Department of Education</b>						
<i>Passed through the Florida Department of Education</i>						
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		VJ948	464,713		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		VJ081	91,888		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		N/A	203,433		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		N/A	132,597		-
Subtotal - CFDA 84.126				892,631		-
<i>Passed through Syracuse University</i>						
National Institute on Disability and Rehabilitation Research	84.133		22136-01434-S04	10,000		-
<b>U.S. Department of Health and Human Services</b>						
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Temporary Assistance for Needy Families	93.558		CF652-1003	134,257		-
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Medical Assistance Program	93.778		CF652-1003	267,818		-
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Block Grants for Community Mental Health Services	93.958		CF652-1003	1,485,874		-
				<u>\$ 16,626,688</u>		<u>\$ 170,528</u>
<b>State of Florida Department of Children and Families</b>						
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Indigent Psychiatric Medication Program	60.039		CF652-1003		\$ 71,401	\$ -
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Adult Community Mental Health - Florida Assertive Community Treatment Teams	60.042		CF652-1003		220,807	-
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Adult Community Mental Health - Community Support Services	60.053		CF652-1003		2,505,005	-
<b>State of Florida Department of Juvenile Justice</b>						
<i>Passed through Family Resources, Inc.</i>						
Conditional Release Services	80.018		N/A		117,311	-
					<u>\$ 2,914,524</u>	<u>\$ -</u>

\* Represents loan funding that is reported in mortgages payable on the consolidated financial statements for which the Federal agency imposes continuing compliance requirements.

\*\* American Recovery and Reinvestments Act of 2009 program funding

(1) Relates to a Boley Centers, Inc. affiliate, Arlington Avenue Apartments, Inc.

(2) Relates to a Boley Centers, Inc. affiliate, Laurel Trace Apartments, Inc.

**Note A - Basis Of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activities of Boley Centers, Inc. and its affiliates, Arlington Avenue Apartments, Inc. and Laurel Trace Apartments, Inc. The information in this schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting. All significant inter-organization accounts and transactions are eliminated in the consolidation. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to non-profit organizations and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General.

Some amounts presented in the schedule may differ from amounts presented or used in the preparation of the consolidated financial statements.

**Note B - Contingencies**

Expenditures incurred by Boley Centers, Inc. and affiliates are subject to audit and possible disallowance by the federal or state grantor agencies. Management believes that, if audited, any adjustment for disallowed expenses would be immaterial.



Gregory, Sharer & Stuart, P.A.  
Certified Public Accountants and Business Consultants

**Independent Auditor's Report On Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit  
Of Financial Statements Performed In Accordance With  
*Government Auditing Standards***

Board of Directors  
Boley Centers, Inc. and Affiliates  
St. Petersburg, Florida

We have audited the consolidated financial statements of Boley Centers, Inc. and affiliates as of and for the year ended June 30, 2011, and have issued our report thereon dated November 16, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Boley Centers, Inc. and affiliates' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boley Centers, Inc. and affiliates' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Boley Centers, Inc. and affiliates' internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance And Other Matters**

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

We noted certain matters that we reported to the management of Boley Centers, Inc. and affiliates in a separate letter dated November 16, 2011.

This report is intended solely for the information and use of the board of directors and management of Boley Centers, Inc. and affiliates, federal and state funding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Gregory, Sharer & Stuart, P.A.**

St. Petersburg, Florida  
November 16, 2011



# Gregory, Sharer & Stuart, P.A.

Certified Public Accountants and Business Consultants

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**Independent Auditor's Report On Compliance With Requirements That Could  
Have A Direct And Material Effect On Each Major Program And Project  
And On Internal Control Over Compliance In Accordance With  
OMB Circular A-133; Section 215.97, Florida Statutes;  
And Chapter 10.650, Rules of the Auditor General**

Board of Directors  
Boley Centers, Inc. and Affiliates  
St. Petersburg, Florida

## **Compliance**

We have audited the compliance of Boley Centers, Inc. and affiliates' with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*, and the *State Projects Compliance Supplement* that could have a direct and material effect on its major federal programs and major state project for the year ended June 30, 2011. Boley Centers, Inc. and affiliates' major federal programs and major state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs and major state projects is the responsibility of Boley Centers, Inc. and affiliates' management. Our responsibility is to express an opinion on Boley Centers, Inc. and affiliates' compliance based on our audit.

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; OMB Circular A-133; Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, Section 215.97, and Chapter 10.650 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 Boley Centers, Inc. and affiliates' 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. Our audit does not provide a legal determination of Boley Centers, Inc. and affiliates' compliance with those requirements.

In our opinion, Boley Centers, Inc. and affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs and major state project for the year ended June 30, 2011.

## **Internal Control Over Compliance**

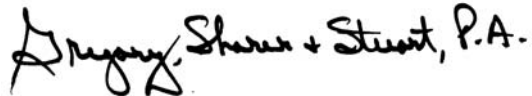
Management of Boley Centers, Inc. and affiliates is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Boley Centers, Inc. and affiliates' internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, Section 215.97, and Chapter 10.650 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 Boley Centers, Inc. and affiliates' 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 state project will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the board of directors and management of Boley Centers, Inc. and affiliates, federal and state funding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Gregory, Sharer & Stuart, P.A.**

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." with a stylized flourish at the end.

St. Petersburg, Florida  
November 16, 2011

**Boley Center, Inc. And Affiliates**  
**Schedule Of Findings And Questioned Costs**  
**Year Ended June 30, 2011**

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**Section I - Summary Of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting: \_\_\_\_\_ Yes

Material weakness(es) identified? \_\_\_\_\_ Yes X No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X No

*Federal Awards*

Type of auditor's reports issued on compliance for federal awards: Unqualified

Internal control over major federal programs: \_\_\_\_\_ Yes X No

Material weakness(es) identified? \_\_\_\_\_ Yes X None reported

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes X No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.235	Supportive Housing Program
14.241	Housing Opportunities for Persons with AIDS
17.275	Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors
93.958	Block Grants for Community Mental Health Services

Dollar threshold used to distinguish between type A and type B programs \$ 498,801

Auditee qualified as low-risk auditee? X Yes \_\_\_\_\_ No

*State Financial Assistance*

Type of auditor's reports issued on compliance for state financial assistance: Unqualified

Internal control over major state projects: \_\_\_\_\_ Yes X No

Material weakness(es) identified? \_\_\_\_\_ Yes X None reported

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General? \_\_\_\_\_ Yes X No

Identification of major state project:

CSFA Number	Name of State Project
60.053	Adult Community Mental Health – Community Support Services

Dollar threshold used to distinguish between type A and type B projects \$300,000

**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Award Findings And Questioned Costs**

None reported.

**Section IV - State Financial Assistance Findings And Questioned Costs**

None reported.

**Section V - Other Matters**

No summary schedule of prior audit findings is required as there were no prior audit findings.

No State of Florida Auditor General management letter is required because there were not matters noted that are required to be reported.

## **Additional Supplementary Information**

**AUDIT SCHEDULE  
BOLEY CENTERS, INC.  
Schedule of State Earnings for  
Fiscal Year 06/30/2011**

<b>1</b>	<b>Total Expenditures</b>	<b>\$17,142,520</b>
<b>2</b>	<b>Less Other State and Federal Funds</b>	<b>(9,791,262)</b>
<b>3</b>	<b>Less Non-Match SAMH Funds</b>	<b>(2,369,506)</b>
<b>4</b>	<b>Less Unallowable Costs per 65E-14, F.A.C.</b>	<b>-</b>
<b>5</b>	<b>Total Allowable Expenditures</b> (Sum of lines 1, 2, 3, and 4)	<b>4,981,752</b>
<b>6</b>	<b>Maximum Available Earnings</b> (Line 5 times 75%)	<b>3,736,314</b>
<b>7</b>	<b>Amount of State Funds Requiring Match</b>	<b>2,913,118</b>
<b>8</b>	<b>Amount Due to Department</b> (Subtract line 7 from line 6, If negative, the amount of the) difference is due to the department up to the amount of line 7)	<b>\$0</b>

**AUDIT SCHEDULE  
BOLEY CENTERS, INC.  
Schedule of Related Party Transaction Adjustments  
for the Fiscal Year Ending 06/30/2011**

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

Footnote: Agency had no Related Party Transactions

**AUDIT SCHEDULE**  
**BOLEY CENTERS, INC.**  
**Schedule of Bed-Day Availability Payments**  
For Fiscal Year Ending 06/30/2011

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 (D-E)	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F (F x C)	Amount Owed to Department (G-H or \$0, whichever is greater)
A	B	C	D	E	F	G	H	I
Children's MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Adult MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Children's SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult MH	Short-term Residential Treatment				0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
								<b>Total Amount Owed to Department =</b>
								\$0.00
Footnote: Agency had no Bed-Day Contracted Services								

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

AGENCY: Boley Centers, Inc.

DATE PREPARED: 10/31/2011

CONTRACT #: CF652-1003

BUDGET PERIOD FROM: 7/1/2010 to 6/30/2011

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS										Non-SAMH Cost Center	Total Funding
	STATE SAMH-FUNDED COST CENTERS											
	AMH											
	Residential Level II	Room & Board w/Supervision Level II	Room & Board w/Supervision Level III	Medical Services	CCST	FACT	Supported Employment	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Tot. for All State-Designated SAMH Cost Centers		
<b>IA. STATE SAMH FUNDING</b>												
(1) Suncoast	\$ 752,814	1,547,331	301,433	260,452	1,065,311	1,220,807	134,257	5,282,405	xxxxxxx	5,282,405	xxxxxxx	5,282,405
	-	-	-	-	-	-	-	-	xxxxxxx	-	xxxxxxx	-
<b>TOTAL STATE SAMH FUNDING =</b>	<u>752,814</u>	<u>1,547,331</u>	<u>301,433</u>	<u>260,452</u>	<u>1,065,311</u>	<u>1,220,807</u>	<u>134,257</u>	<u>5,282,405</u>	<u>xxxxxxx</u>	<u>5,282,405</u>	<u>xxxxxxx</u>	<u>5,282,405</u>
<b>IB. OTHER GOVT. FUNDING</b>												
(1) Other State Agency Funding	-	-	-	32,420	-	-	-	32,420	-	32,420	172,079	204,499
(2) Medicaid	8,686	100,143	22,416	64,381	214,048	-	-	409,674	-	409,674	1,555,144	1,964,818
(3) Local Government	-	-	5,000	-	-	-	-	5,000	-	5,000	1,273,917	1,278,917
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-	6,343,028	6,343,028
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOT. OTHER GOVT. FUNDING =</b>	<u>8,686</u>	<u>100,143</u>	<u>27,416</u>	<u>96,801</u>	<u>214,048</u>	<u>-</u>	<u>-</u>	<u>447,094</u>	<u>-</u>	<u>447,094</u>	<u>9,344,168</u>	<u>9,791,262</u>
<b>IC. ALL OTHER REVENUES</b>												
(1) 1st & 2nd Party Payments	-	-	-	-	-	-	-	-	-	-	-	-
(2) 3rd Party Payments (except Medicare)	113,060	189,886	37,075	-	-	-	-	340,021	-	340,021	56,600	396,621
(3) Medicare	-	-	-	17,364	-	-	-	17,364	-	17,364	-	17,364
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-	-	350,691	350,691
(5) Other	20,439	87,943	-	-	-	115	-	108,497	-	108,497	1,653,696	1,762,193
(6) In-kind	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOT. ALL OTHER REVENUES =</b>	<u>133,499</u>	<u>277,829</u>	<u>37,075</u>	<u>17,364</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>465,882</u>	<u>-</u>	<u>465,882</u>	<u>2,060,987</u>	<u>2,526,869</u>
<b>TOTAL FUNDING = \$</b>	<u>894,999</u>	<u>1,925,303</u>	<u>365,924</u>	<u>374,617</u>	<u>1,279,359</u>	<u>1,220,922</u>	<u>134,257</u>	<u>6,195,381</u>	<u>-</u>	<u>6,195,381</u>	<u>11,405,155</u>	<u>17,600,536</u>

