

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**THE CENTERS, INC.  
OCALA, FLORIDA**

**JUNE 30, 2011**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**THE CENTERS, INC.  
OCALA, FLORIDA**

**JUNE 30, 2011**

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**FINANCIAL STATEMENTS  
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**THE CENTERS, INC.  
OCALA, FLORIDA**

**JUNE 30, 2011**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Centers, Inc.  
Ocala, Florida

We have audited the accompanying financial statements of the business-type activities of The Centers, Inc. (the Centers), a governmental nonprofit organization, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Centers, as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the years 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 15, 2011, on our consideration of the Centers' internal control over financial reporting and 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 the 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 audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although, not part of the basic financial statements is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Certified Public Accountants**

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors  
The Centers, Inc.  
Ocala, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying additional information, as listed in the table of contents, is presented for purposes of additional analysis as required by the State of Florida Department of Children and Families, and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Purvis, Gray and Company, LLP*

November 15, 2011  
Ocala, Florida

**THE CENTERS, INC**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

The discussion and analysis of the financial performance of the Centers provides an overall review of the Centers' financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Centers' financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Centers' financial performance.

**FINANCIAL HIGHLIGHTS**

- The assets of the Centers exceeded its liabilities at the close of the fiscal year ended June 30, 2011, by \$12 million. Total net assets increased \$.6 million during the year ended June 30, 2011.
- State and Federal revenues accounted for \$28.7 million or 90% of the Centers' total revenue of \$31.9 million. County revenues accounted for \$1.5 million or 5% of total revenue. Client and insurance fees, other contracts and grants accounted for \$1.4 million or 4% of total revenue. Interest income and contributions (non-operating revenue) accounted for \$0.3 million or 1% of total revenue.
- Salaries, benefits, and professional development of \$22.3 million represented 71% of total expenses and contractual services represented \$2.5 million or 8% of total expenses, for a total of 79% of the Centers' total expenses of \$31.2 million. Equipment and facilities expense accounted for \$2.8 million or 9% of total expenses. Expenses related to program operating costs accounted for \$2.2 million or 7% of total expenses and other operating costs were \$0.9 or 3% of total expenses. Interest and fundraising (non-operating expenses) accounted for \$0.5 million or 2% of total expense.
- Total assets increased \$.1 million, a 0.5% increase from 2010. Total liabilities decreased \$0.5 million, a 5.8% decrease from 2010.

**USING THIS ANNUAL FINANCIAL REPORT**

This report consists of a series of financial statements, the notes to those statements, and supplementary information to allow readers to review the financial activities of the Centers as a whole or to obtain a more detailed view of the Centers' operations, as they prefer.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Statement of Net Assets and the Statement of Activities**

The view of the Centers as a whole is presented in the accompanying financial statements and is designed to provide readers with a broad overview of the Centers' finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Centers is improving or deteriorating.

The Statement of Activities provides summary information concerning the financial operations of the Centers. In evaluating the Centers' overall position, non-financial factors should also be taken into consideration, such as the current economic situation as a whole, changes in the governmental contracts for services, the age and condition of the Centers' buildings and equipment, and other such factors.

Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting. This basis of accounting takes into account all revenues earned and all expenses incurred in the current year regardless of when cash is received or paid.

**THE CENTERS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
*(Continued)*

**REPORTING THE CENTERS' MOST SIGNIFICANT FUNDS**

The Centers is involved in one business type activity: providing a variety of behavioral health care/child welfare services designed to help children and adults reach their highest level of functioning. This activity is recorded in a single enterprise fund.

**FINANCIAL ANALYSIS OF THE CENTERS AS A WHOLE**

**Business-type Activities**

The Statement of Net Assets provides an overall view of the Centers as of year-end and over time can serve as a useful indicator of the Centers' financial position.

Total assets increased 0.5%, from \$20.5 million in fiscal year 2010 to \$20.6 million in fiscal year 2011, an increase of \$.1 million. This \$.1 million increase in total assets is primarily due to an increase in Grants Receivable.

Total liabilities decreased 6.6% from \$9.1 million in fiscal year 2010 to \$8.5 million in fiscal year 2011, a decrease of \$0.6 million. This \$0.6 million decrease in total liabilities is due to a \$0.3 million decrease in short-term liabilities, and decrease of \$0.3 million in long-term liabilities.

The Statement of Activities reports the financial operations of the Centers during the current fiscal year. \$18.9 million, or 59%, of the Centers' \$31.9 million in revenues in 2011 were earned from services provided directly to the Department of Children & Families (DCF) of the State of Florida or indirectly to DCF under the Kids Central, Inc. (KCI) contracts. Medicare and Medicaid revenues represented \$9.7 million, or 30% of fiscal year 2011 revenues, and other governmental funding \$0.3 million or 1%. Funding from Marion County and Citrus County, the two counties which the Centers' principally serves, totaled \$1.5 million or 5% of revenues. Client and insurance fees, other contracts and grants accounted for \$1.4 million or 4% of total revenue. Interest income and contributions (non-operating) represented \$0.3 million or 1% of revenues.

Total revenues increased from \$28.7 million in fiscal year 2010 to \$31.9 million in fiscal year 2011, an increase of \$3.2 million. This \$3.2 million increase is due primarily to increased earnings from programs under the Kids Central, Inc. contracts, Medicaid Risk Pool and Fee for Service programs, and transition from private insurance to HMO programs established for Medicaid and Medicare.

Total expenses increased from \$27.5 million in fiscal year 2010 to \$31.2 million in fiscal year 2011, an increase of \$3.7 million. This increase is due primarily to an increase in payroll, facilities, and program operating costs. Salaries and benefits, professional development, and contractual services accounted for \$24.8 million or 79% of the Centers' \$31.2 million total expenses in fiscal year 2011. Equipment and facilities expense accounted for \$2.8 million or 9% of total expenses. Program operating expenses such as food for the residential programs, medical and other supplies accounted for \$2.2 million or 7% of total expenses, and other operating costs were \$0.9 or 3% of total expense. The remaining \$0.5 million or 2% of the total expenses are interest and fundraising (non-operating) expense.

**THE CENTERS, INC**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
*(Concluded)*

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year 2011, the Centers had \$10.3 million, net of accumulated depreciation, invested in capital assets such as furniture and equipment, land, and buildings and improvements. This amount is not a significant change from the prior fiscal year.

**Debt**

At year-end, the Centers had \$5.6 million in short and long-term notes and mortgages payable relating to existing land and buildings. Additional information concerning the Centers' debt can be found in the notes to the financial statements.

**CURRENT ECONOMIC CONDITION AND OUTLOOK**

The Centers is a private not-for-profit corporation that has contracted with the State of Florida (DCF) to provide mental health and substance abuse services to adults and children of Marion and Citrus counties. In fiscal year 2011, services provided under these contracts resulted in \$10.4 million of revenues.

The Centers is contracted with Kids Central, Inc. to provide Community Based Care services and Crisis Response Team services. In fiscal year 2011, services provided under these contracts resulted in \$8.4 million of revenues.

The Centers shall continue pursuing integrated healthcare in fiscal year 2012.

During the 2012 fiscal year the Centers will be renovating a facility at the Martin Luther King Junior Avenue campus in Ocala to serve as the Pre-Arrest Diversion Center for individuals who may be suffering from a mental illness. This renovation is being funded via a Community Development Block Grant for \$301,772 from Marion County.

In fiscal year 2012 the Centers will continue to pursue a \$1.2 million loan from the United States Department of Agriculture Rural Development to expand the Adolescent Residential Substance Abuse Treatment Facility (ARSAT) in Lecanto.

Other than the above, the Centers is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during fiscal year 2012.

**CONTACTING THE CENTERS' FINANCIAL MANAGEMENT**

This financial report is designed to provide readers with a general overview of the Centers' finances and to reflect the Centers' accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, at the Centers, Inc., 5664 S.W. 60th Ave, Ocala, Florida 34474.



**STATEMENTS OF NET ASSETS**  
**BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND**  
**JUNE 30, 2011 AND 2010**  
**THE CENTERS, INC. - OCALA, FLORIDA**

**ASSETS**

	<u>2011</u>	<u>2010</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,728,633	\$ 5,845,518
Accounts Receivable:		
Client Fees (Net of Allowance for Uncollectible Accounts of \$1,902,037 in 2011 and \$3,176,862 in 2010)	1,421,288	654,698
Other	60,379	30,199
Contracts and Grants Receivable	3,488,174	2,285,786
Prepaid Expenses	441,306	320,006
Inventories	298,921	224,070
<b>Total Current Assets</b>	<u>9,438,701</u>	<u>9,360,277</u>
<b>Noncurrent Assets</b>		
Restricted Cash and Cash Equivalents:		
Debt Service Reserve	399,803	415,288
Unrestricted Cash and Cash Equivalents:		
Board Reserve Funds	208,911	204,740
Capital Assets, Net of Accumulated Depreciation	10,348,995	10,303,385
Other Assets:		
Unamortized Debt Issue Costs, Net	77,988	92,823
Security Deposits and Other	77,277	68,883
<b>Total Noncurrent Assets</b>	<u>11,112,974</u>	<u>11,085,119</u>
<b>Total Assets</b>	<u><u>20,551,675</u></u>	<u><u>20,445,396</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts Payable and Other Accrued Expenses	1,415,985	1,918,687
Accrued Salaries and Payroll Taxes	923,851	736,403
Accrued Vacation and Sick Leave	574,701	509,456
Current Portion of Long-term Liabilities	367,011	760,042
<b>Total Current Liabilities</b>	<u>3,281,548</u>	<u>3,924,588</u>
<b>Long-term Liabilities</b>		
Mortgage Notes Payable	5,282,895	5,171,725
<b>Total Long-term Liabilities</b>	<u>5,282,895</u>	<u>5,171,725</u>
<b>Total Liabilities</b>	<u>8,564,443</u>	<u>9,096,313</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	4,777,077	4,464,441
Restricted for Debt Service	399,803	415,288
Unrestricted	6,810,352	6,469,354
<b>Total Net Assets</b>	<u>\$ 11,987,232</u>	<u>\$ 11,349,083</u>

See accompanying notes.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**  
**THE CENTERS, INC. - OCALA, FLORIDA**

	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>		
<b>State and Federal Revenues</b>		
DCF Contracts - Mental Health:		
Adult	\$ 4,293,894	\$ 4,386,938
Children	1,405,638	1,410,638
DCF Contracts - Substance Abuse:		
Adult	2,578,414	2,585,880
Children	1,083,931	848,956
DCF Contracts - Other:		
Children	975,000	959,000
KCI Contracts:		
Child Welfare Services	8,410,751	6,486,800
Other Intergovernmental Revenues	308,780	397,269
Medicare and Medicaid	9,662,476	7,007,838
Indigent Drug Program	68,585	68,585
<b>Total State and Federal Revenues</b>	<b>28,787,469</b>	<b>24,151,904</b>
<b>County Revenues</b>		
Marion County	1,143,759	1,130,260
Citrus County	357,514	329,821
<b>Total County Revenues</b>	<b>1,501,273</b>	<b>1,460,081</b>
<b>Other Revenues</b>		
Client and Insurance Fees	991,059	2,308,109
Other Contracts and Service Fees	287,190	477,314
<b>Total Other Revenues</b>	<b>1,278,249</b>	<b>2,785,423</b>
<b>Total Operating Revenues</b>	<b>31,566,991</b>	<b>28,397,408</b>
<b>Operating Expenses</b>		
<b>Personnel</b>		
Salaries	18,696,747	15,529,671
Benefits and Taxes	3,560,353	3,095,718
<b>Total Personnel</b>	<b>22,257,100</b>	<b>18,625,389</b>
<b>Contractual Services</b>		
Service Contracts	44,208	124,820
Professional Fees	2,417,046	3,168,303
<b>Total Contractual Services</b>	<b>2,461,254</b>	<b>3,293,123</b>
<b>Professional Development</b>	<b>12,798</b>	<b>11,632</b>

See accompanying notes.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Concluded)*

	<u>2011</u>	<u>2010</u>
<b>Operating Expenses (Concluded)</b>		
<b>Equipment and Facilities Expenses</b>		
Depreciation	\$ 721,686	\$ 621,164
Rental	716,781	661,679
Repairs and Maintenance	636,655	567,824
Utilities	694,891	670,790
<b>Total Equipment and Facilities Expenses</b>	<u>2,770,013</u>	<u>2,521,457</u>
<b>Supplies Expenses</b>		
Educational/Medical Supplies	783,539	619,380
Food/Household Supplies	420,081	370,345
Office Supplies	462,903	354,473
Printing/Reproduction	102,373	104,793
<b>Total Supplies Expenses</b>	<u>1,768,896</u>	<u>1,448,991</u>
<b>Travel and Transportation Expenses</b>		
Travel	464,999	409,702
Conferences/Workshops	17,981	16,609
<b>Total Travel and Transportation Expenses</b>	<u>482,980</u>	<u>426,311</u>
<b>Other Expenses</b>		
Insurance	420,962	390,660
State Indigent Drugs	65,068	49,337
Other	450,027	431,147
<b>Total Other Expenses</b>	<u>936,057</u>	<u>871,144</u>
<b>(Total Operating Expenses)</b>	<u>(30,689,098)</u>	<u>(27,198,047)</u>
<b>Income from Operations</b>	<u>877,893</u>	<u>1,199,361</u>
<b>Nonoperating Revenues (Expenses)</b>		
Contributions and Special Events	255,180	161,325
Investment Income	59,708	55,545
Interest Expense	(272,685)	(278,719)
Amortization Expense	(19,785)	(8,664)
Fundraising Expense	(255,133)	(99,866)
(Loss) on Disposal of Capital Asset	(7,029)	(6,665)
<b>Total Nonoperating Income and (Expense)</b>	<u>(239,744)</u>	<u>(177,044)</u>
<b>Excess of Revenues Over Expenses Before Capital Grants and Contributions</b>	<u>638,149</u>	<u>1,022,317</u>
<b>Capital Grants and Contributions</b>	<u>0</u>	<u>62,906</u>
<b>Increase in Net Assets</b>	638,149	1,085,223
<b>Net Assets, Beginning of Year</b>	<u>11,349,083</u>	<u>10,263,860</u>
<b>Net Assets, End of Year</b>	<u>\$ 11,987,232</u>	<u>\$ 11,349,083</u>

See accompanying notes.

**STATEMENTS OF CASH FLOWS**  
**BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**  
**THE CENTERS, INC. - OCALA, FLORIDA**

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities</b>		
Receipts from and on Behalf of Patients	\$ 10,212,957	\$ 9,832,459
Operating Grant and Contract Receipts	19,354,878	17,233,338
Payments to Suppliers	(8,417,165)	(7,909,892)
Payments for Salaries, Benefits, and Taxes	<u>(22,004,409)</u>	<u>(18,408,421)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(853,739)</u>	<u>747,484</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Noncapital Grants and Contributions	87,877	94,064
Fund-raising Expense	<u>(87,830)</u>	<u>(32,605)</u>
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>47</u>	<u>61,459</u>
<b>Cash Flows from Capital Financing Activities</b>		
Capital Grants and Contributions	0	62,906
Principal Paid on Long-term Debt	(769,979)	(395,425)
Interest Paid on Long-term Debt	(272,685)	(278,719)
Purchase of Capital Assets	(774,325)	(826,538)
New Debt Loan Costs Paid	(4,950)	(12,916)
Proceeds from New Debt Issuance	<u>488,118</u>	<u>422,238</u>
<b>Net Cash Provided by (Used in) Capital Financing Activities</b>	<u>(1,333,821)</u>	<u>(1,028,454)</u>
<b>Cash Flows from Investing Activities</b>		
Interest Received	59,314	55,356
Purchase of Investments	<u>0</u>	<u>(5,000)</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>59,314</u>	<u>50,356</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(2,128,199)	(169,155)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>6,465,546</u>	<u>6,634,701</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 4,337,347</u>	<u>\$ 6,465,546</u>
<b><u>Reconciliation of Cash and Cash Equivalents to the</u></b>		
<b><u>Statements of Net Assets</u></b>		
Cash and Cash Equivalents in Current Assets	\$ 3,728,633	\$ 5,845,518
Restricted Cash and Cash Equivalents	399,803	415,288
Unrestricted Cash and Cash Equivalents	208,911	204,740
<b>Total Cash and Cash Equivalents</b>	<u>\$ 4,337,347</u>	<u>\$ 6,465,546</u>

See accompanying notes.

**STATEMENTS OF CASH FLOWS**  
**BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Concluded)*

	<b>2011</b>	<b>2010</b>
<b><u>Reconciliation of Income from Operations to Net Cash Provided</u></b>		
<b><u>by (Used in) Operating Activities</u></b>		
Operating Income	\$ 877,893	\$ 1,199,361
Adjustments to Reconcile Income from Operations to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	721,686	621,164
(Loss) on Disposal of Fixed Asset	0	(5,621)
Change in:		
Accounts Receivable	(766,590)	44,414
Accounts Receivable - Other	(30,178)	(5,216)
Contracts and Grants Receivable	(1,202,388)	(1,370,809)
Prepaid Expenses	(121,300)	76,343
Inventories	(74,851)	(114,479)
Security Deposits and Other Assets	(8,000)	(21,318)
Accounts Payable	(502,704)	106,677
Accrued Payroll and Taxes	187,448	182,350
Accrued Sick and Vacation	65,245	34,618
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (853,739)</b>	<b>\$ 747,484</b>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS  
THE CENTERS, INC. - OCALA, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The Centers, Inc. (the Centers), formerly Marion-Citrus Mental Health Centers, Inc., is a not-for-profit Florida corporation that provides comprehensive mental health, substance abuse, and children's services to the general public of Marion and Citrus counties in cooperation with other human service agencies and programs. Because Marion and Citrus counties have final approval of all members elected to the Board of Directors, the Centers is considered to be a governmental, nonprofit organization.

For financial statement purposes, the Centers is considered a special purpose government engaged only in business-type activities and uses enterprise fund accounting. Accordingly, the accompanying financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has occurred. The accompanying financial statements present the assets, liabilities, revenues, and expenses of the Centers. The financial statements of the Centers have been prepared in accordance with generally accepted accounting principles as applied to governmental units. Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

**Financial Statement Classification**

Pursuant to GASB Statement No. 20, the Centers has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations, issued after November 30, 1989, to its proprietary fund-type activities.

**Expendable Restricted Resources**

Operating and capital asset funds restricted by the donor, grantor, or other outside party for particular operating purposes or for property acquisitions are deemed to be earned and reported as revenues of operating accounts or as additions to capital assets accounts, respectively, when the Centers has incurred expenditures in compliance with the specific restrictions. Such amounts received, but not yet earned, are reported as amounts payable to grantor agencies.

**Capital Assets and Depreciation**

Donated assets are capitalized at fair value on the date of donation. Proceeds from the sale of capital assets, if unrestricted, are transferred to operating fund balances, or, if restricted, are paid to grantor agencies. Assets purchased using funds from grants that specify that title remains with grantor agency, or that proceeds from the sale of the asset are payable to the grantor agency, are capitalized at cost as the Centers typically has control and use of the asset over the asset's useful life. The grantor usually does not reclaim the asset, and reversion of title is legal protection for the grantor in case the activities of the Centers are prematurely terminated.

Property and equipment are recorded at cost with estimated lives of three to ten years for transportation and other equipment, and fifteen to thirty years for various buildings and leasehold improvements. The straight-line method of depreciation is used. Maintenance and repairs are expensed as incurred.

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Cash and Cash Equivalents**

The Centers considers cash and cash equivalents to include cash deposits, certificates of deposits, and money market accounts which are treated as cash equivalents in the statement of cash flows.

**Restricted Cash and Cash Equivalents**

Cash, which has been accumulated in accordance with certain loan agreements for repayment thereof, has been segregated on the statement of net assets under the headings "Restricted Cash and Cash Equivalents, Debt Service Reserve." These amounts are required to be held separately by the Centers and can only be used for debt service payments related to certain mortgage loans.

**Net Assets**

Net assets of the Centers are classified in three components. Net assets invested in capital assets, net of related debt consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net assets are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Centers. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted. When the Centers has both restricted and unrestricted resources available to finance a particular program, it is the Centers policy to use restricted resources before unrestricted resources.

**Inventories**

Inventory consists of in-patient and indigent drugs, and is valued at cost using the first-in, first-out (FIFO) method.

**Accounts Receivable**

Accounts receivable are shown at the anticipated realizable value, net of allowance for uncollectible accounts. Accounts receivable consist primarily of contract and fee amounts due from state and county governments, clients, and third party payers.

**Income Taxes**

The Centers has been recognized as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC), and is exempt from federal income tax on related income pursuant to Section 501(a) of the IRC. The Centers has been classified as an organization that is not a private foundation under Section 509(a)(2) of the IRC and qualify for the charitable contributions deduction for donors.

**In-kind Revenues and Expenses**

Revenues and expenses from in-kind contributions are recognized when received based upon the estimated fair market value of the contribution, provided that there is a clearly measurable basis to value such contributions.

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Capitation Revenue Agreements**

The Centers has an agreement with North Florida Behavioral Health Partners, Inc. to provide certain medical services to patients in the Florida Prepaid Mental Health Plan. Under the agreement, the Centers receives monthly capitation payments based on the number of patients in the Florida Prepaid Mental Health Plan area. In addition, North Florida Behavioral Health Partners, Inc. makes fee-for-service payments to the Centers for certain covered services based upon contracted fee schedules. North Florida Behavioral Health Partners, Inc. is a related party as further described in Note 11.

The Centers has an agreement with the Department of Children and Families to provide certain medical services to patients qualifying under the Florida KidCare Program. Under the agreement, the Centers receives monthly capitation payments based on the number of patients enrolled in the Behavioral Health Care Network within the Centers service area.

**Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The primary area of management estimates is determining the collectability of amounts due from service fee receivables including Medicare, Medicaid, insurance, and client fees, as well as contingency reserves.

**Reclassifications**

Certain prior year amounts have been reclassified to conform with current year financial reporting and to facilitate comparison of financial data.

**Capitalized Interest**

It is the policy of the Centers to capitalize interest incurred during the construction of buildings and related improvements.

**Operating Revenues and Expenses**

The Centers statement of revenues, expenses, and changes in net assets distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing comprehensive mental health, substance abuse, and children's services to the general public - the Centers' principal activity. Nonexchange revenues, including grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating revenues are all expenses incurred to provide the Centers' principal activities, other than financing costs.

**Charity Care**

The Centers provides care to its patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Centers does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

**Compensated Absences**

The Centers recognizes a liability for accrued and vested vacation and sick leave pay.



**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Cash Equivalents**

The Centers' investment policy states that funds shall be invested according to the principles of safety of principal, liquidity and accessibility, professional management, reasonable and normal costs, and return. Permitted investments include: U.S. government obligations, U.S. government agency obligations, certificates of deposit, repurchase agreements, money market mutual funds, and corporate debt.

As of June 30, 2011, the carrying amount of the Centers' demand deposits, money market funds, and certificates of deposits was \$4,334,037 and the bank balances totaled \$4,974,127. Petty cash totaled \$3,310. The Centers' deposits, money market funds, and certificates of deposits are partially or fully covered by the Federal Deposit Insurance Corporation (FDIC). The FDIC insures the first \$250,000 of the majority of the Centers' deposits at each financial institution. Additionally, specific noninterest bearing accounts can be fully insured through special programs with the FDIC.

As of June 30, 2010, the carrying amount of the Centers' demand deposits, money market funds, and certificates of deposits was \$6,462,212 and the bank balances totaled \$6,546,847. Petty cash totaled \$3,355. The Centers' deposits, money market funds, and certificates of deposits are partially or fully covered by the Federal Deposit Insurance Corporation (FDIC). The FDIC insures the first \$250,000 of the majority of the Centers' deposits at each financial institution. Additionally, specific noninterest bearing accounts can be fully insured through special programs with the FDIC.

*Custodial Credit Risk Deposits*—Custodial credit risk is the risk that in the event of a bank failure, the Centers' deposits may not be returned. As of June 30, 2011 and 2010, \$940,126 of the Centers' bank balance of \$4,974,127 and \$2,594,879 of the Centers' bank balance of \$6,546,847, respectively, was exposed to custodial credit risk as being uninsured and uncollateralized cash deposits.

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 3 - Capital Assets**

Capital assets activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital Assets Not Being Depreciated</b>				
Land and Improvements	\$ 570,138	\$ 0	\$ 0	\$ 570,138
Construction in Process	883,902	2,151	(437,893)	448,160
<b>Total Capital Assets Not Being Depreciated</b>	<u>1,454,040</u>	<u>2,151</u>	<u>(437,893)</u>	<u>1,018,298</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	14,262,173	824,857	(44,112)	15,042,918
Vehicles	242,107	23,980	(16,020)	250,067
Furniture and Fixtures	465,246	96,745	(7,782)	554,209
Machinery and Equipment	1,054,835	227,895	(18,002)	1,264,728
Computers	493,898	36,591	(8,135)	522,354
<b>Total Capital Assets Being Depreciated</b>	<u>16,518,259</u>	<u>1,210,068</u>	<u>(94,051)</u>	<u>17,634,276</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	(6,243,865)	(485,859)	42,380	(6,687,344)
Vehicles	(163,479)	(38,649)	16,020	(186,108)
Furniture and Fixtures	(282,144)	(48,417)	6,949	(323,612)
Machinery and Equipment	(704,195)	(86,358)	13,538	(777,015)
Computers	(275,231)	(62,404)	8,135	(329,500)
<b>Total Accumulated Depreciation</b>	<u>(7,668,914)</u>	<u>(721,687)</u>	<u>87,022</u>	<u>(8,303,579)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>8,849,345</u>	<u>488,381</u>	<u>(7,029)</u>	<u>9,330,697</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 10,303,385</u>	<u>\$ 490,532</u>	<u>\$ (444,922)</u>	<u>\$ 10,348,995</u>

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 4 - Long-term Debt and Lines of Credit**

The following is a summary of mortgage notes payable:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Mortgage Notes Payable -</b>					
<b>Collateralized by Real Estate</b>					
USDA - Rural Development, Payable in Monthly Installments of \$13,210 Including 5.0% Interest	\$ 1,398,316	\$ 0	\$ (90,656)	\$ 1,307,660	\$ 95,122
USDA - Rural Development, Payable in Monthly Installments of \$7,803 Including 4.5% Interest	953,551	0	(51,782)	901,769	54,053
USDA - Rural Development, Payable in Monthly Installments of \$4,605 Including 4.5% Interest	656,722	0	(26,242)	630,480	27,372
USDA - Rural Development, Payable in Monthly Installments of \$7,219 Including 4.5% Interest	1,256,791	0	(30,697)	1,226,094	31,957
USDA - Rural Development, Payable in Monthly Installments of \$1,024 Including 4.5% Interest	178,137	0	(4,362)	173,775	4,540
USDA - Rural Development, Payable in Monthly Installments of \$2,605 Including 4.0% Interest	0	488,118	(9,935)	478,183	12,305
SunTrust Bank, Payable in Monthly Installments of \$508 to \$2,556 in Principal Payments Plus Interest, the Interest Rate was 2.25% + LIBOR (1 month index) as of June 30, 2011	292,056	0	(13,656)	278,400	13,656
Branch Banking and Trust, Payable in Monthly Installments of \$13,758 Including 6.125% Interest	773,956	0	(120,411)	653,545	128,006
Independent National Bank Construction Loan	422,238	0	(422,238)	0	0
<b>Total Mortgage Notes Payable</b>	<u>\$ 5,931,767</u>	<u>\$ 488,118</u>	<u>\$ (769,979)</u>	<u>\$ 5,649,906</u>	<u>\$ 367,011</u>

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 4 - Long-term Debt and Lines of Credit (Concluded)**

The following are estimated principal requirements until maturity for the Centers' long-term indebtedness:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 367,011	\$ 256,314
2013	388,926	236,312
2014	413,509	215,791
2015	434,649	274,518
2016	382,394	211,034
2017-2021	1,706,448	557,272
2022-2026	1,037,838	254,088
2027-2031	572,174	117,474
2032-2036	346,957	14,653
<b>Total</b>	<u>\$ 5,649,906</u>	<u>\$ 2,137,456</u>

Total interest incurred was \$272,685 and \$278,239 for the year ended June 30, 2011 and 2010, respectively, none of which was capitalized in the 2011 year and \$3,890 of which was capitalized in 2010.

Under loan agreements with Rural Economic and Community Development, the Centers is required to make monthly deposits to a debt service reserve account until the maximum reserve balance accumulates to \$456,510. The balance in this account was \$399,803 and \$415,288 as of June 30, 2011 and 2010, respectively.

**Lines of Credit and Loan Commitment**

The Centers has \$1,500,000 of unadvanced funds available on approved lines of credit with Branch Banking and Trust Company. As of June 30, 2010 and 2011, no amounts have been advanced on the line of credit.

**Note 5 - Defined Contribution Pension Plan**

The Centers has a 401(k) defined contribution retirement plan covering substantially all employees. This plan is the Centers, Inc. 401(k) Savings Plan (the Plan). The Plan is administered by the Centers and its Trustees are the Centers' Board of Directors. Authority to amend the Plan rests with the Trustees. The matching contribution was 100% of each participant's contribution, up to 3% of each participating employee's compensation. Vesting occurs ratably over three years of service. Employer contributions, net of forfeitures (retirement expense) to the Plan during the fiscal years ended June 30, 2011 and 2010 was \$164,792 and \$144,841, respectively.

**Note 6 - Concentration and Stratification of Revenue Sources**

The Centers has three revenue sources which constitute a majority of the Centers' total revenues. The Centers' major revenue sources are as follows:

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Continued)*

**Note 6 - Concentration and Stratification of Revenue Sources (Concluded)**

**For the Year Ending June 30, 2011:**

	<u>Amount</u>	<u>Percentage</u>
State of Florida Department of Children and Families (Including Federal Portion)	\$ 10,361,534	33%
Kids Central, Inc. (Pass-through from the State of Florida Department of Children and Families)	8,410,751	26%
Medicare and Medicaid	9,662,476	30%
Other Revenues	3,440,089	11%
<b>Total Revenues</b>	<u>\$ 31,874,850</u>	<u>100%</u>

**For the Year Ending June 30, 2010:**

	<u>Amount</u>	<u>Percentage</u>
State of Florida Department of Children and Families (Including Federal Portion)	\$ 10,224,088	36%
Kids Central, Inc. (Pass-through from the State of Florida Department of Children and Families)	6,486,800	23%
Medicare and Medicaid	7,007,838	24%
Other Revenues	4,951,793	17%
<b>Total Revenues</b>	<u>\$ 28,670,519</u>	<u>100%</u>

**Note 7 - Operating Rental Agreements**

The Centers has several operating leases for buildings and office equipment. Various building and office equipment rental agreements extend beyond one year and are cancelable only if state funding were to be withdrawn. A portion of the leased buildings are subleased under noncancelable agreements extending until December 31, 2012. Building and office equipment rental agreements are scheduled as follows:

<u>Description</u>	<u>Lease Expense 6/30/11</u>	<u>Future Minimum Lease Payment</u>			
		<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/15</u>
Buildings	\$ 709,661	\$ 719,032	\$ 378,770	\$ 85,588	\$ 0
Office Equipment	68,276	80,323	80,323	39,571	32,491
Total	777,937	\$ 799,355	\$ 459,093	\$ 125,159	\$ 32,491
(Less Sublease)	(61,156)	\$ (64,469)	\$ (33,063)		
<b>Rental Expense</b>	<u>\$ 716,781</u>				

**Note 8 - Grants, Medicare, and Medicaid**

The Centers receives federal and state grants for Medicare and Medicaid. These funds are subject to compliance audits by the providers or their representatives. The audits of the programs for, or including, the years ended June 30, 2007 through 2011, have not yet been settled. The amount, if any, of expenditures which may be disallowed cannot be determined, however, in the opinion of management, adequate provisions have been made for any adjustments that may result from auditors or other claims.

**NOTES TO FINANCIAL STATEMENTS**  
**THE CENTERS, INC. - OCALA, FLORIDA**  
*(Concluded)*

**Note 9 - Matching Requirements**

The Centers' main contract with the State of Florida Department of Children and Families requires the Centers to provide matching local funds, as dictated in the Florida Statutes, Chapter 394, Section 76 under Public Health Title XXIX, as well as in the Florida Administrative Code Chapter 65, 65E-14.005. During the fiscal years ended June 30, 2011 and 2010, the Centers received local matching of \$1,143,759 and \$1,130,260, respectively, from Marion County and \$357,514 and \$329,821, respectively, from Citrus County with respect to the community alcohol and mental health services contracted with the State of Florida Department of Children and Families. The funding from Marion County and Citrus County was used solely for local match requirements. The allocation of funding between counties is determined based on relative population. All contract matching requirements for the year ended June 30, 2011 and 2010 have been met, as summarized in the schedule of state earnings included in this report.

**Note 10 - Charity Care**

The estimated cost for services and supplies furnished under the Centers' charity care policy aggregated to \$1,984,640 and \$1,231,673 for the fiscal years ended June 30, 2011 and 2010, respectively.

**Note 11 - Related Parties**

**North Florida Behavioral Health Network, Inc.**

During April 2004, the Centers became a member in the North Florida Behavioral Health Network, Inc. for the purpose of bidding on one or more contracts for the provision behavioral health care services pursuant to the State of Florida in connection with the Florida Medicaid Prepaid Mental Health Plan. North Florida Behavioral Health Network, Inc. is a 50% shareholder in North Florida Behavioral Health Partners, Inc., which in turn executed the bids and was ultimately awarded the contract under the Florida Medicaid Prepaid Mental Health Plan during the year ended June 30, 2007. The Centers, as members of the North Florida Behavioral Health Network, Inc., provided services under contract for prepaid mental health services and fee for services during the years ended June 30, 2011 and 2010, recognizing revenue of \$5,397,064 and \$4,689,120, respectively, of which \$145,310 and \$108,900, respectively, was in accounts receivable with a reserve balance of \$316,000 and \$596,000, respectively, reduced to align with the estimated potential payment of the Florida Premium Tax due through June 30, 2011.

**Note 12 - Contingent Liabilities**

The Centers is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable, and the attorney for these matters is unable to conclude that the likelihood of an adverse outcome is probable or remote.

**Note 13 - Subsequent Event**

The Centers pre-loan application for \$1.2 million with the USDA has been approved and the completion of the full application is now in process. The loan is for the construction of a counseling and activity center in the Adolescent Residential Substance Abuse Treatment complex.

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
AND OFFICE OF MANAGEMENT AND BUDGET (OMB)  
CIRCULAR A-133 AND CHAPTER 10.650, *RULES OF THE*  
*AUDITOR GENERAL* SINGLE AUDIT REQUIREMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA**

	<u>CFDA/CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<b><u>Federal Awards</u></b>			
<b>U.S. Department of Health and Human Services</b>			
Direct Projects:			
Drug Free Communities Support Program	93.276	2010-2011	\$ 46,273
Indirect Projects:			
Passed Through Florida Department of Children and Families:			
Projects for Assistance in Transition from Homelessness *	93.150	PHJ08	175,251
State Children's Insurance Program *	93.767	PHH14	975,000
Temporary Assistance for Needy Families*	93.558	PHJ08	174,106
Block Grant for Community Mental Health Services *	93.958	PHJ08	300,528
Block Grant for Prevention and Treatment of Substance Abuse *	93.959	PHJ08	1,680,360
Total Passed Through Florida Department of Children and Families			<u>3,305,245</u>
Passed Through Kids Central, Inc:			
Promoting Safe and Stable Families	93.556	C1011C-MC005	32,057
Promoting Safe and Stable Families	93.556	C1011M-MC005	29,990
Subtotal Expenditures - 93.556			<u>62,047</u>
Child Abuse and Neglect	93.669	C1011C-MC005	45,675
Temporary Assistance for Needy Families	93.558	C1011M-MC005	1,051,881
Child Welfare Services	93.645	C1011M-MC005	197,065
Foster Care - Title IV-E	93.658	C1011M-MC005	2,207,553
Adoption Assistance	93.659	C1011M-MC005	403,790
Total Passed Through Kids Central, Inc.			<u>3,968,011</u>
Passed Through Marion County, Florida			
Community Development Block Grant	14.218	2010-2011	28,572
Passed Through City of Ocala, Florida			
Community Development Block Grant	14.218	2010-2011	5,714
Subtotal Expenditures - 14.218			<u>34,286</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>7,353,815</u>
<b>US Department of Justice</b>			
Indirect Project:			
Passed Through Citrus County, Florida:			
Criminal and Juvenile and Mental Health Collaboration Program	16.745	2010-2011	58,024
<b>Total U.S. Department of Justice</b>			<u>58,024</u>
<b>Total Federal Awards</b>			<u>7,411,839</u>



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

	<u>CFDA/CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<b><u>State Financial Assistance</u></b>			
<b>State of Florida Department of Children and Families</b>			
Direct Projects:			
Children's Baker Act Services *	60.001	PHJ08	\$ 350,868
Baker Act *	60.006	PHJ08	1,547,672
Substance Abuse Treatment and Aftercare - Children *	60.030	PHJ08	864,772
Substance Abuse Detox Services - Adult *	60.031	PHJ08	139,162
Substance Abuse Treatment and Aftercare - Adult *	60.033	PHJ08	793,930
Indigent Outpatient Psychiatric Outpatient Services *	60.039	PHJ08	15,951
Adult Community Mental Health Community Support Services *	60.053	PHJ08	1,848,754
Adult Community Mental Health Emergency Stabilization *	60.054	PHJ08	450,165
Children's Mental Health Emergency Stabilization *	60.057	PHJ08	88,922
Children's Mental Health Special Projects Emergency Stabilization *	60.059	PHJ08	850,421
Community Forensic Beds *	60.114	PHJ08	71,000
Total Direct Projects from Department of Children and Families:			<u>7,021,617</u>
Indirect Projects:			
Passed Through Marion County, Florida			
Public Safety, Mental Health, and Substance Abuse Local Matching Grant	60.115	2010-2011	16,279
Passed Through Kids Central, Inc.			
Community Based Care Support	60.094	C1011C-MC005	750,615
Community Based Care Support	60.094	C1011M-MC005	2,989,664
Subtotal Expenditures - 60.094			<u>3,740,279</u>
<b>Total State of Florida Department of Children and Families</b>			<u>10,778,175</u>
<b>State of Florida Department of Juvenile Justice</b>			
Direct Projects:			
Juvenile Assessment Center - OPD	80.020	P2022	241,053
<b>Total of State of Florida Department of Juvenile Justice</b>			<u>241,053</u>
<b>Total State Financial Assistance</b>			<u>11,019,228</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 18,431,067</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Concluded)**

**Note to the Schedule of Expenditures**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting. The information on 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 10.550, *Rules of the Auditor General, Local Government Entity Audits*. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

- \* Expenditures for the indicated awards are determined using the units of service cost approach, whereby expenditures are based on units of service provided multiplied by the expenditure rate identified in the agreement with the pass-through agency.

**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  
The Centers, Inc.  
Ocala, Florida

We have audited the financial statements of The Centers, Inc. (the Centers), a nonprofit organization, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 15, 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 the Centers' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Centers internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Centers' 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 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 the obtaining reasonable assurance about whether the Centers' 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*.

**Certified Public Accountants**

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors  
The Centers, Inc.  
Ocala, Florida

**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  
(Concluded)**

**Compliance and Other Matters (Concluded)**

We noted certain matters that we have reported to the management of the Centers in a separate management letter dated November 15, 2011.

The Centers' response to the management letter comments identified in our audit is described in the accompanying management's response. We did not audit the Centers' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of its management, the Board of Directors, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

November 15, 2011  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650,  
*RULES OF THE AUDITOR GENERAL***

Board of Directors  
The Centers, Inc.  
Ocala, Florida

**Compliance**

We have audited The Centers, Inc.'s (the Centers) compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Centers' major federal programs and state financial assistance projects for the year ended June 30, 2011. The Centers' major federal programs and state financial assistance projects 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 each of its major federal programs and state projects is the responsibility of the Centers' management. Our responsibility is to express an opinion on the Centers' 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, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Centers' 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 on the Centers' compliance with those requirements.

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

**Internal Control Over Compliance**

Management of the Centers 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 the Centers' internal control over compliance with requirements that could have a direct and material effect on a major federal program or state projects in order to determine our auditing procedures for the purpose of expressing our opinion on

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Board of Directors  
The Centers, Inc.  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650,  
RULES OF THE AUDITOR GENERAL  
(Continued)**

**Internal Control Over Compliance (Concluded)**

compliance in accordance with OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Centers internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*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. The deficiency identified during the audit was not considered to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of questioned costs as item 2011-1 to be a significant deficiency.

The Centers' response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Centers' response and, accordingly we express no opinion on the response.

**Schedule of Expenditures of Federal Awards and State Financial Assistance**

We have audited the basic financial statements of the Centers, as of and for the year ended June 30, 2011, and have issued our report dated November 15, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has

Board of Directors  
The Centers, Inc.  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650,  
RULES OF THE AUDITOR GENERAL  
(Concluded)**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Concluded)**

been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

November 15, 2011  
Ocala, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARDS PROGRAMS AND  
STATE FINANCIAL ASSISTANCE PROJECTS  
THE CENTERS, INC. - OCALA, FLORIDA**

1. **Summary of Audit Results**

I. **Type of Audit Report Issued on Financial Statements**

Unqualified Opinion

II. **Significant Deficiencies and/or Material Weaknesses in Internal Control**

Audit disclosed no instances of significant deficiencies in internal control or significant deficiencies which were material weaknesses in internal control.

III. **Noncompliance Material to Auditee Financial Statements**

Audit disclosed no material instances of noncompliance.

IV. **Significant Deficiencies and/or Material Weaknesses in Internal Control Over Major Federal Awards Programs and State Financial Assistance Projects**

One significant deficiency in internal control over major federal award programs and state projects disclosed during the audit is reported in the *Independent Auditor's Report on Compliance with Requirements that Could have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance*. The significant deficiency is not considered to be a material weakness.

V. **Type of Audit Report Issued on Compliance with Requirements Applicable to Major Federal Awards Programs and State Financial Assistance Projects**

Unqualified Opinion

VI. **Audit Findings Relative to Section .510(a) of OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General***

The audit disclosed no findings required to be reported under Section .510(a) of OMB Circular A-133 and Chapter 10.650, *Rules of Auditor General*.

VII. **Major Federal Programs and Major State Financial Assistance Projects**

Federal Programs:

U.S. Department of Health and Human Services:

- Projects for Assistance in Transition from Homelessness (93.150)
- Foster Care – Title IV-E (93.658)

State Assistance Projects:

State of Florida Department of Children and Families:

- Adult Community Mental Health Community Support Services (60.053)
- Community Based Care Support (60.094)
- Juvenile Assessment Center (80.020)



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARDS PROGRAMS AND  
STATE FINANCIAL ASSISTANCE PROJECTS  
THE CENTERS, INC. - OCALA, FLORIDA  
(Concluded)**

1. **Summary of Audit Results (Concluded)**

**VIII. Dollar Threshold Used to Distinguish Between Type A and Type B Federal Programs/State Assistance Projects**

\$300,000 for Federal Programs and \$330,577 for State Assistance Projects for Type A Programs

**IX. Auditee Qualification as Low-risk Auditee**

The auditee qualifies as a low-risk auditee per criteria set forth in Section .530 of OMB Circular A-133. This does not apply to state financial assistance projects.

2. **Findings Related to the Financial Statements Required to be Reported Under GAGAS**

The audit disclosed no findings which are required to be reported under GAGAS.

3. **Findings and Questioned Costs for Major Federal Programs Required to be Reported Under Section .510(a) of OMB Circular A-133**

The audit disclosed the following finding which is required to be reported under Section .510(a) of OMB Circular A-133:

U.S. Department of Health and Human Services passed through the State of Florida Department of Children and Families

**2011-1 Projects for Assistance in Transition from Homelessness; CFDA No. 93.150 Grant No. PHJ08; Grant Period—Year Ended June 30, 2011**

Significant Deficiency: The Centers provides a program for Assistance in Transition from Homelessness, incurring costs of nearly \$300,000 during the year ended June 30, 2011, of which \$175,251 was funded through a Federal grant. During our audit, we performed test of internal control and compliance related to the Project for Assistance in Transition from Homelessness program. The grant requires that an individual have a diagnosed mental illness and be at-risk to become homeless or already be in the state of homelessness. Our testing and further reviews by management discovered several individuals, totaling approximately \$10,900, were included in the program, but were not eligible under the grant eligibility requirements. Further audit procedures and reviews by management were able to substantiate eligibility for individuals allowed under the grant, for the full amount of the \$175,251 Federal Grant reimbursement. After further review with management, it was determined an internal control method of evaluation of an individual's eligibility for the program had not been implemented. Management has since implemented a checklist to ensure that the individual meets the eligibility criteria and has implemented training for staff on the requirements of the grant. We recommend that management continue its efforts with the above mentioned procedures to ensure compliance with grant eligibility requirements.

4. **Findings and Questioned Costs for Major State Financial Assistance Projects Under Chapter 10.650, Rules of the Auditor General**

The audit disclosed no findings which are required to be reported under Chapter 10.650, *Rules of the Auditor General*.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND  
CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*  
THE CENTERS, INC. - OCALA, FLORIDA**

1. **Status of Prior Audit Findings**

There were no audit findings reported in our prior year's audit schedule of findings and questioned costs.

**CORRECTIVE ACTION PLAN IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND CHAPTER 10.650,  
RULES OF THE AUDITOR GENERAL  
THE CENTERS, INC. - OCALA, FLORIDA**

1. **Corrective Action Planned for Current Year Audit Findings**

A test of our internal controls identified the absence of a method for the evaluation of an individual's eligibility to receive funding from Homeless PATH grant program.

The Centers has implemented a "PATH Funding Checklist" to be utilized by the staff for each client with the potential of receiving funds from the PATH grant to ensure that each eligibility criteria is met. These forms will be filed in each client's chart. Administrative oversight will continue to monitor the program's admissions to ensure that participants meet all eligibility requirements as defined in the contract. In addition, a listing of clients whose services will be invoiced to the grant will be provided each month to the program for review to ensure client eligibility.

**MANAGEMENT LETTER**

Board of Directors  
The Centers, Inc.  
Ocala, Florida

We have audited the financial statements of The Centers, Inc. (the Centers), as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 15, 2011.

We conducted our audit in accordance with United States generally accepted auditing standards; 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*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated November 15, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650, *Rules of the Auditor General*, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse that have an effect on the financial statements or State project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or State project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred or are likely to have occurred, (2) deficiencies that are not significant deficiencies. In connection with our audit, the following management letter comments are required to be disclosed.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Directors and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

November 15, 2011  
Ocala, Florida

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**MANAGEMENT LETTER COMMENTS**

Board of Directors  
The Centers, Inc.  
Ocala, Florida

During the course of our audit, the following items came to our attention, which we would like to communicate to the Board of Directors.

**Prior Year Recommendations Remaining**

During our audit we performed a sample of billed services. For two services from our sample it was noted that documentation substantiating services provided were not recorded in the chart. Additionally a billing error was identified with a child's service being billed to an adult patient, as a result of a patient number keying error. Coding errors and missing documentation substantiating services present a risk that revenues, accounts receivable, and reserves may be over/under stated, as well a risk that the Centers may have to repay services billed to third parties (i.e., insurance providers, governmental agencies, and other organizations).

The Centers has various levels of limited controls in place, including a quality assurance group that currently reviews documentation in patient files but, which does not fully encompass the billing for services provided; several directors have implemented a daily review of service activity; whereby, the director reviews a sample of services rendered and reviews the patient files for documentation of those services; some program director's secretaries verify that the Service Activity Logs match the patient files before the Service Activity Logs are sent to billing; and a compliance committee reviews select program patient files each quarter. Additionally, the Centers is subject to various compliance audits from third parties.

We encourage management to work towards strengthening controls to mitigate the risks noted above.

This management letter is intended solely for the information and use of the Board of Directors of the Centers, Inc., management, and the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to express our appreciation for the courtesies which have been extended to our staff. If you have any questions or comments about the contents of this letter, or the information accompanying this letter, please do not hesitate to contact us.

*Purvis, Gray and Company, LLP*

November 15, 2011  
Ocala, Florida

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## MANAGEMENT'S RESPONSE

### MEMORANDUM

TO: Board of Directors  
The Centers, Inc.

FROM: Charles R. Powell, Chief Executive Officer  
Tim Cowart, Chief Financial Officer

SUBJECT: Response to Auditors' Management Letter – Comments for the fiscal year ended  
June 30, 2011

Management's response to the auditors' management letter comments for the fiscal year ended June 30, 2011, is as follows:

- Patient Files Billing Documentation

As noted in the management letter, documentation substantiating services provided were not present in the client chart for two services from the sample. Additionally, a billing error was identified with a child's services being billed to an adult client, as a result of a client number keying error.

The Centers is working toward implementing an Electronic Medical Records system that will improve consistency of data entry and reduce billing errors.

In the interim, the Centers has developed a plan for improvement which will increase the level of oversight at an administrative level. A Quality Assurance Specialist has been assigned to review documents to ensure data entry into the current system is accurate. This process will improve oversight, reduce keying errors, as well as help eliminate problems with missing documentation.

## **ADDITIONAL INFORMATION**

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA**

<b>Funding Sources and Revenues</b>	<b>Comprehensive Community Service Teams</b>	<b>Crisis Stabilization</b>	<b>Crisis Support/ Emergency</b>	<b>Drop-In/ Self-Help Centers</b>	<b>Medical Services</b>	<b>Outpatient</b>	<b>Residential Level III</b>	<b>Clubhouse</b>	<b>Incidental Expenses</b>	<b>Total for Adult Mental Health</b>
<b>State SAMH Funding</b>										
From the District Funding this Contract	\$ 1,275,475	\$ 1,929,538	\$ 185,740	\$ 76,808	\$ 476,911	\$ 0	\$ 217,274	\$ 161,577	\$ 30,571	\$ 4,353,894
<b>Total State SAMH Funding</b>	<b>1,275,475</b>	<b>1,929,538</b>	<b>185,740</b>	<b>76,808</b>	<b>476,911</b>	<b>0</b>	<b>217,274</b>	<b>161,577</b>	<b>30,571</b>	<b>4,353,894</b>
<b>Other Government Funding</b>										
Other State Agency Funding	6,539	78	0	0	75,055	0	0	0	0	81,672
Medicaid	555,973	882,121	5,376	0	568,779	0	0	43,047	0	2,055,296
Local Government	50,000	105,000	150,000	0	388,000	0	0	55,000	0	748,000
Federal Grants and Contracts	64,804	0	0	0	9,619	0	0	0	0	74,423
<b>Total Other Government Funding</b>	<b>677,316</b>	<b>987,199</b>	<b>155,376</b>	<b>0</b>	<b>1,041,453</b>	<b>0</b>	<b>0</b>	<b>98,047</b>	<b>0</b>	<b>2,959,391</b>
<b>All Other Revenues</b>										
First and Second Party Payments	18,085	9,257	740	0	37,105	0	33,604	0	0	98,791
Third Party Payments (Except Medicare)	13,935	106,366	1,056	0	12,555	0	0	0	0	133,912
Medicare	26,655	29,198	488	0	75,320	0	0	0	0	131,661
Contributions and Donations	0	0	0	125	0	0	125	0	0	250
Other	43,544	22,269	4,025	559	13,414	0	1,287	3,907	0	89,005
In-kind	0	0	0	0	0	0	0	0	0	0
<b>Total All Other Revenues</b>	<b>102,219</b>	<b>167,090</b>	<b>6,309</b>	<b>684</b>	<b>138,394</b>	<b>0</b>	<b>35,016</b>	<b>3,907</b>	<b>0</b>	<b>453,619</b>
<b>Total Funding</b>	<b>\$ 2,055,010</b>	<b>\$ 3,083,827</b>	<b>\$ 347,425</b>	<b>\$ 77,492</b>	<b>\$ 1,656,758</b>	<b>\$ 0</b>	<b>\$ 252,290</b>	<b>\$ 263,531</b>	<b>\$ 30,571</b>	<b>\$ 7,766,904</b>



**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

<b>Funding Sources and Revenues</b>	<b>Outpatient</b>	<b>Prevention</b>	<b>Residential Level II</b>	<b>Substance Abuse Detox</b>	<b>Recovery and Support</b>	<b>Information and Referral</b>	<b>Total for Adult Substance Abuse</b>
<b>State SAMH Funding</b>							
From the District Funding this Contract	\$ 335,595	\$ 207,906	\$ 1,554,631	\$ 383,002	\$ 14,379	\$ 0	\$ 2,495,513
<b>Total State SAMH Funding</b>	<u>335,595</u>	<u>207,906</u>	<u>1,554,631</u>	<u>383,002</u>	<u>14,379</u>	<u>0</u>	<u>2,495,513</u>
<b>Other Government Funding</b>							
Other State Agency Funding	6,825	14	3,852	0	867	0	11,558
Medicaid	18,362	0	406	1,731	482	0	20,981
Local Government	80,000	0	170,001	207,758	0	0	457,759
Federal Grants and Contracts	6,395	0	0	0	0	0	6,395
<b>Total Other Government Funding</b>	<u>111,582</u>	<u>14</u>	<u>174,259</u>	<u>209,489</u>	<u>1,349</u>	<u>0</u>	<u>496,693</u>
<b>All Other Revenues</b>							
First and Second Party Payments	47,975	0	21,544	714	5,762	0	75,995
Third Party Payments (Except Medicare)	809	0	25,073	21,232	30	0	47,144
Medicare	840	0	0	1,952	0	0	2,792
Contributions and Donations	0	0	0	0	0	0	0
Other	6,776	1,777	17,559	5,812	494	0	32,418
In-kind	0	0	0	0	0	0	0
<b>Total All Other Revenues</b>	<u>56,400</u>	<u>1,777</u>	<u>64,176</u>	<u>29,710</u>	<u>6,286</u>	<u>0</u>	<u>158,349</u>
<b>Total Funding</b>	<u>\$ 503,577</u>	<u>\$ 209,697</u>	<u>\$ 1,793,066</u>	<u>\$ 622,201</u>	<u>\$ 22,014</u>	<u>\$ 0</u>	<u>\$ 3,150,555</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

<u>Funding Sources and Revenues</u>	<u>Intervention</u>	<u>Crisis Stabilization</u>	<u>Crisis Support/ Emergency</u>	<u>Total for Children's Mental Health</u>
<b>State SAMH Funding</b>				
From the District Funding this Contract	\$ 48,960	\$ 820,000	\$ 536,678	\$ 1,405,638
<b>Total State SAMH Funding</b>	<u>48,960</u>	<u>820,000</u>	<u>536,678</u>	<u>1,405,638</u>
<b>Other Government Funding</b>				
Other State Agency Funding	0	9,611	332	9,943
Medicaid	1,268	862,042	3,252	866,562
Local Government	0	0	0	0
Federal Grants and Contracts	0	0	0	0
<b>Total Other Government Funding</b>	<u>1,268</u>	<u>871,653</u>	<u>3,584</u>	<u>876,505</u>
<b>All Other Revenues</b>				
First and Second Party Payments	5	13,795	714	14,514
Third Party Payments (Except Medicare)	0	219,614	358	219,972
Medicare	0	5	20	25
Contributions and Donations	0	0	0	0
Other	658	10,549	3,671	14,878
In-kind	0	0	0	0
<b>Total All Other Revenues</b>	<u>663</u>	<u>243,963</u>	<u>4,763</u>	<u>249,389</u>
<b>Total Funding</b>	<u>\$ 50,891</u>	<u>\$ 1,935,616</u>	<u>\$ 545,025</u>	<u>\$ 2,531,532</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

<u>Funding Sources and Revenues</u>	<u>Outpatient</u>	<u>Residential Level II</u>	<u>Prevention</u>	<u>Outreach</u>	<u>Total for Children's Substance Abuse</u>
<b>State SAMH Funding</b>					
From the District Funding this Contract	\$ 225,733	\$ 596,445	\$ 170,083	\$ 114,571	\$ 1,106,832
<b>Total State SAMH Funding</b>	<u>225,733</u>	<u>596,445</u>	<u>170,083</u>	<u>114,571</u>	<u>1,106,832</u>
<b>Other Government Funding</b>					
Other State Agency Funding	9	0	0	0	9
Medicaid	1,200	9	0	0	1,209
Local Government	90,000	205,514	0	0	295,514
Federal Grants and Contracts	0	0	0	0	0
<b>Total Other Government Funding</b>	<u>91,209</u>	<u>205,523</u>	<u>0</u>	<u>0</u>	<u>296,732</u>
<b>All Other Revenues</b>					
First and Second Party Payments	4,546	34	0	0	4,580
Third Party Payments (Except Medicare)	0	0	0	0	0
Medicare	9	0	0	0	9
Contributions and Donations	0	25	0	0	25
Other	3,437	42,950	1,308	1,074	48,769
In-kind	0	0	0	0	0
<b>Total all Other Revenues</b>	<u>7,992</u>	<u>43,009</u>	<u>1,308</u>	<u>1,074</u>	<u>53,383</u>
<b>Total Funding</b>	<u>\$ 324,934</u>	<u>\$ 844,977</u>	<u>\$ 171,391</u>	<u>\$ 115,645</u>	<u>\$ 1,456,947</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

<u>Funding Sources and Revenues</u>	<u>Total for State Funded SAMH Cost Centers</u>	<u>Total for Non-State Funded SAMH Cost Centers</u>	<u>Total for All State Designated SAMH Cost Centers</u>	<u>Adult Psychiatric Unit Non-SAMH Cost Center</u>	<u>Other Non-SAMH Funding</u>	<u>Total Funding</u>
<b>State SAMH Funding</b>						
From the District Funding this Contract	\$ 9,361,877	\$ 0	\$ 9,361,877	\$ 0	\$ 0	\$ 9,361,877
<b>Total State SAMH Funding</b>	<u>9,361,877</u>	<u>0</u>	<u>9,361,877</u>	<u>0</u>	<u>0</u>	<u>9,361,877</u>
<b>Other Government Funding</b>						
Other State Agency Funding	103,182	965,060	1,068,242	0	8,651,804	9,720,046
Medicaid	2,944,048	3,624,746	6,568,794	633,156	38,771	7,240,721
Local Government	1,501,273	0	1,501,273	0	0	1,501,273
Federal Grants and Contracts	80,818	0	80,818	0	23	80,841
<b>Total Other Government Funding</b>	<u>4,629,321</u>	<u>4,589,806</u>	<u>9,219,127</u>	<u>633,156</u>	<u>8,690,598</u>	<u>18,542,881</u>
<b>All Other Revenues</b>						
First and Second Party Payments	193,880	9,362	203,242	56,205	0	259,447
Third Party Payments (Except Medicare)	401,028	106,284	507,312	224,299	0	731,611
Medicare	134,487	0	134,487	2,287,267	0	2,421,754
Contributions and Donations	275	0	275	0	87,602	87,877
Other	185,070	41,335	226,405	14,713	173,923	415,041
In-kind	0	0	0	0	54,362	54,362
<b>Total All Other Revenues</b>	<u>914,740</u>	<u>156,981</u>	<u>1,071,721</u>	<u>2,582,484</u>	<u>315,887</u>	<u>3,970,092</u>
<b>Total Funding</b>	<u>\$ 14,905,938</u>	<u>\$ 4,746,787</u>	<u>\$ 19,652,725</u>	<u>\$ 3,215,640</u>	<u>\$ 9,006,485</u>	<u>\$ 31,874,850</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

Expense Categories	Comprehensive Community Service Teams	Crisis Stabilization	Crisis Support/ Emergency	Drop-In/ Self-Help Centers	Medical Services	Outpatient	Residential Level III	Clubhouse	Incidental Expenses	Total for Adult Mental Health
<b>Personnel Expenses</b>										
Salaries	\$ 1,045,697	\$ 1,330,249	\$ 259,643	\$ 24,190	\$ 923,071	\$ 0	\$ 146,512	\$ 148,927	\$ 0	\$ 3,878,289
Fringe Benefits	266,683	210,056	38,084	5,259	158,758	0	14,546	41,635	0	735,021
<b>Total Personnel Expenses</b>	<b>1,312,380</b>	<b>1,540,305</b>	<b>297,727</b>	<b>29,449</b>	<b>1,081,829</b>	<b>0</b>	<b>161,058</b>	<b>190,562</b>	<b>0</b>	<b>4,613,310</b>
<b>Other Expenses</b>										
Building Occupancy	99,045	104,642	20,552	4,058	71,668	0	77,418	38,167	0	415,550
Professional Services	56,431	373,241	20,470	645	323,060	0	3,548	3,964	0	781,359
Travel	31,210	566	555	4	5,170	0	575	26	0	38,106
Equipment	34,949	19,637	6,192	934	21,159	0	6,698	16,824	0	106,393
Food Services	1,160	89	138	8	885	0	166	1,107	0	3,553
Medical and Pharmacy	1,285	138,398	1,212	0	89,032	0	34	2	0	229,963
Subcontracted Services	0	32,239	0	0	8,688	0	0	0	0	40,927
Insurance	23,813	25,307	4,872	815	16,632	0	4,729	4,451	0	80,619
Interest Paid	18,203	23,018	4,429	733	14,917	0	0	0	0	61,300
Operating Supplies and Expenses	41,364	25,856	9,077	5,311	31,117	0	4,034	10,192	0	126,951
Other	31,787	2,746	291	173	1,016	0	601	0	30,112	66,726
<b>Total Other Expenses</b>	<b>339,247</b>	<b>745,739</b>	<b>67,788</b>	<b>12,681</b>	<b>583,344</b>	<b>0</b>	<b>97,803</b>	<b>74,733</b>	<b>30,112</b>	<b>1,951,447</b>
<b>Total Personnel Expenses and Other Expenses</b>	<b>1,651,627</b>	<b>2,286,044</b>	<b>365,515</b>	<b>42,130</b>	<b>1,665,173</b>	<b>0</b>	<b>258,861</b>	<b>265,295</b>	<b>30,112</b>	<b>6,564,757</b>
<b>Distributed Indirect Costs</b>										
Other Support Costs (Optional)	336,639	532,131	62,124	8,789	127,385	0	50,243	65,036	0	1,182,347
Administration	189,400	268,992	41,010	4,856	171,054	0	29,408	31,567	0	736,287
<b>Total Distributed Indirect Costs</b>	<b>526,039</b>	<b>801,123</b>	<b>103,134</b>	<b>13,645</b>	<b>298,439</b>	<b>0</b>	<b>79,651</b>	<b>96,603</b>	<b>0</b>	<b>1,918,634</b>
<b>Total Operating Expenses</b>	<b>2,177,666</b>	<b>3,087,167</b>	<b>468,649</b>	<b>55,775</b>	<b>1,963,612</b>	<b>0</b>	<b>338,512</b>	<b>361,898</b>	<b>30,112</b>	<b>8,483,391</b>
<b>Unallowable Costs</b>										
Depreciation	0	23,012	3,560	0	0	0	0	0	0	26,572
Interest Expenses	0	0	0	0	0	0	0	0	0	0
<b>(Total Unallowable Costs)</b>	<b>0</b>	<b>(23,012)</b>	<b>(3,560)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(26,572)</b>
<b>Total Allowable Operating Expenses Excluding Unallowable Costs</b>	<b>\$ 2,177,666</b>	<b>\$ 3,064,155</b>	<b>\$ 465,089</b>	<b>\$ 55,775</b>	<b>\$ 1,963,612</b>	<b>\$ 0</b>	<b>\$ 338,512</b>	<b>\$ 361,898</b>	<b>\$ 30,112</b>	<b>\$ 8,456,819</b>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

<b>Expense Categories</b>	<b>Outpatient</b>	<b>Prevention</b>	<b>Residential Level II</b>	<b>Substance Abuse Detox</b>	<b>Recovery and Support</b>	<b>Information and Referral</b>	<b>Detox Impatient</b>	<b>Total for Adult Substance Abuse</b>
<b>Personnel Expenses</b>								
Salaries	\$ 313,741	\$ 61,733	\$ 692,019	\$ 284,823	\$ 8,765	\$ 0	\$ 0	\$ 1,361,081
Fringe Benefits	46,780	21,341	115,345	46,406	2,175	0	0	232,047
<b>Total Personnel Expenses</b>	<b>360,521</b>	<b>83,074</b>	<b>807,364</b>	<b>331,229</b>	<b>10,940</b>	<b>0</b>	<b>0</b>	<b>1,593,128</b>
<b>Other Expenses</b>								
Building Occupancy	39,396	6,936	104,345	27,546	781	0	0	179,004
Professional Services	35,698	1,262	19,711	107,211	130	0	0	164,012
Travel	2,375	1,585	1,493	34	4	0	0	5,491
Equipment	9,760	1,533	23,400	4,816	182	0	0	39,691
Food Services	485	53	2,178	61	8	0	0	2,785
Medical and Pharmacy	36,471	216	21,546	17,004	0	0	0	75,237
Subcontracted Services	0	225	958	8,494	0	0	0	9,677
Insurance	9,117	1,727	20,768	6,560	202	0	0	38,374
Interest Paid	7,265	617	18,681	5,985	185	0	0	32,733
Operating Supplies and Expenses	16,483	2,902	44,858	6,957	185	0	0	71,385
Other	147	1,907	3,002	33	0	0	0	5,089
<b>Total Other Expenses</b>	<b>157,197</b>	<b>18,963</b>	<b>260,940</b>	<b>184,701</b>	<b>1,677</b>	<b>0</b>	<b>0</b>	<b>623,478</b>
<b>Total Personnel Expenses and Other Expenses</b>	<b>517,718</b>	<b>102,037</b>	<b>1,068,304</b>	<b>515,930</b>	<b>12,617</b>	<b>0</b>	<b>0</b>	<b>2,216,606</b>
<b>Distributed Indirect Costs</b>								
Other Support Costs (Optional)	129,502	23,785	612,678	112,059	2,375	0	0	880,399
Administration	61,784	12,141	160,532	59,896	1,349	0	0	295,702
<b>Total Distributed Indirect Costs</b>	<b>191,286</b>	<b>35,926</b>	<b>773,210</b>	<b>171,955</b>	<b>3,724</b>	<b>0</b>	<b>0</b>	<b>1,176,101</b>
<b>Total Operating Expenses</b>	<b>709,004</b>	<b>137,963</b>	<b>1,841,514</b>	<b>687,885</b>	<b>16,341</b>	<b>0</b>	<b>0</b>	<b>3,392,707</b>
<b>Unallowable Costs</b>								
Depreciation	0	0	0	6,014	0	0	0	6,014
Interest Expenses	0	0	0	0	0	0	0	0
<b>(Total Unallowable Costs)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,014)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,014)</b>
<b>Total Allowable Operating Expenses Excluding Unallowable Costs</b>	<b>\$ 709,004</b>	<b>\$ 137,963</b>	<b>\$ 1,841,514</b>	<b>\$ 681,871</b>	<b>\$ 16,341</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,386,693</b>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUES SCHEDULE AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

<u>Expense Categories</u>	<u>Intervention</u>	<u>Crisis Stabilization</u>	<u>Crisis Support/ Emergency</u>	<u>Total for Children's Mental Health</u>
<b>Personnel Expenses</b>				
Salaries	\$ 25,437	\$ 523,604	\$ 235,270	\$ 784,311
Fringe Benefits	9,160	86,354	33,995	129,509
<b>Total Personnel Expenses</b>	<u>34,597</u>	<u>609,958</u>	<u>269,265</u>	<u>913,820</u>
<b>Other Expenses</b>				
Building Occupancy	3,389	50,060	18,591	72,040
Professional Services	608	303,862	17,891	322,361
Travel	383	69	234	686
Equipment	468	9,425	4,676	14,569
Food Services	13	69	75	157
Medical and Pharmacy	0	66,456	1,210	67,666
Subcontracted Services	0	16,159	0	16,159
Insurance	759	12,090	4,425	17,274
Interest Paid	680	10,984	4,031	15,695
Operating Supplies and Expenses	558	14,512	6,526	21,596
Other	118	190	177	485
<b>Total Other Expenses</b>	<u>6,976</u>	<u>483,876</u>	<u>57,836</u>	<u>548,688</u>
<b>Total Personnel Expenses and Other Expenses</b>	<u>41,573</u>	<u>1,093,834</u>	<u>327,101</u>	<u>1,462,508</u>
<b>Distributed Indirect Costs</b>				
Other Support Costs (Optional)	9,086	206,348	54,761	270,195
Administration	4,856	124,109	36,423	165,388
<b>Total Distributed Indirect Costs</b>	<u>13,942</u>	<u>330,457</u>	<u>91,184</u>	<u>435,583</u>
<b>Total Operating Expenses</b>	<u>55,515</u>	<u>1,424,291</u>	<u>418,285</u>	<u>1,898,091</u>
<b>Unallowable Costs</b>				
Depreciation	0	10,855	3,479	14,334
Interest Expense	0	0	0	0
<b>(Total Unallowable Costs)</b>	<u>0</u>	<u>(10,855)</u>	<u>(3,479)</u>	<u>(14,334)</u>
<b>Total Allowable Operating Expenses Excluding Unallowable Costs</b>	<u>\$ 55,515</u>	<u>\$ 1,413,436</u>	<u>\$ 414,806</u>	<u>\$ 1,883,757</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
PROGRAM/COST CENTER  
REVENUE SCHEDULES AND ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA  
(Continued)**

Expense Categories	Outpatient	Residential Level II	Prevention	Outreach	Total for Children's Substance Abuse
<b>Personnel Expenses</b>					
Salaries	\$ 190,299	\$ 380,663	\$ 71,570	\$ 52,666	\$ 695,198
Fringe Benefits	39,116	55,067	11,656	5,385	111,224
<b>Total Personnel Expenses</b>	<u>229,415</u>	<u>435,730</u>	<u>83,226</u>	<u>58,051</u>	<u>806,422</u>
<b>Other Expenses</b>					
Building Occupancy	18,545	52,036	7,769	5,443	83,793
Professional Services	4,950	53,951	46,696	1,332	106,929
Travel	5,447	1,127	1,798	1,273	9,645
Equipment	4,489	19,769	1,155	882	26,295
Food Services	175	1,163	81	12	1,431
Medical and Pharmacy	8,916	9,757	1,100	34	19,807
Subcontracted Services	0	5,086	0	0	5,086
Insurance	4,603	10,258	1,855	1,320	18,036
Interest Paid	3,788	9,422	1,303	938	15,451
Operating Supplies and Expenses	9,532	22,601	2,058	1,418	35,609
Other	3	5,130	112	300	5,545
<b>Total Other Expenses</b>	<u>60,448</u>	<u>190,300</u>	<u>63,927</u>	<u>12,952</u>	<u>327,627</u>
<b>Total Personnel Expenses and Other Expenses</b>	<u>289,863</u>	<u>626,030</u>	<u>147,153</u>	<u>71,003</u>	<u>1,134,049</u>
<b>Distributed Indirect Costs</b>					
Other Support Costs (Optional)	57,142	233,419	22,979	15,475	329,015
Administration	32,916	82,020	16,458	8,364	139,758
<b>Total Distributed Indirect Costs</b>	<u>90,058</u>	<u>315,439</u>	<u>39,437</u>	<u>23,839</u>	<u>468,773</u>
<b>Total Operating Expenses</b>	<u>379,921</u>	<u>941,469</u>	<u>186,590</u>	<u>94,842</u>	<u>1,602,822</u>
<b>Unallowable Costs</b>					
Depreciation	0	10,821	0	0	10,821
Interest Expense	0	0	0	0	0
<b>(Total Unallowable Costs)</b>	<u>0</u>	<u>(10,821)</u>	<u>0</u>	<u>0</u>	<u>(10,821)</u>
<b>Total Allowable Operating Expenses Excluding Unallowable Costs</b>	<u>\$ 379,921</u>	<u>\$ 930,648</u>	<u>\$ 186,590</u>	<u>\$ 94,842</u>	<u>\$ 1,592,001</u>



**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES  
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REVENUE SCHEDULES AND ACTUAL EXPENSES  
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THE CENTERS, INC. - OCALA, FLORIDA  
(Concluded)**

Expense Categories	Total for State Funded SAMH Cost Centers	Total for Non- State Funded SAMH Cost Centers	Total for All State Designated SAMH Cost Centers	Adult Psychiatric Unit Non-SAMH Cost Center	Other Non- SAMH Cost Centers	Other Support Cost Centers (Optional)	Administration	Total Expenses
<b>Personnel Expenses</b>								
Salaries	\$ 6,718,879	\$ 1,964,781	\$ 8,683,660	\$ 951,844	\$ 5,133,263	\$ 2,070,698	\$ 1,844,193	\$ 18,683,658
Fringe Benefits	1,207,801	340,811	1,548,612	137,036	1,094,182	459,167	344,210	3,583,207
<b>Total Personnel Expenses</b>	<u>7,926,680</u>	<u>2,305,592</u>	<u>10,232,272</u>	<u>1,088,880</u>	<u>6,227,445</u>	<u>2,529,865</u>	<u>2,188,403</u>	<u>22,266,865</u>
<b>Other Expenses</b>								
Building Occupancy	750,387	181,403	931,790	94,216	616,649	340,665	147,714	2,131,034
Professional Services	1,374,661	537,879	1,912,540	237,466	101,068	50,382	33,798	2,335,254
Travel	53,928	63,184	117,112	2,581	317,768	24,305	21,215	482,981
Equipment	186,948	45,679	232,627	14,402	246,687	89,158	47,513	630,387
Food Services	7,926	1,587	9,513	76	3,289	398,753	8,448	420,079
Medical and Pharmacy	392,673	236,716	629,389	136,979	2,212	11,586	359	780,525
Subcontracted Services	71,849	23,589	95,438	20,109	508	9,937	0	125,992
Insurance	154,303	41,489	195,792	17,340	111,537	63,022	33,271	420,962
Interest Paid	125,179	35,680	160,859	15,610	9,239	56,964	30,011	272,683
Operating Supplies and Expenses	255,541	50,726	306,267	55,982	176,955	126,977	85,865	752,046
Other	77,845	186,334	264,179	12,896	274,406	0	12,050	563,531
Donated Items			0					0
In-kind	0	0	0	0	54,362	0	0	54,362
<b>Total Other Expenses</b>	<u>3,451,240</u>	<u>1,404,266</u>	<u>4,855,506</u>	<u>607,657</u>	<u>1,914,680</u>	<u>1,171,749</u>	<u>420,244</u>	<u>8,969,836</u>
<b>Total Personnel Expenses and Other Expenses</b>	<u>11,377,920</u>	<u>3,709,858</u>	<u>15,087,778</u>	<u>1,696,537</u>	<u>8,142,125</u>	<u>3,701,614</u>	<u>2,608,647</u>	<u>31,236,701</u>
<b>Distributed Indirect Costs</b>								
Other Support Costs (Optional)	2,661,956	546,354	3,208,310	347,517	56,424	(3,701,614)	89,363	0
Administration	1,337,135	406,860	1,743,995	195,064	758,951	0	(2,698,010)	0
<b>Total Distributed Indirect Costs</b>	<u>3,999,091</u>	<u>953,214</u>	<u>4,952,305</u>	<u>542,581</u>	<u>815,375</u>	<u>(3,701,614)</u>	<u>(2,608,647)</u>	<u>0</u>
<b>Total Operating Expenses</b>	<u>15,377,011</u>	<u>4,663,072</u>	<u>20,040,083</u>	<u>2,239,118</u>	<u>8,957,500</u>	<u>0</u>	<u>0</u>	<u>31,236,701</u>
<b>Unallowable Costs</b>								
Depreciation	57,741	0	57,741	0	0	0	0	57,741
Interest Expenses	0	0	0	0	2,805	0	0	2,805
<b>(Total Unallowable Costs)</b>	<u>(57,741)</u>	<u>0</u>	<u>(57,741)</u>	<u>0</u>	<u>(2,805)</u>	<u>0</u>	<u>0</u>	<u>(60,546)</u>
<b>Total SAMH Lines of Credit Equivalent</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Allowable Operating Expenses Excluding Unallowable Costs</b>	<u>\$ 15,319,270</u>	<u>\$ 4,663,072</u>	<u>\$ 19,982,342</u>	<u>\$ 2,239,118</u>	<u>\$ 8,954,695</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,176,155</u>

**SCHEDULE OF STATE EARNINGS  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA**

<b>Total Expenditures</b>	\$ 31,236,701
(Less Other State and Federal Funds)	(17,029,767)
(Less Nonmatch SAMH Funds)	(4,611,144)
(Less Expenses Related to Nonmatch Services)	(3,083,537)
(Less Unallowable Costs Per 65E-14, F.A.C.)	<u>(57,741)</u>
<b>Total Allowable Expenditures</b>	<u><u>\$ 6,454,512</u></u>
<b>Maximum Available Earnings</b>	<u><u>\$ 4,840,884</u></u>
<b>Amount of State Funds Requiring Match</b>	<u><u>\$ 4,750,733</u></u>
<b>Amount Due to Department</b>	<u><u>\$ 0</u></u>

**SCHEDULE OF BED - DAY AVAILABILITY PAYMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA**

<u>Program</u>	<u>Cost Center</u>	<u>State Contracted Rate</u>	<u>Total Units of Service Provided</u>	<u>Total Units of Service Paid for by 3rd Party Contracts, Local Government, or Other State Agencies</u>	<u>Maximum Number of Units Eligible for Payment By Department</u>	<u>Amount Paid for Services By Department</u>	<u>Maximum Dollar Value of Units</u>	<u>Amount Owed to Department</u>
Children's MH	Crisis Stabilization Unit	\$ 291.24	4,380	1,545	2,835	\$ 820,000	\$ 825,665	\$ 0
Adult MH	Crisis Stabilization Unit	291.24	8,450	1,401	7,049	1,929,538	2,052,951	0
Adult SA	Substance Abuse Detox	205.94	2,128	44	2,084	383,002	383,002	0
<b>Total Amount Owed to Department</b>								<b>\$ 0</b>

**SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
THE CENTERS, INC. - OCALA, FLORIDA**

	<u>Related Party</u>	<u>Allocation of Related Party Transactions Adjustment</u>		<u>Total</u>
		<u>State-Designated Cost Centers</u>		
Revenues from Grantee	\$ 0			
Total Revenues from Grantee	0			
Expenses Associated with Grantee Transactions	0			
Total Associated Expenses	0			
Related Party Transaction Adjustment	\$ 0	\$ 0	\$ 0	\$ 0

Related Party Transaction  
Adjustments Not  
Applicable