

THE JEROME GOLDEN CENTER FOR
BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

September 30, 2011

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AND SUBSIDIARY
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* The supplemental information and additional information on internal controls and compliance relate only to the Jerome Center for Behavioral Health, Inc.

FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
West Palm Beach, Florida

We have audited the accompanying consolidated statement of financial position of The Jerome Golden Center for Behavioral Health, Inc. (formerly known as Oakwood Center of the Palm Beaches, Inc.) (the “Center”) and Subsidiary (the “Foundation”) (both not-for-profit organizations), and collectively referred to as the “Organization” as of September 30, 2011, and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Center's 2010 financial statements, and in our report dated March 14, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2012 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, 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 important for assessing the results of our audit.

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Center taken as a whole. The accompanying schedule of expenditures of Federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Florida Single Audit Act, and is not a required part of the basic financial statements. Further, the schedules of other state funding, local financial assistance, program/cost center actual expenses and revenues, state earnings and bed-day availability payments, are also presented for purposes of additional analysis and are 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. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the 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 basic financial statements taken as a whole.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2012

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2011
(with comparative totals as of September 30, 2010)

A S S E T S

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
ASSETS:				
Cash and cash equivalents	\$ 757,507	\$ 116,866	\$ 874,373	\$ 1,790,320
Client personal funds	258,677	-	258,677	216,609
Accounts receivable:				
Clients, net of allowance for uncollectible accounts and contractual adjustments of \$ 2,955,223	-	-	-	-
Third parties, net of allowance for uncollectible accounts and contractual adjustments of \$ 9,540,303	865,955	-	865,955	1,015,830
Due from contracting agencies	2,146,681	-	2,146,681	1,998,056
Promises to give	-	703,768	703,768	-
Inventories	431,346	-	431,346	614,501
Prepaid expenses	449,270	-	449,270	429,318
Property and equipment, less accumulated depreciation of \$ 9,069,005	7,101,503	-	7,101,503	6,924,698
Intangible assets, less accumulated amortization of \$ 251,732	100,876	-	100,876	113,809
Deposits and other assets	49,439	-	49,439	52,264
Due from/to temporarily restricted/unrestricted fund	<u>(515)</u>	<u>515</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>12,160,739</u>	\$ <u>821,149</u>	\$ <u>12,981,888</u>	\$ <u>13,155,405</u>

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

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2011
(with comparative totals as of September 30, 2010)

LIABILITIES AND NET ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
LIABILITIES				
Accounts payable	\$ 889,804	\$ -	\$ 889,804	\$ 1,006,371
Client personal funds payable	258,677	-	258,677	216,609
Employee compensation and other accrued expenses	1,197,833	-	1,197,833	850,861
Accrued employee leave benefits	491,082	-	491,082	559,362
Deferred revenue	93,603	-	93,603	605,537
Debt	<u>1,882,329</u>	<u>-</u>	<u>1,882,329</u>	<u>2,122,788</u>
Total liabilities	<u>4,813,328</u>	<u>-</u>	<u>4,813,328</u>	<u>5,361,528</u>
 COMMITMENTS AND CONTINGENCIES (Note 10)				
	-	-	-	-
 NET ASSETS:				
Unrestricted:				
Invested in property and equipment	5,219,174		5,219,174	4,801,910
For current operations	1,913,468	-	1,913,468	2,394,009
Board designated	214,769	-	214,769	483,599
Temporarily restricted	<u>-</u>	<u>821,149</u>	<u>821,149</u>	<u>114,359</u>
Total net assets	<u>7,347,411</u>	<u>821,149</u>	<u>8,168,560</u>	<u>7,793,877</u>
Total liabilities and net assets	<u>\$ 12,160,739</u>	<u>\$ 821,149</u>	<u>\$ 12,981,888</u>	<u>\$ 13,155,405</u>

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

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011
(with comparative totals as of September 30, 2010)

	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
CHANGE IN NET ASSETS:				
Operating revenue:				
Grants and contracts for				
Center operations	\$ 13,376,409	\$ -	\$ 13,376,409	\$ 13,163,562
Net patient service revenue	7,931,580	-	7,931,580	8,224,386
Donated in facility use, goods				
and services	1,272,898	-	1,272,898	1,138,038
Other operating revenue	189,766	-	189,766	156,535
	<u>22,770,653</u>	<u>-</u>	<u>22,770,653</u>	<u>22,682,521</u>
Total operating revenue				
Operating expenses:				
Operating expenses	22,655,780	-	22,655,780	21,728,111
Provision for depreciation	589,589	-	589,589	625,116
Interest expense	198,746	-	198,746	205,679
Provision for amortization	17,151	-	17,151	16,568
	<u>23,461,266</u>	<u>-</u>	<u>23,461,266</u>	<u>22,575,474</u>
Total operating expenses				
Excess of operating				
revenue over operating				
expenses				
	<u>(690,613)</u>	<u>-</u>	<u>(690,613)</u>	<u>107,047</u>
Nonoperating revenue (expense):				
Contributions	368,900	706,531	1,075,431	74,686
Interest income	45,743	259	46,002	35,689
Provision for depreciation	(10,483)	-	(10,483)	(10,482)
Gain on disposal of fixed assets	8,462	-	8,462	-
Other expenses	(54,116)	-	(54,116)	(24,353)
Net assets released from				
restrictions	-	-	-	-
	<u>358,506</u>	<u>706,790</u>	<u>1,065,296</u>	<u>75,540</u>
Total nonoperating				
revenue (expense)				
	<u>358,506</u>	<u>706,790</u>	<u>1,065,296</u>	<u>75,540</u>
Changes in net assets				
	<u>(332,107)</u>	<u>706,790</u>	<u>374,683</u>	<u>182,587</u>
NET ASSETS,				
at beginning of year				
	<u>7,679,518</u>	<u>114,359</u>	<u>7,793,877</u>	<u>7,611,290</u>
NET ASSETS, at end of year				
	<u>\$ 7,347,411</u>	<u>\$ 821,149</u>	<u>\$ 8,168,560</u>	<u>\$ 7,793,877</u>

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

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2011
(with comparative totals for the year ended September 30, 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 374,683	\$ 182,587
Adjustments to reconcile change in net assets to cash provided by operating and nonoperating activities:		
Provision for depreciation	600,072	635,598
Provision for amortization	17,151	16,568
Gain on disposition of property and equipment	(8,462)	-
Provision for uncollectible accounts	(400,375)	(742,314)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	550,250	741,774
(Increase) decrease in due from contracting agencies	(148,625)	(921,300)
(Increase) decrease in inventories	183,155	147,232
(Increase) decrease in promises to give	(703,768)	-
(Increase) decrease in prepaid expenses	(19,952)	13,359
(Increase) decrease in deposits and other assets	2,825	3,381
Increase (decrease) in accounts payable	(116,567)	255,507
Increase (decrease) in employee compensation and other accrued expenses	346,972	(85,885)
Increase (decrease) in accrued employee leave benefits	(68,280)	(14,322)
Increase (decrease) in deferred revenue	(511,934)	16,307
	<u>97,145</u>	<u>248,492</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property and equipment	8,462	-
Payments for the purchase of property and equipment	(776,877)	(683,114)
	<u>(768,415)</u>	<u>(683,114)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	700,000	-
Appraisal costs	(4,218)	(3,500)
Principal payments on debt	(240,459)	(230,372)
Payments on line of credit	(700,000)	-
	<u>(244,677)</u>	<u>(233,872)</u>
Net increase (decrease) in cash and cash equivalents	(915,947)	(668,494)
CASH AND CASH EQUIVALENTS, at beginning of year	<u>1,790,320</u>	<u>2,458,814</u>
CASH AND CASH EQUIVALENTS, at end of year	<u>\$ 874,373</u>	<u>\$ 1,790,320</u>

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

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 - ORGANIZATION AND OPERATIONS

The Jerome Golden Center for Behavioral Health, Inc. (formerly known as Oakwood Center of the Palm Beaches, Inc.) (the "Center") is a not-for-profit, tax exempt organization which provides various mental health and substance abuse services and operates a hospital in the northern part of Palm Beach County, Florida. The Center charges fees based upon its clients' ability to pay for clinical services and receives grants, contributions and contracts from various governmental agencies and other sources for providing these services. The Oakwood Center Foundation, Inc. (the "Foundation") is a not-for-profit, tax exempt organization, established in December 2010, engaged in the solicitation of charitable funds for the general purposes of the Center.

The accompanying consolidated financial statements include the accounts of the Center and the Foundation. They are presented on a consolidated basis because the two organizations have certain common board members and are financially interrelated. All intercompany balances and transactions are eliminated on a consolidated basis.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. Under ASC No. 958, the Center and the Foundation are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

As of September 30, 2011, the Center had \$ 117,381 in temporarily restricted net assets, which was primarily restricted for the purpose of housing and client events. As of September 30, 2011, the Foundation had \$ 703,768 in temporarily restricted net assets, which represented an unconditional promise to give indicated below. Both the Center and the Foundation had no permanently restricted net assets as of September 30, 2011.

Cash and cash equivalents:

The Center and the Foundation consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Center maintains a majority of their cash balances in non-interest bearing accounts that are fully insured by the FDIC. In addition, the Center maintains balances in interest bearing accounts which at times may be in excess of federally insured amounts.

Promises to give:

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Center had no unconditional promises to give at September 30, 2011. The Foundation had an unconditional promise to give of \$ 703,768 at September 30, 2011, which is considered to be temporarily restricted due to time restrictions. The Center and the Foundation had no conditional promises to give at September 30, 2011.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable:

The Center has established a sliding fee schedule wherein the clients are expected to pay amounts based upon their individual financial ability. Based on past experience, the Center believes if these amounts are not collected at the time of service, there is little likelihood of future payment. Accordingly, the full amount of accounts receivable from clients has been reserved at September 30, 2011.

Accounts receivable from third parties are carried at amounts estimated to be realized by the Center based on past experience.

Inventories:

Inventories, which consist primarily of drugs and food, are stated at current replacement cost. These resulting carrying amounts are not significantly different from those which would result if the lower of cost (first-in, first-out method) or market were used.

Property and equipment:

Property and equipment are carried at cost if purchased or, if donated, at fair value on the date of donation, less accumulated depreciation. The Center follows the policy of providing for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Buildings and improvements	5-40 years
Equipment and furniture	4-25 years
Computer equipment	3-5 years
Leasehold improvements	20 years

Maintenance and repairs are charged to expense when incurred. Additions and major renewals are capitalized.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long these donated assets must be maintained, the Center reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time.

For the year ending September 30, 2011, the Center and the Foundation recorded no donated property and equipment.

Intangible assets:

Intangible assets consist of bond issue and loan costs. Bond issue costs are amortized on a straight-line basis over a twenty-five year period. Loan costs are amortized over the term of the related loan using the straight-line method.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted and unrestricted revenue and support:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Noncash contributions are recorded at their fair value on the date received.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Client service revenue and grant/contract revenue:

Client service revenue is recognized when the services are provided. Revenue from governmental contracts for Center operations is recognized when the allowable costs, as defined by the grants or contracts, have been incurred and/or the unit of service provided.

Deferred revenue:

Grant and contract revenue that is not recognized because the allowable costs as defined by the individual contract have not been incurred is considered deferred revenue.

Donated services, goods and facilities:

The Center receives donated goods and services, paying for most services requiring specific expertise. However, a number of volunteers have donated their time in certain of the Center's program service areas. Because of the difficulty in determining the number of hours for such services, those items are not disclosed in the accompanying financial statements. However, when the value of donated services requires specific expertise, they are recorded in the financial statements as revenue and as an expense, or as property and equipment, depending on the nature of the services provided. For the year ended September 30, 2011, the Center recorded as revenue and as an expense \$ 26,198 in donated student nursing services which benefited the Center's inpatient services program. Donated goods are recorded at their fair value on the date received. For the year ended September 30, 2011, the Center recorded as \$ 1,203,020 in donated goods, principally drugs, recorded at cost which approximates market. For the year ended September 30, 2011, the Center also recorded \$ 43,680 representing donated facilities use at its fair rental value.

For the year ended September 30, 2011, the Foundation did not receive any donated services, goods or facilities.

Income taxes:

The Center and the Foundation are both not-for-profit organizations, exempt from tax under Internal Revenue Code 501(c)(3), therefore, no tax provision has been made in the accompanying consolidated financial statements. Additionally, the Center has been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses:

The Center has a number of programs (cost centers) and maintains accounting records separately for each of them. Expenses incurred are charged to each program (cost center) for direct expenditures incurred. All expenses not directly chargeable are allocated based on the program's (cost center's) proportionate share of total expenditures.

Use of estimates:

The presentation 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.

Summarized prior year information:

The consolidated financial statements include summarized comparative information from the prior year which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with generally accepted accounting principles. This information should be read in conjunction with the Center's financial statements for the year ended September 30, 2010, from which the comparative information was extracted.

Date of management review:

Subsequent events have been evaluated through March 27, 2012, which is the date the financial statements were available for issuance.

NOTE 3 - GOVERNMENTAL CONTRACTS FOR CENTER OPERATIONS

The State of Florida is required by law to provide community mental health and substance abuse services and as a part of meeting this requirement enters into funding agreements for services on an annual basis with organizations that provide community services such as the Center. The release of funds is subject to monies being made available by the Federal government, the Florida Legislature, the Palm Beach County Board of County Commissioners and certain other grantor agencies. Certain of these agreements may be terminated by either party upon thirty days written notice. However, such an event would be unlikely if contract performance is satisfactory.

Program expenditures are subject to audit by the contracting agencies which, based on audit findings, may require that certain amounts be returned. In this regard, the Center records as a liability its estimate of potential paybacks. For the year ended September 30, 2011, no liabilities have been recorded.

In addition, certain funding arrangements require the Center to provide additional services on a specified matching basis. In all such contract arrangements, the Center has met its matching requirements.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 3 - GOVERNMENTAL CONTRACTS FOR CENTER OPERATIONS (continued)

Matching requirements are as follows:

Grantor	Contract Number	Matching Requirement	Contract Period Ended
State of Florida Department of Children and Families	IH-590	\$ 2,263,088	June 30, 2011
State of Florida Department of Transportation	AL065	\$ 14,853	September 30, 2011
U.S. Department of Housing and Urban Development	FL0283B4D050802	\$ 63,212	December 31, 2010
	FL0321B4D050901	\$ 14,952	February 28, 2011
	FL0276B4D050801	\$ 10,059	January 31, 2011
	R2009-1634	\$ 78,989	June 30, 2011
	R2010-0747	\$ 140,996	May 22, 2011
	R2010-1102	\$ 169,118	May 22, 2011

Further, under certain contractual arrangements with various governmental agencies, final amounts due the Center for services to program clients are not determined until after the Center's cost reports, filed annually, are audited or otherwise settled. Amounts estimated as reimbursable at the end of the fiscal year are recorded by the Center.

NOTE 4 - PROMISES TO GIVE

The composition of unconditional promises to give (Note 2) is as follows:

Receivable in less than one year	\$ 250,000
Receivable in one to five years	<u>500,000</u>
Total unconditional promises to give	750,000
Less discounts to net present value at 3.25%	<u>(46,232)</u>
Net unconditional promises to give	<u>\$ 703,768</u>

Uncollectible promises to give are expected to be insignificant based on historical experience and no allowance for uncollectible promises to give is considered necessary as of September 30, 2011.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30, 2011:

Buildings and improvements	\$	10,568,253
Equipment and furniture		2,625,613
Computer equipment		925,692
Leasehold improvements		<u>170,855</u>
		14,290,413
Less accumulated depreciation		<u>9,069,005</u>
		5,221,408
Construction in progress		311,927
Land		<u>1,568,168</u>
	\$	<u><u>7,101,503</u></u>

NOTE 6 - PENSION PLANS

The Center has a defined contribution pension plan covering all eligible employees who have 1,000 hours of service, one year of employment and are age eighteen or older. During the year ended September 30, 2011, the Center contributed 2.5% of all eligible employees' compensation. The contributions are reduced by forfeitures for the unvested balance applying to those employees who leave the Center. The pension expense for the year ended September 30, 2011 was approximately \$ 180,200.

In addition to the Plan above, the Center also offers all of its employees a tax deferred annuity under Internal Revenue Code Section 403(b). Employees may contribute to a tax deferred annuity subject to certain annual limitations. The Center will match up to an additional 2.5% of eligible employees' compensation should the employee elect to contribute to the plan. The Center contributed approximately \$ 94,700 to the employee's tax deferred annuity for the year ended September 30, 2011.

NOTE 7 - LINE OF CREDIT

At September 30, 2011, the Center had a \$ 1,000,000 revolving line of credit for working capital needs, including real estate investment, which expires in June, 2012. Borrowing against the line of credit bears interest at a rate of 5.50%. This credit line is secured by all business assets of the Center. This credit line is subject to a consecutive forty-five day annual "out of debt" period wherein the outstanding balance must not exceed \$ 2,500. In addition, this obligation is cross-collateralized and cross-defaulted with two mortgage notes (Note 8). At September 30, 2011, this facility had no outstanding balance.

NOTE 8 - DEBT

The Center is a participant in an agreement with the Osceola County Industrial Development Authority and a financial institution in a financing arrangement funded principally through the issuance of 1993 Series Industrial Development Revenue Bonds.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 8 – DEBT (continued)

The bonds will be paid through ten sinking fund installments per year including principal, interest at a 7.75% coupon rate, and fees. Estimated monthly installments of \$ 34,374, including interest, are due monthly until maturity in July 2017.

The bonds are collateralized by a first mortgage lien on certain Center facilities and a pledge of certain state contract revenues and other receivables. Further, the agreement relating to the bonds establishes a number of restrictive covenants which must be adhered to by the Center. At September 30, 2011, the Center was in compliance with all covenants.

Debt at September 30, 2011, is summarized as follows:

Bonds payable, principal and interest payable semi-annually through July 2017, interest at a fixed rate of 7.75%, collateralized by a first mortgage on facilities with a net book value of approximately \$ 2,200,200 and a pledge of certain receivables and revenues. This obligation, which will be paid through sinking fund installments, is presented net of a discount of \$ 41,733.	\$ 1,406,367
Mortgage note payable to a bank in monthly installments of \$ 4,081, including interest, until January 2017. The interest rate at September 30, 2011 was 2.75%. The interest rate is adjusted annually on January 1 through maturity to equal fifty (50) basis points below the Wall Street Journal prime rate. This note is collateralized by real property and facilities with a net book value of approximately \$ 1,538,800, an assignment of rents and other personal property. This obligation is cross-collateralized and cross-defaulted with a mortgage note below and another obligation (Note 7).	242,502
Mortgage note payable to a bank in monthly installments of \$ 1,593, including interest, at a fixed rate of 5.50% until September, 2026. This note is collateralized by real property and facilities with a net book value of approximately \$ 536,100.	194,913
Mortgage note payable to a bank in monthly installments of \$ 747 including interest, until April 2016. The interest rate at September 30, 2011 was 2.75%. The interest rate is adjusted annually on April 1 through maturity, to equal fifty (50) basis points below the "WSJ" prime rate. This note is collateralized by real property and facilities with a net book value of \$ 237,500, an assignment of rents and other personal property. This obligation is cross-collateralized and cross-defaulted with a mortgage note above and another obligation (Note 7).	<u>38,547</u>
	<u>\$ 1,882,329</u>

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 8 - DEBT (continued)

Future debt principal and estimated interest payments including bond sinking fund requirements in the aggregate are approximately as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 267,300	\$ 137,800	\$ 405,100
2013	285,500	118,600	404,100
2014	305,000	98,060	403,060
2015	326,400	75,960	402,360
2016	352,500	70,860	423,360
Thereafter	<u>387,400</u>	<u>44,450</u>	<u>431,850</u>
	<u>\$ 1,924,100</u>	<u>\$ 545,730</u>	<u>\$ 2,469,830</u>

NOTE 9 - BOARD DESIGNATED UNRESTRICTED NET ASSETS

At September 30, 2011, the total amount of net assets designated by the Board for future capital projects was \$ 214,769, including \$ 139,482 for housing projects. During the year ended September 30, 2011, approximately \$ 269,000 of funds that were previously designated by the board was used for renovations to the main center.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Center conducts portions of its operations in various facilities under operating leases. Total rent expense amounted to approximately \$ 119,200 for the year ended September 30, 2011. Most of these leases were on a month-to-month basis at September 30, 2011.

In addition, the Center leases various equipment items under several operating leases, which are payable monthly aggregating approximately \$ 3,700. Such leases expire at various times from March 2012 through November 2013. Total equipment rental expense amounted to approximately \$ 44,000 for the year ended September 30, 2011.

The future minimum lease payments relative to the operating leases at September 30, 2011 are approximately as follows:

<u>Year Ending September 30,</u>	
2012	\$ 42,200
2013	\$ 36,800
2014	\$ 6,100
2015	\$ NONE

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

The schedule on the previous page does not include the effect of renewing leases which expire over the period indicated or payments for facilities rented on a month-to-month basis.

The Center has an employment agreement with its executive director through November 2014.

NOTE 11 - RELATED PARTY TRANSACTIONS

A spouse of a board member of both the Center and the Foundation Center granted an unconditional promise to give for \$ 1,000,000 to create the Jerome Golden Fund (the "Fund"). During the year ending September 30, 2011, the first \$ 250,000 of the Fund was contributed to the Center, while the remaining \$ 750,000 of the Fund will be contributed to the Foundation over the next three years as indicated in Note 4.

NOTE 12 - SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental Disclosure of Cash Flow Information:

Cash received during the year for -		
Interest income	\$	46,006
Cash paid during the year for -		
Interest expense	\$	198,413

NOTE 13 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the year ended September 30, 2011 were as follows:

EXPENSES:		
Program services -		
Adult Mental Health	\$	12,747,047
Adult Substance Abuse		1,123,096
Children's Mental Health		568,259
Children's Substance Abuse		159,402
Other		7,137,471
Management and general		<u>1,725,991</u>
	\$	<u><u>23,461,266</u></u>

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

NOTE 14 - CONCENTRATION

The Center has a collective bargaining agreement with the United Food and Commercial Workers' International Union. All non-management represented personnel are eligible to join the union. The agreement establishes rights which include but are not limited to pay rates, benefits, working conditions and grievance procedures. The agreement covered the Center through July 31, 2011, which has been extended by mutual agreement until negotiations of the new contract is complete. Both parties of the agreement are scheduled for negotiations to commence in March 2012.

In addition, approximately 40% of the Center's total operating revenues are derived from grants and contracts with the State of Florida Department of Children and Families. Although this would have an initial impact to the Center, management feels that any significant funding change would be offset by a reduction in related program expenses.

NOTE 15 - SUBSEQUENT EVENT

In February, 2012, the Center entered into a mortgage note payable to a bank in the amount of \$ 285,000 for the purpose of certain repairs of their main facility. This note will require initial monthly payments of \$ 4,106, including interest at a rate of 5.25% through February 2015, at which time the interest will be adjusted annually to the current Prime rate determined by the bank, not to exceed 8.25%. This note will mature in February 2019.

SUPPLEMENTAL INFORMATION

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2011

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Direct Program:				
Department of Housing and Urban Development - Haven House	* 14.235	FL0283B4D051003	\$ 261,246	-
	* 14.235	FL0283B4D050802	96,550	-
Project Home II	* 14.235	FL0321B4D051002	71,214	-
	* 14.235	FL0321B4D050901	45,106	-
Project Home III	* 14.235	FL0276B4D051002	74,458	-
	* 14.235	FL0276B4D050801	34,716	-
Indirect Programs:				
Department of Health and Human Services - Passed through the State of Florida Department of Children and Families Alcohol, Drug Abuse and Mental Health Services	* 93.958	IH-590 (2010-2011)	703,679	-
	93.959	IH-590 (2010-2011)	466,178	-
	* 93.150	IH-590 (2010-2011)	237,370	-
	93.558	IH-590 (2010-2011)	81,819	-
	* 93.958	IH-590 (2011-2012)	187,633	-
	93.959	IH-590 (2011-2012)	155,894	-
	* 93.150	IH-590 (2011-2012)	64,175	-
	93.558	IH-590 (2011-2012)	25,000	-
Mobile Crisis Services	93.243	T102313301	20,374	-
Passed through the State of Florida Department of Health Rape Prevention Education and Training	93.136	COH6T	41,452	-

The accompanying notes to the schedule of expenditures of Federal awards and state financial assistance, other state funding and local financial assistance is an integral part of these schedules.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

(continued)

For the Year Ended September 30, 2011

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME (continued):				
Indirect Programs (continued):				
Department of Housing and Urban Development - Passed through City of West Palm Beach, Florida	14.241	10352	529,299	-
Housing Opportunities for Persons with AIDS				
Passed through Palm Beach County, Florida Project Success	14.238	R2009-2113	49,332	-
	14.238	R2010-2072	20,960	-
	* 14.235	R2010-1504	33,864	-
Shelter Plus Care	14.238	R2010-1102	159,895	-
	14.238	R2010-0721	97,263	-
	14.238	R2011-1014	52,040	-
	14.238	R2009-1634	76,268	-
Main Center HVAC Project	14.218	R2011-1032	13,448	-
Department of Justice - Passed through the Palm Beach County Criminal Justice Commission Justice and Mental Health Collaboration Program	16.745	-	92,274	-

The accompanying notes to the schedule of expenditures of Federal awards and state financial assistance,
other state funding and local financial assistance is an integral part of these schedules.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

(continued)

For the Year Ended September 30, 2011

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
Passed through the State of Florida Department of Education Employment and Supportive Employment Services	84.126	VJ-788	124,576	-
Department of Transportation - Passed through the State of Florida Department of Transportation Capital Assistance Program	20.513	AL065 (10/11)	118,823	-
Department of Agriculture - Passed through the State of Florida Department of Elder Affairs Children and Adult Care Food Program	10.558	Y-1038	104,754	-
Total Federal Agency			<u>4,039,660</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u>4,039,660</u>	\$ <u>-</u>

The accompanying notes to the schedule of expenditures of Federal awards and state financial assistance, other state funding and local financial assistance is an integral part of these schedules.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

(continued)

For the Year Ended September 30, 2011

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/Grant Number	Expenditures	Transfers to Sub recipients
STATE AGENCY NAME				
Direct Project:				
State of Florida Department of Children and Families -				
Alcohol, Drug Abuse and Mental Health Services				
	**	60.053	\$ 1,988,071	\$ -
	**	60.006	1,677,853	-
	**	60.054	1,244,221	-
		60.057	114,939	-
		60.001	68,344	-
		60.055	50,157	-
		60.031	49,522	-
		60.114	31,254	-
		60.033	26,348	-
		60.030	22,241	-
		60.039	21,605	-
	**	60.053	706,428	-
	**	60.006	575,485	-
	**	60.054	419,910	-
		60.057	32,500	-
		60.001	27,330	-
		60.031	13,687	-
		60.055	9,674	-
		60.114	9,642	-
		60.033	7,626	-
		60.039	7,156	-
		60.030	<u>2,585</u>	-
Total State Agency			<u>7,106,578</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 7,106,578</u>	<u>\$ -</u>

* Denotes a major program
** Denotes a major project

The accompanying notes to the schedule of expenditures of Federal awards and state financial assistance, other state funding and local financial assistance is an integral part of these schedules.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
 SCHEDULE OF OTHER STATE FUNDING
 For the Year Ended September 30, 2011

<u>Grantor</u>	<u>Program Title</u>	<u>Contract Number</u>	<u>Revenue</u>
OTHER STATE FUNDING			
Department of Transportation	Capital Assistance Program	AL065 (10/11)	\$ <u>14,853</u>
Total Other State Funding			\$ <u><u>14,853</u></u>

The accompanying notes to the schedule of expenditures of Federal awards and state financial assistance, other state funding and local financial assistance is an integral part of these schedules.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF LOCAL FINANCIAL ASSISTANCE
For the Year Ended September 30, 2011

<u>Grantor</u>	<u>Program Title</u>	<u>Contract Number</u>	<u>Revenue</u>
LOCAL FINANCIAL ASSISTANCE: Palm Beach County	Financially Assisted Agency Program	R2010-1832	\$ 1,680,535
	Project Success	R2010-2072	17,366
		R2010-1504	8,466
	Homeless Assertive Community Treatment Team	R2010-1503	63,508
Children's Service Council of Palm Beach County	Healthy Beginnings	10-581	218,447
Department of Health	HIV Mental Health Services	PB281	66,544
Palm Healthcare Foundation	Coping with Economic Stress	20100083/20100066	46,037
United Way of Palm Beach County	Infrastructure Grant	-	4,264
Quantum Foundation	-	-	<u>3,111</u>
Total Expenditures of Local Financial Assistance			<u>\$ 2,108,278</u>

The accompanying notes to the schedule of expenditures of Federal awards and state financial assistance, other state funding and local financial assistance is an integral part of these schedules.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE,
OTHER STATE FUNDING AND LOCAL FINANCIAL ASSISTANCE
September 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance include the grant activity of the Center and are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Center. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable Federal and state laws and regulations.

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES
For the Year Ended September 30, 2011

Funding Sources and Revenues	Adult Mental Health						
	Crisis Support/ Emergency	Crisis Stabilization	Inpatient	Residential Level III	Residential Level IV	Case Management	Intensive Case Management
STATE SAMH FUNDING:							
From the District funding this contract (District 9)	\$ 1,582,549	\$ 374,319	\$ 2,395,468	\$ 314,862	\$ 500,945	\$ 191,916	\$ 144,512
Total State SAMH funding	<u>1,582,549</u>	<u>374,319</u>	<u>2,395,468</u>	<u>314,862</u>	<u>500,945</u>	<u>191,916</u>	<u>144,512</u>
OTHER GOVERNMENT FUNDING:							
Medicaid	16,039	181,419	362,796	4,031	1,666	116,153	71,826
Local government	142,831	451,309	576,482	82,056	350,972	-	-
Federal grants and contracts	-	-	-	7,082	-	-	-
Other state agency funding	18,610	-	-	-	-	-	-
Total other government funding	<u>177,480</u>	<u>632,728</u>	<u>939,278</u>	<u>93,169</u>	<u>352,638</u>	<u>116,153</u>	<u>71,826</u>
ALL OTHER REVENUES:							
Medicare	70,322	3,191	1,207,274	(2,211)	(39)	(48)	-
In-kind	-	-	26,198	-	-	-	-
First and second party payments	7,684	788	20,265	23,897	247,322	(106)	3,584
Third party payments (except Medicare)	43,175	43,513	382,678	(6,526)	(27,013)	-	(19)
Other	-	-	-	-	-	-	-
Total all other revenue	<u>121,181</u>	<u>47,492</u>	<u>1,636,415</u>	<u>15,160</u>	<u>220,270</u>	<u>(154)</u>	<u>3,565</u>
Total funding	<u>\$ 1,881,210</u>	<u>\$ 1,054,539</u>	<u>\$ 4,971,161</u>	<u>\$ 423,191</u>	<u>\$ 1,073,853</u>	<u>\$ 307,915</u>	<u>\$ 219,903</u>

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Funding Sources and Revenues	Adult Mental Health								Total for Adult Mental Health
	Comprehensive Community Service Team	Day/Night Services	Medical Services	Drop-In/ Self Help Centers	Outreach Services	Supported Employment Services	Support Housing/Living Services		
STATE SAMH FUNDING:									
From the District funding this contract (District 9)	\$ 1,099,816	\$ 83,937	\$ 811,289	\$ 28,006	\$ 222,935	\$ -	\$ 89,154	\$	\$ 7,839,708
Total State SAMH funding	<u>1,099,816</u>	<u>83,937</u>	<u>811,289</u>	<u>28,006</u>	<u>222,935</u>	<u>-</u>	<u>89,154</u>	<u>-</u>	<u>7,839,708</u>
OTHER GOVERNMENT FUNDING:									
Medicaid	1,013,814	102,966	347,365	-	4,156	112	-	-	2,222,343
Local government	7,909	-	-	-	-	-	-	-	1,611,559
Federal grants and contracts	1,490	-	-	-	7,487	100,465	-	-	116,524
Other state agency funding	-	-	-	-	-	-	-	-	18,610
Total other government funding	<u>1,023,213</u>	<u>102,966</u>	<u>347,365</u>	<u>-</u>	<u>11,643</u>	<u>100,577</u>	<u>-</u>	<u>-</u>	<u>3,969,036</u>
ALL OTHER REVENUES:									
Medicare	51,274	(1,909)	145,901	-	1,800	-	-	-	1,475,555
In-kind	-	43,680	-	-	-	-	-	-	69,878
First and second party payments	36,284	1,615	6,779	-	259	4	(2,568)	-	345,807
Third party payments (except Medicare)	12,785	(4,177)	(8,506)	-	(130)	-	-	-	435,780
Other	-	-	-	-	-	-	-	-	-
Total all other revenue	<u>100,343</u>	<u>39,209</u>	<u>144,174</u>	<u>-</u>	<u>1,929</u>	<u>4</u>	<u>(2,568)</u>	<u>-</u>	<u>2,327,020</u>
Total funding	<u>\$ 2,223,372</u>	<u>\$ 226,112</u>	<u>\$ 1,302,828</u>	<u>\$ 28,006</u>	<u>\$ 236,507</u>	<u>\$ 100,581</u>	<u>\$ 86,586</u>	<u>\$</u>	<u>\$ 14,135,764</u>

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Funding Sources and Revenues	Adult Substance Abuse			Children's Mental Health					Total for Children's Mental Health
	Prevention	Residential Level II	Detoxification	Total for Adult Substance Abuse	Crisis Support/Emergency	Crisis Stabilization	Case Management	Medical Services	
STATE SAMH FUNDING:									
From the District funding this contract (District 9)	\$ 38,250	\$ 468,898	\$ 140,503	\$ 647,651	\$ 150,165	\$ 92,948	\$ 23,541	\$ 36,290	\$ 302,944
Total State SAMH funding	38,250	468,898	140,503	647,651	150,165	92,948	23,541	36,290	302,944
OTHER GOVERNMENT FUNDING:									
Medicaid	-	(3,025)	2,543	(482)	1,521	37,136	85,083	29,919	153,659
Local government	-	231,868	183,161	415,029	13,542	65,442	-	-	78,984
Federal grants and contracts	-	-	-	-	-	-	-	-	-
Other state agency funding	-	-	-	-	1,764	-	-	-	1,764
Total other government funding	-	228,843	185,704	414,547	16,827	102,578	85,083	29,919	234,407
ALL OTHER REVENUES:									
Medicare	-	(24)	727	703	6,667	(8)	(36)	12,567	19,190
In-kind	-	-	-	-	-	-	-	-	-
First and second party payments	-	(6,585)	376	(6,209)	728	(342)	(77)	584	893
Third party payments (except Medicare)	-	(9,505)	3,469	(6,036)	4,093	10,805	-	(732)	14,166
Other	-	30,992	-	30,992	-	-	-	-	-
Total all other revenue	-	14,878	4,572	19,450	11,488	10,455	(113)	12,419	34,249
Total funding	\$ 38,250	\$ 712,619	\$ 330,779	\$ 1,081,648	\$ 178,480	\$ 205,981	\$ 108,511	\$ 78,628	\$ 571,600

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Funding Sources and Revenues	Children's Substance Abuse					Total for State SAMH-Funded Cost Center	Total for Non-State-Funded SAMH-Cost Centers	Total For All State-Designated SAMH-Cost Centers	Non-SAMH Cost Centers	Total Funding
	Child Prevention	Residential Level II	Total for Children's Substance Abuse	Total for State SAMH-Funded Cost Center	Total for Non-State-Funded SAMH-Cost Centers					
STATE SAMH FUNDING:										
From the District funding this contract (District 9)	\$ 189,506	\$ 24,826	\$ 214,332	\$ 9,004,635	\$ -	\$ 9,004,635	\$ 130,732	\$ 9,135,367		\$ 9,135,367
Total State SAMH funding	189,506	24,826	214,332	9,004,635	-	9,004,635	130,732	9,135,367		9,135,367
OTHER GOVERNMENT FUNDING:										
Medicaid	171	(160)	11	2,375,531	1,207,916	3,583,447	386,569	3,970,016		3,970,016
Local government	-	12,255	12,255	2,117,827	1,031,990	3,149,817	3,111	3,152,928		3,152,928
Federal grants and contracts	-	-	-	116,524	709,543	826,067	133,677	959,744		959,744
Other state agency funding	-	-	-	20,374	66,544	86,918	41,452	128,370		128,370
Total other government funding	171	12,095	12,266	4,630,256	3,015,993	7,646,249	564,809	8,211,058		8,211,058
ALL OTHER REVENUES:										
Medicare	-	(1)	(1)	1,495,447	18,395	1,513,842	1,427,184	2,941,026		2,941,026
In-kind	-	-	-	69,878	-	69,878	1,203,020	1,272,898		1,272,898
First and second party payments	-	(348)	(348)	340,143	101,744	441,887	77,133	519,020		519,020
Third party payments (except Medicare)	-	(502)	(502)	443,408	50,717	494,125	7,393	501,518		501,518
Other	-	1,638	1,638	32,630	127,516	160,146	29,620	189,766		189,766
Total all other revenue	-	787	787	2,381,506	298,372	2,679,878	2,744,350	5,424,228		5,424,228
Total funding	\$ 189,677	\$ 37,708	\$ 227,385	\$ 16,016,397	\$ 3,314,365	\$ 19,330,762	\$ 3,439,891	\$ 22,770,653		\$ 22,770,653

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Adult Mental Health

Expense categories	Adult Mental Health							Comprehensive Community Service Team	Day/Night Services
	Crisis Support/Emergency	Crisis Stabilization	Inpatient	Residential Level III	Residential Level IV	Case Management	Intensive Case Management		
PERSONNEL EXPENSES									
Salaries	\$ 1,093,948	\$ 437,852	\$ 2,822,580	\$ 200,397	\$ 110,622	\$ 114,737	\$ 88,501	\$ 1,253,848	\$ 55,810
Fringe benefits	281,464	114,250	699,327	50,207	27,856	28,639	22,042	315,699	15,385
Total personnel expenses	1,375,412	552,102	3,521,907	250,604	138,478	143,376	110,543	1,569,547	71,195
OTHER EXPENSES:									
Medical and pharmacy	1,051	12,762	201,420	294	-	-	-	1,818	451
Building occupancy and allocation of occupancy costs	19,895	37,279	58,903	95,630	225,924	1,723	1,534	47,649	19,591
Operating supplies and expenses	32,628	27,102	160,313	20,808	29,565	18,745	7,101	109,843	13,705
Professional services	5,319	78,202	108,967	1,351	1,879	569	415	5,816	1,461
Insurance	51,238	21,653	131,379	9,201	4,997	5,221	4,002	59,566	2,454
Equipment costs	17,719	9,356	47,925	6,382	17,078	1,173	825	26,822	1,626
Food costs and allocation of food services	6,158	4,163	123,976	9,146	14,030	-	-	-	5,725
Subcontracted services	6,008	44,338	66,211	25,611	42,563	188	120	12,232	48,064
Interest expense	741	-	362	-	106,149	-	-	22,428	-
Travel	2,275	1,813	859	127	2,178	5,216	5,099	21,176	93
Donated services	-	-	26,198	-	-	-	-	-	43,680
Total other expenses	143,032	236,668	926,513	168,550	444,363	32,835	19,096	307,350	136,850
Total personnel and other expenses	1,518,444	788,770	4,448,420	419,154	582,841	176,211	129,639	1,876,897	208,045
DISTRIBUTED INDIRECT COSTS:									
Allocation of other support	102,133	93,655	305,155	46,395	196,705	11,232	2,419	65,018	89,251
Allocation of administration	131,095	67,608	327,987	38,189	53,097	16,055	11,815	163,321	13,468
Total distributed indirect costs	233,228	161,263	633,142	84,584	249,802	27,287	14,234	228,339	102,719
Total actual operating expenses	1,751,672	950,033	5,081,562	503,738	832,643	203,498	143,873	2,105,236	310,764
UNALLOWABLE COSTS									
Total allowed operating expenses	\$ 1,751,672	\$ 950,033	\$ 5,055,364	\$ 503,738	\$ 832,643	\$ 203,498	\$ 143,873	\$ 2,105,236	\$ 310,764
CAPITAL EXPENDITURES									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Expense categories	Adult Mental Health					Adult Substance Abuse			Total for Adult Substance Abuse	
	Medical Services	Drop-In/ Self Help Centers	Outreach Services	Supported Employment Services	Supported Housing/Living Services	Total for Adult Mental Health	Prevention	Residential Level II		Detoxification
PERSONNEL EXPENSES										
Salaries	\$ 626,558	\$ 4,665	\$ 109,247	\$ 128,030	\$ 30,981	\$ 7,077,776	\$ 30,579	\$ 293,476	\$ 183,304	\$ 507,359
Fringe benefits	146,168	1,463	26,578	32,624	7,792	1,769,494	6,061	73,642	30,555	110,258
Total personnel expenses	772,726	6,128	135,825	160,654	38,773	8,847,270	36,640	367,118	213,859	617,617
OTHER EXPENSES:										
Medical and pharmacy	50,564	-	7	-	-	268,367	-	3,314	-	3,314
Building occupancy and allocation of occupancy costs	15,272	97	1,140	1,396	2,213	528,246	-	58,506	5,269	63,775
Operating supplies and expenses	23,682	399	7,301	2,568	354	454,114	-	42,252	2,182	44,434
Professional services	370,946	211	500	580	141	576,357	-	4,602	11,363	15,965
Insurance	29,082	196	5,119	4,340	1,366	329,814	-	13,828	5,055	18,883
Equipment costs	14,032	420	1,454	1,062	280	146,154	-	10,835	1,078	11,913
Food costs and allocation of food services	24	-	-	-	-	163,222	-	15,200	1,197	16,397
Subcontracted services	2,023	55	382	325	37	248,157	-	127,037	10,014	137,051
Interest expense	41	-	4,230	1,701	-	135,652	-	-	-	-
Travel	4,039	2	192	8,844	1	51,914	-	1,045	16	1,061
Donated services	-	-	-	-	-	69,878	-	-	-	-
Total other expenses	509,705	1,380	20,325	20,816	4,392	2,971,875	-	276,619	36,174	312,793
Total personnel and other expenses	1,282,431	7,508	156,150	181,470	43,165	11,819,145	36,640	643,737	250,033	930,410
DISTRIBUTED INDIRECT COSTS:										
Allocation of other support	8,301	77	1,211	5,741	609	927,902	-	175,318	17,368	192,686
Allocation of administration	111,882	515	14,231	17,063	4,059	970,385	-	43,116	21,689	64,805
Total distributed indirect costs	120,183	592	15,442	22,804	4,668	1,898,287	-	218,434	39,057	257,491
Total actual operating expenses	1,402,614	8,100	171,592	204,274	47,833	13,717,432	36,640	862,171	289,090	1,187,901
UNALLOWABLE COSTS										
Total allowed operating expenses	\$ 1,402,614	\$ 8,100	\$ 171,592	\$ 204,274	\$ 47,833	\$ 13,691,234	\$ 36,640	\$ 862,171	\$ 289,090	\$ 1,187,901
CAPITAL EXPENDITURES										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Expense categories	Children's Mental Health					Children's Substance Abuse			Total for Children's Substance Abuse
	Crisis Support/ Emergency	Crisis Stabilization	Case Management	Medical Services	Total for Children's Mental Health	Child Prevention	Residential Level II	Abuse	
PERSONNEL EXPENSES									
Salaries	\$ 103,718	\$ 70,312	\$ 84,045	\$ 53,822	\$ 311,897	\$ 79,333	\$ 15,742	\$ 95,075	
Fringe benefits	26,686	20,274	20,978	12,553	80,491	19,981	3,892	23,873	
Total personnel expenses	130,404	90,586	105,023	66,375	392,388	99,314	19,634	118,948	
OTHER EXPENSES:									
Medical and pharmacy	100	-	-	2,256	2,356	-	175	175	
Building occupancy and allocation of occupancy costs	1,886	13,417	1,262	1,314	17,879	174	3,092	3,266	
Operating supplies and expenses	3,094	1,140	13,731	2,034	19,999	7,322	2,233	9,555	
Professional services	504	13,387	416	31,949	46,256	380	243	623	
Insurance	4,858	3,744	3,824	2,498	14,924	2,942	731	3,673	
Equipment costs	1,680	2,359	859	1,203	6,101	755	573	1,328	
Food costs and allocation of food services	584	481	-	2	1,067	313	803	1,116	
Subcontracted services	570	6,236	138	174	7,118	112	6,714	6,826	
Interest expense	70	-	-	4	74	-	-	-	
Travel	216	111	3,821	348	4,496	3,185	55	3,240	
Donated services	-	-	-	-	-	-	-	-	
Total other expenses	13,562	40,875	24,051	41,782	120,270	15,183	14,619	29,802	
Total personnel and other expenses	143,966	131,461	129,074	108,157	512,658	114,497	34,253	148,750	
DISTRIBUTED INDIRECT COSTS:									
Allocation of other support	9,683	34,677	8,227	3,014	55,601	1,617	9,035	10,652	
Allocation of administration	12,429	11,436	11,760	9,636	45,261	10,766	2,279	13,045	
Total distributed indirect costs	22,112	46,113	19,987	12,650	100,862	12,383	11,314	23,697	
Total actual operating expenses	166,078	177,574	149,061	120,807	613,520	126,880	45,567	172,447	
UNALLOWABLE COSTS									
Total allowed operating expenses	\$ 166,078	\$ 177,574	\$ 149,061	\$ 120,807	\$ 613,520	\$ 126,880	\$ 45,567	\$ 172,447	
CAPITAL EXPENDITURES									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES

(continued)

For the Year Ended September 30, 2011

Expense categories	Total for State SAMH- Funded Cost Center	Total for Non-State- Funded SAMH-Cost Centers	Total For All State- Designated SAMH-Cost Centers	Non-SAMH Cost Centers	Other Support Costs	Administration	Total Center 2011
PERSONNEL EXPENSES							
Salaries	\$ 7,992,107	\$ 1,442,459	\$ 9,434,566	\$ 505,756	\$ 513,485	\$ 994,368	\$ 11,448,175
Fringe benefits	1,984,116	362,548	2,346,664	126,874	127,516	244,344	2,845,398
Total personnel expenses	9,976,223	1,805,007	11,781,230	632,630	641,001	1,238,712	14,293,573
OTHER EXPENSES:							
Medical and pharmacy	274,212	579	274,791	2,680,544	10,212	17	2,965,564
Building occupancy and allocation of occupancy costs	613,166	818,392	1,431,558	15,815	439,970	38,931	1,926,274
Operating supplies and expenses	528,102	135,250	663,352	56,699	58,509	147,318	925,878
Professional services	639,201	200,677	839,878	13,133	25,630	158,971	1,037,612
Insurance	367,294	66,331	433,625	23,304	23,537	45,297	525,763
Equipment costs	165,496	35,022	200,518	250,215	116,102	43,995	610,830
Food costs and allocation of food services	181,802	122,652	304,454	369	20,974	759	326,556
Subcontracted services	399,152	17,444	416,596	6,057	53,813	14,079	490,545
Interest expense	135,726	36,727	172,453	4,213	-	22,080	198,746
Travel	60,711	12,221	72,932	894	389	15,832	90,047
Donated services	69,878	-	69,878	-	-	-	69,878
Total other expenses	3,434,740	1,445,295	4,880,035	3,051,243	749,136	487,279	9,167,693
Total personnel and other expenses	13,410,963	3,250,302	16,661,265	3,683,873	1,390,137	1,725,991	23,461,266
DISTRIBUTED INDIRECT COSTS:							
Allocation of other support	1,186,841	118,603	1,305,444	84,693	(1,390,137)	-	-
Allocation of administration	1,093,496	286,122	1,379,618	346,373	-	(1,725,991)	-
Total distributed indirect costs	2,280,337	404,725	2,685,062	431,066	(1,390,137)	(1,725,991)	-
Total actual operating expenses	15,691,300	3,655,027	19,346,327	4,114,939	-	-	23,461,266
UNALLOWABLE COSTS							
Total allowed operating expenses	\$ 15,665,102	\$ 3,655,027	\$ 19,320,129	\$ 4,114,939	\$ -	\$ -	\$ 23,435,068
CAPITAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
 SCHEDULE OF STATE EARNINGS
 For the Year Ended June 30, 2011

TOTAL EXPENDITURES	\$ 23,309,597
Less other state and Federal funds	(5,572,437)
Less nonmatch SAMH funds	(2,238,227)
Less unallowable costs per 65E-14, F.A.C.	<u>(26,198)</u>
 TOTAL ALLOWABLE EXPENDITURES	 \$ <u><u>15,472,735</u></u>
 MAXIMUM AVAILABLE EARNINGS	 \$ <u><u>11,604,551</u></u>
 AMOUNT OF STATE FUNDS REQUIRING MATCH	 \$ <u><u>6,777,371</u></u>
 AMOUNT DUE TO DEPARTMENT *	 \$ <u><u>4,827,180</u></u>

* If this amount is negative, the amount is due to the department up to the amount on line listed

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
For the Year Ended June 30, 2011

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Services Paid by Third Party Contracts, Local Government or Other State Agencies	Maximum Number of Units Eligible for Payment by the Department	Amount Paid For Services by the Department	Maximum Dollar Value of Units Eligible for Payment by the Department	Amount Owed to the Department
Adult Mental Health	Inpatient	\$ 351.82	16,060	5,176	10,884	\$ 2,714,864	\$ 3,829,209	\$ NONE
Adult Mental Health	Crisis Stabilization	\$ 331.74	2,920	1,869	1,051	\$ 348,000	\$ 348,659	\$ NONE
Adult Substance Abuse	Detoxification	\$ 218.53	1,460	838	622	\$ 129,420	\$ 135,926	\$ NONE
Children's Mental Health	Crisis Stabilization	\$ 331.74	730	296	434	\$ 57,001	\$ 143,975	\$ NONE

INTERNAL CONTROLS AND COMPLIANCE



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

To the Board of Directors
The Jerome Golden Center for Behavioral Health, Inc.
West Palm Beach, Florida

We have audited the financial statements of The Jerome Golden Center for Behavioral Health, Inc. (formerly known as Oakwood Center of the Palm Beaches, Inc.) (the "Center"), (a not-for-profit organization), as of and for the year ended September 30, 2011, and have issued our report thereon dated March 27, 2012. 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 Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatements, 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*.

The Jerome Golden Center for Behavioral Health, Inc.

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

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2012



INDEPENDENT AUDITORS' 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

To the Board of Directors
The Jerome Golden Center for Behavioral Health, Inc.
West Palm Beach, Florida

Compliance

We have audited the compliance of The Jerome Golden Center for Behavioral Health, Inc., (a not-for-profit organization (formerly known as Oakwood Center of the Palm Beaches, Inc.) (the "Center") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that are applicable to each of its major Federal programs and state projects for the year ended September 30, 2011. The Center's major Federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal programs and state is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's 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 Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the 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 September 30, 2011.

Internal Control over Compliance

The management of the Center 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 Center's internal control over compliance with requirements that could have a direct and material effect on a major Federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Center's internal control over compliance.

The Jerome Golden Center for Behavioral Health, Inc.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program and/or a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program and/or a state project will not be prevented, or detected and corrected, on a timely basis.

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

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

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2012

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2011

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of The Jerome Golden Center for Behavioral Health, Inc.
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The Jerome Golden Center for Behavioral Health, Inc. were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal programs or state projects are reported in the Independent Auditors' 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 A-133 and Chapter 10.650, Rules of the Auditor General.
5. The auditors' report on compliance for the major Federal programs and state projects for The Jerome Golden Center for Behavioral Health, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major Federal programs and state projects for The Jerome Golden Center for Behavioral Health, Inc. reported in Part C of this schedule.
7. The programs/projects tested as major programs/projects include the following:

Federal Programs:	Federal CFDA No.
United States Department of Health and Human Services, Block Grants for Community Mental Health Services	93.958
Projects for Assistance in Transition From Homelessness (PATH)	93.150
United States Department of Housing and Urban Development, Supportive Housing Program	14.235
State Projects:	State CSFA No.
State of Florida Department of Children and Families, Adult Community Mental Health – Emergency Stabilization	60.054
State of Florida Department of Children and Families, Adult Community Mental Health Community Support Services	60.053

THE JEROME GOLDEN CENTER FOR BEHAVIORAL HEALTH, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
For the Year Ended September 30, 2011

8. The threshold for distinguishing Type A and B programs/projects was \$ 300,000 for both major Federal programs and major state projects.
9. The Jerome Golden Center for Behavioral Health, Inc. was determined to be a low risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

No matters were reported

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS AUDITS

No matters were reported

D. OTHER ISSUES

1. No management letter is required because there were no findings to be reported in the management letter.
2. No summary schedule of prior audit findings is required because there were no prior audit findings relating to Federal programs or state projects.
3. No corrective action plan is required because there were no findings for the current year reported under OMB Circular A-133 or the Florida Single Audit Act.