

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND

(a division of The Salvation Army Northeast Florida  
Area Command, a unit of The Salvation Army,  
a Georgia Corporation)

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION  
Years Ended September 30, 2011 and 2010

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
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MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees  
The Salvation Army, A Georgia Corporation

We have audited the accompanying statements of financial position of The Salvation Army Northeast Florida Area Command Operating Fund (the "Operating Fund"), a division of The Salvation Army Northeast Florida Area Command, a unit of The Salvation Army, a Georgia corporation, as of September 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Operating Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

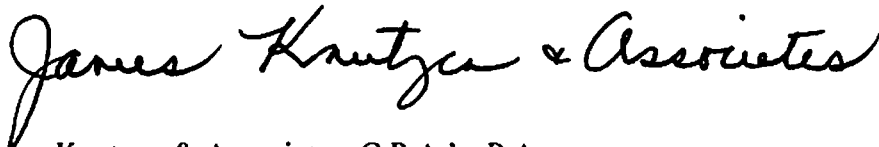
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Salvation Army Northeast Florida Area Command Operating Fund at September 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011 on our consideration of the Operating Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 should be considered in assessing the results of our audits.

Our audit was performed for the purpose of forming an opinion on the basic financial statements 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 the U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and Section 215.97, Florida Statutes and Chapter 10.650: "Rules of the Auditor General" and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "James Knutzen & Associates". The signature is written in black ink and is positioned above the typed name of the firm.

James Knutzen & Associates, C.P.A.'s, P.A.  
Jacksonville, Florida  
December 16, 2011

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
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STATEMENTS OF FINANCIAL POSITION  
September 30, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Operating Assets:		
Cash and cash equivalents (Notes 2 and 3)	\$ 944,957	\$ 1,217,506
Accounts receivable (less allowance for doubtful accounts of \$1,419 and \$635) (Note 4)	292,301	122,251
Property and equipment (less accumulated depreciation of \$436,706 and \$454,597) (Note 11)	92,264	132,867
Other assets	<u>321,401</u>	<u>157,752</u>
Total Assets	<u>\$ 1,650,923</u>	<u>\$ 1,630,376</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 984,446	\$ 795,087
Accrued payroll	156,360	161,419
Refundable advance	-	131,950
Funds held in trust	<u>110,114</u>	<u>162,038</u>
Total Liabilities	<u>1,250,920</u>	<u>1,250,494</u>
Net Assets:		
Unrestricted	354,922	319,973
Temporarily restricted (Note 7)	<u>45,081</u>	<u>59,909</u>
Total Net Assets	<u>400,003</u>	<u>379,882</u>
Total Liabilities and Net Assets	<u>\$ 1,650,923</u>	<u>\$ 1,630,376</u>

See Notes to Financial Statements.

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
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STATEMENT OF ACTIVITIES  
For The Year Ended September 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2011</u>
Public Support and Revenue			
Contributions	\$ 3,339,802	\$ 111,664	\$ 3,451,466
Donations-in-kind and contributed services	1,766,308	-	1,766,308
Program service fees	2,893,543	-	2,893,543
Special events	216,935	-	216,935
Federated fund-raising organizations	464,326	-	464,326
Fees and grants from governmental agencies	1,908,776	-	1,908,776
Other income	79,121	-	79,121
	<u>10,668,811</u>	<u>111,664</u>	<u>10,780,475</u>
Assets released from restrictions	<u>126,492</u>	<u>(126,492)</u>	<u>-</u>
 Total Public Support and Revenue	 <u>10,795,303</u>	 <u>(14,828)</u>	 <u>10,780,475</u>
Expenses			
Program Services:			
Corps Community Center	1,434,729	-	1,434,729
Residential and institutional	679,840	-	679,840
Other social services	6,712,547	-	6,712,547
	<u>8,827,116</u>	<u>-</u>	<u>8,827,116</u>
Supporting Services:			
Management and general	1,100,555	-	1,100,555
Fund raising	845,766	-	845,766
	<u>1,946,321</u>	<u>-</u>	<u>1,946,321</u>
Total Supporting Services	<u>1,946,321</u>	<u>-</u>	<u>1,946,321</u>
Total Expenses	<u>10,773,437</u>	<u>-</u>	<u>10,773,437</u>
Changes in Net Assets before Transfer of Net Assets	21,866	(14,828)	7,038
Transfer of Net Assets (Note 12)	<u>13,083</u>	<u>-</u>	<u>13,083</u>
Changes in Net Assets	34,949	(14,828)	20,121
Net Assets at Beginning of Year	<u>319,973</u>	<u>59,909</u>	<u>379,882</u>
Net Assets at End of Year	<u>\$ 354,922</u>	<u>\$ 45,081</u>	<u>\$ 400,003</u>

See Notes to Financial Statements.

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STATEMENT OF ACTIVITIES  
For The Year Ended September 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2010</u>
Public Support and Revenue			
Contributions	\$ 3,339,324	\$ 29,700	\$ 3,369,024
Donations-in-kind and contributed services	1,942,508	-	1,942,508
Program service fees	3,346,245	-	3,346,245
Special events	142,855	-	142,855
Federated fund-raising organizations	431,750	-	431,750
Fees and grants from governmental agencies	2,205,310	-	2,205,310
Other income	69,328	-	69,328
	<u>11,477,320</u>	<u>29,700</u>	<u>11,507,020</u>
Assets released from restrictions	<u>24,971</u>	<u>(24,971)</u>	<u>-</u>
Total Public Support and Revenue	11,502,291	4,729	11,507,020
Expenses			
Program Services:			
Corps Community Center	1,650,589	-	1,650,589
Residential and institutional	529,918	-	529,918
Other social services	7,553,069	-	7,553,069
Total Program Services	<u>9,733,576</u>	<u>-</u>	<u>9,733,576</u>
Supporting Services:			
Management and general	1,366,339	-	1,366,339
Fund raising	895,958	-	895,958
Total Supporting Services	<u>2,262,297</u>	<u>-</u>	<u>2,262,297</u>
Total Expenses	<u>11,995,873</u>	<u>-</u>	<u>11,995,873</u>
Changes in Net Assets	(493,582)	4,729	(488,853)
Net Assets at Beginning of Year	<u>813,555</u>	<u>55,180</u>	<u>868,735</u>
Net Assets at End of Year	<u>\$ 319,973</u>	<u>\$ 59,909</u>	<u>\$ 379,882</u>

See Notes to Financial Statements.

THE SALVATION ARMY  
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STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended September 30, 2011

	Corps Community <u>Center</u>	Residential and <u>Institutional</u>	Other Social <u>Services</u>	Total Program <u>Services</u>	Management and <u>General</u>	Fund <u>Raising</u>	Total Supporting <u>Services</u>	Total <u>Expenses</u>
Salaries and officer allowances	\$ 253,619	\$ 324,971	\$ 2,378,442	\$ 2,957,032	\$ 375,714	\$ 379,265	\$ 754,979	\$ 3,712,011
Officer and employee benefits	46,977	81,459	552,395	680,831	101,639	39,803	141,442	822,273
Payroll taxes	20,584	18,677	222,134	261,395	80,552	13,946	94,498	355,893
Professional fees	31,040	2,033	155,542	188,615	30,186	43,428	73,614	262,229
Supplies	86,494	3,155	150,590	240,239	77,093	28,989	106,082	346,321
Telephone	29,808	3,430	86,012	119,250	52,116	3,773	55,889	175,139
Postage and shipping	3,670	-	16,732	20,402	2,557	39,777	42,334	62,736
Occupancy	164,057	54,387	427,801	646,245	96,300	2,641	98,941	745,186
Furnishings and equipment	24,257	3,545	68,309	96,111	18,002	427	18,429	114,540
Printing and publications	10,377	306	34,754	45,437	18,730	235,704	254,434	299,871
Travel, meals, and transportation	69,912	3,087	64,071	137,070	38,732	15,855	54,587	191,657
Conferences, meetings, and major trips	37,831	-	4,835	42,666	11,236	1,085	12,321	54,987
Specific assistance to individuals	524,960	132,886	1,873,366	2,531,212	130,168	40,213	170,381	2,701,593
Organization dues	3,789	-	3,512	7,301	2,710	860	3,570	10,871
Awards and grants	29,993	-	20	30,013	64,820	-	64,820	94,833
Miscellaneous	8,662	-	4,022	12,684	-	-	-	12,684
Support services	71,657	49,992	649,178	770,827	-	-	-	770,827
Depreciation	17,042	1,912	20,832	39,786	-	-	-	39,786
Total Expenses	<u>\$ 1,434,729</u>	<u>\$ 679,840</u>	<u>\$ 6,712,547</u>	<u>\$ 8,827,116</u>	<u>\$ 1,100,555</u>	<u>\$ 845,766</u>	<u>\$ 1,946,321</u>	<u>\$ 10,773,437</u>

See Notes to Financial Statements.



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STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2010

	Corps Community <u>Center</u>	Residential and <u>Institutional</u>	Other Social <u>Services</u>	Total Program <u>Services</u>	Management and <u>General</u>	Fund <u>Raising</u>	Total Supporting <u>Services</u>	Total <u>Expenses</u>
Salaries and officer allowances	\$ 196,181	\$ 278,847	\$2,700,743	\$ 3,175,771	\$ 409,986	\$ 353,092	\$ 763,078	\$ 3,938,849
Officer and employee benefits	55,758	92,423	599,337	747,518	122,599	46,084	168,683	916,201
Payroll taxes	20,422	19,127	255,437	294,986	65,139	21,469	86,608	381,594
Professional fees	12,268	1,757	123,978	138,003	64,514	13,274	77,788	215,791
Supplies	69,940	10,128	407,209	487,277	110,694	56,564	167,258	654,535
Telephone	21,547	2,249	86,930	110,726	52,991	1,118	54,109	164,835
Postage and shipping	2,482	-	23,782	26,264	7,405	58,125	65,530	91,794
Occupancy	161,267	46,639	393,636	601,542	207,954	551	208,505	810,047
Furnishings and equipment	15,616	348	42,239	58,203	47,974	-	47,974	106,177
Printing and publications	12,942	424	45,749	59,115	28,717	289,884	318,601	377,716
Travel, meals, and transportation	42,219	3,312	65,986	111,517	106,611	3,270	109,881	221,398
Conferences, meetings, and major trips	25,577	-	4,091	29,668	16,368	1,160	17,528	47,196
Specific assistance to individuals	889,506	6,926	2,003,789	2,900,221	50,452	49,372	99,824	3,000,045
Organization dues	3,155	-	2,009	5,164	3,687	1,495	5,182	10,346
Awards and grants	26,296	-	100	26,396	54,404	-	54,404	80,800
Miscellaneous	1,432	-	250	1,682	16,844	500	17,344	19,026
Support services	84,088	65,635	761,972	911,695	-	-	-	911,695
Depreciation	9,893	2,103	35,832	47,828	-	-	-	47,828
Total Expenses	<u>\$ 1,650,589</u>	<u>\$ 529,918</u>	<u>\$7,553,069</u>	<u>\$ 9,733,576</u>	<u>\$ 1,366,339</u>	<u>\$ 895,958</u>	<u>\$ 2,262,297</u>	<u>\$ 11,995,873</u>

See Notes to Financial Statements.

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
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STATEMENTS OF CASH FLOWS  
For The Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 20,121	\$ (488,853)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in Operating Assets and Liabilities:		
Depreciation	39,786	47,828
(Increase) decrease in accounts receivable	(170,050)	36,706
(Increase) decrease in other assets	(163,649)	62,827
Increase (decrease) in accounts payable and accrued expenses	184,300	371,189
Increase (decrease) in refundable advances	(131,950)	131,950
Decrease in funds held in trust	(51,924)	(89,385)
	<u>(273,366)</u>	<u>72,262</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of equipment and vehicles	49,803	
Purchases of equipment and vehicles	(48,986)	(24,068)
	<u>817</u>	<u>(24,068)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(272,549)</u>	<u>48,194</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,217,506</u>	<u>1,169,312</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 944,957</u>	<u>\$ 1,217,506</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during year		
Interest expense	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010

1. Purpose and Organization

The Salvation Army, founded in 1865, is a not-for-profit international religious organization and charitable movement organized and operated on a quasi-military pattern and is a branch of the Christian Church. Its membership includes officers (clergy), soldiers and adherents (laity), members of varied activity groups and volunteers who serve as advisors, associates and committed participants in its service functions.

The accompanying financial statements are summaries of the financial position, results of operations, net asset classifications and sources and applications of cash of the Northeast Florida Area Command Operating Fund (the "Operating Fund"), a unit of The Salvation Army, a Georgia corporation. The Operating Fund does not include investments of the Area Command. Financial support is provided by contributions, grants, and program fees.

The Salvation Army is an organization exempt from income taxation under Section 501(a) as an entity as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and is exempt from state income taxes under related state provisions.

The Salvation Army operates a variety of programs including corps community centers that provide spiritual, educational, and recreational services; homeless and emergency shelters; children's day care centers; emergency disaster services; assistance for the poor, disabled, and retired; misdemeanor corrections and non-secure drug programs; and other related programs.

2. Summary of Significant Accounting Policies

a. General

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting principles generally accepted in the United States of America.

THE SALVATION ARMY  
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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010  
(continued)

2. Summary of Significant Accounting Policies (continued)

In order to observe restrictions which donors place on grants and other gifts, all assets, liabilities and activities are accounted for in the following net asset classifications:

Unrestricted Net Assets – not subject to donor imposed restrictions. Unrestricted net assets may be designated for specific purposes or locations by action of the Board of Trustees/Directors.

Temporarily Restricted Net Assets – subject to donor imposed stipulations that may be fulfilled by actions of The Salvation Army to meet the stipulations or become unrestricted at the date specified by the donor.

Permanently Restricted Net Assets – subject to donor imposed stipulations that they may be retained and invested permanently by The Salvation Army. The donors require The Salvation Army to use all or part of the investment return on these net assets for specified or unspecified purposes.

Support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor imposed restrictions that are not fulfilled in the accounting period. All expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, that is, the expiration of the donor imposed stipulated purpose or the elapsing of the specified time period, are reported as reclassifications of net assets.

Contributions subject to donor-imposed restrictions are recorded as temporarily restricted support and are reclassified to unrestricted support when the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed.

b. Cash and Cash Equivalents

For purposes of these statements, cash equivalents are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and having original maturities of three months or less.

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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010  
(continued)

2. Summary of Significant Accounting Policies (continued)

c. Revenue and Support

All items of revenue and support are stated on the accrual basis, including revenues receivable as reimbursements for incurred costs from government units and other third party payers.

- i. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as unrestricted income at the time of receipt.
- ii. Contributions of temporarily restricted long-lived assets are assumed to be temporarily restricted over the specified period of the restriction.

d. Donations-In-Kind and Contributed Services

Material gifts-in-kind items used in Salvation Army Corps and Unit programs and services (e.g., vehicles, free rent, equipment, etc.) and donated goods distributed (e.g., clothing, furniture, foodstuffs, etc.) are recorded as income and expense at the time the items are placed into service or distributed.

Goods donated for sale in Salvation Army adult rehabilitation centers and thrift stores are recorded as contributions and processed donations in kind on the basis of a percentage of sales income determined by appraisal studies.

Contributed services are reported as contributions at their fair value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded when such services qualify for cost reimbursement from third-party providers.

e. Expenses

All expenses are stated on the accrual basis and presented in a functionalized statement.

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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010  
(continued)

2. Summary of Significant Accounting Policies (continued)

f. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash accounts are maintained for separate functions within the Operating Fund. The Misdemeanant Probation program, more particularly described in Footnote 9, is one of those functions and maintains funds held for the courts and others. These funds, totaling \$110,114 and \$162,038 at September 30, 2011 and 2010, respectively, are not available for operations.

4. Accounts Receivable

	<u>2011</u>	<u>2010</u>
Florida Department of Corrections		
Non-secure drug program	\$ 49,997	\$ 58,140
Probation and restitution center	23,713	46,717
Post-Release Transitional Housing	2,200	4,320
Florida Department of Health		
Child Food Program	6,569	8,979
Salvation Army Units	207,999	2,925
Child Care Development Center Tuition receivable	1,823	1,170
Other receivables	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 292,301</u>	<u>\$ 122,251</u>

The Operating Fund maintains an allowance for doubtful accounts for the Child Care Development Center. The allowance account had a balance of \$1,419 and \$635 for the year ending September 30, 2011 and 2010, respectively.

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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010  
(continued)

5. Pension, Retirement and Postretirement Benefits

Employee Pension Plan

Eligible employees participate in The Salvation Army Pension Plan with other Salvation Army territories which provides for death, disability and retirement benefits. The Employee Pension Plan is a defined contribution, money purchase plan.

Annual contributions to the Plan are based on a stipulated percentage of employees' salaries. The Operating Fund incurred expenses of \$158,727 and \$155,175 under this plan in fiscal year 2011 and 2010, respectively.

Officers' Retirement and Other Postretirement Benefits Provision

The Salvation Army has a retirement provision for Officers, which provides retirement benefits and certain health care and death benefits to retired officers, as defined by Salvation Army policy governing such benefits. The corporate headquarters has total responsibility for the administration of retirement benefits. Retirement allowances are determined based upon active officer allowances and length of service. Provision for these benefits is made principally by annual assessments to all centers of operation, by designated portions from legacy income, by earnings on assets designated for retirement benefits, and by special appropriations. Amounts charged to the Operating Fund and included in expenses for this provision were \$12,000 in fiscal years 2011 and 2010.

6. Related Party Transactions

The Operating Fund is assessed an administrative charge by The Salvation Army Florida Divisional Headquarters for support services provided by the Florida Divisional Headquarters and the Southern Territorial Headquarters to the Operating Fund. Support services provided by Divisional and Territorial Headquarters include program, personnel, business, and social services. Expenses reflected for these services were \$770,779 and \$911,669 in fiscal 2011 and 2010, respectively.

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
a unit of The Salvation Army, a Georgia Corporation)

NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010  
(continued)

6. Related Party Transactions (continued)

The Salvation Army provides certain health care and death benefits for active Salvation Army officers and Auxiliary-Captains through Officers' and Auxiliary-Captains' Sick Benefit and Burial Funds, as defined by the national Salvation Army policy. All active Salvation Army officers and Auxiliary-Captains and their eligible dependents are eligible for these benefits. Amounts charged to the Operating Fund and included in expenses for this plan were \$33,216 in fiscal 2011 and 2010.

Employees of The Salvation Army are provided health benefits under a self-insured program which is administered by a third-party claims administrator. Amounts charged to the Operating Fund and included in expenses were \$628,847 and \$727,119 in fiscal 2011 and 2010, respectively.

The Salvation Army maintains self-insurance programs for general liability, automobile workers compensation and property coverage. The programs, which are administered by Territorial Headquarters, are intended to provide coverage for claims arising in all centers of operation. Amounts charged to the Operating Fund and included in expenses were \$187,145 and \$112,986 in fiscal 2011 and 2010, respectively.

The Operating Fund received \$137,606 and \$171,032 in fiscal year 2011 and 2010, respectively, from funds held by Territorial Headquarters for operations which is reflected as contributions in the accompanying financial statements.

The Salvation Army Florida Divisional Headquarters and the Southern Territorial Headquarters pay operating costs for the Operating Fund. The resulting amounts due the Divisional Headquarters and Territorial Headquarters are recorded as payables by the Operating Fund. These payables totaled \$689,390 and \$586,758 at September 30, 2011 and 2010.

7. Net Asset Classifications

Temporarily restricted net assets of \$45,081 and \$59,909 are available for the welfare and support of needy persons at September 30, 2011 and 2010, respectively.



THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 and 2010  
(continued)

8. Net Assets Released from Restrictions

Net assets of \$126,492 and \$24,971 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors during fiscal years 2011 and 2010.

9. Fines and Restitutions

The Misdemeanant Probation program of the Northeast Florida Area Command Operating Fund collects fines and restitution funds from program participants on behalf of the Judicial Courts of surrounding counties in the northern Florida area. Court ordered fines collected are remitted to the respective county, while receipts of court ordered restitutions are remitted directly to victims. The Operating Fund recorded the cash balance of the Fines and Restitutions account as cash and cash equivalents in the September 30, 2011 and 2010 financial statements. The liability to these county courts and individuals was reflected as Funds Held in Trust.

10. Concentration of Credit Risk

The Operating Fund maintains bank accounts with an FDIC insured bank and, although not regularly, exceeded depository insurance limits.

11. Property and Equipment

Depreciation expense is computed on the straight-line basis over the estimated service life of the assets and range from 3 to 8 years.

	<u>2011</u>	<u>2010</u>
Vehicles and equipment	\$ 528,970	\$ 587,464
Accumulated depreciation	<u>(436,706)</u>	<u>(454,597)</u>
	<u>\$ 92,264</u>	<u>\$ 132,867</u>

12. Transfer of Net Assets

The Palatka and Macclenny service units were transferred from the Florida Division to the Operating Fund during the year ending September 30, 2011. Net assets of \$12,660 were transferred for the Palatka service unit and net assets of \$423 were transferred for the Macclenny service unit.

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
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NOTES TO FINANCIAL STATEMENTS  
September 30, 2011 AND 2010  
(continued)

13. Subsequent Events

In preparing these financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through December 28, 2011, the date the financial statements were available to be issued.

**THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
a unit of the Salvation Army, a Georgia Corporation)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

For The Year Ended September 30, 2011

<u>Federal/State Agency, Pass-through Entity, Federal Program/State Project</u>	<u>Contract Period</u>	<u>CFDA CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Passed Through State of Florida					
Department of Children and Families:					
Homeless Prevention and Rapid Re-Housing - American Recovery & Reinvestment Act	10/1/10 - 9/30/11	14.262	NFZR2	\$ 383,204	\$ -
Emergency Shelter Grant	10/1/10 - 9/30/11	14.231	DFZ30	6,284	-
Emergency Shelter Grant	10/1/10 - 9/30/11	14.231	NFZ24	1,913	-
Emergency Shelter Grant	10/1/10 - 9/30/11	14.231	DFZ29	9,748	-
City of Jacksonville:					
Homeless Prevention and Rapid Re-Housing - American Recovery & Reinvestment Act	10/1/10 - 9/30/11	14.262	7818-27	109,883	-
				<u>511,032</u>	<u>-</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
Passed Through State of Florida					
Department of Health:					
Child and Adult Care Food Program	10/1/10 - 9/30/11	10.558	I-1003	35,271	-
Child and Adult Care Food Program	10/1/10 - 9/30/11	10.558	H-1273	21,344	-
				<u>56,615</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Passed Through National Board of Emergency Food and Shelter Programs:					
Emergency Food and Shelter	10/1/10 - 9/30/11	97.024	160800	24,500	-
Emergency Food and Shelter	10/1/10 - 9/30/11	97.024	170800	2,765	-
Emergency Food and Shelter	10/1/10 - 9/30/11	97.024	158800	1,755	-
Emergency Food and Shelter	10/1/10 - 9/30/11	97.024	167400	3,000	-
				<u>32,020</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 599,667</u>	<u>\$ -</u>
<b>FLORIDA DEPARTMENT OF CORRECTIONS</b>					
Direct Projects					
Community Substance Abuse Program	10/1/10 - 9/30/11	70.016	C2421	\$ 605,677	\$ -
Offender Supervision-Probation and Restitution Center	10/1/10 - 9/30/11	70.003	C2358	289,054	-
Post-Release Substance Abuse Transitional Housing	7/11/11 - 9/30/11	70.011	C2682	2,200	-
Community Corrections-Faith Based Substance Abuse Post Release	10/1/10 - 9/30/11	70.011	C2261	50,380	-
				<u>947,311</u>	<u>-</u>
<b>FLORIDA AGENCY FOR WORKFORCE INNOVATION</b>					
Pass-through Early Learning Coalition of Duval					
Voluntary Pre-Kindergarten Education Program	10/1/10 - 9/30/11	75.007		79,246	-
				<u>79,246</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>				<u>\$ 1,026,557</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
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NOTES TO SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For The Year Ended September 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of The Salvation Army Northeast Florida Area Command Operating Fund and is 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 “Rules of the Auditor General” Chapter 10.650. Because the schedule presents only a selected portion of the operations of The Salvation Army Northeast Florida Area Command Operating Fund it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Expenditures reported on the Schedule are reported on an accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, whereby certain types of expenditures are not allowed or are limited as to reimbursement.
- b. Pass-through entity identifying numbers are presented where available.

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Timothy P. Raines, C.P.A., M. Acc

MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
The Salvation Army, A Georgia Corporation

We have audited the financial statements of The Salvation Army Northeast Florida Area Command Operating Fund (the "Operating Fund"), as of and for the year ended September 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Operating Fund'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 Operating Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Operating Fund'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Operating Fund in a separate letter dated December 16, 2011.

This report is intended solely for the information and use of management, the Florida Department of Corrections, the Florida Department of Health, Florida Department of Children and Families, and the City of Jacksonville, is not intended to be and should not be used by anyone other than these specified parties.



James Knutzen & Associates, C.P.A.'s, P.A.  
Jacksonville, Florida  
December 16, 2011

JAMES KNUTZEN & ASSOCIATES, C.P.A.'s, P.A.

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MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
The Salvation Army, A Georgia Corporation

Compliance

We have audited the compliance of The Salvation Army Northeast Florida Area Command Operating Fund (the "Operating Fund") with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and 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 Operating Fund'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 each of its major federal programs and state projects is the responsibility of The Operating Fund's management. Our responsibility is to express an opinion on The Operating Fund'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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650 Rules of the Auditor General. Those standards and 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 Operating Fund'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 Operating Fund's compliance with those requirements.

In our opinion the Operating Fund complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2011.

### Internal Control over Compliance

Management of the Operating Fund 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 Operating Fund's internal control over compliance with the 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 of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Operating Fund's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or 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 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 audit committee, management, the Florida Department of Corrections, Florida Department of Health, Florida Department of Children and Families, and the City of Jacksonville, and is not intended to be and should not be used by anyone other than these specified parties.



James Knutzen & Associates, C.P.A.'s, P.A.  
Jacksonville, Florida  
December 16, 2011



THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
a unit of The Salvation Army, a Georgia Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL PROGRAMS AND STATE PROJECTS

YEAR ENDED SEPTEMBER 30, 2011

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

*Financial Statements*

*Unqualified* auditors' report issued:

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	<u>  X  </u> no
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u> no

*Federal and State Awards*

Internal Control over major programs:

Material weakness(es) identified?	_____ yes	<u>  X  </u> no
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> none reported

*Qualified* auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 or Chapter 10.650, Rules of the Auditor General ?	_____ yes	<u>  X  </u> no
---	-----------	-----------------

Identification of major programs/projects:	<u>CSFA #'s</u> <u>CFDA #'s</u>	<u>Name of Federal Program or Cluster or State Project</u>
--	------------------------------------	--

**Federal:**

<b>Homelessness Prevention and Rapid Re-Housing</b>	<b>14.262</b>	<b>N/A</b>
---	---------------	------------

**State:**

<b>Community Substance Abuse Program</b>	<b>70.016</b>	<b>N/A</b>
--	---------------	------------

Dollar threshold used to distinguish between type A and type B programs and projects:	<b>\$300,000</b>
---	------------------

Auditee qualified as low risk auditee?	_____ yes	<u>  X  </u> no
--	-----------	-----------------

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL PROGRAMS AND STATE PROJECTS

Year Ended September 30, 2011

- continued -

**Section II – Financial Statement Findings**

None

**Section III – Federal and State Award Findings and Questioned Costs**

There are no federal or state award findings or questioned costs.

**Section IV – Summary Schedule of Prior Audit Findings**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FINDING 2010-1: Homelessness Prevention and Rapid Re-Housing Program (HPRP), Grant #NFZR2 (Passed through Florida Department of Children and Families to Salvation Army in St. Johns County), CFDA 14.257.

*Condition:* Grant-to-date expenses reported on certain quarterly reports were inconsistent with prior reports. Stabilization Services payroll expenses were inconsistent with supporting documents.

*Recommendation:* The auditor recommended the Salvation Army quarterly reconcile activity in the grant bank account, transfer payroll funds out of the account, and complete the quarterly report using both accounting department and program service department data. Grant-to-date totals should be checked against prior filings for accuracy. Management concurred with the recommendation and indicated that the procedures would be implemented.

*Current Status:* The recommendation was adopted in January 2011. No similar findings were noted in the 2011 audit.

FINDING 2010-2: Homelessness Prevention and Rapid Re-Housing Program (HPRP), Grant #NFZR2 (Passed through Florida Department of Children and Families to Salvation Army in St. Johns County), CFDA 14.257.

THE SALVATION ARMY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL PROGRAMS AND STATE PROJECTS

Year Ended September 30, 2011

- continued -

Section IV – Summary Schedule of Prior Audit Findings, continued

*Condition:* The Salvation Army did not withdraw Stabilization Services case management payroll funds from the grant bank account on a timely basis.

*Recommendation:* The auditor recommended the Salvation Army identify payroll costs associated with the grant, and transfer those funds out of the grant bank account. Management concurred with the recommendation and indicated that the procedures would be implemented.

*Current Status:* The recommendation was adopted in January 2011. No similar findings were noted in the 2011 audit.

**Section V – Corrective Action Plan**

No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Act.

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MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

December 16, 2011

Board of Trustees  
The Salvation Army, A Georgia Corporation  
Jacksonville, Florida

We have audited the financial statements of The Salvation Army Northeast Florida Area Command Operating Fund as of and for the fiscal year ended September 30, 2011 and have issued our report dated December 16, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' 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 December 16, 2011, should be considered in conjunction with the 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 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 in internal control that are not significant deficiencies. In connection with our audit, the following matters are required to be disclosed:

Board of Directors  
The Salvation Army Northeast Florida  
Area Command Operating Fund  
December 16, 2011  
Page Two

2011-1: Violations of Contractual Provisions:

*Criteria:* The Florida Department of Corrections contract requires a 35% successful discharge rate for Probation and Restitution Center participants.

*Condition:* The Salvation Army Northeast Florida Area Command Operating Fund Probation and Restitution Center did not achieve a 35% successful discharge rate.

*Cause of the Deficiency:* Due to the nature of the clientele's background, locating stable employment, a place of residence and the ability to manage personal finances can be very difficult.

*Possible effect:* The Department of Correction's goal of rehabilitating adult offenders may not be completely achieved.

*Recommendations:* We recommend that you continue to discuss program outcomes and goals with the Department of Corrections and ensure that your program meets the Department's objectives to the fullest extent possible.

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 Salvation Army Northeast Florida Area Command Operating Fund and management, and the State of Florida Office of the Auditor General, Florida Department of Corrections, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

  
James Knutzen & Associates, C.P.A.'s, P.A.



# DOING THE MOST GOOD™

William Booth, *Founder*  
Linda Bond, *General*

William Roberts, *National Commander*  
David Jeffrey, *Territorial Commander*  
Lt. Colonel Vernon Jewett, *Divisional Commander*  
Major H. Dean Hinson, *Area Commander*

## Northeast Florida Advisory Board

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Linda Mosely  
Robert Read  
Hans Tanzler, Jr.

## MANAGEMENT LETTER RESPONSE

### 2011-1: Contractual Provisions:

*Recommendations:* The auditors noted that the Department of Corrections Probation and Restitution Center contract requires a 35% successful discharge rate, which was not achieved. The auditors recommend continued discussions regarding program outcomes and goals with the Department of Corrections to ensure that the program meets the Department's objectives to the fullest extent possible.

*Response:* It is our goal to have every offender successfully complete the program; however, due to circumstances beyond our control, some do not. We will continue to work with the Department of Corrections to provide the highest quality program possible.

Respectfully submitted,

H. Dean Hinson, Major  
Northeast Florida Area Command

Please Reply To:

Northeast Florida Area Command

□ 328 N. Ocean Street, Jacksonville, FL 32202 Ph (904) 301-4875 Fax (904) 366-9238



Have you included The Salvation Army in your will?

**JAMES KNUTZEN & ASSOCIATES, C.P.A.'s, P.A.**

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MEMBER OF  
AMERICAN AND FLORIDA  
INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Trustees  
The Salvation Army, A Georgia Corporation

We have audited the financial statements of The Salvation Army Northeast Florida Area Command Operating Fund, a division of The Salvation Army Northeast Florida Area Command, a unit of The Salvation Army, a Georgia corporation, as of and for the years ended September 30, 2011 and 2010, and have issued our report thereon dated December 16, 2011, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of the source and status of funds received from the City of Jacksonville, Florida is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



James Knutzen & Associates, CPA's, P.A.  
Jacksonville, Florida  
December 16, 2011

THE SALVATION ARMY  
NORTHEAST FLORIDA AREA COMMAND OPERATING FUND  
(a division of The Salvation Army Northeast Florida Area Command,  
a unit of The Salvation Army, a Georgia Corporation)

SUPPLEMENTARY INFORMATION  
SCHEDULES OF THE SOURCE AND STATUS OF FUNDS  
RECEIVED FROM THE CITY OF JACKSONVILLE, FLORIDA

For the Year Ended September 30, 2011

Public Service Grant - Homeless Emergency Services

Contract Number: 2010-557-E

Grant Period: 10/1/10 - 9/30/11

Amount of Grant: \$63,176

	<u>Award Budget</u>	<u>2011 Actual</u>	<u>Remaining Budget</u>
Cash receipts	\$ 63,176	\$ 63,176	\$ -
Cash disbursements			
Client food	48,000	48,000	
Utilities	15,176	15,176	-
	<u>63,176</u>	<u>63,176</u>	<u>-</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Homeless Prevention and Rapid Re-Housing Program

Contract Number: 7818-27

Grant Period: 10/1/10 - 9/30/11

Amount of Contract: \$110,160

	<u>Award Budget</u>	<u>2011 Actual</u>	<u>Remaining Budget</u>
Cash receipts	\$ 110,160	\$ 109,883	\$ 277
Cash disbursements			
Homeless Prevention Financial Assistance	12,113	12,113	-
Case Management	9,371	9,371	-
Rapid Re-Housing Financial Assistance	57,522	57,245	277
Case Management	31,154	31,154	-
	<u>110,160</u>	<u>109,883</u>	<u>277</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>