

Boley Centers, Inc. And Affiliates

**Audited Consolidated Financial Statements
And Supplementary Information**

June 30, 2012 And 2011

Table Of Contents

	Page No.
Independent Auditor's Report	3-4
Consolidated Financial Statements	
Consolidated Statements Of Financial Position	5
Consolidated Statement Of Activities For The Year Ended June 30, 2012 With Summarized Financial Information For The Year Ended June 30, 2011	6
Consolidated Statement Of Functional Expenses For The Year Ended June 30, 2012 With Summarized Financial Information For The Year Ended June 30, 2011	7
Consolidated Statements Of Cash Flows	8
Notes To Consolidated Financial Statements	9-21
Supplementary Information	
Schedule Of Expenditures Of Federal Awards And State Financial Assistance	23-24
Notes To Schedule Of Expenditures Of Federal Awards And State Financial Assistance	25
Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	26
Independent Auditor's Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Program And Project And On Internal Control Over Compliance In Accordance With OMB Circular A-133; Section 215.97, Florida Statutes; And Chapter 10.650, Rules Of The Auditor General	27-28
Schedule Of Findings And Questioned Costs	29-30
Additional Supplementary Information	
Schedule Of State Earnings	32
Schedule Of Related Party Transaction Adjustments	33
Schedule Of Bed-Day Availability Payments	34
Substance Abuse And Mental Health Services Program/Cost Center Actual Expenses And Revenues Schedule	35



Independent Auditor's Report

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

We have audited the accompanying consolidated statement of financial position of Boley Centers, Inc. and affiliates as of June 30, 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of Boley Centers, Inc. and affiliates' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year's summarized comparative information has been derived from Boley Centers, Inc. and affiliates' 2011 consolidated financial statements and, in our report dated November 16, 2011, we expressed an unqualified opinion on those consolidated financial statements.

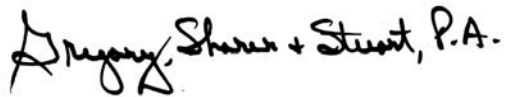
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boley Centers, Inc. and affiliates as of June 30, 2012, and the changes in their net assets and their 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 December 13, 2012 on our consideration of Boley Centers, Inc. and affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our 2012 audit.

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

Gregory, Sharer & Stuart, P.A.

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

St. Petersburg, Florida
December 13, 2012

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

	June 30,	
	2012	2011
Assets		
Cash and cash equivalents	\$ 1,583,459	\$ 1,696,469
Cash - restricted	689,893	495,721
Certificates of deposit	268,260	510,700
Accounts receivable		
Grants and funding sources	1,914,635	2,560,074
Clients and other, net of allowance for uncollectible accounts of \$25,000 at June 30, 2012 and 2011	1,019,731	398,913
Facility lease receivable	57,841	64,783
Prepaid expenses and other	512,034	305,937
Assets held for sale	994,637	828,126
Investments	2,605,476	1,628,103
Investment in joint venture	332,804	309,435
Construction in progress	383,035	381,734
Property and equipment, net of accumulated depreciation	27,016,124	27,435,869
Total Assets	\$ 37,377,929	\$ 36,615,864
 Liabilities And Net Assets		
Liabilities		
Accounts payable	\$ 522,210	\$ 792,781
Accrued expenses		
Salaries	425,929	424,058
Vacation pay	279,819	306,514
Retirement plan contributions	89,725	238,992
Other	111,115	275,132
Unearned revenue	-	1,101
Mortgages payable		
With forgiveness provisions	10,104,188	8,940,109
Other	2,641,429	2,652,805
Total Liabilities	14,174,415	13,631,492
Net Assets		
Unrestricted		
Board designated	71,945	125,305
Undesignated	22,491,898	22,131,994
	22,563,843	22,257,299
Temporarily restricted	639,671	727,073
Total Net Assets	23,203,514	22,984,372
Total Liabilities And Net Assets	\$ 37,377,929	\$ 36,615,864

Boley Centers, Inc. And Affiliates
Consolidated Statement Of Activities For The Year Ended June 30, 2012
With Summarized Financial Information For The Year Ended June 30, 2011

	Year Ended June 30, 2012			Summarized Comparative Totals Year Ended June 30, 2011
	Unrestricted	Temporarily Restricted	Total	
Revenue, Gains (Losses), And Other Support				
Governmental funding				
Federal	\$ 8,878,103	\$ -	\$ 8,878,103	\$ 10,680,069
State	4,567,299	-	4,567,299	3,598,972
Local	1,305,014	-	1,305,014	1,303,917
Other funding and revenues				
Medicaid	1,875,277	-	1,875,277	1,964,818
Client fees and rents	1,228,404	-	1,228,404	1,259,737
Thrift store	581,878	-	581,878	554,712
Unrealized and realized gain on investments	20,790	-	20,790	183,089
(Loss) gain on disposal of property and equipment	(14,589)	-	(14,589)	11,000
Allocated loss on investment in joint venture	(8,356)	-	(8,356)	(16,589)
Other	939,918	-	939,918	1,546,118
Net assets released from restriction	87,402	(87,402)	-	-
Total Revenue, Gains (Losses), And Other Support	19,461,140	(87,402)	19,373,738	21,085,843
Expenses				
Program services	16,507,601	-	16,507,601	15,712,580
Fundraising - thrift store	554,297	-	554,297	543,396
Administration	2,092,698	-	2,092,698	2,186,742
Total Expenses	19,154,596	-	19,154,596	18,442,718
Change In Net Assets	306,544	(87,402)	219,142	2,643,125
Net Assets At Beginning Of Year	22,257,299	727,073	22,984,372	20,341,247
Net Assets At End Of Year	\$ 22,563,843	\$ 639,671	\$ 23,203,514	\$ 22,984,372

Boley Centers, Inc. And Affiliates

**Consolidated Statement Of Functional Expenses For The Year Ended June 30, 2012
With Summarized Financial Information For The Year Ended June 30, 2011**

	Year Ended June 30, 2012											Summarized Comparative Total Year Ended June 30, 2011	
	Program Services										Total Year Ended June 30, 2012		
	CCST - Comprehensive Community Service Teams	Vocational	Residential	Clinical	Youth	Assertive Community Treatment	Housing	Contract Services	Total Program Services	Fundraising Thrift Store			Administration
Salaries	\$ 795,262	\$ 700,529	\$ 2,344,944	\$ 585,658	\$ 568,535	\$ 484,870	\$ 313,907	\$ 187,121	\$ 5,980,826	\$ 259,857	\$ 1,148,615	\$ 7,389,298	\$ 7,444,308
Payroll related expenses	180,879	147,110	508,170	125,881	95,616	98,795	64,682	41,053	1,262,186	57,263	225,782	1,545,231	1,570,664
Total Salaries And Related Expenses	976,141	847,639	2,853,114	711,539	664,151	583,665	378,589	228,174	7,243,012	317,120	1,374,397	8,934,529	9,014,972
Building and equipment rental	10,052	70,744	22,316	10,300	55,084	2,734	9,079	1,473	181,782	136,001	12,191	329,974	347,864
Operating supplies	9,516	13,978	125,987	26,728	16,784	2,562	53,017	3,730	252,302	18,383	38,779	309,464	287,718
Insurance	6,154	2,512	105,474	8,863	1,581	4,616	183,528	2,298	315,026	2,590	18,546	336,162	267,171
Professional fees	-	3,470	18,935	127,720	-	150,910	14,429	-	315,464	-	209,520	524,984	538,875
Contractual services	4,530	(14,666)	178,673	53,167	262,607	2,668	156,335	4,051	647,365	4,504	66,870	718,739	456,588
Travel	26,551	38,073	22,064	229	6,076	19,640	7,592	2,382	122,607	-	29,430	152,037	141,960
Utilities	34,223	37,897	351,872	44,919	19,211	19,697	261,039	10,243	779,101	48,511	31,155	858,767	835,478
Repairs and maintenance	6,840	10,847	262,299	46,496	3,587	4,381	221,350	6,222	562,022	11,088	69,745	642,855	597,136
Client support	274,033	6,636	207,012	45,963	54,047	251,653	11,708	-	851,052	-	1	851,053	708,515
Interest expense	-	-	34,967	-	-	-	162,753	-	197,720	-	70	197,790	203,572
Food supplies	320	533	272,766	83,997	737	1,021	378	353	360,105	157	5,812	366,074	377,486
Medical supplies	75,488	-	80,048	39,703	-	202	-	-	195,441	-	-	195,441	207,914
Small equipment	7,666	5,603	37,678	1,106	1,912	684	24,374	166	79,189	-	32,597	111,786	114,617
Personnel costs	19,245	14,356	61,543	8,963	5,474	9,424	6,427	892	126,324	4,530	16,535	147,389	145,599
Agency	3,475	2,171	2,854	60	-	-	-	-	8,560	-	67,688	76,248	80,758
Vehicle	82,836	-	220,876	66,865	-	56,970	-	18,573	446,120	-	500	446,620	435,219
Taxes and licenses	750	287	18,993	775	232	191	8,341	92	29,661	128	1,128	30,917	37,778
Depreciation and amortization	14,687	3,409	389,862	31,942	-	14,164	488,780	1,631	944,475	-	41,227	985,702	824,089
Housing vouchers and rent	-	-	-	-	-	-	2,738,442	-	2,738,442	-	-	2,738,442	2,645,800
Other expense	-	60,573	47,864	-	-	-	3,394	-	111,831	11,285	76,507	199,623	173,609
Total Expenses	\$ 1,552,507	\$ 1,104,062	\$ 5,315,197	\$ 1,309,335	\$ 1,091,483	\$ 1,125,182	\$ 4,729,555	\$ 280,280	\$ 16,507,601	\$ 554,297	\$ 2,092,698	\$ 19,154,596	\$ 18,442,718

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

	Year Ended June 30,	
	2012	2011
Cash Flows From Operating Activities		
Change in net assets	\$ 219,142	\$ 2,643,125
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	985,702	824,089
HUD capital advance	(84,578)	(1,878,600)
Grants for capital projects	(55,226)	(246,929)
Loss (gain) on disposal of property and equipment	14,589	(11,000)
Allocated loss on investment in joint venture	8,356	16,589
Unrealized and realized gain on investments	(20,790)	(183,089)
Accretion of loan discounts	80,460	80,622
Forgiveness of loans	(9,901)	(186,649)
Decrease (increase) in operating assets		
Accounts receivable - grants and funding sources	314,046	147,607
Accounts receivable - clients and other	22,085	843,822
Facility lease receivable	6,942	6,941
Prepaid expenses and other	(206,097)	74,636
Restricted cash	(194,172)	(36,471)
(Decrease) increase in operating liabilities		
Accounts payable	(270,571)	364,637
Accrued expenses	(338,108)	(304,095)
Unearned revenue	(1,101)	(82,937)
Net Cash Provided By Operating Activities	470,778	2,072,298
Cash Flows From Investing Activities		
Purchase of property and equipment	(229,817)	(126)
Construction in progress	(29,538)	(3,355,481)
Proceeds from sale of property and equipment	-	11,000
Redemptions of certificates of deposit and interest retained	242,440	394
Purchases of investments	(1,810,805)	(1,329,623)
Proceeds from sale of investments	854,222	1,335,000
Investment in joint venture	(31,725)	(165,295)
Net Cash Used By Investing Activities	(1,005,223)	(3,504,131)
Cash Flows From Financing Activities		
HUD capital advance received	415,971	1,667,598
Grants received for capital projects	55,226	486,929
Payments on mortgages payable	(49,762)	(43,438)
Net Cash Provided By Financing Activities	421,435	2,111,089
Net Change In Cash And Cash Equivalents	(113,010)	679,256
Cash And Cash Equivalents At Beginning Of Year	1,696,469	1,017,213
Cash And Cash Equivalents At End Of Year	\$ 1,583,459	\$ 1,696,469
Supplemental Disclosure		
Cash paid for interest	\$ 117,330	\$ 122,950
Non-Cash Investing And Financing Activities		
Acquisition of property by assuming debt	\$ 1,131,906	\$ 1,979,902
Sale of property by issuing a note receivable	\$ 642,903	\$ -
Transfers from construction in progress to property and equipment	\$ 218,052	\$ 5,929,530

Note A - Organization And Summary Of Significant Accounting Policies

Organization And Purpose

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

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

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

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

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

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

PAL is a Community Housing Development Organization that develops integrated affordable housing for individuals with mental illness and/or low income within the guidelines of various funding programs. PAL operates several different housing projects in St. Petersburg, Florida, as follows: Bayou Pass, Clam Bayou, Oak Park, Parkside, Twin Brooks II, Twin Brooks III, and Williams House. During 2012, PAL began operating Owl's Nest and Wild Acres. During 2011, PAL began construction on a new project, Broadwater Place. During 2010, PAL closed PAL Village; during 2011, PAL demolished the units; and during 2012, PAL sold the property.

Principles Of Consolidation

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

Basis Of Presentation

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

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

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

Cash And Cash Equivalents

Cash and cash equivalents consist of cash on hand and money market accounts. All highly liquid investments with original maturities of 3 months or less are considered cash equivalents for the purpose of reporting cash flows.

Restricted Cash

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

Certificates Of Deposit

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

Accounts Receivable And Allowance

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

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

Investments

Investments are recorded at fair value. Cash and money market accounts designated for long-term purposes are classified as investments.

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

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

- Level 1 - Unadjusted quoted market prices for identical assets in active markets which are accessible by the Organization.
- Level 2 - Observable prices in active markets for similar assets. Prices for identical or similar assets in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

- Level 3 - Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

Investment In Joint Venture

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

Investment In Limited Partnership

PAL is the general partner in Salt Creek Apartments, Ltd. (Salt Creek) (a limited partnership). Salt Creek is a housing project for individuals with low to moderate income. As general partner, PAL's investment in Salt Creek is carried on the equity method, which was zero at June 30, 2012 and 2011. PAL's initial investment in the partnership was recorded as an asset and was adjusted by the partnership's losses.

Property And Equipment

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

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

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

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

Income Taxes

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

Management has evaluated its tax positions taken for all open tax years and has not identified any uncertain tax positions. The 2008, 2009, and 2010 tax years are open and subject to examination by the Internal Revenue Service (IRS). Boley Centers, Inc. and its affiliates are not currently under audit nor have they been contacted by the IRS.

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

Consolidated Statement Of Functional Expenses

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

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

Use Of Estimates

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

Reclassifications

Certain amounts in the accompanying 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation. These reclassifications had no effect on the previously reported change in net assets.

Summarized Financial Information For 2011

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Note B – Cash And Cash Equivalents, Certificates Of Deposit, And Investments

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

	<u>2012</u>	<u>2011</u>
Cash in banks	\$1,444,345	\$1,072,142
Money market accounts in banks	139,114	624,327
	<u>\$1,583,459</u>	<u>\$1,696,469</u>

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

	<u>2012</u>	<u>2011</u>
Boley Centers, Inc.	\$ 248,826	\$ 491,598
Minimum capital investment reserve required by HUD:		
Clam Bayou Apartments, Inc.	9,006	8,783
Arlington Avenue Apartments, Inc.	10,428	10,319
	<u>\$ 268,260</u>	<u>\$ 510,700</u>

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

Investments consist of the following at June 30:

	Boley Centers, Inc.	Bessie Boley Foundation	Boley Foundation, Inc.	Total
<i>2012</i>				
Cash and money market accounts	\$ -	\$ 33,900	\$ 13,990	\$ 47,890
Fixed income securities	-	-	359,324	359,324
Equities	-	1,469,303	453,046	1,922,349
Mutual funds	62,075	-	-	62,075
Other	16,000	-	197,838	213,838
	<u>\$ 78,075</u>	<u>\$ 1,503,203</u>	<u>\$ 1,024,198</u>	<u>\$ 2,605,476</u>
<i>2011</i>				
Cash and money market accounts	\$ -	\$ 130,520	\$ -	\$ 130,520
Fixed income securities	-	385,599	-	385,599
Equities	-	585,121	-	585,121
Mutual funds	53,680	245,788	-	299,468
Other	16,000	-	211,395	227,395
	<u>\$ 69,680</u>	<u>\$ 1,347,028</u>	<u>\$ 211,395</u>	<u>\$ 1,628,103</u>

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

	<u>2012</u>	<u>2011</u>
Interest and dividends on investments	\$ 44,330	\$ 37,188
Interest on cash and money market accounts	11,464	16,133
Discounts earned	4,714	11,184
	<u>\$ 60,508</u>	<u>\$ 64,505</u>

Administrative fees for investments were \$16,335 and \$13,477 for the years ended June 30, 2012 and 2011, respectively, and are included in other administrative expenses in the accompanying consolidated statements of activities.

Note C - Investment In Joint Venture

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

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

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

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

During 2012 and 2011, Boley invested \$31,725 and \$165,295, respectively, in the joint venture to fund start-up organization costs and new computer software applications.

Boley's share of the operating losses of SAS for the years ended June 30, 2012 and 2011 was \$8,356 and \$16,589, respectively, and was accounted for using the equity method.

Boley's investment at June 30, 2012 and 2011 was \$332,804 and \$309,435, respectively.

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

Note D - Facility Lease Receivable

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

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

In one year or less	\$ 6,941
Between one and five years	34,706
Greater than five years	16,194
	<u>\$ 57,841</u>

Note E - Construction In Progress And Property And Equipment

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

	Construction In Progress June 30,		Construction Commitments June 30,
	2012	2011	2012
Boley Centers, Inc.			
Covert Apartments	\$ -	\$ 208,732	\$ -
Fountain View Apartments*	-	-	821,720
Broadwater Place, Inc.	62,485	43,606	1,097,060
Laurel Trace Apartments, Inc.	136,414	74,745	923,080
Sunset Point Apartments, Inc.	115,101	-	-
Pinellas Affordable Living, Inc.			
Broadwater Place	69,035	54,651	-
	<u>\$ 383,035</u>	<u>\$ 381,734</u>	<u>\$ 2,841,860</u>

* Boley is acting as developer renovating and building an addition to Fountain View Apartments. Boley will sell Fountain View Apartments to another tax-exempt organization upon completion. Fountain View is not included in Boley's construction in progress. It is included in assets held for sale and the related debt is included in mortgages payable with forgiveness provisions.

Property and equipment consists of the following at June 30:

	2012	2011
Land	\$ 6,309,453	\$ 6,287,371
Buildings and improvements	29,359,923	28,852,682
Furniture and equipment	1,590,878	1,461,398
Vehicles	1,039,849	1,039,849
Leasehold improvements	289,812	289,812
	<u>38,589,915</u>	<u>37,931,112</u>
Less accumulated depreciation	(11,573,791)	(10,495,243)
	<u>\$ 27,016,124</u>	<u>\$ 27,435,869</u>

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

Note F - Mortgages Payable

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

	<u>2012</u>	<u>2011</u>
<i>128 Place, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through April 2017. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$161,500 and is presented net of a discount of \$31,983 and \$38,713 as of June 30, 2012 and 2011, respectively.	\$ 129,517	\$ 122,787
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through September 2023. The original mortgage amount was \$62,000 and is presented net of a discount of \$24,700 and \$26,698 as of June 30, 2012 and 2011, respectively.	37,300	35,302
<i>Arlington Avenue Apartments, Inc.</i>		
Mortgage payable to the City of St. Petersburg (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through June 2030. The original mortgage amount was \$500,000 and is not discounted.	500,000	500,000
<i>Boley Centers, Inc.</i>		
Broadwater II: Mortgage payable to the City of St. Petersburg (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through January 2031. The maximum amount available under the note is \$239,549 and is not discounted.	238,144	227,456
Broadwater II: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through July 2026. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original note was \$154,535 and is not discounted.	154,535	-
Burlington Gardens: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through December 2030. The maximum amount available under the note is \$1,669,215 and is not discounted.	1,567,925	1,388,798
Butterfly and Grove Street: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, deferred if the property continues to be used for its intended purpose through December 2016. The original mortgage amount was \$340,500 and is presented net of a discount of \$44,533 and \$57,196 as of June 30, 2012 and 2011, respectively.	295,967	283,304
Fountain View: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through March 2041. The maximum amount available under the note is \$1,434,076 and is not discounted.	1,155,167	367,611
Grove Park: Mortgage payable to Pinellas County (Home Investment Partnerships Program), no principal or interest payments required until 2016, monthly payments of principal and interest (3% per annum) through maturity, collateralized by real property. \$176,752 of the note was forgiven in June 2011. The balance will be due at maturity, April 2046. The original mortgage amount was \$687,500 and is presented net of forgiveness of \$176,752 as of June 30, 2012 and 2011, and is not discounted.	510,748	510,748
Grove Park: Mortgage payable to Pinellas County, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through October 2038. The original note was \$302,000 and is not discounted.	302,000	302,000

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

	2012	2011
Grove Park: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through April 2029. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original note was \$117,377 and is not discounted.	117,377	117,377
Kenwood: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, deferred if the property continues to be used for its intended purpose through January 2015. The original mortgage amount was \$55,000 and is presented net of a discount of \$4,894 and \$6,869 as of June 30, 2012 and 2011, respectively.	50,106	48,131
Marconi: Mortgage payable to the City of St. Petersburg (Community Development Block Grants/Entitlement Grants), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through January 2020. The original note was \$135,000 and is presented net of a discount of \$43,355 and \$49,124 as of June 30, 2012 and 2011, respectively.	91,645	85,876
Mid County Safe Haven: Mortgage payable to Pinellas County (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through May 2037. The original note was \$2,135,880 and is not discounted.	2,135,880	2,135,880
Safe Haven: Mortgage payable to the City of St. Petersburg (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through January 2027. The original note was \$433,812 and is presented net of a discount of \$212,946 and \$227,506 as of June 30, 2012 and 2011, respectively.	220,866	206,306
Safe Haven: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through April 2021. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original note was \$118,421 and is not discounted.	118,421	118,421
<i>Clam Bayou Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and the assignment of rents, forgiven if the property continues to be used for its intended purpose through July 2026. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$187,960 and is not discounted.	187,960	187,960
Mortgage payable to Florida Housing Finance Corporation, no principal payments required until maturity, interest free, collateralized by real property and assignment of rents. All principal is due at maturity, September 2046. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full. The original mortgage amount was \$184,130 and is not discounted.	184,130	184,130
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through December 2027. The original mortgage amount was \$91,500 and is not discounted.	91,500	91,500
<i>Dome District Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2030. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$90,000 and is not discounted.	90,000	90,000
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2021. The original mortgage amount was \$9,000 and is not discounted.	9,000	9,000

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

	2012	2011
<i>Lake Winds Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through April 2031. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$79,000 and is not discounted.	79,000	79,000
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2018. The original mortgage amount was \$33,975 and is not discounted.	33,975	33,975
<i>Laurel Trace Apartments, Inc.</i>		
Mortgage payable to Pinellas County (Home Investment Partnerships Program), no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through September 2040. The original mortgage amount was \$140,000 and is not discounted.	140,000	140,000
<i>Palmetto Breeze Apartments, Inc.</i>		
Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through August 2018. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$107,875 and is presented net of a discount of \$18,340 and \$22,836 as of June 30, 2012 and 2011, respectively.	89,535	85,039
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through January 2025. The original mortgage amount was \$82,000 and is presented net of a discount of \$30,547 and \$33,178 as of June 30, 2012 and 2011, respectively.	51,453	48,822
<i>Pinellas Affordable Living, Inc.</i>		
Bayou Pass Apartments: Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through February 2015. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$126,000 and is presented net of a discount of \$15,706 and \$21,596 as of June 30, 2012 and 2011, respectively.	110,294	104,404
Bayou Pass Apartments: Mortgage payable to Neighborhood Lending Partners, Inc.; quarterly payments of \$2,030 include principal and interest of 2% per annum; collateralized by real property and assignment of rents; matures February 2030. The original mortgage amount was \$180,000 and is presented net of principal payments and a discount of \$41,891 and \$45,747 as of June 30, 2012 and 2011, respectively.	78,438	79,990
Bayou Pass Apartments: Mortgage payable to Neighborhood Lending Partners, Inc., monthly payments of \$978 include principal and interest of 7.25% per annum, collateralized by real property and assignment of rents, entire remaining principal balance due at maturity, October 2015. The original mortgage amount was \$135,000 and is not discounted.	108,870	116,497
Bayou Pass Apartments: Mortgage payable to the City of St. Petersburg, no principal payments required until maturity, interest free, collateralized by real property. All principal is due at maturity, January 2021. The original mortgage amount was \$111,000 and is presented net of a discount of \$33,682 and \$38,123 as of June 30, 2012 and 2011, respectively.	77,318	72,877
Clam Bayou Apartments-PAL: Mortgage payable to Synovus Bank no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through April 2022. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$60,034 and is not discounted.	60,034	60,034

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

	<u>2012</u>	<u>2011</u>
Clam Bayou Apartments-PAL: Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through June 2028. The original mortgage amount was \$399,294 and is not discounted.	399,294	399,294
Oak Park Apartments: Mortgage payable to Neighborhood Lending Partners, Inc.; monthly payments of \$1,096 include principal and interest of 7.5% per annum; collateralized by real property and assignment of rents; entire remaining principal balance due at maturity, December 2016. The original mortgage amount was \$135,000 and is not discounted.	89,327	93,575
Oak Park Apartments: Mortgages payable to the City of St. Petersburg with multiple maturity dates. The notes are all interest free. One note of \$59,247, maturing April 2012, was forgiven 10% per year over 10 years. One note in the original amount of \$59,247, maturing July 2022, requires monthly payments of \$225. The remaining note of \$125,000, maturing April 2017, is payable in full on the maturity date. The mortgages are collateralized by real property. The original mortgage amounts total \$243,493 and are presented net of discounts of \$47,402 and \$56,190 and forgiveness of \$91,477 and \$83,376 as of June 30, 2012 and 2011, respectively.	104,615	103,927
Parkside Apartments: Mortgages payable to the City of St. Petersburg with maturity dates in January 2022. One note of \$90,000 is interest free and will be forgiven 5% per year over 20 years. The other note of \$90,000 is interest free and is payable in full on the maturity date. The outstanding principal is payable upon an event of default. The mortgages are collateralized by the Oaks Apartments. The original mortgage amounts total \$180,000 and are presented net of discounts of \$31,850 and \$38,513 and forgiveness of \$49,500 and \$45,000 as of June 30, 2012 and 2011, respectively	98,650	96,487
Twin Brooks Apartments-PAL: Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through December 2049. The original mortgage amount was \$1,641,199 and is not discounted.	1,641,199	1,641,199
<i>Pinellas County Housing, Inc.</i> Mortgage payable to the U.S. Department of Housing and Urban Development; monthly payments of \$10,962 include principal and interest at 9.25% per annum; collateralized by real property, equipment, and assignment of rents; matures January 2028.	1,083,760	1,113,540
<i>Twin Brooks Apartments, Inc.</i> Mortgage payable to Synovus Bank, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through September 2028. In the event of a default not cured, the note will bear interest at 18% per annum until paid in full or until the note is reinstated. The original mortgage amount was \$120,000 and is not discounted.	120,000	120,000
Mortgage payable to the City of St. Petersburg, no principal payments required, interest free, collateralized by real property and assignment of rents, forgiven if the property continues to be used for its intended purpose through December 2049. The original mortgage amount was \$191,667 and is not discounted.	191,667	191,667
	<u>\$ 12,745,617</u>	<u>\$ 11,592,914</u>

Certain mortgages payable will be forgiven if certain conditions as described above are met. The following summarizes loans which will be forgiven and those which will require payments:

With forgiveness provisions	\$ 10,104,188	\$ 8,940,109
Other	2,641,429	2,652,805
	<u>\$ 12,745,617</u>	<u>\$ 11,592,914</u>

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

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

2013	\$	50,288
2014		54,282
2015		239,641
2016		160,930
2017		754,845
Thereafter		<u>12,067,461</u>
Total before discounts		13,327,447
Discounts		<u>(581,830)</u>
Net of discounts	\$	<u>12,745,617</u>

Interest Free And Below Market Mortgages

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

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

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

Note H - Fair Values Of Financial Assets

The fair values of financial assets are as follows as of and for the year ended June 30, 2012:

Asset Category	Assets/Liabilities Measured at Fair Value June 30, 2012	Measured Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 1,583,459	\$ 1,583,459	\$ -	\$ -
Restricted cash	689,893	689,893	-	-
Certificates of deposit	268,260	268,260	-	-
Investments	2,605,476	2,329,143	62,495	213,838
	<u>\$ 5,147,088</u>	<u>\$ 4,870,755</u>	<u>\$ 62,495</u>	<u>\$ 213,838</u>

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

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

Neighborhood Lending Partners, Inc. Mortgages

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

Note G - Line Of Credit

Boley has an unsecured line of credit of \$1 million with Synovus Bank, none of which was outstanding at June 30, 2012 or 2011. Borrowings under the credit line carry a variable interest rate (4% at June 30, 2012 and 2011), subject to change based on the Three Month LIBOR as published weekly in the Wall Street Journal. This credit line is payable on demand.

Boley Centers, Inc. And Affiliates
Notes To Consolidated Financial Statements
June 30, 2012 And 2011

The table below sets forth a reconciliation of the Organization's beginning and ending Level 3 financial assets for the year ended June 30, 2012:

Other Investments:		
Beginning of year	\$	227,395
Realized/unrealized losses included in change in net assets		(14,890)
Purchases, sales, issuances, and settlements, net		1,333
End of year	\$	<u>213,838</u>

Note I - Unrestricted Net Assets

Unrestricted net assets consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Board designated	\$ 71,945	\$ 125,305
Section 811 capital advances	11,415,326	11,330,748
Operating surplus	11,076,572	10,801,246
	<u>\$22,563,843</u>	<u>\$22,257,299</u>

The board of directors has designated certain cash to be used for capital purchases and operations and retirement plan contributions. For the years ended June 30, 2012 and 2011, board designated net assets totaled \$71,945 and \$125,305, respectively.

Note J - Temporarily Restricted Net Assets

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

	<u>2012</u>	<u>2011</u>
Discount on below market rate mortgages	\$ 581,830	\$ 662,290
Facility lease receivable	57,841	64,783
	<u>\$ 639,671</u>	<u>\$ 727,073</u>

Note K - Thrift Store Revenue

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

	<u>2012</u>	<u>2011</u>
Contributions - donated goods	\$ 313,946	\$ 311,561
Sales and other	267,932	243,151
	<u>\$ 581,878</u>	<u>\$ 554,712</u>

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

During the year ended June 30, 2012, PAL sold the PAL Village land and recognized a loss of \$14,589.

During the year ended June 30, 2011, Boley sold various vehicles and recognized gains of \$11,000.

Note M - Other Revenue

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

	<u>2012</u>	<u>2011</u>
Donations	\$ 332,389	\$ 508,592
Other revenues	54,628	450,637
Interest, dividends, and discounts earned	60,508	64,505
Special events, net	80,408	81,534
Food stamp income	130,568	159,349
Management revenue	123,343	61,270
Maintenance revenue	136,355	200,040
Medicare	16,130	17,364
Consulting	5,589	2,827
	<u>\$ 939,918</u>	<u>\$ 1,546,118</u>

Note N - Related Party Transactions

Included in clients and other accounts receivable is \$326,220 and \$295,112 due from Salt Creek as of June 30, 2012 and 2011, respectively.

Included in accounts payable is \$30,719 and \$32,078 due to SAS as of June 30, 2012 and 2011, respectively.

Note O - Retirement Plan

Boley has a defined contribution 401(k) profit sharing plan. Employees who have completed one year of service and are 21 years of age or older are eligible to participate. The Organization makes a matching contribution equal to 100% of the salary reduction amount contributed by the employee during the plan year that does not exceed 3% of employee's compensation received during the plan year. Contributions for the years ended June 30, 2012 and 2011 were approximately \$137,000 and \$240,000, respectively.

Note P - Operating Leases

Boley leases facilities for the vocational program and a thrift store, as well as various pieces of equipment under various operating leases. Rental expense for the years ended June 30, 2012 and 2011 was approximately \$309,000 and \$341,000, respectively.

Future minimum lease payments are as follows:

2013	\$ 260,369
2014	199,801
2015	191,187
2016	17,325
	<u>\$ 668,682</u>

Note Q - Restrictive Covenants, Contingencies, And Concentrations

Cash Balances

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

Accounts Receivable

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

Federal And State Audits

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

Community Development Block Grants/Entitlement Grants

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

Home Investment Partnerships Program Funds

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

Noncompliance

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

Section 811 Capital Advances

HUD has provided funding through Section 811 Capital Advances of approximately \$11.4 million and \$11.3 million as of June 30, 2012 and 2011, respectively. These capital advances are collateralized by mortgages to HUD. These mortgages bear no interest and are not required to be repaid to HUD, as long as the mortgaged property remains available for low-income individuals with chronic mental illness for at least 40 years. It is the intention of management to meet this requirement and, therefore, these capital advances are reflected in unrestricted net assets. Failure to keep the projects available for low-income, mentally disabled individuals would result in repayment of the entire capital advance outstanding, plus interest since the date of the first advance.

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

Note R - Subsequent Events

For the year ended June 30, 2012, management of the Organization has evaluated subsequent events for potential disclosure through December 13, 2012, the date the financial statements were available to be issued. Management determined the following should be disclosed:

Boley completed construction and sold approximately \$782,000 of the assets held for sale to a Florida non-profit corporation. The proceeds were used to satisfy a portion of the related mortgage payable.

PAL received \$342,903 of the amount owed from the sale of the PAL Village land. The proceeds were used to pay down a portion of the mortgage payable to Bessie Boley Foundation, a related party.

The PCH mortgage payable to HUD was refinanced. The refinanced mortgage payable is in the amount of \$2,042,200 with a maturity date 420 months from the date of closing. Payments will consist of principal and interest of \$9,042 at 2.7% per annum and are required monthly. The mortgage will be collateralized by real property and assignment of rents.

Supplementary Information

Boley Centers, Inc. And Affiliate
Schedule Of Expenditures Of Federal Awards And State Financial Assistance
Year Ended June 30, 2012

Federal/State Agency <i>Pass-Through Entity</i> Federal Program/State Project	CFDA Number	CSFA Number	Contract #	Federal Expenditures	State Expenditures	Transfers To Subrecipients
U.S. Department of Agriculture						
<i>Passed through the State of Florida Department of Elder Affairs</i>						
Child and Adult Care Food Program	10.558		Y1030	\$ 27,220		\$ -
Child and Adult Care Food Program	10.558		Y1130	71,759		-
				98,979		-
U.S. Department of Housing and Urban Development						
<i>Direct funding</i>						
Supportive Housing for Persons with Disabilities	14.181		N/A	84,578 (1)		-
<i>Passed through the City of St. Petersburg, Florida</i>						
Community Development Block Grants/Entitlement Grants	14.218		N/A	1,567,925 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	1,155,167 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	340,500 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	135,000 *		-
Community Development Block Grants/Entitlement Grants	14.218		N/A	55,000 *		-
Community Development Block Grants/Entitlement Grants	14.218		B-10-MC-12-0017	16,613		-
Community Development Block Grants/Entitlement Grants	14.218		B-11-MC-12-0017	25,437		-
Subtotal - CFDA 14.218				3,295,642		-
<i>Direct funding</i>						
Supportive Housing Program	14.235		FL0040B4H020802	219,792		-
Supportive Housing Program	14.235		FL0040B4H021003	392,748		-
Supportive Housing Program	14.235		FL0039B4H021003	253,778		-
Supportive Housing Program	14.235		FL0031B4H020802	32,763		-
Supportive Housing Program	14.235		FL0031B4H021003	106,550		-
Supportive Housing Program	14.235		FL0038B4H820802	83,172		-
Supportive Housing Program	14.235		FL0038B4H021003	278,872		-
Supportive Housing Program	14.235		FL0036B4H021003	57,570		10,969
Supportive Housing Program	14.235		FL0036B4H021004	31,634		6,138
Supportive Housing Program	14.235		FL0037B4H020802	7,056		-
Supportive Housing Program	14.235		FL0037B4H021003	64,239		-
Supportive Housing Program	14.235		FL0352B4H021001	76,001		-
Supportive Housing Program	14.235		FL0352B4H021102	37,829		-
Supportive Housing Program	14.235		FL0029B4H020800	64,877		-
Supportive Housing Program	14.235		FL0325B4H020900	47,959		34,021
Supportive Housing Program	14.235		FL0371B4H021000	66,770		54,576
Subtotal - CFDA 14.235				1,821,610		105,704
<i>Direct funding</i>						
Shelter Plus Care	14.238		FL0300C4H020901	9,534		-
Shelter Plus Care	14.238		FL0300C4H021002	117,905		-
Shelter Plus Care	14.238		FL0353C4H021001	44,275		-
Shelter Plus Care	14.238		FL0353C4H021102	9,078		-
Shelter Plus Care	14.238		FL0353C4H021003	337,882		-
Subtotal - CFDA 14.238				518,674		-
<i>Passed through Pinellas County, Florida</i>						
Home Investment Partnerships Program	14.239		N/A	2,135,880 *		-
Home Investment Partnerships Program	14.239		N/A	510,748 *		-
Home Investment Partnerships Program	14.239		N/A	140,000 *(1)		-
<i>Passed through the City of St. Petersburg, Florida</i>						
Home Investment Partnerships Program	14.239		N/A	433,812 *		-
Home Investment Partnerships Program	14.239		N/A	238,144 *		-
Home Investment Partnerships Program	14.239		M-11-MC-12-0220	104,970		-
Home Investment Partnerships Program	14.239		M-10-MC-12-0220	116,033		-
Subtotal - CFDA 14.239				3,679,587		-
<i>Passed through the City of Tampa, Florida</i>						
Housing Opportunities for Persons with AIDS	14.241		PY10	236,009		-
Housing Opportunities for Persons with AIDS	14.241		PY11	727,166		-
Subtotal - CFDA 14.241				963,175		-
<i>Direct funding</i>						
Mainstream Vouchers	14.879		Various	1,563,812		-

Boley Centers, Inc. And Affiliate
Schedule Of Expenditures Of Federal Awards And State Financial Assistance
Year Ended June 30, 2012

Federal/State Agency <i>Pass-Through Entity</i> Federal Program/State Project	CFDA Number	CSFA Number	Contract #	Federal Expenditures	State Expenditures	Transfers To Subrecipients
U.S. Department of Labor						
<i>Direct funding</i>						
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275		GJ19926R	877,609 **		26,075
<i>Direct funding</i>						
Homeless Veterans Reintegration Project	17.805		HV22132-11-60-5-12	247,756		60,573
U.S. Department of Veterans Affairs						
<i>Direct funding</i>						
VA Homeless Providers Grant and Per Diem Program	64.024		09-706-FL	99,584		-
VA Homeless Providers Grant and Per Diem Program	64.024		M-101-A96123-09-706-FL	55,226		-
Subtotal - CFDA 64.024				154,810		-
U.S. Department of Education						
<i>Passed through the Florida Department of Education</i>						
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		VJ948	229,842		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		VJ312	446,980		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		VJ081	135,343		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		12-116	12,751		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		N/A	2,480		-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		N/A	136,532		-
Subtotal - CFDA 84.126				963,928		-
<i>Passed through Syracuse University</i>						
National Institute on Disability and Rehabilitation Research	84.133		H133A060094	2,500		-
National Institute on Disability and Rehabilitation Research	84.133		H133A110021	11,250		-
Subtotal - CFDA 84.133				13,750		-
U.S. Department of Health and Human Services						
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Temporary Assistance for Needy Families	93.558		CF652-1003	119,257		-
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Medical Assistance Program	93.778		CF652-1003	286,944		-
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Block Grants for Community Mental Health Services	93.958		CF652-1003	441,671		-
				<u>\$ 15,131,782</u>		<u>\$ 192,352</u>
State of Florida Department of Children and Families						
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Adult Community Mental Health - Florida Assertive Community Treatment Teams	60.042		CF652-1003		\$ 220,807	\$ -
<i>Passed through Central Florida Behavioral Health Network, Inc.</i>						
Adult Community Mental Health - Community Support Services	60.053		CF652-1003		3,573,191	-
					<u>\$ 3,793,998</u>	<u>\$ -</u>

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

** American Recovery and Reinvestments Act of 2009 program funding

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

Note A - Basis Of Presentation

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

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

The Boley Centers, Inc. and affiliates consolidated financial statements include organizational units expending \$500,000 or more in federal awards that have separate OMB Circular A-133 audits that are not included in this audit.

Note B - Contingencies

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



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

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

We have audited the consolidated financial statements of Boley Centers, Inc. and affiliate as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 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

Management of Boley Centers, Inc. and affiliate is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Boley Centers, Inc. and affiliate's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boley Centers, Inc. and affiliate's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Boley Centers, Inc. and affiliate'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 Boley Centers, Inc. and affiliate's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Boley Centers, Inc. and affiliates in a separate letter dated December 13, 2012.

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

Gregory, Sharer & Stuart, P.A.

St. Petersburg, Florida
December 13, 2012



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

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

Compliance

We have audited the compliance of Boley Centers, Inc. and affiliate with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the *State Projects Compliance Supplement* that could have a direct and material effect on its major federal programs and major state project for the year ended June 30, 2012. Boley Centers, Inc. and affiliate's major federal programs and major state project are identified in the summary of auditor's results section of the accompanying *Schedule Of Findings And Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs and major state project is the responsibility of Boley Centers, Inc. and affiliate's management. Our responsibility is to express an opinion on Boley Centers, Inc. and affiliate'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*; Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, Section 215.97, and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about Boley Centers, Inc. and affiliate'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 of Boley Centers, Inc. and affiliate's compliance with those requirements.

In our opinion, Boley Centers, Inc. and affiliate complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs and major state project for the year ended June 30, 2012.

Internal Control Over Compliance

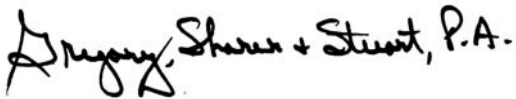
Management of Boley Centers, Inc. and affiliate is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Boley Centers, Inc. and affiliate's internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, Section 215.97, and Chapter 10.650 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boley Centers, Inc. and affiliate'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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

Gregory, Sharer & Stuart, P.A.

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." in a cursive, slightly stylized font.

St. Petersburg, Florida
December 13, 2012

Boley Center, Inc. And Affiliate
Schedule Of Findings And Questioned Costs
Year Ended June 30, 2012

Section I - Summary Of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

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

Internal control over major federal programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program
14.879	Mainstream Vouchers
17.275	Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States

Dollar threshold used to distinguish between type A and type B programs \$ 453,953

Auditee qualified as low-risk auditee? X Yes No

State Financial Assistance

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

Internal control over major state projects:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

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

Identification of major state project:

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

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

Section II - Financial Statement Findings

None reported.

Section III – Federal Award Findings And Questioned Costs

None reported.

Section IV - State Financial Assistance Findings And Questioned Costs

None reported.

Section V - Other Matters

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

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

Additional Supplementary Information

AUDIT SCHEDULE
BOLEY CENTERS, INC.
Schedule of State Earnings for
Fiscal Year 06/30/2012

1	Total Expenditures	\$17,547,201
2	Less Other State and Federal Funds	(10,615,214)
3	Less Non-Match SAMH Funds	(2,401,408)
4	Less Unallowable Costs per 65E-14, F.A.C.	-
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	4,530,579
6	Maximum Available Earnings (Line 5 times 75%)	3,397,934
7	Amount of State Funds Requiring Match	2,833,767
8	Amount Due to Department (Subtract line 7 from line 6, If negative, the amount of the difference is due to the department up to the amount of line 7)	\$0

AUDIT SCHEDULE
BOLEY CENTERS, INC.
Schedule of Related Party Transaction Adjustments
for the Fiscal Year Ending 06/30/2012

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

Footnote: N/A

AUDIT SCHEDULE
BOLEY CENTERS, INC.
Schedule of Bed-Day Availability Payments
For Fiscal Year Ending 06/30/2012

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department (D-E)	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F (F x C)	Amount Owed to Department (G-H or \$0, whichever is greater)
A	B	C	D	E	F	G	H	I
Children's MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Adult MH	Crisis Stabilization Unit				0		\$0.00	\$0.00
Children's SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult MH	Short-term Residential Treatment				0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
								Total Amount Owed to Department =
								\$0.00
Footnote: N/A								

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

AGENCY: Boley Centers, Inc.

DATE PREPARED: 11/15/2012

CONTRACT #: CF652-1003

BUDGET PERIOD FROM: 7/1/2011 to 6/30/2012

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS											Tot. for All State Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Total Funding (F+G) H
	STATE SAMH-FUNDED COST CENTERS													
	Residential Level II B _{1a}	Room & Board w/Supervision Level II B _{1b}	Room & Board w/Supervision Level III B _{1c}	Medical Services B _{1d}	CCST B _{1e}	FACT B _{1f}	Supported Employment B _{1g}	Total for Program 1 (B _{1a} +...+B _{1g}) C ₁	Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₁) D	Total for Non-State-Funded SAMH Cost Centers E				
IA. STATE SAMH FUNDING (1) CFBHN	\$ 846,768	1,081,884	65,726	236,276	1,658,674	1,227,730	118,117	5,235,175	5,235,175	xxxxxxx	5,235,175	xxxxxxx	5,235,175	
TOTAL STATE SAMH FUNDING =	846,768	1,081,884	65,726	236,276	1,658,674	1,227,730	118,117	5,235,175	5,235,175	0	5,235,175	0	5,235,175	
IB. OTHER GOVT. FUNDING (1) Other State Agency Funding (2) Medicaid (3) Local Government (4) Federal Grants and Contracts (5) In-kind from local govt. only	0 5,828 0 0 0	0 67,479 0 0 0	0 3,047 5,000 0 0	31,902 57,118 0 0 0	0 211,895 0 0 0	0 0 0 0 0	0 0 0 0 0	31,902 345,367 5,000 0 0	31,902 345,367 5,000 0 0	0 0 0 0 0	31,902 345,367 5,000 0 0	0 1,529,910 1,273,014 7,430,021 0	0 1,875,277 1,278,014 7,430,021 0	
TOT. OTHER GOVT. FUNDING =	5,828	67,479	8,047	89,020	211,895	0	0	382,269	382,269	0	382,269	10,232,945	10,615,214	
IC. ALL OTHER REVENUES (1) 1st & 2nd Party Payments (2) 3rd Party Payments (except Medicare) (3) Medicare (4) Contributions and Donations (5) Other (6) In-kind	0 104,999 0 0 17,421 0	0 121,642 0 0 82,367 0	0 12,714 0 0 0 0	0 0 16,130 0 14,575 0	0 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0	0 239,355 16,130 0 114,363 0	0 239,355 16,130 0 114,363 0	0 0 0 0 0 0	0 239,355 16,130 209,015 114,363 0	0 324,167 16,130 209,015 1,030,471 0	0 563,522 16,130 209,015 1,144,834 0	
TOT. ALL OTHER REVENUES =	122,420	204,009	12,714	30,705	0	0	0	369,848	369,848	0	369,848	1,563,653	1,933,501	
TOTAL FUNDING = \$	975,016	1,353,372	86,487	356,001	1,870,569	1,227,730	118,117	5,987,292	5,987,292	0	5,987,292	11,796,598	17,783,890	

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	STATE-DESIGNATED SAMH COST CENTERS											Tot. for All State Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Other Support Costs (optional) H	Admin I	Total Expenses (F+G+H+I) J
	STATE SAMH-FUNDED COST CENTERS															
	Residential Level II B _{1a}	Room & Board w/Supervision Level II B _{1b}	Room & Board w/Supervision Level III B _{1c}	Medical Services B _{1d}	CCST B _{1e}	FACT B _{1f}	Supported Employment B _{1g}	Total for Program 1 (B _{1a} +...+B _{1g}) C ₁	Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₁) D	Total for Non-State-Funded SAMH Cost Centers E						
IIA. PERSONNEL EXPENSES (1) Salaries (2) Fringe Benefits	\$ 248,396 60,395	834,847 183,635	30,548 6,386	63,652 13,925	795,262 180,879	484,870 98,795	66,451 21,758	2,524,026 565,773	2,524,026 565,773	0 0	2,524,026 565,773	3,716,657 753,676	0 0	1,148,615 225,782	7,389,298 1,545,231	
TOTAL PERSONNEL EXPENSES =	308,791	1,018,482	36,934	77,577	976,141	583,665	88,209	3,089,799	3,089,799	0	3,089,799	4,470,333	0	1,374,397	8,934,529	
IIIB. OTHER EXPENSES (1) Building Occupancy (2) Professional Services (3) Travel (4) Equipment (5) Client support / Food Services (6) Medical and Pharmacy (7) Subcontracted Services (8) Insurance (9) Interest Paid (10) Operating Supplies & Expenses (11) Other (12) Donated Items	43,702 0 0 1,051 233,053 13,243 960 6,951 0 17,343 43,522 0	108,108 250 6,260 5,091 106,977 1,624 24,995 11,068 0 42,564 90,063 0	16,359 0 21 2,542 23,589 113 300 1,497 0 1,175 4,076 0	11,568 109,840 44 0 3,963 39,703 8,468 1,124 0 0 1,091 0	51,115 0 26,551 7,666 357,189 75,488 4,530 6,154 0 9,516 38,157 0	26,812 150,910 19,640 884 309,644 202 2,668 4,616 0 2,562 23,779 0	11,712 0 6,661 0 0 0 331 0 0 165 261 0	269,376 261,000 59,177 17,034 1,034,415 130,373 41,921 31,741 0 74,416 204,349 0	269,376 261,000 59,177 17,034 1,034,415 130,373 41,921 31,741 0 74,416 204,349 0	0 0 0 0 0 0 0 0 0 0 0 0	269,376 261,000 59,177 17,034 1,034,415 130,373 41,921 31,741 0 74,416 204,349 0	979,354 40,335 63,430 39,252 623,019 65,068 520,382 105,425 0 152,705 3,276,187 0	0 0 0 0 0 0 0 0 0 0 0 0	113,091 138,321 29,430 32,597 6,313 1,663,741 66,770 18,039 0 35,683 148,502 0	1,361,821 439,656 152,037 98,883 1,663,741 195,441 629,073 155,205 34,967 262,304 3,629,038 0	
TOTAL OTHER EXPENSES =	359,825	397,000	49,672	180,292	576,366	541,517	19,130	2,123,802	2,123,802	0	2,123,802	5,900,124	0	588,746	8,612,672	
TOT. PERSONNEL & OTH. EXP. =	668,616	1,415,482	86,606	257,869	1,552,507	1,125,182	107,339	5,213,601	5,213,601	0	5,213,601	10,370,457	0	1,963,143	17,547,201	
IIIC. DISTRIBUTED INDIRECT COSTS (a) Other Support Costs (Optional) (b) Administration	0 86,720	0 242,929	0 44,741	0 17,012	0 155,765	0 107,485	0 17,149	0 671,801	0 671,801	0 0	0 671,801	0 1,291,342	0 0	0 (1,963,143)	0 0	
TOT. DISTR'D INDIRECT COSTS =	86,720	242,929	44,741	17,012	155,765	107,485	17,149	671,801	671,801	0	671,801	1,291,342	0	0	0	
TOTAL ACTUAL OPER. EXPENSES =	755,336	1,658,411	131,347	274,881	1,708,272	1,232,667	124,488	5,885,402	5,885,402	0	5,885,402	11,661,799	0	0	17,547,201	
IIID. UNALLOWABLE COSTS TOT. ALLOWABLE OPER. EXP. \$	0 755,336	0 1,658,411	0 131,347	0 274,881	0 1,708,272	0 1,232,667	0 124,488	0 5,885,402	0 5,885,402	0 0	0 5,885,402	0 11,661,799	0 0	0 0	0 17,547,201	
IIIE. CAPITAL EXPENDITURES	\$ 0	0	0	0	0	0	0	0	0	0	0	1,128,539	0	0	1,128,539	