

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

JUNE 30, 2012

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

JUNE 30, 2012

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-5
Statements of Net Assets - Business-type Activity - Enterprise Fund	6
Statements of Revenues, Expenses, and Changes in Net Assets - Business-type Activity - Enterprise Fund	7-8
Statements of Cash Flows - Business-type Activity - Enterprise Fund	9-10
Notes to Financial Statements	11-19
 Additional Elements of Report Prepared in Accordance with <i>Government Auditing Standards</i> and Office of Management and Budget (OMB) Circular A-133 and Chapter 10.650, <i>Rules of the Auditor General</i> Single Audit Requirements	
Schedule of Expenditures of Federal Awards and State Financial Assistance	20-21
Note to the Schedule of Expenditures	22
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>	23-24
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, <i>Rules of the Auditor General</i>	25-27
Schedule of Findings and Questioned Costs - Federal Awards Programs and State Financial Assistance Projects	28-29
Summary Schedule of Prior Audit Findings in Accordance with OMB Circular A-133 and Chapter 10.650, <i>Rules of the Auditor General</i>	30
Corrective Action Plan in Accordance with OMB Circular A-133 and Chapter 10.650, <i>Rules of the Auditor General</i>	31
Management Letter	32

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

JUNE 30, 2012

**TABLE OF CONTENTS
(Concluded)**

Additional Information

Substance Abuse and Mental Health Services - Program/Cost	
Center - Revenues Schedule and Actual Expenses.....	33-42
Schedule of State Earnings	43
Schedule of Bed - Day Availability Payments	44
Schedule of Related Party Transaction Adjustments	45

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Centers, Inc.
Ocala, Florida

We have audited the accompanying financial statements of the business-type activities of The Centers, Inc. (the Centers), a governmental nonprofit organization, as of and for the years ended June 30, 2012 and 2011, which collectively comprise the Centers' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Centers' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Centers, as of June 30, 2012 and 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2012, on our consideration of the Centers' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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

Board of Directors
The Centers, Inc.
Ocala, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Purvis, Gray and Company, LLP

November 16, 2012
Ocala, Florida

THE CENTERS, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The discussion and analysis of the financial performance of the Centers, Inc. (the Centers) provides an overall review of the Centers' financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the Centers' financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Centers' financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the Centers exceeded its liabilities at the close of the fiscal year ended June 30, 2012, by \$12.5 million. Total net assets increased \$.5 million during the year ended June 30, 2012.
- State and Federal revenues accounted for \$29.1 million or 91% of the Centers' total revenue of \$32 million. County revenues accounted for \$1.5 million or 5% of total revenue. Client and insurance fees, other contracts and grants accounted for \$1.2 million or 4% of total revenue. Interest income and contributions (non-operating revenue) accounted for \$0.2 million or less than 1% of total revenue.
- Salaries, benefits and professional development of \$22.7 million represented 72% of total expenses and contractual services represented \$2.5 million or 8% of total expenses, for a total of 80% of the Centers' total expenses of \$31.5 million. Equipment and facilities expense accounted for \$2.9 million or 9% of total expenses. Expenses related to program operating costs accounted for \$2.1 million or 7% of total expenses and other operating costs were \$0.9 or 3% of total expenses. Interest and fundraising (non-operating expenses) accounted for \$0.4 million or 1% of total expense.
- Total assets decreased \$.17 million, a 0.8% decrease from 2011. Total liabilities decreased \$0.65 million, a 7.6% decrease from 2011.

USING THIS ANNUAL FINANCIAL REPORT

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

OVERVIEW OF THE FINANCIAL STATEMENTS

Statement of Net Assets and the Statement of Activities

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

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

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

THE CENTERS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

REPORTING THE CENTERS' MOST SIGNIFICANT FUNDS

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

FINANCIAL ANALYSIS OF THE CENTERS AS A WHOLE

Business-type Activities

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

Total assets decreased 0.8%, from \$20.6 million in fiscal year 2011 to \$20.4 million in fiscal year 2012, a decrease of \$.17 million. This \$.17 million decrease in total assets is primarily due to the net of increased collection and billing of services offset by a larger increase in depreciation.

Total liabilities decreased 7.6% from \$8.6 million in fiscal year 2011 to \$7.9 million in fiscal year 2012, a decrease of \$0.65 million. This \$0.65 million decrease in total liabilities is due to a \$0.26 million decrease in short-term liabilities, and decrease of \$0.39 million in long-term liabilities.

The Statement of Activities reports the financial operations of the Centers during the current fiscal year. \$19 million, or 59%, of the Centers' \$32 million in revenues in 2012 were earned from services provided directly to the Department of Children & Families (DCF) of the State of Florida or indirectly to DCF under the Kids Central, Inc. (KCI) contracts. Medicare and Medicaid revenues represented \$10.1 million, or 32% of fiscal year 2012 revenues. Funding from Marion County and Citrus County, the two counties which the Centers' principally serves, totaled \$1.5 million or 5% of revenues. Client and insurance fees, other contracts and grants accounted for \$1.2 million or 4% of total revenue. Interest income and contributions (non-operating) represented \$0.2 million which is less than 1% of revenues.

Total revenues increased from \$31.9 million in fiscal year 2011 to \$32 million in fiscal year 2012, an increase of \$0.1 million. This \$0.1 million increase is due primarily to increased earnings from Medicaid programs.

Total expenses increased from \$31.2 million in fiscal year 2011 to \$31.5 million in fiscal year 2012, an increase of \$0.3 million. This increase is due primarily to an increase in payroll and facilities costs. Salaries and benefits, professional development, and contractual services accounted for \$25.2 million or 80% of the Centers' \$31.5 million total expenses in fiscal year 2012. Equipment and facilities expense accounted for \$2.9 million or 9% of total expenses. Program operating expenses such as food for the residential programs, medical and other supplies accounted for \$2.1 million or 7% of total expenses, and other operating costs were \$0.9 or 3% of total expense. The remaining \$0.4 million or 1% of the total expenses are interest and fundraising (non-operating) expense.

THE CENTERS, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Concluded)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2012, the Centers had \$9.9 million, net of accumulated depreciation, invested in capital assets such as furniture and equipment, land, and buildings and improvements. This amount is not a significant change from the prior fiscal year.

Debt

At year-end, the Centers had \$5.3 million in short and long-term notes and mortgages payable relating to existing land and buildings. Additional information concerning the Centers' debt can be found in the notes to the financial statements.

CURRENT ECONOMIC CONDITION AND OUTLOOK

The Centers is a private not-for-profit corporation that has contracted with the State of Florida (DCF) to provide mental health and substance abuse services to adults and children of Marion and Citrus counties. In fiscal year 2012, services provided under these contracts resulted in \$10.4 million of revenues.

The Centers is contracted with Kids Central, Inc. to provide Community Based Care services and Crisis Response Team services. In fiscal year 2012, services provided under these contracts resulted in \$8.5 million of revenues.

During the 2013 fiscal year the Centers will continue renovating a facility at the Martin Luther King, Jr. Avenue campus in Ocala to serve as the Pre-Arrest Diversion Center for individuals who may be suffering from a mental illness. This renovation is being funded via a Community Development Block Grant for \$301,772 from Marion County.

As of fiscal year 2013, the Centers is contracted with Lutheran Services Florida, Inc. who is currently the Managing Entity for the administration of the State Funded Programs. In fiscal year 2013, the total revenue projected to be generated by these programs is \$10.2 million. The administrative fee to be retained by Lutheran Services Florida, Inc. is \$405,488.

Other than the above, the Centers is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during fiscal year 2013.

CONTACTING THE CENTERS' FINANCIAL MANAGEMENT

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

STATEMENTS OF NET ASSETS
BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND
JUNE 30, 2012 AND 2011
THE CENTERS, INC. - OCALA, FLORIDA

ASSETS

	2012	2011
Current Assets		
Cash and Cash Equivalents	\$ 4,388,419	\$ 3,728,633
Accounts Receivable:		
Client Fees (Net of Allowance for Uncollectible Accounts of \$1,889,485 in 2012 and \$1,902,037 in 2011)	1,638,779	1,421,288
Other	30,622	60,379
Contracts and Grants Receivable	3,389,112	3,488,174
Prepaid Expenses	131,385	441,306
Inventories	141,219	298,921
Total Current Assets	9,719,536	9,438,701
Noncurrent Assets		
Restricted Cash and Cash Equivalents:		
Debt Service Reserve	410,536	399,803
Unrestricted Cash and Cash Equivalents:		
Board Reserve Funds	220,211	208,911
Capital Assets, Net of Accumulated Depreciation	9,886,786	10,348,995
Other Assets:		
Unamortized Debt Issue Costs, Net	68,487	77,988
Security Deposits and Other	75,315	77,277
Total Noncurrent Assets	10,661,335	11,112,974
Total Assets	20,380,871	20,551,675
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Other Accrued Expenses	1,085,435	1,415,985
Accrued Salaries and Payroll Taxes	953,746	923,851
Accrued Vacation and Sick Leave	593,038	574,701
Current Portion of Long-term Liabilities	388,926	367,011
Total Current Liabilities	3,021,145	3,281,548
Long-term Liabilities		
Mortgage Notes Payable	4,893,969	5,282,895
Total Long-term Liabilities	4,893,969	5,282,895
Total Liabilities	7,915,114	8,564,443
Net Assets		
Invested in Capital Assets, Net of Related Debt	4,672,378	4,777,077
Restricted for Debt Service	410,536	399,803
Unrestricted	7,382,843	6,810,352
Total Net Assets	\$ 12,465,757	\$ 11,987,232

See accompanying notes.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011
THE CENTERS, INC. - OCALA, FLORIDA

	<u>2012</u>	<u>2011</u>
Operating Revenues		
State and Federal Revenues		
DCF Contracts - Mental Health:		
Adult	\$ 4,293,894	\$ 4,293,894
Children	1,405,639	1,405,638
DCF Contracts - Substance Abuse:		
Adult	2,730,458	2,578,414
Children	1,048,931	1,083,931
DCF Contracts - Other:		
Children	872,000	975,000
KCI Contracts:		
Child Welfare Services	8,482,042	8,410,751
Other Intergovernmental Revenues	52,059	308,780
Medicare and Medicaid	10,102,791	9,662,476
Indigent Drug Program	68,585	68,585
Total State and Federal Revenues	<u>29,056,399</u>	<u>28,787,469</u>
County Revenues		
Marion County	1,143,758	1,143,759
Citrus County	365,451	357,514
Total County Revenues	<u>1,509,209</u>	<u>1,501,273</u>
Other Revenues		
Client and Insurance Fees	933,432	991,059
Other Contracts and Service Fees	286,687	287,190
Total Other Revenues	<u>1,220,119</u>	<u>1,278,249</u>
Total Operating Revenues	<u>31,785,727</u>	<u>31,566,991</u>
Operating Expenses		
Personnel		
Salaries	18,944,313	18,696,747
Benefits and Taxes	3,787,118	3,560,353
Total Personnel	<u>22,731,431</u>	<u>22,257,100</u>
Contractual Services		
Service Contracts	40,689	44,208
Professional Fees	2,424,674	2,417,046
Total Contractual Services	<u>2,465,363</u>	<u>2,461,254</u>
Professional Development	<u>14,916</u>	<u>12,798</u>

See accompanying notes.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011
THE CENTERS, INC. - OCALA, FLORIDA
(Concluded)

	2012	2011
Operating Expenses (Concluded)		
Equipment and Facilities Expenses		
Depreciation	\$ 758,921	\$ 721,686
Rental	807,732	716,781
Repairs and Maintenance	602,463	636,655
Utilities	718,554	694,891
Total Equipment and Facilities Expenses	2,887,670	2,770,013
Supplies Expenses		
Educational/Medical Supplies	831,715	783,539
Food/Household Supplies	439,271	420,081
Office Supplies	334,540	462,903
Printing/Reproduction	92,140	102,373
Total Supplies Expenses	1,697,666	1,768,896
Travel and Transportation Expenses		
Travel	423,867	464,999
Conferences/Workshops	3,830	17,981
Total Travel and Transportation Expenses	427,697	482,980
Other Expenses		
Insurance	453,319	420,962
State Indigent Drugs	77,863	65,068
Other	377,197	450,027
Total Other Expenses	908,379	936,057
(Total Operating Expenses)	(31,133,122)	(30,689,098)
Income from Operations	652,605	877,893
Nonoperating Revenues (Expenses)		
Contributions and Special Events	151,982	255,180
Investment Income	49,215	59,708
Interest Expense	(262,557)	(272,685)
Amortization Expense	(9,501)	(19,785)
Fundraising Expense	(137,511)	(255,133)
Gain (Loss) on Disposal of Capital Asset	34,292	(7,029)
Total Nonoperating Income and (Expense)	(174,080)	(239,744)
Excess of Revenues Over Expenses Before Capital Grants and Contributions	478,525	638,149
Capital Grants and Contributions	0	0
Increase in Net Assets	478,525	638,149
Net Assets, Beginning of Year	11,987,232	11,349,083
Net Assets, End of Year	\$ 12,465,757	\$ 11,987,232

See accompanying notes.

STATEMENTS OF CASH FLOWS
BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011
THE CENTERS, INC. - OCALA, FLORIDA

	2012	2011
Cash Flows from Operating Activities		
Receipts from and on Behalf of Patients	\$ 11,135,176	\$ 10,212,957
Operating Grant and Contract Receipts	20,561,878	19,354,878
Payments to Suppliers	(7,503,596)	(8,417,165)
Payments for Salaries, Benefits, and Taxes	(22,683,199)	(22,004,409)
Net Cash Provided by (Used in) Operating Activities	1,510,259	(853,739)
Cash Flows from Noncapital Financing Activities		
Noncapital Grants and Contributions	18,437	87,877
Fund-raising Expense	(3,966)	(87,830)
Net Cash Provided by (Used in) Noncapital Financing Activities	14,471	47
Cash Flows from Capital Financing Activities		
Principal Paid on Long-term Debt	(367,011)	(769,979)
Interest Paid on Long-term Debt	(262,557)	(272,685)
Purchase of Capital Assets	(334,775)	(774,325)
New Debt Loan Costs Paid	0	(4,950)
Proceeds from Insurance Settlement	72,355	0
Proceeds from New Debt Issuance	0	488,118
Net Cash Provided by (Used in) Capital Financing Activities	(891,988)	(1,333,821)
Cash Flows from Investing Activities		
Interest Received	49,077	59,314
Net Cash Provided by (Used in) Investing Activities	49,077	59,314
Net Increase (Decrease) in Cash and Cash Equivalents	681,819	(2,128,199)
Cash and Cash Equivalents, Beginning of Year	4,337,347	6,465,546
Cash and Cash Equivalents, End of Year	\$ 5,019,166	\$ 4,337,347
<u>Reconciliation of Cash and Cash Equivalents to the Statements of Net Assets</u>		
Cash and Cash Equivalents in Current Assets	\$ 4,388,419	\$ 3,728,633
Restricted Cash and Cash Equivalents	410,536	399,803
Unrestricted Cash and Cash Equivalents	220,211	208,911
Total Cash and Cash Equivalents	\$ 5,019,166	\$ 4,337,347

See accompanying notes.

STATEMENTS OF CASH FLOWS
BUSINESS-TYPE ACTIVITY - ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011
THE CENTERS, INC. - OCALA, FLORIDA
(Concluded)

	2012	2011
<u>Reconciliation of Income from Operations to Net Cash Provided</u>		
<u>by (Used in) Operating Activities</u>		
Operating Income	\$ 652,605	\$ 877,893
Adjustments to Reconcile Income from Operations to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	758,921	721,686
Change in:		
Accounts Receivable	(217,491)	(766,590)
Accounts Receivable - Other	29,757	(30,178)
Contracts and Grants Receivable	99,062	(1,202,388)
Prepaid Expenses	309,921	(121,300)
Inventories	157,702	(74,851)
Security Deposits and Other Assets	2,100	(8,000)
Accounts Payable	(330,550)	(502,704)
Accrued Payroll and Taxes	29,895	187,448
Accrued Sick and Vacation	18,337	65,245
Net Cash Provided by (Used in) Operating Activities	\$ 1,510,259	\$ (853,739)

See accompanying notes.

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

Financial Statement Classification

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

Expendable Restricted Resources

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

Capital Assets and Depreciation

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

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

Net Assets

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

Inventories

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

Accounts Receivable

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

Income Taxes

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

In-kind Revenues and Expenses

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

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

Note 1 - Summary of Significant Accounting Policies (Concluded)

Capitation Revenue Agreements

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

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

Accounting Estimates

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

Reclassifications

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

Capitalized Interest

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

Operating Revenues and Expenses

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

Charity Care

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

Compensated Absences

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

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

Note 2 - Cash and Cash Equivalents

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

As of June 30, 2012, the carrying amount of the Centers' demand deposits, money market funds, and certificates of deposits was \$5,016,056 and the bank balances totaled \$5,151,742. Petty cash totaled \$3,110. The Centers' deposits, money market funds, and certificates of deposits are partially or fully covered by the Federal Deposit Insurance Corporation (FDIC). The FDIC insures the first \$250,000 of the majority of the Centers' deposits at each financial institution. Additionally, specific noninterest bearing accounts can be fully insured through special programs with the FDIC.

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

Custodial Credit Risk Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Centers' deposits may not be returned. As of June 30, 2012 and 2011, \$1,609,077 of the Centers' bank balance of \$5,151,742 and \$940,126 of the Centers' bank balance of \$4,974,127, respectively, was exposed to custodial credit risk as being uninsured and uncollateralized cash deposits.

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

Note 3 - Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land and Improvements	\$ 570,138	\$ 0	\$ 0	\$ 570,138
Construction in Process	448,160	62,876	0	511,036
Total Capital Assets Not Being Depreciated	<u>1,018,298</u>	<u>62,876</u>	<u>0</u>	<u>1,081,174</u>
Capital Assets Being Depreciated				
Buildings and Improvements	15,042,918	36,202	(66,443)	15,012,677
Vehicles	250,067	2,250	(1,458)	250,859
Furniture and Fixtures	554,209	24,867	(1,882)	577,194
Machinery and Equipment	1,264,728	140,295	(28,104)	1,376,919
Computers	522,354	68,284	0	590,638
Total Capital Assets Being Depreciated	<u>17,634,276</u>	<u>271,898</u>	<u>(97,887)</u>	<u>17,808,287</u>
Less Accumulated Depreciation				
Buildings and Improvements	(6,687,344)	(504,827)	42,578	(7,149,593)
Vehicles	(186,108)	(27,039)	559	(212,588)
Furniture and Fixtures	(323,612)	(49,572)	1,075	(372,109)
Machinery and Equipment	(777,015)	(105,798)	15,613	(867,200)
Computers	(329,500)	(71,685)	0	(401,185)
Total Accumulated Depreciation	<u>(8,303,579)</u>	<u>(758,921)</u>	<u>59,825</u>	<u>(9,002,675)</u>
Total Capital Assets Being Depreciated, Net	<u>9,330,697</u>	<u>(487,023)</u>	<u>(38,062)</u>	<u>8,805,612</u>
Business-type Activities Capital Assets, Net	<u>\$ 10,348,995</u>	<u>\$ (424,147)</u>	<u>\$ (38,062)</u>	<u>\$ 9,886,786</u>

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

Note 4 - Long-term Debt and Lines of Credit

The following is a summary of mortgage notes payable:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Mortgage Notes Payable -					
Collateralized by Real Estate					
USDA - Rural Development, Payable in Monthly Installments of \$13,210 Including 5.0% Interest	\$ 1,307,660	\$ 0	\$ (95,122)	\$ 1,212,538	\$ 100,162
USDA - Rural Development, Payable in Monthly Installments of \$7,803 Including 4.5% Interest	901,769	0	(54,053)	847,716	56,644
USDA - Rural Development, Payable in Monthly Installments of \$4,605 Including 4.5% Interest	630,480	0	(27,372)	603,108	28,705
USDA - Rural Development, Payable in Monthly Installments of \$7,219 Including 4.5% Interest	1,226,094	0	(31,957)	1,194,137	33,576
USDA - Rural Development, Payable in Monthly Installments of \$1,024 Including 4.5% Interest	173,775	0	(4,540)	169,235	4,769
USDA - Rural Development, Payable in Monthly Installments of \$2,605 Including 4.0% Interest	478,183	0	(12,305)	465,878	12,858
SunTrust Bank, Payable in Monthly Installments of \$508 to \$2,556 in Principal Payments Plus Interest, the Interest Rate was 2.25% + LIBOR (1 month index) as of June 30, 2012	278,400	0	(13,656)	264,744	15,928
Branch Banking and Trust, Payable in Monthly Installments of \$13,758 Including 6.125% Interest	653,545	0	(128,006)	525,539	136,284
Total Mortgage Notes Payable	<u>\$ 5,649,906</u>	<u>\$ 0</u>	<u>\$ (367,011)</u>	<u>\$ 5,282,895</u>	<u>\$ 388,926</u>

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

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

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 388,926	\$ 236,312
2014	413,509	215,791
2015	434,649	194,127
2016	382,394	172,580
2017	305,862	156,770
2018-2022	1,737,956	555,526
2023-2027	851,134	253,712
2028-2032	538,914	111,966
2033-2037	229,551	9,638
Total	<u>\$ 5,282,895</u>	<u>\$ 1,906,422</u>

Total interest incurred was \$262,557 and \$272,685 for the year ended June 30, 2012 and 2011, respectively, and none of which was capitalized in the 2012.

Under loan agreements with Rural Economic and Community Development, the Centers is required to make monthly deposits to a debt service reserve account until the maximum reserve balance accumulates to \$456,510. The balance in this account was \$410,536 and \$399,803 as of June 30, 2012 and 2011, respectively.

Lines of Credit and Loan Commitment

The Centers has \$1,500,000 of unadvanced funds available on approved lines of credit with Branch Banking and Trust Company. As of June 30, 2011 and 2012, no amounts have been advanced on the line of credit.

Note 5 - Defined Contribution Pension Plan

The Centers has a 401(k) defined contribution retirement plan covering substantially all employees. This plan is the Centers, Inc. 401(k) Savings Plan (the Plan). The Plan is administered by the Centers and its Trustees are the Centers' Board of Directors. Authority to amend the Plan rests with the Trustees. The matching contribution was 100% of each participant's contribution, up to 3% of each participating employee's compensation. Vesting occurs ratably over three years of service. Employer contributions, net of forfeitures (retirement expense) to the Plan during the fiscal years ended June 30, 2012 and 2011 was \$170,073 and \$164,792, respectively.

Note 6 - Concentration and Stratification of Revenue Sources

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

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

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

For the Year Ending June 30, 2012:

	<u>Amount</u>	<u>Percentage</u>
State of Florida Department of Children and Families (Including Federal Portion)	\$ 10,377,266	32%
Kids Central, Inc. (Pass-through from the State of Florida Department of Children and Families)	8,482,042	26%
Medicare and Medicaid	10,102,791	32%
Other Revenues	3,059,117	10%
Total Revenues	<u>\$ 32,021,216</u>	<u>100%</u>

For the Year Ending June 30, 2011:

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

Note 7 - Operating Rental Agreements

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

<u>Description</u>	<u>Lease Expense</u>	<u>Future Minimum Lease Payment</u>			
	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/15</u>	<u>6/30/16</u>
Buildings	\$ 786,095	\$ 423,241	\$ 93,818	\$ 0	\$ 0
Office Equipment	86,106	85,616	85,616	78,536	46,298
Total	872,201	508,857	\$ 179,434	\$ 78,536	\$ 46,298
(Less Sublease)	(64,469)	(33,063)			
Rental Expense	<u>\$ 807,732</u>	<u>\$ 475,794</u>			

Note 8 - Grants, Medicare, and Medicaid

The Centers receives federal and state grants for Medicare and Medicaid. These funds are subject to compliance audits by the providers or their representatives. The audits of the programs for, or including, the years ended June 30, 2009 through 2012, have not yet been settled. The amount, if any, of expenditures which may be disallowed cannot be determined, however, in the opinion of management, adequate provisions have been made for any adjustments that may result from auditors or other claims.

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

Note 9 - Matching Requirements

The Centers' main contract with the State of Florida Department of Children and Families requires the Centers to provide matching local funds, as dictated in the Florida Statutes, Chapter 394, Section 76 under Public Health Title XXIX, as well as in the Florida Administrative Code Chapter 65, 65E-14.005. During the fiscal years ended June 30, 2012 and 2011, the Centers received local matching of \$1,143,758, from Marion County each year and \$365,451 and \$357,514, respectively, from Citrus County with respect to the community alcohol and mental health services contracted with the State of Florida Department of Children and Families. The funding from Marion County and Citrus County was used solely for local match requirements. The allocation of funding between counties is determined based on relative population. All contract matching requirements for the year ended June 30, 2012 and 2011 have been met, as summarized in the schedule of state earnings included in this report.

Note 10 - Charity Care

The estimated cost for services and supplies furnished under the Centers' charity care policy aggregated to \$2,119,965 and \$1,984,640 for the fiscal years ended June 30, 2012 and 2011, respectively.

Note 11 - Related Parties

North Florida Behavioral Health Network, Inc.

During April 2004, the Centers became a member in the North Florida Behavioral Health Network, Inc. for the purpose of bidding on one or more contracts for the provision behavioral health care services pursuant to the State of Florida in connection with the Florida Medicaid Prepaid Mental Health Plan. North Florida Behavioral Health Network, Inc. is a 50% shareholder in North Florida Behavioral Health Partners, Inc., which in turn executed the bids and was ultimately awarded the contract under the Florida Medicaid Prepaid Mental Health Plan during the year ended June 30, 2007. The Centers, as members of the North Florida Behavioral Health Network, Inc., provided services under contract for prepaid mental health services and fees for services during the years ended June 30, 2012 and 2011, recognizing revenue of \$5,280,709 and \$5,397,064, respectively, of which \$77,900 and \$145,310, respectively, was in accounts receivable with a reserve balance of \$0 and \$316,000, respectively. The reserve balance for the year ended June 30, 2011 was related to the estimated potential payment of the Florida Premium Tax due through June 30, 2012.

Note 12 - Contingent Liabilities

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

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA**

<u>Federal Awards</u>	<u>CFDA/CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services			
Indirect Projects:			
Passed Through Florida Department of Children and Families:			
Projects for Assistance in Transition from Homelessness *	93.150	PH203	\$ 175,251
State Children's Insurance Program *	93.767	PHL14	872,000
Temporary Assistance for Needy Families*	93.558	PH203	188,851
Block Grant for Community Mental Health Services *	93.958	PH203	313,871
Social Services Block Grant*	93.667	PH203	10,722
Block Grant for Prevention and Treatment of Substance Abuse *	93.959	PH203	1,844,267
Total Passed Through Florida Department of Children and Families			<u>3,404,962</u>
Passed Through Kids Central, Inc.:			
Promoting Safe and Stable Families	93.556	C1112I-MC005	146
Promoting Safe and Stable Families	93.556	C1112C-MC005	32,386
Promoting Safe and Stable Families	93.556	C1112M-MC005	44,353
Subtotal Expenditures - 93.556			<u>76,885</u>
Child Abuse and Neglect	93.669	C1112C-MC005	46,144
Temporary Assistance for Needy Families	93.558	C1112I-MC005	5,495
Temporary Assistance for Needy Families	93.558	C1112C-MC005	1,045,732
			<u>1,051,227</u>
Child Welfare Services	93.645	C1112I-MC005	1,062
Child Welfare Services	93.645	C1112C-MC005	202,206
			<u>203,268</u>
Foster Care - Title IV-E	93.658	C1112I-MC005	9,741
Foster Care - Title IV-E	93.658	C1112C-MC005	1,854,031
			<u>1,863,772</u>
Adoption Assistance	93.659	C1112I-MC005	2,097
Adoption Assistance	93.659	C1112C-MC005	398,986
			<u>401,083</u>
Total Passed Through Kids Central, Inc.			<u>3,642,379</u>
Passed Through Marion County, Florida			
Community Development Block Grant	14.218	2011-2012	21,428
Passed Through City of Ocala, Florida			
Community Development Block Grant	14.218	2011-2012	4,286
Subtotal Expenditures - 14.218			<u>25,714</u>
Total U.S. Department of Health and Human Services			<u><u>7,073,055</u></u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

	CFDA/CSFA Number	Contract Number	Expenditures
US Department of Justice			
Indirect Project:			
Passed Through Marion County, Florida			
Pre-Arrest Diversion Center	16.745	2011-2012	\$ 14,899
Passed Through Citrus County, Florida:			
Criminal and Juvenile and Mental Health Collaboration Program	16.745	2011-2012	77,543
Total U.S. Department of Justice			92,442
US Department of Agriculture			
Indirect Project:			
Passed Through Florida Department of Agriculture:			
Child Nutrition Cluster:			
National School Lunch Program	10.553	2011-2012	9,956
National School Lunch Program	10.555	2011-2012	19,712
Total Child Nutrition Cluster			29,668
Total U.S. Department of Agriculture			29,668
Total Federal Awards			7,195,165
<u>State Financial Assistance</u>			
State of Florida Department of Children and Families			
Direct Projects:			
Children's Baker Act Services *	60.001	PH203	\$ 329,398
Baker Act *	60.006	PH203	1,547,672
Indigent Outpatient Psychiatric Outpatient Services *	60.039	PH203	15,951
Children's Mental Health Special Projects Emergency Stabilization *	60.059	PH203	871,892
Community Forensic Beds *	60.114	PH203	71,000
Total Direct Projects from Department of Children and Families:			2,835,913
Indirect Projects:			
Public Safety, Mental Health, and Substance Abuse Local Matching Grant	60.115	2011-2012	55,171
Passed Through Kids Central, Inc.			
Community Based Care Support	60.094	C1112I-MC005	17,166
Community Based Care Support	60.094	C1112C-MC005	758,319
Community Based Care Support	60.094	C1112M-MC005	3,267,062
Subtotal Expenditures - 60.094			4,042,547
Total State of Florida Department of Children and Families			6,933,631
Total State Financial Assistance			6,933,631
Total Expenditures of Federal Awards and State Financial Assistance			\$ 14,128,796

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Concluded)**

Note to the Schedule of Expenditures

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and Chapter 10.550, *Rules of the Auditor General, Local Government Entity Audits*. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

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

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

Board of Directors
The Centers, Inc.
Ocala, Florida

We have audited the financial statements of The Centers, Inc. (the Centers), a nonprofit organization, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 16, 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 the Centers is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the Centers' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Centers' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Centers' internal control over financial reporting.

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

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

Compliance and Other Matters

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

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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

Board of Directors
The Centers, Inc.
Ocala, Florida

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

Compliance and Other Matters (Concluded)

We noted certain matters that we have reported to the management of the Centers in a separate management letter dated November 16, 2012.

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

Purvis, Gray and Company, LLP

November 16, 2012
Ocala, Florida

**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 Directors
The Centers, Inc.
Ocala, Florida

Compliance

We have audited The Centers, Inc.'s (the Centers) compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Centers' major federal programs and state financial assistance projects for the year ended June 30, 2012. The Centers' major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the Centers' management. Our responsibility is to express an opinion on the Centers' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Centers' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Centers' compliance with those requirements.

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

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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

Board of Directors
The Centers, Inc.
Ocala, Florida

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

Internal Control Over Compliance

Management of the Centers is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Centers' internal control over compliance with requirements that could have a direct and material effect on a major federal program or state projects in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Centers internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the Centers, as of and for the year ended June 30, 2012, and have issued our report dated November 16, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and

Board of Directors
The Centers, Inc.
Ocala, Florida

**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
(Concluded)**

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

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

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

Purvis, Gray and Company, LLP

November 16, 2012
Ocala, Florida

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

1. **Summary of Audit Results**

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

Unqualified Opinion

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

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

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

Audit disclosed no material instances of noncompliance.

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

One significant deficiency in internal control over major federal award programs and state projects disclosed during the audit is reported in the *Independent 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*. The significant deficiency is not considered to be a material weakness.

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

Unqualified Opinion

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

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

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

Federal Programs:

U.S. Department of Health and Human Services:

- Projects for Assistance in Transition from Homelessness (93.150)
- Adoption Assistance (93.659)
- State Children's Insurance Program (93.767)
- Block Grant for Prevention and Treatment of Substance Abuse (93.959)

State Assistance Projects:

State of Florida Department of Children and Families:

- Community Based Care Support (60.094)

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

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

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

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

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

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

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

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

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

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

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

2011-1 Projects for Assistance in Transition from Homelessness; CFDA No. 93.150 Grant No. PH203; Grant Period—Year Ended June 30, 2012

Significant Deficiency: The Centers provides a program for Assistance in Transition from Homelessness, incurring costs of nearly \$245,000 during the year ended June 30, 2012, of which \$175,251 was funded through a federal grant. During our audit, we performed tests of internal control and compliance related to the Project for Assistance in Transition from Homelessness program. The grant requires that an individual have a diagnosed mental illness and be at-risk to become homeless or already be in the state of homelessness. Our testing and further reviews by management discovered several individuals, totaling approximately \$14,387, were included in the program, but were not eligible under the grant eligibility requirements. Further audit procedures and reviews by management were able to substantiate eligibility for individuals allowed under the grant, for the full amount of the \$175,251 federal grant reimbursement. After further review with management, it was determined an internal control method of evaluation of an individual's eligibility for the program had not been consistently implemented. Management has since implemented additional checklists and more frequent training programs to ensure that the individual meets the eligibility criteria. We recommend that management continue its efforts with the above mentioned procedures to ensure compliance with grant eligibility requirements.

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

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

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

1. **Status of Prior Audit Findings**

June 30, 2011 Audit Report

Federal Awards Finding No. 2011-1

Program: Projects for Assistance in Transition for Homelessness (CFDA No. 93.150)

Finding Type: Significant Deficiency

Questioned Costs: None

Brief Description—During the audit of this program we found that to be eligible for the Projects for Assistance in Transition for Homelessness grant, an individual must have a diagnosed mental illness and be at-risk to being homeless or already be in the state of homelessness. From our testing and further reviews by management it was found that there were several individuals, totaling approximately \$10,900 that were included but were not eligible under the grant eligibility requirements. Additional audit procedures and reviews by management completed were able to substantiate eligibility for individuals allowed under the grant for the full amount of the \$175,251 Federal Grant reimbursement. It was determined that an internal control method of evaluation of an individual's eligibility for the program had not been implemented.

Current Status—Management developed and implemented a checklist to assist with the eligibility criteria based on the requirements of the grant; however, the issue has not yet been resolved and a similar finding was identified in the 2012 audit.

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

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

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

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

MANAGEMENT LETTER

Board of Directors
The Centers, Inc.
Ocala, Florida

We have audited the financial statements of The Centers, Inc. (the Centers), as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 16, 2012.

We conducted our audit 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 Florida Auditor General*. We have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, 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 Florida Auditor General*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated November 16, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650, *Rules of the Auditor General*, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse that have an effect on the financial statements or State project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or State project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred or are likely to have occurred, (2) deficiencies in internal control that are not significant deficiencies. Our audit identified no matters that are required to be disclosed.

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

Purvis, Gray and Company, LLP

November 16, 2012
Ocala, Florida

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

ADDITIONAL INFORMATION

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA**

Funding Sources and Revenues	Case Management	Outpatient	Outreach	Supported Housing	Crisis Stabilization Unit	Crisis Support/ Emergency	Drop-In	Medical Services	Clubhouse	Total for Adult Mental Health
State SAMH Funding										
From the District Funding										
this Contract	\$ 389,614	\$ 603,145	\$ 76,249	\$ 107,545	\$ 1,929,538	\$ 154,740	\$ 77,770	\$ 730,607	\$ 284,687	\$ 4,353,895
Total State SAMH Funding	<u>389,614</u>	<u>603,145</u>	<u>76,249</u>	<u>107,545</u>	<u>1,929,538</u>	<u>154,740</u>	<u>77,770</u>	<u>730,607</u>	<u>284,687</u>	<u>4,353,895</u>
Other Government Funding										
Other State Agency Funding	3	6,234	0	0	0	18	0	75,776	0	82,031
Medicaid	279,323	390,491	0	239	590,255	4,243	0	552,869	66,228	1,883,648
Local Government	0	0	0	0	593,678	366,148	0	0	0	959,826
Federal Grants and Contracts	0	0	0	0	0	0	0	0	0	0
Total Other Government Funding	<u>279,326</u>	<u>396,725</u>	<u>0</u>	<u>239</u>	<u>1,183,933</u>	<u>370,409</u>	<u>0</u>	<u>628,645</u>	<u>66,228</u>	<u>2,925,505</u>
All Other Revenues										
First and Second Party Payments	219	19,358	0	0	11,263	137	0	25,401	0	56,378
Third Party Payments										
(Except Medicare)	72	11,626	0	0	110,016	1,742	0	11,041	0	134,497
Medicare	0	29,690	0	0	33,377	890	0	90,324	0	154,281
Contributions and Donations	0	0	0	0	0	0	0	0	809	809
Other	81,315	58,820	22,462	1,004	19,602	3,805	520	23,693	2,012	213,233
In-kind	0	0	0	0	0	0	0	0	0	0
Total All Other Revenues	<u>81,606</u>	<u>119,494</u>	<u>22,462</u>	<u>1,004</u>	<u>174,258</u>	<u>6,574</u>	<u>520</u>	<u>150,459</u>	<u>2,821</u>	<u>559,198</u>
Total Funding	<u>\$ 750,546</u>	<u>\$ 1,119,364</u>	<u>\$ 98,711</u>	<u>\$ 108,788</u>	<u>\$ 3,287,729</u>	<u>\$ 531,723</u>	<u>\$ 78,290</u>	<u>\$ 1,509,711</u>	<u>\$ 353,736</u>	<u>\$ 7,838,598</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

Funding Sources and Revenues	Case Management	Outpatient	Outreach	Prevention	Intervention	Residential Level II	Detox	Recovery Support	Total for Adult Substance Abuse
State SAMH Funding									
From the District Funding this Contract	\$ 13,754	\$ 360,510	\$ 44,036	\$ 185,246	\$ 1,821	\$ 1,638,745	\$ 383,002	\$ 17,543	\$ 2,644,657
Total State SAMH Funding	<u>13,754</u>	<u>360,510</u>	<u>44,036</u>	<u>185,246</u>	<u>1,821</u>	<u>1,638,745</u>	<u>383,002</u>	<u>17,543</u>	<u>2,644,657</u>
Other Government Funding									
Other State Agency Funding	0	8,174	0	0	0	2,996	0	1,626	12,796
Medicaid	0	41,881	0	0	0	600	4,336	2,912	49,729
Local Government	0	0	0	0	0	96,142	226,340	0	322,482
Federal Grants and Contracts	0	0	0	0	0	0	0	0	0
Total Other Government Funding	<u>0</u>	<u>50,055</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>99,738</u>	<u>230,676</u>	<u>4,538</u>	<u>385,007</u>
All Other Revenues									
First and Second Party Payments	0	48,050	0	0	0	63,343	3,680	9,026	124,099
Third Party Payments (Except Medicare)	0	1,698	0	0	0	68,040	16,472	282	86,492
Medicare	0	844	0	0	0	134	2,841	609	4,428
Contributions and Donations	0	0	0	0	0	0	0	0	0
Other	263	6,312	131	1,179	149	13,166	4,554	603	26,357
In-kind	0	0	0	0	0	0	0	0	0
Total All Other Revenues	<u>263</u>	<u>56,904</u>	<u>131</u>	<u>1,179</u>	<u>149</u>	<u>144,683</u>	<u>27,547</u>	<u>10,520</u>	<u>241,376</u>
Total Funding	<u>\$ 14,017</u>	<u>\$ 467,469</u>	<u>\$ 44,167</u>	<u>\$ 186,425</u>	<u>\$ 1,970</u>	<u>\$ 1,883,166</u>	<u>\$ 641,225</u>	<u>\$ 32,601</u>	<u>\$ 3,271,040</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

<u>Funding Sources and Revenues</u>	<u>Intervention</u>	<u>Crisis Stabilization</u>	<u>Crisis Support/ Emergency</u>	<u>Total for Children's Mental Health</u>
State SAMH Funding				
From the District Funding this Contract	\$ 48,960	\$ 850,000	\$ 506,679	\$ 1,405,639
Total State SAMH Funding	<u>48,960</u>	<u>850,000</u>	<u>506,679</u>	<u>1,405,639</u>
Other Government Funding				
Other State Agency Funding	0	4,077	696	4,773
Medicaid	467	847,795	7,128	855,390
Local Government	0	116,956	0	116,956
Federal Grants and Contracts	0	0	0	0
Total Other Government Funding	<u>467</u>	<u>968,828</u>	<u>7,824</u>	<u>977,119</u>
All Other Revenues				
First and Second Party Payments	0	8,821	264	9,085
Third Party Payments (Except Medicare)	0	152,631	1,368	153,999
Medicare	0	0	0	0
Contributions and Donations	0	0	0	0
Other	435	8,935	3,942	13,312
In-kind	0	0	0	0
Total All Other Revenues	<u>435</u>	<u>170,387</u>	<u>5,574</u>	<u>176,396</u>
Total Funding	<u>\$ 49,862</u>	<u>\$ 1,989,215</u>	<u>\$ 520,077</u>	<u>\$ 2,559,154</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

<u>Funding Sources and Revenues</u>	<u>Outpatient</u>	<u>Adolescent Residential Substance Abuse Treatment</u>	<u>Prevention</u>	<u>Outreach</u>	<u>Total for Children's Substance Abuse</u>
State SAMH Funding					
From the District Funding this Contract	\$ 179,950	\$ 655,583	\$ 170,083	\$ 69,116	\$ 1,074,732
Total State SAMH Funding	<u>179,950</u>	<u>655,583</u>	<u>170,083</u>	<u>69,116</u>	<u>1,074,732</u>
Other Government Funding					
Other State Agency Funding	1,189	0	0	0	1,189
Medicaid	21,500	0	0	0	21,500
Local Government	0	109,946	0	0	109,946
Federal Grants and Contracts	0	35,489	0	0	35,489
Total Other Government Funding	<u>22,689</u>	<u>145,435</u>	<u>0</u>	<u>0</u>	<u>168,124</u>
All Other Revenues					
First and Second Party Payments	1,464	107	0	0	1,571
Third Party Payments (Except Medicare)	422	0	0	0	422
Medicare	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	1,892	31,847	906	1,166	35,811
In-kind	0	0	0	0	0
Total all Other Revenues	<u>3,778</u>	<u>31,954</u>	<u>906</u>	<u>1,166</u>	<u>37,804</u>
Total Funding	<u>\$ 206,417</u>	<u>\$ 832,972</u>	<u>\$ 170,989</u>	<u>\$ 70,282</u>	<u>\$ 1,280,660</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

Funding Sources and Revenues	Total for State Funded SAMH Cost Centers	Total for Non-State Funded SAMH Cost Centers	Total for All State Designated SAMH Cost Centers	Adult Psychiatric Unit Non-SAMH Cost Center	Other Non-SAMH Funding	Total Funding
State SAMH Funding						
From the District Funding this Contract	\$ 9,478,923	\$ 0	\$ 9,478,923	\$ 0	\$ 0	\$ 9,478,923
Total State SAMH Funding	<u>9,478,923</u>	<u>0</u>	<u>9,478,923</u>	<u>0</u>	<u>0</u>	<u>9,478,923</u>
Other Government Funding						
Other State Agency Funding	100,789	866,139	966,928	0	8,482,042	9,448,970
Medicaid	2,810,267	4,043,837	6,854,104	803,709	47,340	7,705,153
Local Government	1,509,210	0	1,509,210	0	0	1,509,210
Federal Grants and Contracts	35,489	0	35,489	0	0	35,489
Total Other Government Funding	<u>4,455,755</u>	<u>4,909,976</u>	<u>9,365,731</u>	<u>803,709</u>	<u>8,529,382</u>	<u>18,698,822</u>
All Other Revenues						
First and Second Party Payments	191,133	24,726	215,859	39,671	0	255,530
Third Party Payments (Except Medicare)	375,410	115,225	490,635	187,267	0	677,902
Medicare	158,709	0	158,709	2,238,929	0	2,397,638
Contributions and Donations	809	0	809	0	17,628	18,437
Other	288,713	43,345	332,058	12,409	15,952	360,419
In-kind	0	0	0	0	133,545	133,545
Total All Other Revenues	<u>1,014,774</u>	<u>183,296</u>	<u>1,198,070</u>	<u>2,478,276</u>	<u>167,125</u>	<u>3,843,471</u>
Total Funding	<u>\$ 14,949,452</u>	<u>\$ 5,093,272</u>	<u>\$ 20,042,724</u>	<u>\$ 3,281,985</u>	<u>\$ 8,696,507</u>	<u>\$ 32,021,216</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

Expense Categories	Case Management	Outpatient	Outreach	Supported Housing	Crisis Stabilization Unit	Crisis Support/ Emergency	Drop-In	Medical Services	Clubhouse	Total for Adult Mental Health
Personnel Expenses										
Salaries	\$ 363,066	\$ 753,288	\$ 39,394	\$ 61,339	\$ 1,336,906	\$ 200,612	\$ 24,146	\$ 771,272	\$ 160,579	\$ 3,710,602
Fringe Benefits	111,379	160,019	7,756	10,238	224,895	38,928	5,816	154,386	43,562	756,979
Total Personnel Expenses	474,445	913,307	47,150	71,577	1,561,801	239,540	29,962	925,658	204,141	4,467,581
Other Expenses										
Building Occupancy	39,150	62,710	3,649	8,527	114,425	20,667	4,554	74,715	47,283	375,680
Professional Services	25,353	17,432	560	1,182	519,195	10,904	642	332,112	3,469	910,849
Travel	14,597	1,884	3,117	5,565	407	487	1	6,481	2,928	35,467
Equipment	15,064	22,020	1,902	4,780	25,473	5,308	1,127	20,050	17,390	113,114
Food Services	471	865	43	78	401	142	9	950	1,677	4,636
Medical and Pharmacy	1	699	1	2	177,471	1,414	0	102,561	5	282,154
Subcontracted Services	0	641	0	0	28,453	0	0	7,948	0	37,042
Insurance	10,184	15,749	923	1,957	29,881	5,373	875	19,192	5,648	89,782
Interest Paid	6,976	12,959	68	0	24,656	4,410	718	15,845	0	65,632
Operating Supplies and Expenses	11,067	24,062	805	3,307	26,098	5,136	2,051	27,143	7,351	107,020
Other	27,371	4,415	1,289	41,351	1,979	477	139	1,054	0	78,075
Total Other Expenses	150,234	163,436	12,357	66,749	948,439	54,318	10,116	608,051	85,751	2,099,451
Total Personnel Expenses and Other Expenses	624,679	1,076,743	59,507	138,326	2,510,240	293,858	40,078	1,533,709	289,892	6,567,032
Distributed Indirect Costs										
Other Support Costs (Optional)	180,250	294,029	16,895	35,912	530,899	62,270	14,170	145,469	0	1,279,894
Administration	80,020	136,119	7,404	17,086	302,139	35,311	5,411	166,874	27,907	778,271
Total Distributed Indirect Costs	260,270	430,148	24,299	52,998	833,038	97,581	19,581	312,343	27,907	2,058,165
Total Operating Expenses	884,949	1,506,891	83,806	191,324	3,343,278	391,439	59,659	1,846,052	317,799	8,625,197
Unallowable Costs										
Depreciation	0	0	0	0	23,687	3,366	0	0	0	27,053
Interest Expenses	0	0	0	0	0	0	0	0	0	0
(Total Unallowable Costs)	0	0	0	0	(23,687)	(3,366)	0	0	0	(27,053)
Total Allowable Operating Expenses Excluding Unallowable Costs	\$ 884,949	\$ 1,506,891	\$ 83,806	\$ 191,324	\$ 3,319,591	\$ 388,073	\$ 59,659	\$ 1,846,052	\$ 317,799	\$ 8,598,144

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER**

REVENUES SCHEDULE AND ACTUAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012

THE CENTERS, INC. - OCALA, FLORIDA

(Continued)

Expense Categories	Case Management	Outpatient	Outreach	Prevention	Intervention	Residential Level II	Detox	Recovery Support	Total for Adult Substance Abuse
Personnel Expenses									
Salaries	\$ 24,511	\$ 231,241	\$ 13,676	\$ 92,513	\$ 13,817	\$ 619,729	\$ 294,228	\$ 32,065	\$ 1,321,780
Fringe Benefits	5,940	37,383	3,229	25,167	3,406	116,799	48,684	4,749	245,357
Total Personnel Expenses	30,451	268,624	16,905	117,680	17,223	736,528	342,912	36,814	1,567,137
Other Expenses									
Building Occupancy	2,176	24,404	1,113	7,727	1,250	97,706	27,141	3,443	164,960
Professional Services	415	9,349	215	1,164	240	20,406	112,845	659	145,293
Travel	4,242	1,316	538	1,824	138	262	11	2	8,333
Equipment	389	5,911	703	2,092	237	26,202	5,936	737	42,207
Food Services	13	192	10	22	11	1,000	133	44	1,425
Medical and Pharmacy	0	50,988	0	80	0	11,480	21,989	0	84,537
Subcontracted Services	0	0	0	0	0	0	7,358	0	7,358
Insurance	593	6,354	296	1,982	334	20,043	7,091	888	37,581
Interest Paid	154	2,110	124	0	124	16,356	5,802	735	25,405
Operating Supplies and Expenses	881	12,657	879	1,862	570	41,214	6,420	642	65,125
Other	3,642	368	0	3,227	108	2,635	190	0	10,170
Total Other Expenses	12,505	113,649	3,878	19,980	3,012	237,304	194,916	7,150	592,394
Total Personnel Expenses and Other Expenses	42,956	382,273	20,783	137,660	20,235	973,832	537,828	43,964	2,159,531
Distributed Indirect Costs									
Other Support Costs (Optional)	8,303	92,722	4,476	24,618	4,900	676,872	112,821	12,303	937,015
Administration	5,126	47,271	2,278	15,947	2,563	164,026	64,642	5,695	307,548
Total Distributed Indirect Costs	13,429	139,993	6,754	40,565	7,463	840,898	177,463	17,998	1,244,563
Total Operating Expenses	56,385	522,266	27,537	178,225	27,698	1,814,730	715,291	61,962	3,404,094
Unallowable Costs									
Depreciation	0	0	0	0	0	0	5,186	0	5,186
Interest Expenses	0	0	0	0	0	0	0	0	0
(Total Unallowable Costs)	0	0	0	0	0	0	(5,186)	0	(5,186)
Total Allowable Operating Expenses Excluding Unallowable Costs	\$ 56,385	\$ 522,266	\$ 27,537	\$ 178,225	\$ 27,698	\$ 1,814,730	\$ 710,105	\$ 61,962	\$ 3,398,908

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUES SCHEDULE AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

<u>Expense Categories</u>	<u>Intervention</u>	<u>Crisis Stabilization Unit</u>	<u>Crisis Support/ Emergency</u>	<u>Total for Children's Mental Health</u>
Personnel Expenses				
Salaries	\$ 12,692	\$ 682,423	\$ 260,982	\$ 956,097
Fringe Benefits	8,187	105,037	41,039	154,263
Total Personnel Expenses	<u>20,879</u>	<u>787,460</u>	<u>302,021</u>	<u>1,110,360</u>
Other Expenses				
Building Occupancy	2,630	52,966	24,202	79,798
Professional Services	472	185,606	10,931	197,009
Travel	492	37	51	580
Equipment	999	12,078	5,258	18,335
Food Services	21	216	123	360
Medical and Pharmacy	0	66,299	1,483	67,782
Subcontracted Services	0	14,227	0	14,227
Insurance	648	13,850	5,884	20,382
Interest Paid	519	11,418	4,926	16,863
Operating Supplies and Expenses	433	12,136	5,190	17,759
Other	0	0	0	0
Total Other Expenses	<u>6,214</u>	<u>368,833</u>	<u>58,048</u>	<u>433,095</u>
Total Personnel Expenses and Other Expenses	<u>27,093</u>	<u>1,156,293</u>	<u>360,069</u>	<u>1,543,455</u>
Distributed Indirect Costs				
Other Support Costs (Optional)	8,945	212,388	72,161	293,494
Administration	3,702	135,834	42,715	182,251
Total Distributed Indirect Costs	<u>12,647</u>	<u>348,222</u>	<u>114,876</u>	<u>475,745</u>
Total Operating Expenses	<u>39,740</u>	<u>1,504,515</u>	<u>474,945</u>	<u>2,019,200</u>
Unallowable Costs				
Depreciation	0	10,953	4,381	15,334
Interest Expense	0	0	0	0
(Total Unallowable Costs)	<u>0</u>	<u>(10,953)</u>	<u>(4,381)</u>	<u>(15,334)</u>
Total Allowable Operating Expenses Excluding Unallowable Costs	<u>\$ 39,740</u>	<u>\$ 1,493,562</u>	<u>\$ 470,564</u>	<u>\$ 2,003,866</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUE SCHEDULES AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Continued)**

Expense Categories	Outpatient	Adolescent Residential Substance Abuse Treatment	Prevention	Outreach	Total for Children's Substance Abuse
Personnel Expenses					
Salaries	\$ 100,655	\$ 404,126	\$ 65,896	\$ 53,453	\$ 624,130
Fringe Benefits	31,185	67,732	12,725	5,795	117,437
Total Personnel Expenses	<u>131,840</u>	<u>471,858</u>	<u>78,621</u>	<u>59,248</u>	<u>741,567</u>
Other Expenses					
Building Occupancy	10,119	62,906	6,736	4,424	84,185
Professional Services	2,366	37,758	39,762	679	80,565
Travel	2,744	2,783	1,715	1,102	8,344
Equipment	2,561	15,971	1,399	1,171	21,102
Food Services	428	621	31	8	1,088
Medical and Pharmacy	6,968	9,013	0	0	15,981
Subcontracted Services	0	83	0	0	83
Insurance	2,802	12,191	1,733	1,105	17,831
Interest Paid	1,910	10,026	0	26	11,962
Operating Supplies and Expenses	4,419	14,929	1,503	456	21,307
Other	0	2,306	0	0	2,306
Total Other Expenses	<u>34,317</u>	<u>168,587</u>	<u>52,879</u>	<u>8,971</u>	<u>264,754</u>
Total Personnel Expenses and Other Expenses	<u>166,157</u>	<u>640,445</u>	<u>131,500</u>	<u>68,219</u>	<u>1,006,321</u>
Distributed Indirect Costs					
Other Support Costs (Optional)	39,924	281,153	21,848	12,687	355,612
Administration	20,503	91,410	15,377	7,973	135,263
Total Distributed Indirect Costs	<u>60,427</u>	<u>372,563</u>	<u>37,225</u>	<u>20,660</u>	<u>490,875</u>
Total Operating Expenses	<u>226,584</u>	<u>1,013,008</u>	<u>168,725</u>	<u>88,879</u>	<u>1,497,196</u>
Unallowable Costs					
Depreciation	0	10,614	0	0	10,614
Interest Expense	0	0	0	0	0
(Total Unallowable Costs)	<u>0</u>	<u>(10,614)</u>	<u>0</u>	<u>0</u>	<u>(10,614)</u>
Total Allowable Operating Expenses Excluding Unallowable Costs	<u>\$ 226,584</u>	<u>\$ 1,002,394</u>	<u>\$ 168,725</u>	<u>\$ 88,879</u>	<u>\$ 1,486,582</u>

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
PROGRAM/COST CENTER
REVENUE SCHEDULES AND ACTUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA
(Concluded)**

Expense Categories	Total for State Funded SAMH Cost Centers	Total for Non- State Funded SAMH Cost Centers	Total for All State Designated SAMH Cost Centers	Adult Psychiatric Unit Non-SAMH Cost Center	Other Non- SAMH Cost Centers	Other Support Cost Centers (Optional)	Administration	Total Expenses
Personnel Expenses								
Salaries	\$ 6,612,609	\$ 2,092,863	\$ 8,705,472	\$ 955,022	\$ 4,993,917	\$ 2,316,990	\$ 1,959,214	\$ 18,930,615
Fringe Benefits	1,274,036	382,086	1,656,122	139,860	1,118,306	519,498	383,307	3,817,093
Total Personnel Expenses	<u>7,886,645</u>	<u>2,474,949</u>	<u>10,361,594</u>	<u>1,094,882</u>	<u>6,112,223</u>	<u>2,836,488</u>	<u>2,342,521</u>	<u>22,747,708</u>
Other Expenses								
Building Occupancy	704,623	189,943	894,566	91,435	685,930	339,767	145,088	2,156,786
Professional Services	1,333,716	612,938	1,946,654	296,208	8,345	57,423	36,438	2,345,068
Travel	52,724	52,862	105,586	32	270,582	34,186	18,145	428,531
Equipment	194,758	49,839	244,597	17,271	246,549	94,354	53,099	655,870
Food Services	7,509	2,148	9,657	276	6,428	416,455	6,455	439,271
Medical and Pharmacy	450,454	213,047	663,501	173,692	1,350	9,545	434	848,522
Subcontracted Services	58,710	39,183	97,893	17,663	0	4,738	0	120,294
Insurance	165,576	47,201	212,777	18,921	114,526	70,629	36,466	453,319
Interest Paid	119,862	34,167	154,029	15,585	4,822	58,053	30,068	262,557
Operating Supplies and Expenses	211,211	52,037	263,248	72,169	141,520	124,619	67,086	668,642
Other	90,551	135,451	226,002	4,903	35,053	0	16,620	282,578
Donated Items	0	0	0	0	0	0	0	0
In-kind	0	0	0	0	133,545	0	0	133,545
Total Other Expenses	<u>3,389,694</u>	<u>1,428,816</u>	<u>4,818,510</u>	<u>708,155</u>	<u>1,648,650</u>	<u>1,209,769</u>	<u>409,899</u>	<u>8,794,983</u>
Total Personnel Expenses and Other Expenses	<u>11,276,339</u>	<u>3,903,765</u>	<u>15,180,104</u>	<u>1,803,037</u>	<u>7,760,873</u>	<u>4,046,257</u>	<u>2,752,420</u>	<u>31,542,691</u>
Distributed Indirect Costs								
Other Support Costs (Optional)	2,866,015	723,681	3,589,696	356,073	5,229	(4,046,257)	95,259	0
Administration	1,403,333	459,331	1,862,664	214,430	770,585	0	(2,847,679)	0
Total Distributed Indirect Costs	<u>4,269,348</u>	<u>1,183,012</u>	<u>5,452,360</u>	<u>570,503</u>	<u>775,814</u>	<u>(4,046,257)</u>	<u>(2,752,420)</u>	<u>0</u>
Total Operating Expenses	<u>15,545,687</u>	<u>5,086,777</u>	<u>20,632,464</u>	<u>2,373,540</u>	<u>8,536,687</u>	<u>0</u>	<u>0</u>	<u>31,542,691</u>
Unallowable Costs								
Depreciation	58,187	0	58,187	0	0	0	0	58,187
Interest Expenses	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	3,160	0	0	3,160
(Total Unallowable Costs)	<u>(58,187)</u>	<u>0</u>	<u>(58,187)</u>	<u>0</u>	<u>(3,160)</u>	<u>0</u>	<u>0</u>	<u>(61,347)</u>
Total Allowable Operating Expenses Excluding Unallowable Costs	<u>\$ 15,487,500</u>	<u>\$ 5,086,777</u>	<u>\$ 20,574,277</u>	<u>\$ 2,373,540</u>	<u>\$ 8,533,527</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,481,344</u>

**SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA**

Total Expenditures	\$ 31,542,691
(Less Other State and Federal Funds)	(17,184,076)
(Less Nonmatch SAMH Funds)	(4,688,152)
(Less Expenses Related to Nonmatch Services)	(3,029,579)
(Less Unallowable Costs Per 65E-14, F.A.C.)	<u>(58,186)</u>
Total Allowable Expenditures	<u><u>\$ 6,582,698</u></u>
Maximum Available Earnings	<u><u>\$ 4,937,024</u></u>
Amount of State Funds Requiring Match	<u><u>\$ 4,790,770</u></u>
Amount Due to Department	<u><u>\$ 0</u></u>

**SCHEDULE OF BED - DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA**

<u>Program</u>	<u>Cost Center</u>	<u>State Contracted Rate</u>	<u>Total Units of Service Provided</u>	<u>Total Units of Service Paid for by 3rd Party Contracts, Local Government, or Other State Agencies</u>	<u>Maximum Number of Units Eligible for Payment By Department</u>	<u>Amount Paid for Services By Department</u>	<u>Maximum Dollar Value of Units</u>	<u>Amount Owed to Department</u>
Children's MH	Crisis Stabilization Unit	\$ 291.24	4,392	1,463	2,929	\$ 820,000	\$ 853,042	\$ 0
Adult MH	Crisis Stabilization Unit	291.24	8,784	1,089	7,695	1,929,538	2,241,092	0
Adult SA	Substance Abuse Detox	204.94	2,196	44	2,152	383,002	441,031	0
Total Amount Owed to Department								\$ 0

**SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2012
THE CENTERS, INC. - OCALA, FLORIDA**

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

Related Party Transaction
Adjustments Not
Applicable