

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**

**FINANCIAL STATEMENTS AND SCHEDULES  
AND REPORTS AS REQUIRED BY THE  
COMPTROLLER GENERAL OF THE  
UNITED STATES OF AMERICA**

**YEARS ENDED JUNE 30, 2012 AND 2011**

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
David Lawrence Mental Health Center, Inc.  
Naples, Florida

We have audited the accompanying statements of financial position of David Lawrence Mental Health Center, Inc. (the "Center"), as of June 30, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2012, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Board of Directors  
David Lawrence Mental Health Center, Inc.

Our audits were conducted for the purpose of forming opinions on the basic financial statements. The schedules of revenues and expenses by cost center, the schedule of state earnings, the schedule of bed-day availability payments, and the schedule of related party transaction adjustments are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General*, and is also not a required part of the basic financial statements. The schedules of revenues and expenses by cost center, the schedule of state earnings, the schedule of bed-day availability payments, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedules of revenues and expenses by cost center, the schedule of state earnings, and the schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements taken as a whole. The schedule of bed-day availability payments and the schedule of related party transaction adjustments has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
October 22, 2012

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2012 AND 2011**

<b>ASSETS</b>	2012	2011
<b>CURRENT ASSETS</b>		
Cash (Including Restricted Cash of \$-0- and \$36,298 at June 30, 2012 and 2011, respectively)	\$ 826,456	\$ 1,510,090
Grant Receivables	788,983	697,987
Accounts Receivable, Net	770,949	599,327
Contracts and Other Receivables	565,756	444,932
Prepaid Expenses	332,924	260,492
Total Current Assets	3,285,068	3,512,828
<b>INTEREST IN THE NET ASSETS OF DAVID LAWRENCE FOUNDATION</b>	7,896,902	9,743,945
<b>INVESTMENTS</b>	-	626,248
<b>PROPERTY AND EQUIPMENT, Net</b>	7,483,348	3,620,515
<b>OTHER ASSETS</b>	49,000	49,000
Total Assets	\$ 18,714,318	\$ 17,552,536
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 377,841	\$ 89,362
Accrued Liabilities	673,087	899,600
Deferred Revenue	14,695	19,790
Total Current Liabilities	1,065,623	1,008,752
<b>NET ASSETS</b>		
Unrestricted	13,477,499	13,361,886
Temporarily Restricted	1,543,164	515,003
Permanently Restricted	2,628,032	2,666,895
Total Net Assets	17,648,695	16,543,784
Total Liabilities and Net Assets	\$ 18,714,318	\$ 17,552,536

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>				
Federal and State Grants	\$ 7,331,748	\$ -	\$ -	\$ 7,331,748
Federal and State Contracts	34,319	-	-	34,319
Other Grants	578,820	-	-	578,820
Local Government Allocations	1,067,919	-	-	1,067,919
Contributions	3,695,572	50,000	-	3,745,572
Net Client Fee Revenue				
Including EAP Revenue	8,862,468	-	-	8,862,468
Child's Path Fees	473,995	-	-	473,995
Contracted Services	27,700	-	-	27,700
Other	414,918	-	-	414,918
Net Assets Released from Restrictions	-	-	-	-
Total Revenue and Other Support	<u>22,487,459</u>	<u>50,000</u>	<u>-</u>	<u>22,537,459</u>
<b>EXPENSES</b>				
Program Services	17,486,983	-	-	17,486,983
Supporting Services	2,098,521	-	-	2,098,521
Total Expenses	<u>19,585,504</u>	<u>-</u>	<u>-</u>	<u>19,585,504</u>
Change in Net Assets of the David Lawrence Mental Health Center	2,901,955	50,000	-	2,951,955
Change in Interest in Net Assets of David Lawrence Foundation	(2,786,342)	978,161	(38,863)	(1,847,044)
<b>NET ASSETS</b> , Beginning of Year	<u>13,361,886</u>	<u>515,003</u>	<u>2,666,895</u>	<u>16,543,784</u>
<b>NET ASSETS</b> , End of Year	<u>\$ 13,477,499</u>	<u>\$ 1,543,164</u>	<u>\$ 2,628,032</u>	<u>\$ 17,648,695</u>

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>				
Federal and State Grants	\$ 7,421,566	\$ -	\$ -	\$ 7,421,566
Federal and State Contracts	45,868	-	-	45,868
Other Grants	198,642	-	-	198,642
Local Government Allocations	1,034,195	-	-	1,034,195
Contributions	2,621,436	-	-	2,621,436
Net Client Fee Revenue				
Including EAP Revenue	8,643,311	-	-	8,643,311
Child's Path Fees	437,428	-	-	437,428
Contracted Services	296,038	-	-	296,038
Other	124,788	-	-	124,788
Net Assets Released from Restrictions	9,533	(9,533)	-	-
Total Revenue and Other Support	<u>20,832,805</u>	<u>(9,533)</u>	<u>-</u>	<u>20,823,272</u>
<b>EXPENSES</b>				
Program Services	16,301,129	-	-	16,301,129
Supporting Services	3,221,471	-	-	3,221,471
Total Expenses	<u>19,522,600</u>	<u>-</u>	<u>-</u>	<u>19,522,600</u>
Change in Net Assets of the David Lawrence Mental Health Center	1,310,205	(9,533)	-	1,300,672
Change in Interest in Net Assets of David Lawrence Foundation	850,120	24,398	1,136	875,654
<b>NET ASSETS</b> , Beginning of Year	<u>11,201,561</u>	<u>500,138</u>	<u>2,665,759</u>	<u>14,367,458</u>
<b>NET ASSETS</b> , End of Year	<u>\$ 13,361,886</u>	<u>\$ 515,003</u>	<u>\$ 2,666,895</u>	<u>\$ 16,543,784</u>

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2012**

	Program Services			Supporting Services	Total
	Mental Health and Substance Abuse	Other Services	Total Program	Administration and Other Support	
<b>PERSONNEL EXPENSES</b>					
Salaries	\$ 8,204,772	\$ 693,091	\$ 8,897,863	\$ 1,278,660	\$ 10,176,523
Fringe Benefits	1,612,352	157,841	1,770,193	315,052	2,085,245
Total Personnel Expenses	<u>9,817,124</u>	<u>850,932</u>	<u>10,668,056</u>	<u>1,593,712</u>	<u>12,261,768</u>
<b>OPERATING EXPENSES</b>					
Building	952,519	115,354	1,067,873	110,666	1,178,539
Professional	79,958	5,057	85,015	79,134	164,149
Travel	116,183	5,823	122,006	37,744	159,750
Equipment Costs	29,368	4,464	33,832	11,440	45,272
Food Service	385,604	12,090	397,694	29,401	427,095
Medicine/Pharmacy	344,092	2,107	346,199	-	346,199
Insurance	274,819	23,292	298,111	25,859	323,970
Office Expense and Other	286,111	192,157	478,268	183,216	661,484
Donated Items	153,321	15,422	168,743	26,155	194,898
Miscellaneous	132,581	-	132,581	1,194	133,775
Bad Debts	3,684,299	4,306	3,688,605	-	3,688,605
Total Operating Expenses	<u>6,438,855</u>	<u>380,072</u>	<u>6,818,927</u>	<u>504,809</u>	<u>7,323,736</u>
Total Direct Expenses	<u>16,255,979</u>	<u>1,231,004</u>	<u>17,486,983</u>	<u>2,098,521</u>	<u>19,585,504</u>
<b>ALLOCATED EXPENSES</b>					
Administration	1,107,850	91,015	1,198,865	(1,198,865)	-
Other Support	832,590	67,066	899,656	(899,656)	-
Total Allocated Expenses	<u>1,940,440</u>	<u>158,081</u>	<u>2,098,521</u>	<u>(2,098,521)</u>	<u>-</u>
Total Expenses	<u>\$ 18,196,419</u>	<u>\$ 1,389,085</u>	<u>\$ 19,585,504</u>	<u>\$ -</u>	<u>\$ 19,585,504</u>

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2011**

	Program Services			Supporting Services	Total
	Mental Health and Substance Abuse	Other Services	Total Program	Administration and Other Support	
<b>PERSONNEL EXPENSES</b>					
Salaries	\$ 7,654,159	\$ 699,868	\$ 8,354,027	\$ 1,831,118	\$ 10,185,145
Fringe Benefits	1,716,440	164,159	1,880,599	547,620	2,428,219
Total Personnel Expenses	<u>9,370,599</u>	<u>864,027</u>	<u>10,234,626</u>	<u>2,378,738</u>	<u>12,613,364</u>
<b>OPERATING EXPENSES</b>					
Building	695,739	93,760	789,499	266,491	1,055,990
Professional	7,919	1,559	9,478	105,439	114,917
Travel	109,982	7,364	117,346	53,138	170,484
Equipment Costs	21,052	4,150	25,202	12,710	37,912
Food Service	420,045	13,085	433,130	26,451	459,581
Medicine/Pharmacy	369,919	2,399	372,318	1,455	373,773
Insurance	205,375	13,343	218,718	73,443	292,161
Office Expense and Other	210,423	115,402	325,825	226,925	552,750
Donated Items	266,183	27,290	293,473	76,617	370,090
Miscellaneous	53,816	-	53,816	64	53,880
Bad Debts	3,423,193	4,505	3,427,698	-	3,427,698
Total Operating Expenses	<u>5,783,646</u>	<u>282,857</u>	<u>6,066,503</u>	<u>842,733</u>	<u>6,909,236</u>
Total Direct Expenses	<u>15,154,245</u>	<u>1,146,884</u>	<u>16,301,129</u>	<u>3,221,471</u>	<u>19,522,600</u>
<b>ALLOCATED EXPENSES</b>					
Administration	1,161,285	42,441	1,203,726	(1,203,726)	-
Other Support	1,946,604	71,141	2,017,745	(2,017,745)	-
Total Allocated Expenses	<u>3,107,889</u>	<u>113,582</u>	<u>3,221,471</u>	<u>(3,221,471)</u>	<u>-</u>
Total Expenses	<u>\$ 18,262,134</u>	<u>\$ 1,260,466</u>	<u>\$ 19,522,600</u>	<u>\$ -</u>	<u>\$ 19,522,600</u>

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received From Contracts, Client Fees and Donations	\$ 22,117,401	\$ 20,394,306
Cash Payments for Program and Support Services	(20,983,618)	(19,348,801)
Cash Received for Interest	31,520	29,723
Cash Payments for Interest	(1,188)	(1,410)
	1,164,115	1,073,818
Net Cash Provided by Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(2,473,996)	(1,271,706)
Proceeds on the Sale of Capital Assets	-	9,226
Purchases of Investments	-	(626,481)
Proceeds on the Sale of Investments	626,247	1,037,419
	(1,847,749)	(851,542)
Net Cash Used in Investing Activities		
<b>NET (DECREASE) INCREASE IN CASH</b>	(683,634)	222,276
<b>CASH, Beginning of Year</b>	1,510,090	1,287,814
<b>CASH, End of Year</b>	\$ 826,456	\$ 1,510,090

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	2012	2011
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,104,911	\$ 2,176,326
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	463,550	326,203
Loss on Sale of Capital Assets	-	27,280
Gain on Transfer of Capital Assets	(1,563,393)	-
Non-Cash Donation of Property	-	(8,591)
(Increase) Decrease in:		
Grant Receivables	(90,996)	(36,332)
Accounts Receivable, Net	(171,622)	(12,882)
Contract and Other Receivables	(120,824)	(364,317)
Other Assets	-	(5,000)
Interest in David Lawrence Foundation		
Net Assets	1,847,044	(875,654)
Prepaid Expenses	(72,432)	8,482
Increase (Decrease) in:		
Accounts Payable	(515)	(101,193)
Accrued Liabilities	(226,513)	(61,104)
Deferred Revenue	(5,095)	600
Total Adjustments	59,204	(1,102,508)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1,164,115</b>	<b>\$ 1,073,818</b>

See accompanying Notes to Financial Statements.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The David Lawrence Mental Health Center, Inc. (the "Center") is a not-for-profit corporation formed to assess and treat the mental health and substance abuse needs of Collier County, Florida. The Center's mission is to plan, develop and implement quality services which will promote the mental health of the citizens of Collier County. The Center's financial support comes primarily from federal and state grants, client fees and donations.

The Center's major programs include Adult Mental Health, Adult Substance Abuse, Children's Mental Health, and Children's Substance Abuse. The services funded within these programs include: Acute Care Services, Adult Community Services, Medical Services, Adult Outpatient Services, Children's Community Services, Adult Substance Abuse Services, and Residential.

Other programs operated by the Center include: a Domestic Violence Program (SAFE), and a pre-school (Childspath). These programs are funded primarily by client fees.

**Significant Accounting Policies**

The accounting and reporting policies of the Center conform to accounting principles generally accepted in the United States of America, and are in accordance with the Audit and Accounting Guide issued by the American Institute of Certified Public Accountants, *Not-for-Profit Organizations*. A summary of the significant accounting policies followed by the Center is set forth below:

**Basis of Accounting**

The Center prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with a contract, entitlement, or grant document.

The cost of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on the relative benefit provided. Administrative expenses are allocated to the various programs based on full time equivalent labor hours.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Significant Accounting Policies (Continued)**

**Basis of Accounting (Continued)**

The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, or permanently restricted, depending on the nature of any donor restrictions. Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Temporarily restricted net assets include those net assets whose use by the Center has been limited by donors to either later periods of time or after specified dates or specified purposes. Permanently restricted net assets are those net assets that must be maintained in perpetuity.

**Concentrations**

The Center receives a substantial portion of its revenue from government sources. If a significant reduction in the level of funding were to occur, it could have an adverse effect on the Center's programs and activities.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Center considers all highly liquid debt instruments with an initial maturity of less than three months to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

**Investments**

Investments are recorded at fair market value, with the associated gains and losses recorded in the statement of activities.

**Accounts Receivable**

Accounts receivable are stated at the amounts management expects to collect from clients. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid/Medicare, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

**Interest in the Net Assets of The David Lawrence Foundation**

The Center's interest in the David Lawrence Foundation for Mental Health, Inc. was 100% for the years ended June 30, 2012 and 2011, respectively.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Significant Accounting Policies (Continued)**

**Property and Equipment**

Property and equipment is recorded at cost or, if donated, at fair market value on the date of donation. Donated assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

Maintenance, repairs and minor renewals are charged to activities in the year in which the expense is incurred. Additions, improvements and major renewals with a cost or donated fair value of \$1,000 or more are capitalized.

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss is included in activities in the year of disposal.

Dispositions of items acquired from certain state contracts require state approval. The proceeds of such a disposition may revert to the original grantor.

**Compensated Absences**

Employees accumulate vacation and sick leave based on the employee's years of service. Employees may not carry over more than 40 hours of vacation and sick leave. Upon termination of employment, the employee is not paid for unused vacation or sick leave.

**Income Taxes**

The Internal Revenue Service has determined that the Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center is a not-for-profit Florida corporation and, therefore, is not subject to state income taxes. Should the Center's tax exempt status be challenged in the future, its 2011, 2010, and 2009 tax years are open for examination by the IRS.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Significant Accounting Policies (Continued)**

**Donated Goods and Services**

Donated goods and specialized services are recorded at the estimated fair value at the date of receipt.

**Deferred Revenue**

Amounts received, but not yet earned, relating to employee assistance program contracts, are reported as deferred revenue.

**Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Fair Value Measurements**

The Center measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Center may use valuation techniques consistent with the market, income, and cost approaches to measure fair value.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Significant Accounting Policies (Continued)**

**Fair Value Measurements (Continued)**

The inputs used to measure fair value are categorized into the following three categories:

**Level 1**

Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds that the Center has the ability to access as of the measurement date.

**Level 2**

Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

**Level 3**

Inputs that are unobservable. Unobservable inputs reflect the Center's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Center adopted the policy to value certain financial instruments at fair value. The Center has not elected to measure any existing financial instruments at fair value; however, it may elect to measure newly acquired financial instruments at fair value in the future.

**Subsequent Events**

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through October 22, 2012, the date the financial statements were available to be issued.

**NOTE 2 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Petty Cash	\$ 3,231	\$ 2,711
Depository Accounts	823,225	1,507,379
	<u>\$ 826,456</u>	<u>\$ 1,510,090</u>

At June 30, 2011, \$528,625 of the amount held in depository accounts was with a financial institution of which one of its officers serves on the board of the Center. These accounts were closed in fiscal 2012.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 3 INVESTMENTS**

Investment returns are included with other program service revenue on the statement of activities. Investment returns consisted of the following for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 299	\$ 8,299

Financial assets measured at fair value on a recurring basis at June 30, 2011 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 626,248	\$ -	\$ -

**NOTE 4 GRANT RECEIVABLES**

	<u>2012</u>	<u>2011</u>
U.S. Department of Health and Human Services - Including TANF	\$ 784,829	\$ 689,831
Florida Department of Education	1,779	5,781
Collier County School Board	2,375	2,375
	<u>\$ 788,983</u>	<u>\$ 697,987</u>

No allowance for bad debts has been provided for grant receivables. Grant receivables typically represent requests for reimbursement under federal pass-through awards or state contracts and full payment is expected.

**NOTE 5 ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Accounts Receivable - Clients and Insurance	\$ 2,154,180	1,952,184
Accounts Receivable - Contracted Services	29,080	-
	2,183,260	1,952,184
Less: Allowance for Doubtful Accounts	(1,412,311)	(1,352,857)
	<u>\$ 770,949</u>	<u>\$ 599,327</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	2012	2011
Land	\$ 397,034	\$ 96,115
Buildings and Improvements	6,619,065	2,902,642
Furniture and Equipment	1,834,745	1,694,759
Vehicles	427,133	173,370
Leasehold Improvements	1,185,099	427,293
Construction in Progress	3,143,476	1,555,411
	<u>13,606,552</u>	<u>6,849,590</u>
Less: Accumulated Depreciation	<u>(6,123,204)</u>	<u>(3,229,075)</u>
	<u>\$ 7,483,348</u>	<u>\$ 3,620,515</u>

Depreciation expense for the years ended June 30, 2012 and 2011 was \$453,330 and \$326,203, respectively.

During December 2011 and March 2012, the board of directors of the David Lawrence Foundation approved the transfer of ownership of land, building, and equipment that house the Center to the Center. This transfer was made at the net book value of the assets on the date of the transfer and totaled \$1,561,609.

**NOTE 7 INTEREST IN NET ASSETS OF THE DAVID LAWRENCE FOUNDATION**

The Center has recorded its interest in the net assets of the David Lawrence Foundation for Mental Health, Inc. (the "Foundation") in an amount equal to 100% of the net assets of the Foundation as reported on its audited financial statements as of May 31, 2012 and 2011.

The Foundation was established for the purpose of promoting and supporting the activities of the Center and its primary purpose is to raise and hold funds for the Center. In accordance with generally accepted accounting principles, the Center has reported its interest in the Foundation as a non-current asset and in the appropriate classifications of net assets.

The Center received \$1,700,870 and \$425,583 during the years ended June 30, 2012 and 2011, respectively, as cash donations from the Foundation. For 2012 and 2011, these cash donations from the Foundation are included in the financial statements as contributions to the Center.

Additionally, the Foundation transferred the ownership of the land, building, and equipment that is used by the Center to the Center. This transfer was made at the net book value of the assets on the date of the transfer and totaled \$1,561,609.

**NOTE 8 OTHER ASSETS**

Other assets at June 30, 2012 and June 30, 2011 consisted of a total of \$49,000 and \$49,000, respectively, in deposits. For the years ended, \$34,000 was on deposit with an insurance vendor, and \$15,000 was on deposit with a Medicaid provider service network.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 9 ACCRUED LIABILITIES**

Accrued liabilities consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Salaries and Wages	\$ 202,569	\$ 435,056
Payroll Taxes	124,863	117,013
Due to Florida Health Partners	-	137,077
Other Accrued Liabilities	<u>345,655</u>	<u>210,454</u>
	<u>\$ 673,087</u>	<u>\$ 899,600</u>

The amount due to Florida Health Partners (FHP) at June 30, 2011 consisted of an accrual for a premium tax charge of \$137,077 from the state of Florida, passed through FHP to the Center.

**NOTE 10 LONG-TERM OBLIGATIONS**

In 2008, the Center entered into a Revolving Master Borrowing Loan with a financial institution, collateralized by all assets, with a total loan amount of \$1,000,000. The loan allowed for borrowing an aggregate principal amount up to the loan amount at any one time. Interest is calculated at the 30-day LIBOR, plus 2.76 percent, and is payable monthly. The Line of Credit was subsequently renewed on August 20, 2012 to increase the total loan amount of \$1,500,000 and a maturity date of November 3, 2012. There was no outstanding balance on June 30, 2012 or June 30, 2011. The interest rate at June 30, 2012 was 3.00%.

The Center incurred interest expense of \$1,188 and \$1,410 for the years ended June 30, 2012 and 2011, respectively.

**NOTE 11 NET ASSETS**

	<u>2012</u>	<u>2011</u>
Unrestricted Net Assets consist of the following at June 30:		
David Lawrence Mental Health Center, Inc.	\$ 9,701,794	\$ 6,799,839
Interest in David Lawrence Foundation	<u>3,775,705</u>	<u>6,562,047</u>
Net Assets	<u>13,477,499</u>	<u>13,361,886</u>
Temporarily Restricted Net Assets consist of the following at June 30:		
Restricted for generator installation	50,000	-
Interest in David Lawrence Foundation		
Restricted for Programs	<u>1,493,164</u>	<u>515,003</u>
Net Assets	<u>1,543,164</u>	<u>515,003</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 11 NET ASSETS (CONTINUED)**

	2012	2011
Permanently Restricted Net Assets consist of the following at June 30:		
Interest in David Lawrence Foundation Net Assets	2,628,032	2,666,895
	\$ 17,648,695	\$ 16,543,784

**NOTE 12 PENSION PLAN**

The Center offers its employees a defined contribution pension plan. The plan covers all employees subject to a minimum employment requirement. The plan permits the Center to match monthly the employee's contribution up to 5%, 6%, or 7%, based on the qualified employee compensation and the employee's length of service of 5, 10, or more years, respectively.

Employer contributions, including administrative costs to the plan for the years ended June 30, 2012 and 2011, were \$278,612 and \$261,008, respectively.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

The Center leases certain equipment and office space under various non-cancelable operating leases. The future minimum lease payments under these leases (which do not include the fair market value of donated space) are as follows:

Year Ending June 30,	
2013	\$ 13,353
2014	\$ 5,150
2015	\$ 1,908

Rent expense was \$239,742 and \$415,744 for the years ended June 30, 2012 and 2011, respectively. Such rent includes the fair market value of space donated by the David Lawrence Foundation for Mental Health, Inc. to the Center totaling \$194,898 and \$370,090 for the years ended June 30, 2012 and 2011, respectively.

The Foundation has contracted with the Center for certain employee services. As a result of this contract, the Center provides the Foundation with personnel, related benefits, and administrative services. The Center is reimbursed by the Foundation for all costs incurred. The Foundation reimbursed the Center under these contracts \$27,700 and \$296,038, for the years ended June 30, 2012 and 2011, respectively. The revenue amounts are included as contracted services in the statements of activities and the expenses as salaries and fringe benefits in the statements of functional expenses.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The Center receives grants and other reimbursements from state and local agencies subject to special compliance audit requirements. Past audits have resulted in refunds to the granting agencies in amounts that were not material in relation to the financial statements. Future audits may also result in disallowed expense amounts. Disallowed amounts, if any, constitute a contingent liability to the Center. Management does not believe any resulting contingent liabilities would be material to the financial position of the Center.

The Center has contracted with a construction contractor to renovate the existing Crisis Stabilization Unit. The project is expected to be completed within the first 6 months of the subsequent year. As of June 30, 2012, this project has not been completed and under contract the remaining commitment to complete the project is estimated to be \$1,464,365.

**NOTE 14 SUPPORT FROM THE STATE OF FLORIDA WHICH REQUIRES MATCH**

During the years ended June 30, 2012 and 2011, the Center received support from the state of Florida, under grant contracts with the Department of Children and Families, Alcohol, Drug Abuse, and Mental Health Program. Contracts are renegotiated annually. The income from these contracts is earned by providing services to clients. The contracts required a local match of \$1,050,274 in 2012 and \$1,049,693 in 2011, for certain program services.

The Center incurred and funded allowable program costs in excess of the required match during the fiscal years ending June 30, 2012 and 2011.

**NOTE 15 COLLIER COUNTY FINANCIAL SUPPORT**

Financial support of \$1,067,919 and \$1,034,195 was received from Collier County for the years ended June 30, 2012 and 2011, respectively, as part of its annual award to the Center.

**SUPPLEMENTARY INFORMATION**

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES BY COST CENTER**  
**YEAR ENDED JUNE 30, 2012**

1 of 2

	FIS Case Management	Comprehensive Community Service Team (CCST)	Crisis Service Unit (CSU)	Crisis Support	Day Night	Drop in Center	O/P Medical	O/P Ind/Group
<b>STATE SAMH FUNDING</b>	\$ 204,759	\$ 753,688	\$ 2,057,958	\$ 988,925	\$ 25,913	\$ 29,291	\$ 663,370	\$ 372,094
<b>OTHER GOVERNMENT FUNDING</b>								
State of Florida	-	-	-	-	-	-	-	-
IDP Line of Credit	-	-	-	-	-	-	40,486	-
Medicaid	1,782	623,903	273,544	471,256	9,710	-	618,267	154,270
Local	-	50,010	385,072	123,024	-	-	348,066	100,019
Contracts	-	27,127	-	-	-	-	-	-
Total Other Government Funding	<u>1,782</u>	<u>701,040</u>	<u>658,616</u>	<u>594,280</u>	<u>9,710</u>	<u>-</u>	<u>1,006,819</u>	<u>254,289</u>
<b>ALL OTHER FUNDING &amp; REVENUE</b>								
First and Third Party Fees, Medicare Contributions and Donations	4,476	21,061	2,798,667	311,933	35,379	-	420,642	316,592
Other	62,984	27,397	2,401	49,312	64	37	34,831	202,713
In-kind	772	129,490	50,911	7,849	226	131	362,876	114,899
Total Nongovernmental Funding	<u>5,262</u>	<u>30,902</u>	<u>25,304</u>	<u>18,583</u>	<u>1,558</u>	<u>11</u>	<u>9,759</u>	<u>13,557</u>
Total All Funding and Revenue	<u>73,494</u>	<u>208,850</u>	<u>2,877,283</u>	<u>387,677</u>	<u>37,227</u>	<u>179</u>	<u>828,108</u>	<u>647,761</u>
	<u>\$ 280,035</u>	<u>\$ 1,663,578</u>	<u>\$ 5,593,857</u>	<u>\$ 1,970,882</u>	<u>\$ 72,850</u>	<u>\$ 29,470</u>	<u>\$ 2,498,297</u>	<u>\$ 1,274,144</u>

(Continued)

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES BY COST CENTER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

2 of 2

	Prevention	Residential Level 1	Detox	Outreach	Title 21	Total SAMH	Non SAMH	Other Support	ADMIN	Total
<b>STATE SAMH FUNDING</b>	\$ 193,016	\$ 713,513	\$ 669,671	\$ 36,612	\$ -	\$ 6,708,810	\$ -	\$ -	\$ (62,675)	\$ 6,646,135
<b>OTHER GOVERNMENT FUNDING</b>										
State of Florida	-	-	-	-	618,000	618,000	-	-	-	618,000
IDP Line of Credit	-	-	-	-	-	40,486	-	-	-	40,486
Medicaid	-	443	2,593	-	-	2,155,768	-	-	246,783	2,402,551
Local	-	33,724	28,005	-	-	1,067,920	-	-	-	1,067,920
Contracts	-	-	-	-	-	27,127	-	-	-	27,127
Total Other Government Funding	-	34,167	30,598	-	618,000	3,909,301	-	-	246,783	4,156,084
<b>ALL OTHER FUNDING &amp; REVENUE</b>										
First and Third Party Fees, Medicare	5,552	1,099,247	1,266,570	-	-	6,280,119	653,794	-	-	6,933,913
Contributions and Donations	36,680	870	870	37	55,353	473,549	334,000	-	1,129,729	1,937,278
Other	4,599	3,227	3,047	131	1,520	679,678	36,950	51,868	(1,509,783)	(741,287)
In-kind	6,843	21,565	9,171	855	9,954	153,324	15,422	5,372	1,584,174	1,758,292
Total Nongovernmental Funding	53,674	1,124,909	1,279,658	1,023	66,827	7,586,670	1,040,166	57,240	1,204,120	9,888,196
Total All Funding and Revenue	\$ 246,690	\$ 1,872,589	\$ 1,979,927	\$ 37,635	\$ 684,827	\$ 18,204,781	\$ 1,040,166	\$ 57,240	\$ 1,388,228	\$ 20,690,415

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER**  
**YEAR ENDED JUNE 30, 2012**

1 of 3

	Mental Health and Substance Abuse Services							
	Comprehensive							
	FIS Case Management	Community Service Team (CCST)	Crisis Service Unit (CSU)	Crisis Support	Day Night	Drop in Center	O/P Medical	O/P
<b>PERSONNEL EXPENSES</b>								
Salaries	116,933	\$ 917,331	\$ 2,043,228	\$ 1,362,831	\$ 43,509	\$ 11,856	\$ 1,421,270	\$ 767,305
Fringe Benefits	<u>23,897</u>	<u>201,159</u>	<u>370,245</u>	<u>279,545</u>	<u>10,942</u>	<u>1,764</u>	<u>254,656</u>	<u>167,198</u>
Total Personnel Expenses	<u>140,830</u>	<u>1,118,490</u>	<u>2,413,473</u>	<u>1,642,376</u>	<u>54,451</u>	<u>13,620</u>	<u>1,675,926</u>	<u>934,503</u>
<b>OPERATING EXPENSES</b>								
Building	17,319	129,369	191,178	171,140	5,197	4,795	107,465	114,459
Professional	133	1,211	13,965	8,390	39	23	48,100	1,127
Travel	4,796	47,878	10,610	2,780	72	42	2,212	7,179
Equipment Costs	281	4,760	3,253	5,104	82	198	3,297	4,858
Food Service	318	1,664	150,092	17,366	4,413	1,413	2,059	3,082
Medicine / Pharmacy	3,130	367	74,093	273	504	43	41,569	53,985
Interest	-	-	-	-	-	-	-	-
Insurance	4,459	58,251	51,962	45,292	1,303	755	26,571	21,443
Office Expense and Other	4,901	42,619	60,845	33,205	756	1,224	32,756	42,169
Donated Items	5,262	30,902	25,304	18,583	1,558	11	9,758	13,556
Incidentals	7,608	112,803	391	-	-	-	-	-
Bad Debts	-	6,089	1,923,573	169,817	6,772	-	36,762	33,303
Total Operating Expenses	<u>48,207</u>	<u>435,913</u>	<u>2,505,266</u>	<u>471,950</u>	<u>20,696</u>	<u>8,504</u>	<u>310,549</u>	<u>295,161</u>
Total Direct Expenses	189,037	1,554,403	4,918,739	2,114,326	75,147	22,124	1,986,475	1,229,664
<b>ALLOCATED EXPENSES</b>								
Administration	20,998	162,556	228,716	213,274	6,138	3,553	123,339	108,091
Other Support	<u>15,781</u>	<u>122,167</u>	<u>171,888</u>	<u>160,283</u>	<u>4,613</u>	<u>2,671</u>	<u>92,693</u>	<u>81,234</u>
Total Allocated Expenses	<u>36,779</u>	<u>284,723</u>	<u>400,604</u>	<u>373,557</u>	<u>10,751</u>	<u>6,224</u>	<u>216,032</u>	<u>189,325</u>
Total Expenses	<u>225,816</u>	<u>1,839,126</u>	<u>5,319,343</u>	<u>2,487,883</u>	<u>85,898</u>	<u>28,348</u>	<u>2,202,507</u>	<u>1,418,989</u>
<b>SUPPLEMENTAL DISCLOSURES</b>								
State Excluded Costs	<u>\$ 533</u>	<u>\$ 10,236</u>	<u>\$ 1,929,569</u>	<u>\$ 205,311</u>	<u>\$ 6,929</u>	<u>\$ 100</u>	<u>\$ 40,030</u>	<u>\$ 36,078</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF EXPENSES BY COST CENTER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

2 of 3

	Mental Health and Substance Abuse Services							
	Prevention	Residential Level 1	Detox	Outreach	Title 21	Total SAMH	Non SAMH	Total Program Services
<b>PERSONNEL EXPENSES</b>								
Salaries	\$ 164,501	\$ 468,036	\$ 591,463	\$ 17,421	\$ 279,088	\$ 8,204,772	\$ 693,091	\$ 8,897,863
Fringe Benefits	<u>25,892</u>	<u>115,824</u>	<u>97,861</u>	<u>1,491</u>	<u>61,879</u>	<u>1,612,352</u>	<u>157,841</u>	<u>1,770,193</u>
Total Personnel Expenses	<u>190,393</u>	<u>583,860</u>	<u>689,324</u>	<u>18,912</u>	<u>340,967</u>	<u>9,817,124</u>	<u>850,932</u>	<u>10,668,056</u>
<b>OPERATING EXPENSES</b>								
Building	21,785	83,726	71,327	2,819	31,940	952,519	115,354	1,067,873
Professional	635	4,328	526	23	1,458	79,958	5,057	85,015
Travel	2,884	10,271	2,817	42	24,600	116,183	5,823	122,006
Equipment Costs	1,335	3,705	1,903	48	544	29,368	4,464	33,832
Food Service	381	130,317	74,085	30	384	385,604	12,090	397,694
Medicine / Pharmacy	833	4,088	11,040	-	154,167	344,092	2,107	346,199
Interest	-	-	-	-	-	-	-	-
Insurance	6,037	21,433	17,604	755	18,954	274,819	23,292	298,111
Office Expense and Other	11,590	23,651	21,174	325	10,896	286,111	192,157	478,268
Donated Items	6,843	21,565	9,171	855	9,953	153,321	15,422	168,743
Incidentals	410	301	73	-	10,995	132,581	-	132,581
Bad Debts	278	604,977	902,728	-	-	3,684,299	4,306	3,688,605
Total Operating Expenses	<u>53,011</u>	<u>908,362</u>	<u>1,112,448</u>	<u>4,897</u>	<u>263,891</u>	<u>6,438,855</u>	<u>380,072</u>	<u>6,818,927</u>
Total Direct Expenses	243,404	1,492,222	1,801,772	23,809	604,858	16,255,979	1,231,004	17,486,983
<b>ALLOCATED EXPENSES</b>								
Administration	28,428	84,961	82,893	3,553	41,350	1,107,850	91,015	1,198,865
Other Support	<u>21,365</u>	<u>63,851</u>	<u>62,297</u>	<u>2,671</u>	<u>31,076</u>	<u>832,590</u>	<u>67,066</u>	<u>899,656</u>
Total Allocated Expenses	<u>49,793</u>	<u>148,812</u>	<u>145,190</u>	<u>6,224</u>	<u>72,426</u>	<u>1,940,440</u>	<u>158,081</u>	<u>2,098,521</u>
Total Expenses	<u>293,197</u>	<u>1,641,034</u>	<u>1,946,962</u>	<u>30,033</u>	<u>677,284</u>	<u>18,196,419</u>	<u>1,389,085</u>	<u>19,585,504</u>
<b>SUPPLEMENTAL DISCLOSURES</b>								
State Excluded Costs	<u>\$ 993</u>	<u>\$ 136,294</u>	<u>\$ 904,849</u>	<u>\$ 104</u>	<u>\$ 1,039</u>	<u>\$ 3,715,529</u>	<u>\$ 12,751</u>	<u>\$ 3,728,280</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
SCHEDULE OF EXPENSES BY COST CENTER (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

3 of 3

	Supporting Services			
	Admin.	Other Support	Total Supporting Services	Total
<b>PERSONNEL EXPENSES</b>				
Salaries	\$ 668,342	\$ 610,318	\$ 1,278,660	\$ 10,176,523
Fringe Benefits	<u>172,135</u>	<u>142,917</u>	<u>315,052</u>	<u>2,085,245</u>
Total Personnel Expense	<u>840,477</u>	<u>753,235</u>	<u>1,593,712</u>	<u>12,261,768</u>
<b>OPERATING EXPENSES</b>				
Building	50,232	60,434	110,666	1,178,539
Professional	77,390	1,744	79,134	164,149
Travel	36,665	1,079	37,744	159,750
Equipment Costs	8,852	2,588	11,440	45,272
Food Service	27,642	1,759	29,401	427,095
Medicine / Pharmacy	-	-	-	346,199
Interest	1,188	-	1,188	1,188
Insurance	8,734	17,125	25,859	323,970
Office Expense and Other	126,898	56,318	183,216	661,484
Donated Items	20,781	5,374	26,155	194,898
Incidentals	6	-	6	132,587
Bad Debts	-	-	-	<u>3,688,605</u>
Total Operating Expense	<u>358,388</u>	<u>146,421</u>	<u>504,809</u>	<u>7,323,736</u>
Total Direct Expenses	1,198,865	899,656	2,098,521	19,585,504
<b>ALLOCATED EXPENSES</b>				
Administration	(1,198,865)	-	(1,198,865)	-
Other Support	<u>-</u>	<u>(899,656)</u>	<u>(899,656)</u>	<u>-</u>
Total Allocated Expenses:	<u>(1,198,865)</u>	<u>(899,656)</u>	<u>(2,098,521)</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,585,504</u>
<b>SUPPLEMENTAL DISCLOSURES</b>				
State Excluded Costs	<u>\$ 30,846</u>	<u>\$ 3,099</u>	<u>\$ 33,945</u>	<u>\$ 3,762,225</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF STATE EARNINGS**  
**YEAR ENDED JUNE 30, 2012**

1.	Total Expenditures	\$ 19,585,504
2.	Less Other State and Federal Funds	(4,156,084)
3.	Less Non-Match ADM Funds	(4,218,084)
4.	Less Unallowable Costs	(3,762,225)
5.	Less Unallowable Patient Fees	<u>-</u>
6.	Total Allowable Expenditures	<u>\$ 7,449,111</u>
7.	Total Amount of State Earnings (Line 6 times 75%)	\$ 5,586,833
8.	Amount of State Funds Required Match	<u>3,149,078</u>
9.	Amount Due to Department (Subtract Line 8 from Line 7. If negative, the amount of the difference is due the department up to the amount of Line 8.)	<u>\$ 2,437,755</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS  
YEAR ENDED JUNE 30, 2012**

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided D	Total Units of Service Paid for by 3rd Party Contracts Local Government or Other State Agencies E	Maximum Number of Units Eligible for Payment by Department F	Amount Paid for Services by the Department G	Maximum Dollar Value of Units in Column F H	Amount Owed to Department (G less H or \$0 Whichever is Greater) I
Children's MH	Crisis Stabilization Unit	\$ 391.24	1464	136	1328	\$ 280,290	\$ 519,567	\$ -
Adult MH	Crisis Stabilization Unit	\$ 391.24	8137	640	7497	1,694,027	2,933,126	-
Adult SA	Substance Abuse Detox	\$ 201.44	4571	429	4142	<u>669,671</u>	<u>834,364</u>	<u>-</u>
Total Amount Owed to Department						<u>\$ 2,643,988</u>	<u>\$ 4,287,057</u>	<u>\$ -</u>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS  
YEAR ENDED JUNE 30, 2012**

	FIS Case Management	Comprehensive Community Service Team (CCST)	Crisis Service Unit (CSU)	Crisis Support	Day Night	Drop in Center	Intervention	O/P Medical	O/P Ind/Group	Prevention
<b>Revenues From Grantee</b>										
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue from Grantee</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses Associated with Grantee Transactions</b>										
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-
<b>Total Associated Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Related Party Transactions Adjustment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

There were no related party transaction adjustments for the year ended June 30, 2012.

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

2 of 2

	Recovery Support	Residential Level 1	Detox	Outreach	Title 21	Total SAMH	Non SAMH	Other Support	ADMIN	Total
Revenues From Grantee										
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Grantee	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses Associated with Grantee										
Transactions										
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-
Total Associated Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Related Party Transactions Adjustment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

There were no related party transaction adjustments for the year ended June 30, 2012.

**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  
David Lawrence Mental Health Center, Inc.  
Naples, Florida

We have audited the financial statements of David Lawrence Mental Health Center, Inc. (the "Center") as of and for the year ended June 30, 2012, and have issued our report thereon dated October 22, 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. The financial statements of the David Lawrence Foundation for Mental Health, Inc. were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 would not necessarily 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.

Board of Directors  
David Lawrence Mental Health Center, Inc.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the board of directors, management, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
October 22, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM OR 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  
David Lawrence Mental Health Center, Inc.  
Naples, Florida

**Compliance**

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

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

Board of Directors  
David Lawrence Mental Health Center, Inc.

In our opinion, the Center 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.

**Internal Control Over Compliance**

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

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

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

This report is intended solely for the information and use of management, the board of directors, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
October 22, 2012

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2012**

<b>FEDERAL / STATE AGENCY</b> <i>Pass-through entity</i> Federal Program / State Project	CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed through Central Florida Behavioral Health Network</i>			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	CF2011-1002	\$ 113,077
Temporary Assistance for Needy Families (TANF)	93.558	CF2011-1002	124,318
Block Grants for Community Mental Health Services	93.958	CF2011-1002	388,401
Block Grants for Prevention and Treatment of Substance Abuse	93.959	CF2011-1002	1,339,833
Children's Health Insurance Program (CHIP)	93.767	CF2011-1002	654,338
<b><u>U.S. DEPARTMENT OF JUSTICE - BUREAU OF JUSTICE ASSISTANCE</u></b>			
<i>Passed through Collier County</i>			
Drug Court Discretionary Grant Program	16.585	2010-DC-BX- 0016	82,334
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed through Collier County</i>			
Community Development Block Grant/Entitlement Grants	14.218	B-10-UC-12- 0016	221,000
Community Development Block Grant/Entitlement Grants	14.218	B-11-UC-12- 0016	<u>50,642</u>
Total Department of Housing and Urban Development			<u>271,642</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>2,973,943</u></b>

(Continued)

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2012**

	<u>CSFA NUMBER</u>	<u>GRANT/ CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
<b><u>STATE OF FLORIDA,</u></b>			
<b><u>DEPARTMENT OF CHILDREN AND FAMILIES</u></b>			
<i>Passed through Central Florida Behavioral Health Network</i>			
Children's Baker Act Services	60.001	CF2011-1002	\$ 154,524
Baker Act	60.006	CF2011-1002	1,017,755
Substance Abuse Treatment & Aftercare Services for Children	60.030	CF2011-1002	566,803
Substance Abuse Detoxification Services for Adults	60.031	CF2011-1002	283,277
Substance Abuse Treatment and Aftercare Services for Adults	60.033	CF2011-1002	339,633
Indigent Psychiatric Outpatient Services	60.039	CF2011-1002	74,477
Adult Community Mental Health - Community Support Services	60.053	CF2011-1002	768,001
Adult Community Mental Health - Emergency Stabilization	60.054	CF2011-1002	788,213
Children's Mental Health - Community Support Services	60.055	CF2011-1002	213,256
Children's Mental Health - Emergency Stabilization	60.057	CF2011-1002	123,838
Children's Mental Health - Special Projects - Emergency Stabilization	60.059	CF2011-1002	279,100
Community Forensic Beds and Competency Restoration Training	60.114	CF2011-1002	<u>134,304</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b><u>\$ 4,743,181</u></b>

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2012**

**(1) PURPOSE OF THE SCHEDULE**

The Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") is a supplementary schedule to the Center's basic financial statements and is presented for the purpose of additional analysis. The Schedule is required by Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* and by Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, and *Schedule of Expenditures of State Financial Assistance*.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Federal Financial Assistance - Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, that nonfederal entities receive or administer, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations.

State Financial Assistance – Pursuant to Florida Single Audit Act (Section 215.97, Florida Statutes) and Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, state financial assistance is defined as assistance from state resources, not including federal financial assistance and state matching, provided to nonstate entities to carry out a state project. State financial assistance includes all types of state assistance as stated in the rules of the Florida Department of Financial Services, established in consultation with the Comptroller and appropriate state agencies that provide state financial assistance. It includes state financial assistance provided directly by state awarding agencies or indirectly by recipients of state awards. It does not include procurement contracts used to buy goods or services from vendors.

Catalog of Federal Domestic Assistance – OMB Circular A-133 requires the Schedule to show the total expenditures for each of the Center's federal financial assistance programs as identified in the Catalog of Federal and Domestic Assistance (CFDA). Federal financial assistance programs that have not been assigned a CFDA number are indicated with an "N/A."

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2012**

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Catalog of State Financial Assistance – Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, requires the Schedule to present the total state financial assistance expended for each individual state project as identified in the Catalog of State Financial Assistance (CSFA). State financial assistance projects that have not been assigned a CSFA number are indicated with an “N/A.”

**Type A and Type B Programs**

Federal Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. Type A assistance programs for the Center are those federal programs with expenditures in excess of \$300,000. Type B assistance programs for the Center are those federal programs with expenditures less than \$300,000.

State Programs

Each non-state entity that expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year is required to have a state single audit for such fiscal year in accordance with the requirements of the Florida Single Audit Act (Section 215.97, Florida Statutes). Chapter 69I-5 establishes the level of expenditures to be used in defining Type A and Type B state financial assistance projects. Type A assistance projects are defined on a sliding scale. For the Center, Type A programs are defined as those programs with expenditures in excess of \$300,000 or 3% of total state awards, whichever is larger, expended for the fiscal year. Type B assistance projects are defined as all projects that are not Type A projects.

**Basis of Accounting**

Both federal and state financial assistance expenditures included in the Schedule are reported using the accrual basis of accounting.



**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
 FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2012**

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**Section I – Summary of Auditors’ Results (Continued)**

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Identification of major programs/projects:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
93.767	Children’s Health Insurance Program
93.958	Block Grants for Prevention and Treatment of Substance Abuse
<b>CSFA Number(s)</b>	<b>Name of State Project</b>
60.006	Baker Act Services
60.030	Substance Abuse Treatment and Aftercare Services for Children
60.033	Substance Abuse and Treatment and Aftercare Services for Adults
60.053	Adult Community Mental Health – Community Support Services

Dollar threshold used to distinguish between Type A or Type B programs/projects was:

Major Federal Program	<u>\$ 300,000</u>
Major State Project	<u>\$ 300,000</u>

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133?

    X     yes                 no

**DAVID LAWRENCE MENTAL HEALTH CENTER, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

There were no matters reported in the prior year Schedule of Findings and Questioned Costs required to be reported in accordance with Section 510(a) of OMB Circular A-133.

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**Section IV – Findings and Questioned Costs – Major State Projects**

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Our audit did not disclose any matters required to be reported in accordance with Chapter 10.656, Rules of Auditor General.

There were no matters reported in the prior year Schedule of Findings and Questioned Costs required to be reported in accordance with Chapter 10.656, Rules of the Auditor General.

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**Section V – Other Issues**

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



## MANAGEMENT LETTER

Board of Directors  
David Lawrence Mental Health Center, Inc.  
Naples, Florida

We have audited the financial statements of the David Lawrence Mental Health Center, Inc. (the "Center"), as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 22, 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*. We have issued our Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program or State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated October 22, 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. In connection with our audit, no matters came to our attention relating to the foregoing that are required to be disclosed.

Board of Directors  
David Lawrence Mental Health Center, Inc.

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 Center 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
October 22, 2012