

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

**Consolidated Financial Statements
and Additional Information
with
Independent Auditors' Report**

September 30, 2012
(With Comparative Totals for September 30, 2011)

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



KMETZ NUTTALL ELWELL GRAHAM, PLLC

Certified Public Accountants

Independent Auditors' Report

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

We have audited the accompanying consolidated statement of financial position of The Jerome Golden Center for Behavioral Health, Inc. (the Center) and Subsidiary (the Foundation) (both nonprofit organizations), and collectively referred to as the "Organization" as of September 30, 2012, and the related consolidated statements of activities and changes in net asset, and cash flows for the year then ended. These consolidated financial statements are the responsibility of Center's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the consolidated financial statements of the Organization as of September 30, 2011, which were audited by other auditors whose report dated March 27, 2012, expressed an unqualified opinion on those financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provision 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Center taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, Rules of the Auditor General, and is not a required part of the basic financial statements. In addition, the accompanying schedule of local financial assistance, program/cost center actual expenses and revenues schedule, schedule of state earnings, schedule of bed-day availability payments, and schedule of related party transaction adjustments are also presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the 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.

Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants
March 15, 2013

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

Consolidated Statement of Financial Position

September 30, 2012

(With comparative totals for 2011)

			Totals	
	Unrestricted	Temporarily Restricted	2012	2011 (memo only)
Assets				
Current Assets:				
Cash and cash equivalents	\$ 1,636,311	\$ 120,531	\$ 1,756,842	\$ 874,373
Client personal funds	166,209	-	166,209	258,677
Accounts receivable, less allowance for uncollectible accounts of \$12,385,504	1,016,506	-	1,016,506	865,955
Due from contracting agencies	1,528,929	-	1,528,929	2,146,681
Promises to give	-	476,640	476,640	703,768
Inventories	129,799	-	129,799	431,346
Prepaid expenses	435,986	-	435,986	449,270
Total current assets	4,913,740	597,171	5,510,911	5,730,070
Other Assets:				
Deposits and other assets	152,664	-	152,664	49,439
Loan/bond issue costs, net of amortization	98,429	-	98,429	100,876
Construction in progress	99,025	-	99,025	311,927
Total other assets	350,118	-	350,118	462,242
Property and Equipment, net	7,242,818	-	7,242,818	6,789,576
Total assets	\$ 12,506,676	\$ 597,171	\$ 13,103,847	\$ 12,981,888
 Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	\$ 1,078,047	\$ -	\$ 1,078,047	\$ 889,804
Client personal funds payable	197,168	-	197,168	258,677
Employee compensation and other accrued expenses	758,866	-	758,866	1,197,833
Accrued employee leave benefits	502,554	-	502,554	491,082
Deferred revenue	35,772	-	35,772	93,603
Line of credit	500,000	-	500,000	-
Current portion of long-term debt	327,865	-	327,865	267,266
Total current liabilities	3,400,272	-	3,400,272	3,198,265
Long-Term Liabilities:				
Long-term debt less current portion	1,827,830	-	1,827,830	1,615,063
Net Assets				
Unrestricted:				
Invested in property and equipment	5,674,650	-	5,674,650	5,219,174
Current operations	1,411,091	-	1,411,091	1,913,468
Board designated	192,833	-	192,833	214,769
Temporarily restricted	-	597,171	597,171	821,149
Total net assets	7,278,574	597,171	7,875,745	8,168,560
Total liabilities and net assets	\$ 12,506,676	\$ 597,171	\$ 13,103,847	\$ 12,981,888

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

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

Consolidated Statement of Activities and Changes in Net Assets

For the year ended September 30, 2012

(With comparative totals for 2011)

			Totals	
	Unrestricted	Temporarily Restricted	2012	2011 (memo only)
Operating Revenues:				
Grants and contracts for center operations	\$ 13,467,862	\$ -	\$ 13,467,862	\$ 13,376,409
Net patient service revenue	8,683,202	-	8,683,202	7,931,580
In kind contributions	67,287	-	67,287	1,272,898
Other operating revenue	187,143	-	187,143	189,766
	22,405,494	-	22,405,494	22,770,653
Operating Expenses:				
Operating expenses	21,566,385	-	21,566,385	22,655,780
Depreciation	609,397	-	609,397	589,589
Interest expense	168,022	-	168,022	198,746
Amortization	17,916	-	17,916	17,151
	22,361,720	-	22,361,720	23,461,266
Excess (deficit) of operating revenues over operating expenses	43,774	-	43,774	(690,613)
Nonoperating revenues (expenses)				
Contributions	114,964	26,631	141,595	1,075,431
Interest income	28,744	537	29,281	46,002
Depreciation	(10,483)	-	(10,483)	(10,483)
Gain (loss) on disposal of fixed assets	(196,458)	-	(196,458)	8,462
Other expenses	(34,136)	-	(34,136)	(54,116)
Release of temporarily restricted net assets	251,146	(251,146)	-	-
	153,777	(223,978)	(70,201)	1,065,296
Increase (decrease) in net assets	197,551	(223,978)	(26,427)	374,683
Net assets, beginning of year	7,347,411	821,149	8,168,560	7,793,877
Prior period adjustment	(266,388)	-	(266,388)	-
Net assets, end of year	\$ 7,278,574	\$ 597,171	\$ 7,875,745	\$ 8,168,560

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

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

Consolidated Statement of Cash Flows

For the year ended September 30, 2012

(With comparative totals for 2011)

	2012	2011 (memo only)
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (26,427)	\$ 374,683
Adjustments to reconcile increase (decrease) in net assets to net cash flows provided by operating activities		
Depreciation	619,880	600,072
Amortization	17,916	17,151
Loss (gain) on disposal of property and equipment	196,458	(8,462)
Prior period adjustment (See Note 15)	(266,388)	-
(Increase) decrease in:		
Client personal funds	92,468	(42,068)
Accounts receivable, net	(150,551)	149,875
Due from contracting agencies	617,752	(148,625)
Promises to give	227,128	(703,768)
Inventories	301,547	183,155
Prepaid expenses	13,284	(19,952)
Deposits and other assets	(103,225)	2,825
Increase (decrease) in:		
Accounts payable	188,243	(116,567)
Client personal funds	(61,509)	42,068
Employee compensation and other accrued expenses	(438,967)	346,972
Accrued employee leave benefits	11,472	(68,280)
Deferred revenue	(57,831)	(511,934)
Net cash provided by operating activities	1,181,250	97,145
Cash flows from investing activities:		
Proceeds from sale of property and equipment	11,146	8,462
Payments for purchase of property and equipment	(970,869)	(776,877)
Payments made for construction in progress	(96,954)	-
Net cash used for investing activities	(1,056,677)	(768,415)
Cash flows from financing activities:		
Proceeds from line of credit	975,000	700,000
Proceeds from long-term debt	556,000	-
Payments on long-term debt	(282,634)	(240,459)
Payments on line of credit	(475,000)	(700,000)
Payments for loan costs on new debt	(15,470)	(4,218)
Net cash provided by (used for) financing activities	757,896	(244,677)
Net increase (decrease) in cash	882,469	(915,947)
Cash and cash equivalents, beginning of year	874,373	1,790,320
Cash and cash equivalents, end of year	\$ 1,756,842	\$ 874,373

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

The Jerome Golden Center for Behavioral Health, Inc.
Notes to Consolidated Financial Statements

Note 1 – Nature of Organization

The Jerome Golden Center for Behavioral Health, Inc. (the Center) is a Florida nonprofit organization incorporated in 1966 to provide various mental health and substance abuse services and operates a hospital in the northern part of Palm Beach County, Florida. The Center charges fees based upon its clients' ability to pay for clinical services and receives grants, contributions and contracts from various governmental agencies and other sources for providing these services. The Jerome Golden Center Foundation, Inc. (formerly known as the Oakwood Center Foundation, Inc.) (the Foundation) is a Florida nonprofit organization established in December 2010, to engage in the solicitation of charitable funds for the general purpose of the Center.

Note 2 – Summary of Significant Accounting Policies

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

In accordance with Financial Accounting Standards Board Accounting Standard Codification No. 958 (ASC), *Not-For-Profit Entities*, the Center and the Foundation are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Center and the Foundation had no permanently restricted net assets as of September 30, 2012.

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

Cash and Cash Equivalents

The Center and the Foundation classify all highly liquid investments with a maturity of 90 days or less when purchased as cash equivalents. The Center maintains a majority of their cash balances in non-interest bearing accounts that are fully insured by the FDIC. In addition, the Center and Foundation maintain balances in interest bearing accounts which at times may be in excess of federally insured amounts.

Accounts Receivable

The Center has established a sliding fee schedule wherein the clients are expected to pay amounts based upon their individual financial ability. Based on past experience, the Center believes if these amounts are not collected at the time of service, there is little likelihood of future payment. Accordingly, the full amount of accounts receivable from clients has been reserved at September 30, 2012.

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

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when conditions on which they depend are substantially met.

The Jerome Golden Center for Behavioral Health, Inc.

Notes to Consolidated Financial Statements (continued)

Note 2 – Summary of Significant Accounting Policies (continued)

Inventories

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

Property and Equipment

Property and equipment acquisitions greater than \$1,000 are capitalized and are stated at cost. Donated property and equipment is recorded at the fair market value at the date of the gift. Depreciation is provided on a straight-line basis over the estimated useful life of the related assets.

Estimated useful lives of property and equipment range as follows:

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

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

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

For the year ended September 30, 2012, the Center and the Foundation recorded no donated property and equipment.

Intangible Assets

Intangible assets consist of bond issue and loan costs. Bond issue costs are amortized on a straight-line basis over a 25 year period. Loan costs are amortized over the term of the related loan using the straight-line method.

Restricted and Unrestricted Revenue and Support

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

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

The Jerome Golden Center for Behavioral Health, Inc.

Notes to Consolidated Financial Statements (continued)

Note 2 – Summary of Significant Accounting Policies (continued)

Client Service Revenue and Grant/Contract Revenue

Client service revenue is recognized when the services are provided. Revenue from government grants is recorded based upon the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs or services of the specific grant provisions have been incurred or provided. Grant and contract revenue that is not recognized because the allowable costs as defined by the individual contract have not been incurred is considered deferred revenue.

In-kind Contributions

The Center receives contributed services, including counseling, instruction, and other volunteer services related to each of its programs. Some of these services do not meet ASC 958-605-25-criteria for recognizing donated services, and accordingly, are not recognized as revenue in the accompanying financial statements. However, when the value of donated services requires specific expertise, they are recorded in the financial statements as revenues and expenses.

The Center receives donated student nursing services and donated facilities and has estimated the value to be \$67,287 for the year ended September 30, 2012. This amount has been recognized in the accompanying financial statements as an in-kind contribution and as medical and rental expense. The Foundation did not receive any contributed services for the year ended September 30, 2012.

The Center had previously recorded in-kind contribution revenue related to donated drugs. As explained in Note 15, the Center no longer considers the donated drugs to meet the standard for revenue recognition.

Income Tax Status

The Center and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes. In addition the Center and the Foundation have been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Allocation of Expenses

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

Use of Estimates

The 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. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 15, 2013, the date the financial statements were available to be issued.

The Jerome Golden Center for Behavioral Health, Inc.

Notes to Consolidated Financial Statements (continued)

Note 3 – Promises to Give

Promises to give consist of the following at September 30, 2012:

Receivable in less than one year	\$ 250,000
Receivable in one to five years	<u>250,000</u>
Total unconditional promises to give	500,000
Less discounts to net present value at 3.25%	<u>(23,360)</u>
Net unconditional promises to give	<u><u>\$ 476,640</u></u>

Promises to give have been discounted to net present value at a rate of 3.25%. Uncollectible promises to give are expected to be insignificant based on historical experience and no allowance of uncollectible promises to give is considered necessary as of September 30, 2012. Promises to give are classified as temporarily restricted.

Note 4 – Property and Equipment, net

Property and equipment consists of the following at September 30, 2012:

Buildings and improvements	10,590,317
Land	1,568,168
Equipment and furniture	3,533,514
Computer equipment	959,334
Leasehold improvements	<u>150,250</u>
	16,801,583
Less accumulated depreciation	<u>9,558,765</u>
	<u><u>7,242,818</u></u>

Note 5 – Line of Credit

On May 23, 2012, the Center renewed its \$1,000,000 revolving line of credit originally opened on June 1, 2011. The line of credit carries an interest rate equal to fifty (50) basis points below the Wall Street Journal (WSJ) Prime Rate or 5.5% (whichever is higher) as of September 30, 2012. The line of credit is due on demand or at maturity on June 1, 2013 and is secured by all business assets. In addition, this obligation is cross-collateralized and cross-defaulted with three mortgages described in Note 6. The line of credit balance at September 30, 2012 was \$500,000.

Note 6 – Long-Term Debt

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

The bonds will be paid through ten sinking fund installments per year including principal, interest at a 7.75% coupon rate, and fees. Estimated monthly installments of \$31,916 including interest are due monthly until maturity in July 2017.

The bonds are collateralized by a first mortgage lien on certain Center facilities and a pledge of certain state contract revenues and other receivables. Further, the agreement relating to the bonds establishes a number of restrictive covenants which must be adhered to by the Center. At September 30, 2012, the Center was in compliance with all covenants.

The Jerome Golden Center for Behavioral Health, Inc.
Notes to Consolidated Financial Statements (continued)

Note 6 – Long-Term Debt (continued)

Long-term debt consists of the following at September 30, 2012:

Bonds payable, principal and interest payable semi-annually through July 2017, interest at a fixed rate of 7.75%, secured by a first mortgage on facilities and a pledge of certain receivables and revenues. This obligation, which will be paid through sinking fund installments is presented net of a discount of \$35,473.	\$ 1,204,827
Mortgage payable, secured by real property and facilities, due January 2017, monthly principal and interest payments of \$4,081. The interest rate at September 30, 2012, was 2.75%. The interest rate is adjusted annually on January 1, through maturity to equal fifty (50) basis points below the Wall Street Journal prime rate. This obligation is cross-collateralized and cross-defaulted with two mortgage notes below and another obligation. (See Note 5.)	199,778
Mortgage payable, secured by real property and facilities, due September 2026, monthly and principal payments of \$1,593, at a fixed rate of 5.5%.	186,102
Mortgage payable, secured by real property and facilities, due April 2016, monthly principal and interest payments of \$747. The interest rate at September 30, 2012, was 2.75%. The interest rate is adjusted annually on January 1, through maturity to equal fifty (50) basis points below the Wall Street Journal prime rate. This note is also secured by an assignment of rents and other personal property. This obligation is cross-collateralized and cross-defaulted with a mortgage note above and below and another obligation. (See Note 5.)	30,560
Mortgage payable, secured by real property and facilities, due February 2019, monthly principal and interest payments of \$4,106. The interest rate at September 30, 2012 was 5.5%. This rate is fixed through February 2015. At that time, the rate will be adjusted to equal the Wall Street Journal prime rate. The interest rate shall never increase above 8.25% or decrease below 5.5%. This obligation is cross-collateralized and cross-defaulted with two mortgage notes above and another obligation. (See Note 5.)	265,212
Mortgage payable, secured by real property and facilities, due June 2037 with principal and interest payable in an annual installment of \$16,223. Interest is calculated at the rate of 3.375% for the duration of the loan.	269,216
	2,155,695
Less amounts due within one year	327,865
	\$ 1,827,830

The Jerome Golden Center for Behavioral Health, Inc.
Notes to Consolidated Financial Statements (continued)

Note 6 – Long-Term Debt (continued)

The following schedule represents aggregate maturities on long-term debt including bond sinking fund requirements:

Year Ending September 30,	
2013	\$ 327,865
2014	340,830
2015	364,561
2016	393,234
2017	295,486
Thereafter	433,719
	<u>\$2,155,695</u>

Note 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30, 2012:

Promises to give	\$ 476,640
Housing project and client activities	120,531
	<u>\$ 597,171</u>

Note 8 – Board Designated Unrestricted Net Assets

At September 30, 2012, the total amount of net assets designated by the Board for future capital projects was \$192,833, including \$139,850 for housing projects. During the year ended September 30, 2012, approximately \$22,000 of funds that were previously designated by the board were used for renovations to the main center.

Note 9 – Retirement Plans

The Center as a whole has a defined contribution pension plan covering all eligible employees who have 1,000 hours of service, one year of employment and are age eighteen or older. During the year ended September 30, 2012, the Center contributed 2.5% of all eligible employees' compensation. The contributions are reduced by forfeitures for the unvested balance applying to those employees who leave the Center.

In addition to the Plan above, the Center also offers all of its employees a tax deferred annuity under Internal Revenue Code Section 403(b). Employees may contribute to a tax deferred annuity subject to certain annual limitations. The Center will match up to an additional 2.5% of eligible employees' compensation should the employee elect to contribute to the plan.

The Center contributed approximately \$361,500 to the retirement plans.

The Jerome Golden Center for Behavioral Health, Inc.
Notes to Consolidated Financial Statements (continued)

Note 10 – Commitments and Contingencies

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

The Center leases various facilities and equipment from third parties. Rental expense incurred under operating leases for the year ending September 30, 2012, amounted to \$142,821. The leases all have month to month terms and can be canceled at anytime.

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

Management is unaware of any claim against the Center not covered by insurance requiring accrual in the accompanying financial statements. Incurred but not reported losses cannot be estimated by management and therefore, no accrual has been included in the accompanying financial statements.

Note 11 – Related Party Transaction

A spouse of a board member of both the Center and the Foundation granted an unconditional promise to give \$1,000,000 to create the Jerome Golden Fund (the Fund). During the year ended September 30, 2012, the second contribution of \$250,000 to the Fund was received by the Foundation, while the remaining \$500,000 will be contributed to the Foundation over the next two (2) years as indicated in Note 3.

Note 12 – Supplemental Cash Flow Information

Supplemental Disclosure of Cash Flow Information:

Cash received during the year for - Interest income	\$ 29,281
Cash paid during the year for - Interest expense	\$ 168,022

The Jerome Golden Center for Behavioral Health, Inc.
Notes to Consolidated Financial Statements (continued)

Note 13 – Functional Classification of Expenses

Expenses by function for the year ended September 30, 2012, were as follows:

Expenses:

Program services:	
Adult Mental Health	\$ 12,293,741
Adult Substance Abuse	780,438
Children's Mental Health	554,949
Children's Substance Abuse	161,428
Other	6,890,787
Management and general	1,680,377
	<u>\$ 22,361,720</u>

Note 14 – Concentration

The Center has a collective bargaining agreement with the United Food and Commercial Workers' International Union. All non-management represented personnel are eligible to join the union. The agreement establishes rights which include but are not limited to pay rates, benefits, working conditions and grievance procedures. During 2012, the agreement was renegotiated and renewed. The new agreement is effective June 1, 2012 and covers the Center through May 31, 2015.

The Center receives a substantial amount of support from state and local governmental agencies for specific programs supporting poor and indigent clients. A reduction in the level of future support from the state and local governmental agencies could have a substantial effect on these programs and activities. However, management feels that any significant funding change would be offset by a reduction in related program expenses.

Note 15 – Prior Period Adjustment

The Center's financial statements dated September 30, 2011 included \$266,388 of Patient Assistance Program (PAP) prescription drugs as inventory. The Center has determined that these PAP prescription drugs do not meet the ownership test to be considered inventory of the Center and should not be included in the Center's financial statements. The cumulative effect decreases beginning unrestricted net assets by \$266,388 and beginning inventory by the same amount. No in-kind contribution revenue related to the PAP inventory, nor related pharmacy expense was recorded for the year ended September 30, 2012. For comparative purposes, in-kind revenue of \$1,203,020 and related pharmacy expense of \$1,307,819 were reported for the year ended September 30, 2011.

ADDITIONAL INFORMATION

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
Direct Program:			
Department of Housing and Urban Development:			
Haven House	14.235	FL0283B4D051003	\$ 280,434
	14.235	FL0283B4D050802	78,454
Project Home II	14.235	FL0321B4D051002	48,523
	14.235	FL0321B4D051103	67,154
Project Home III	14.235	FL0276B4D051002	42,991
	14.235	FL0276B4D050801	59,273
Indirect Programs:			
Department of Health and Human Services:			
Pass through from Florida Department of Children & Families:			
Alcohol, Drug Abuse and Mental Health Services	93.958	IH-590 (2011-2012)	753,227
	93.959	IH-590 (2011-2012)	621,311
	93.150	IH-590 (2011-2012)	244,709
Social Services Block Grant	93.667	IH-590	1,885
Pass through from Florida Department of Health Rape Prevention Education and Training	93.136	C0H6T	36,307
Department of Housing and Urban Development:			
Pass through from City of West Palm Beach, Florida Housing Opportunities for Persons with AIDS	14.241	11287	627,550
Pass through from Palm Beach County, Florida Project Success	14.238	R2011-1992	47,461
	14.238	R2010-2072	15,972
	14.238	R2011-1495	31,747
Shelter Plus Care	14.238	R2009-1634	76,801
	14.238	R2011-1014	210,248
	14.238	R2011-1759	108,862
Main Center HVAC Project	14.218	R2011-1032	343,713
Department of Justice:			
Pass through from Palm Beach County, Florida Criminal Justice Commission Justice and Mental Health Collaboration Program	16.745	R2010-0923	110,913
Indirect Programs:			
Department of Education:			
Pass through from Florida Department of Education Employment and Supportive Employment Services	84.126	VS-302	199,263
Department of Agriculture:			
Pass through from Florida Department of Elder Affairs Children and Adult Care Food Program	10.558	Y-1038	96,025
Total federal expenditures			\$ 4,102,823

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
For the year ended September 30, 2012

State Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
Florida Department of Children & Families:			
Alcohol, Drug Abuse and Mental Health Services	60.001	IH590	\$ 109,319
	60.006	IH590	2,305,021
	60.039	IH590	29,436
	60.114	IH590	41,876
Total state expenditures			<u>\$ 2,485,652</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance and schedule of local financial assistance.

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

Schedule of Local Financial Assistance

For the year ended September 30, 2012

Grantor	Program Title	Contract Number	Revenue
Palm Beach County	Financially Assisted Agency Program	R2011-1775	\$ 1,387,134
		R2011-1992	15,820
	Project Success	R2010-2072	5,324
		R2011-1495	10,582
	Homeless Assertive Community Treatment Team	R2011-1307	73,318
	Mental Health Collaboration Project	R2010-0923	54,012
		R2012-0581	56,901
	Mental Health and Substance Abuse Services	R2011-1410	41,935
R2012-1293		21,275	
Children's Service Council of Palm Beach County, Florida	Healthy Beginnings	10-581	201,584
Department of Health	HIV Mental Health Services	PB281	36,816
Palm Healthcare Foundation	Coping with Economic Stress	20100083/	
		20100066	16,532
United Way of Palm Beach County, Florida	SOAR project	-	8,600
Frenchman's Creek Foundation	-	-	4,500
Other local grants	-	-	657
			\$ 1,934,990

See accompanying notes to schedule of expenditures of federal awards and state financial assistance and schedule of local financial assistance.

The Jerome Golden Center for Behavioral Health, Inc.

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
and Schedule of Local Financial Assistance

Note A – Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance, and schedule of local financial assistance was prepared to include the activity of all Federal, State and local awards of The Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Contingency

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

Note C – Matching Requirements

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

During the year ended September 30, 2012, the expenses on grants requiring a local match were as follows:

Grantor	Contract Number	Contract Period Ended	Matching Requirement
State of Florida Department of Children and Families	IH-590	June 30, 2012	\$ 2,102,483
U.S. Department of Housing and Urban Development	FL0283B4D050802	December 31, 2011	62,689
	FL0321B4D0501002	February 28, 2012	15,513
	FL0276B4D050801	January 31, 2012	10,483
	R2009-1634	June 30, 2012	70,755
	R2011-1014	May 22, 2012	308,947
			<u>2,570,870</u>
Current match received			<u>3,033,084</u>
Excess match			<u>\$ 462,214</u>

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
Program/Cost Center Actual Expenses and Revenues Schedule
For the year ended September 30, 2012

Funding Sources of Revenues	Adult Mental Health						
	Crisis Support/ Emergency	Crisis Stabilization	Inpatient	Residential Level III	Residential Level IV	Case Management	Intensive Case Management
State SAMH Funding:							
District 9	\$ 1,413,228	\$ 375,748	\$ 2,651,688	\$ 419,831	\$ 552,086	\$ 116,972	\$ 49,561
Other Gov't Funding:							
Medicaid	12,345	142,274	494,323	6,111	2,601	121,264	74,969
Local government	137,163	446,812	570,708	59,417	377,187	-	-
Federal grants and contracts	-	-	-	-	-	-	-
Other State Agency funding	18,493	-	-	-	-	-	-
Total other gov't funding	168,001	589,086	1,065,031	65,528	379,788	121,264	74,969
All Other Revenues							
Medicare	64,001	2,745	1,009,647	17	-	127	-
In-kind	-	-	23,607	-	-	-	-
1st and 2nd party payments	8,032	17,876	81,248	22,085	221,560	(136)	(143)
3rd party pymts (except Medicare)	30,688	82,989	325,301	1,244	15,246	4	194
Other income	-	-	-	-	-	-	-
Total all other revenues	102,721	103,610	1,439,803	23,346	236,806	(5)	51
Total funding	\$ 1,683,950	\$ 1,068,444	\$ 5,156,522	\$ 508,705	\$ 1,168,680	\$ 238,231	\$ 124,581

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
Program/Cost Center Actual Expenses and Revenues Schedule
(continued)
For the year ended September 30, 2012

<u>Funding Sources of Revenues</u>	Adult Mental Health					Total Adult Mental Health Revenues
	Comprehensive Community Service Team	Day/Night Services	Medical Services	Outreach Services	Support Housing/Living Services	
State SAMH Funding:						
District 9	\$ 1,046,687	\$ 19,401	\$ 1,001,722	\$ 244,709	\$ 89,912	\$ 7,981,545
Other Gov't Funding:						
Medicaid	915,583	31,791	334,885	8,265	163	2,144,574
Local government	8,600	-	449	-	-	1,600,336
Federal grants and contracts	-	-	-	-	-	-
Other State Agency funding	-	-	19	-	-	18,512
Total other gov't funding	924,183	31,791	335,353	8,265	163	3,763,422
All Other Revenues						
Medicare	27,447	-	168,783	2,848	-	1,275,615
In-kind	-	-	-	-	-	23,607
1st and 2nd party payments	29,104	202	7,902	(83)	188	387,835
3rd party pymts (except Medicare)	9,054	560	(4,101)	75	-	461,254
Other income	-	-	3,239	-	-	3,239
Total all other revenues	65,605	762	175,823	2,840	188	2,151,550
Total funding	\$ 2,036,475	\$ 51,954	\$ 1,512,898	\$ 255,814	\$ 90,263	\$ 13,896,517

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Funding Sources of Revenues	Adult Substance Abuse				Children's Mental Health		
	ASA Prevention	ASA Residential Level II	ASA Detoxification	Total Adult Substance Abuse	CMH Crisis Support/ Emergency	CMH Crisis Stabilization	CMH Case Management
State SAMH Funding:							
District 9	\$ 37,500	\$ 431,700	\$ 118,652	\$ 587,852	\$ 57,548	\$ 181,771	\$ 12,058
Other Gov't Funding:							
Medicaid	-	5,961	1,809	7,770	21,167	1,588	74,102
Local government	-	-	154,492	154,492	64,809	17,648	-
Federal grants and contracts	-	-	-	-	-	-	-
Other State Agency funding	-	-	-	-	-	2,379	-
Total other gov't funding	-	5,961	156,301	162,262	85,976	21,615	74,102
All Other Revenues							
Medicare	-	177	227	404	-	8,235	77
In-kind	-	41,522	-	41,522	-	-	-
1st and 2nd party payments	-	(586)	8,032	7,446	(130)	1,033	(83)
3rd party pymts (except Medicare)	-	(1,690)	7,944	6,254	5,359	3,949	2
Other income	-	23,690	-	23,690	-	-	-
Total all other revenues	-	63,113	16,203	79,316	5,229	13,217	(4)
Total funding	\$ 37,500	\$ 500,774	\$ 291,156	\$ 829,430	\$ 148,753	\$ 216,603	\$ 86,156

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

<u>Funding Sources of Revenues</u>	Children's Mental Health		Children's Substance Abuse		
	<u>CMH Medical Services</u>	<u>Total Childrens Mental Health</u>	<u>CSA Child Prevention</u>	<u>CSA Residential Level II</u>	<u>Total Childrens Substance Abuse</u>
State SAMH Funding:					
District 9	\$ 24,192	\$ 275,569	\$ 127,234	\$ 22,434	\$ 149,668
Other Gov't Funding:					
Medicaid	22,784	119,641	21	310	331
Local government	31	82,488	-	-	-
Federal grants and contracts	-	-	-	-	-
Other State Agency funding	1	2,380	-	-	-
Total other gov't funding	22,816	204,509	21	310	331
All Other Revenues					
Medicare	11,483	19,795	-	(9)	(9)
In-kind	-	-	-	2,158	2,158
1st and 2nd party payments	538	1,358	-	(30)	(30)
3rd party pymts (except Medicare)	(279)	9,031	-	(88)	(88)
Other income	220	220	-	1,231	1,231
Total all other revenues	11,962	30,404	-	3,262	3,262
Total funding	\$ 58,970	\$ 510,482	\$ 127,255	\$ 26,006	\$ 153,261

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

<u>Funding Sources of Revenues</u>	<u>Total for State SAMH Funded Cost Centers</u>	<u>Non-State Funded SAMH Cost Centers</u>	<u>Total for all State Designated SAMH Cost Centers</u>	<u>Non-SAMH Cost Centers</u>	<u>Total Funding</u>
State SAMH Funding:					
District 9	\$ 8,994,634	\$ 63,210	\$ 9,057,844	\$ 143,524	\$ 9,201,368
Other Gov't Funding:					
Medicaid	2,272,316	1,328,276	3,600,592	602,116	4,202,708
Local government	1,837,316	1,115,630	2,952,946	-	2,952,946
Federal grants and contracts	-	1,019,206	1,019,206	199,263	1,218,469
Other State Agency funding	20,892	37,880	58,772	36,307	95,079
Total other gov't funding	4,130,524	3,500,992	7,631,516	837,686	8,469,202
All Other Revenues					
Medicare	1,295,805	74,226	1,370,031	2,031,237	3,401,268
In-kind	67,287	-	67,287	-	67,287
1st and 2nd party payments	396,609	113,248	509,857	82,521	592,378
3rd party pymts (except Medicare)	476,451	8,072	484,523	2,325	486,848
Other income	28,380	107,318	135,698	51,445	187,143
Total all other revenues	2,264,532	302,864	2,567,396	2,167,528	4,734,924
Total funding	\$ 15,389,690	\$ 3,867,066	\$ 19,256,756	\$ 3,148,738	\$ 22,405,494

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Expense Categories	Adult Mental Health						
	Crisis Support/ Emergency	Crisis Stabilization	Inpatient	Residential Level III	Residential Level IV	Case Management	Intensive Case Management
Personnel expenses:							
Salaries	\$ 1,061,452	\$ 412,540	\$ 2,841,208	\$ 198,180	\$ 111,010	\$ 122,284	\$ 78,525
Fringe benefits	278,871	99,139	719,544	51,452	29,261	31,482	20,679
Total personnel expenses	1,340,323	511,679	3,560,752	249,632	140,271	153,766	99,204
Other Expenses:							
Medical and pharmacy	1,497	15,627	88,367	219	27	41	6
Building occupancy	19,793	24,944	46,957	93,866	212,149	5,542	3,472
Operating supplies/expenses	27,521	21,514	139,908	23,286	29,123	11,014	7,827
Professional services	874	63,699	119,696	48	64	21	14
Insurance	48,993	17,591	130,219	9,092	5,136	5,583	3,664
Equipment costs	17,171	14,789	48,929	8,747	14,400	1,929	1,040
Food costs and services	4,243	1,565	81,049	8,795	15,765	-	-
Subcontracted services	7,413	42,778	79,569	27,991	57,520	453	277
Interest	696	834	258	-	83,459	108	120
Travel	3,074	2,182	5,649	419	3,380	5,036	4,850
Donated services	-	-	23,607	-	-	-	-
Total other expenses	131,275	205,523	764,208	172,463	421,023	29,727	21,270
Total personnel and other expenses	1,471,598	717,202	4,324,960	422,095	561,294	183,493	120,474
Distributed Indirect Costs:							
Other support	90,420	97,341	422,469	52,040	220,847	11,552	11,288
Administration	130,151	62,278	337,392	39,065	51,942	16,984	11,151
Total distr'd indirect costs	220,571	159,619	759,861	91,105	272,789	28,536	22,439
Total Actual Operating Expenses	1,692,169	876,821	5,084,821	513,200	834,083	212,029	142,913
Unallowable Costs	-	-	23,607	-	-	-	-
Total allowable oper expenses	\$ 1,692,169	\$ 876,821	\$ 5,061,214	\$ 513,200	\$ 834,083	\$ 212,029	\$ 142,913
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Expense Categories	Adult Mental Health					Total Adult Mental Health
	Comprehensive Community Service Team	Day/Night Services	Medical Services	Outreach Services	Support Housing/Living Services	
Personnel expenses:						
Salaries	\$ 1,229,509	\$ 26,807	\$ 587,123	\$ 146,984	\$ 33,425	\$ 6,849,047
Fringe benefits	319,441	7,168	141,606	37,137	8,520	1,744,300
Total personnel expenses	1,548,950	33,975	728,729	184,121	41,945	8,593,347
Other Expenses:						
Medical and pharmacy	722	13	8,571	177	2	115,269
Building occupancy	35,674	9,369	14,399	16,855	4,576	487,596
Operating supplies/expenses	105,107	2,435	24,241	12,037	643	404,656
Professional services	201	510	421,183	26	6	606,342
Insurance	56,218	1,267	26,943	6,672	1,523	312,901
Equipment costs	28,979	1,266	15,960	2,368	425	156,003
Food costs and services	-	554	14	-	-	111,985
Subcontracted services	16,210	13,657	3,558	1,329	90	250,845
Interest	4,831	-	346	3,218	-	93,870
Travel	29,794	232	1,827	191	4	56,638
Donated services	-	-	-	-	-	23,607
Total other expenses	277,736	29,303	517,042	42,873	7,269	2,619,712
Total personnel and other expenses	1,826,686	63,278	1,245,771	226,994	49,214	11,213,059
Distributed Indirect Costs:						
Other support	80,093	42,377	48,527	29	3,699	1,080,682
Administration	163,164	4,404	112,742	21,010	4,555	954,838
Total distr'd indirect costs	243,257	46,781	161,269	21,039	8,254	2,035,520
Total Actual Operating Expenses	2,069,943	110,059	1,407,040	248,033	57,468	13,248,579
Unallowable Costs	-	-	-	-	-	23,607
Total allowable oper expenses	\$ 2,069,943	\$ 110,059	\$ 1,407,040	\$ 248,033	\$ 57,468	\$ 13,224,972
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Expense Categories	Adult Substance Abuse				Children's Mental Health		
	ASA Prevention	ASA Residential Level II	ASA Detoxification	Total Adult Substance Abuse	CMH Crisis Support/ Emergency	CMH Crisis Stabilization	CMH Case Management
Personnel expenses:							
Salaries	\$ -	\$ 202,863	\$ 130,002	\$ 332,865	\$ 66,023	\$ 136,575	\$ 74,726
Fringe benefits	-	52,819	34,544	87,363	20,806	35,882	19,238
Total personnel expenses	-	255,682	164,546	420,228	86,829	172,457	93,964
Other Expenses:							
Medical and pharmacy	-	2,307	10	2,317	5	193	25
Building occupancy	-	34,294	4,641	38,935	12,292	2,547	3,386
Operating supplies/expenses	-	28,333	2,661	30,994	1,454	3,541	6,730
Professional services	-	3,465	25,001	28,466	93	112	13
Insurance	-	9,348	5,978	15,326	3,936	6,304	3,412
Equipment costs	-	9,365	1,792	11,157	2,081	2,209	1,179
Food costs and services	-	8,959	288	9,247	88	546	-
Subcontracted services	-	79,112	7,053	86,165	4,268	954	277
Interest	-	-	142	142	295	90	66
Travel	-	897	130	1,027	66	395	3,078
Donated services	-	41,522	-	41,522	-	-	-
Total other expenses	-	217,602	47,696	265,298	24,578	16,891	18,166
Total personnel and other expenses	-	473,284	212,242	685,526	111,407	189,348	112,130
Distributed Indirect Costs:							
Other support	-	79,939	14,973	94,912	35,312	11,637	7,059
Administration	-	33,951	18,888	52,839	10,079	16,746	10,378
Total distr'd indirect costs	-	113,890	33,861	147,751	45,391	28,383	17,437
Total Actual Operating Expenses	-	587,174	246,103	833,277	156,798	217,731	129,567
Unallowable Costs	-	-	-	-	-	-	-
Total allowable oper expenses	\$ -	\$ 587,174	\$ 246,103	\$ 833,277	\$ 156,798	\$ 217,731	\$ 129,567
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Expense Categories	Children's Mental Health		Children's Substance Abuse		
	CMH Medical Services	Total Childrens Mental Health	CSA Child Prevention	CSA Residential Level II	Total Childrens Substance Abuse
Personnel expenses:					
Salaries	\$ 39,944	\$ 317,268	\$ 76,959	\$ 10,542	\$ 87,501
Fringe benefits	9,634	85,560	19,887	2,745	22,632
Total personnel expenses	49,578	402,828	96,846	13,287	110,133
Other Expenses:					
Medical and pharmacy	583	806	42	120	162
Building occupancy	980	19,205	2,829	1,782	4,611
Operating supplies/expenses	1,649	13,374	7,296	1,472	8,768
Professional services	28,655	28,873	14	180	194
Insurance	1,833	15,485	3,531	486	4,017
Equipment costs	1,086	6,555	1,060	486	1,546
Food costs and services	1	635	-	466	466
Subcontracted services	242	5,741	264	4,111	4,375
Interest	24	475	-	-	-
Travel	124	3,663	10,747	47	10,794
Donated services	-	-	-	2,158	2,158
Total other expenses	35,177	94,812	25,783	11,308	37,091
Total personnel and other expenses	84,755	497,640	122,629	24,595	147,224
Distributed Indirect Costs:					
Other support	3,301	57,309	10,049	4,155	14,204
Administration	7,670	44,873	11,350	1,764	13,114
Total distr'd indirect costs	10,971	102,182	21,399	5,919	27,318
Total Actual Operating Expenses	95,726	599,822	144,028	30,514	174,542
Unallowable Costs	-	-	-	-	-
Total allowable oper expenses	\$ 95,726	\$ 599,822	\$ 144,028	\$ 30,514	\$ 174,542
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Expense Categories	Total for State SAMH Funded Cost Centers	Non-State Funded SAMH Cost Centers	Total for all State Designated SAMH Cost Centers	Non-SAMH Cost Centers	Total
Personnel expenses:					
Salaries	\$ 7,586,681	\$ 1,383,110	\$ 8,969,791	\$ 695,908	\$ 9,665,699
Fringe benefits	1,939,855	361,009	2,300,864	183,488	2,484,352
Total personnel expenses	9,526,536	1,744,119	11,270,655	879,396	12,150,051
Other Expenses:					
Medical and pharmacy	118,554	974	119,528	2,066,384	2,185,912
Building occupancy	550,347	931,173	1,481,520	29,752	1,511,272
Operating supplies/expenses	457,792	115,580	573,372	66,482	639,854
Professional services	663,875	277,457	941,332	2,391	943,723
Insurance	347,729	63,909	411,638	32,197	443,835
Equipment costs	175,261	44,353	219,614	268,543	488,157
Food costs and services	122,333	113,750	236,083	5,616	241,699
Subcontracted services	347,126	27,807	374,933	9,831	384,764
Interest	94,487	36,818	131,305	4,757	136,062
Travel	72,122	11,423	83,545	13,291	96,836
Donated services	67,287	-	67,287	-	67,287
Total other expenses	3,016,913	1,623,244	4,640,157	2,499,244	7,139,401
Total personnel and other expenses	12,543,449	3,367,363	15,910,812	3,378,640	19,289,452
Distributed Indirect Costs:					
Other support	1,247,107	135,575	1,382,682	9,209	1,391,891
Administration	1,065,664	303,634	1,369,298	311,079	1,680,377
Total distr'd indirect costs	2,312,771	439,209	2,751,980	320,288	3,072,268
Total Actual Operating Expenses	14,856,220	3,806,572	18,662,792	3,698,928	22,361,720
Unallowable Costs	23,607	-	23,607	-	23,607
Total allowable oper expenses	\$ 14,832,613	\$ 3,806,572	\$ 18,639,185	\$ 3,698,928	\$ 22,338,113
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

Program/Cost Center Actual Expenses and Revenues Schedule

(continued)

For the year ended September 30, 2012

Expense Categories	Support Services	Administration	Total	Total Center 2012
Personnel expenses:				
Salaries	\$ 531,512	\$ 997,813	\$ 1,529,325	\$ 11,195,024
Fringe benefits	139,714	257,184	396,898	2,881,250
Total personnel expenses	<u>671,226</u>	<u>1,254,997</u>	<u>1,926,223</u>	<u>14,076,274</u>
Other Expenses:				
Medical and pharmacy	2,995	1,980	4,975	2,190,887
Building occupancy	391,722	19,858	411,580	1,922,852
Operating supplies/expenses	113,553	141,646	255,199	895,053
Professional services	3,515	121,604	125,119	1,068,842
Insurance	24,821	45,462	70,283	514,118
Equipment costs	99,084	35,802	134,886	623,043
Food costs and services	17,860	1,216	19,076	260,775
Subcontracted services	56,382	18,835	75,217	459,981
Interest	9,074	22,888	31,962	168,024
Travel	1,659	16,089	17,748	114,584
Donated services	-	-	-	67,287
Total other expenses	<u>720,665</u>	<u>425,380</u>	<u>1,146,045</u>	<u>8,285,446</u>
Total personnel and other expenses	<u>1,391,891</u>	<u>1,680,377</u>	<u>3,072,268</u>	<u>22,361,720</u>
Distributed Indirect Costs:				
Other support	(1,391,891)	-	(1,391,891)	-
Administration	-	(1,680,377)	(1,680,377)	-
Total distr'd indirect costs	<u>(1,391,891)</u>	<u>(1,680,377)</u>	<u>(3,072,268)</u>	<u>-</u>
Total Actual Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,361,720</u>
Unallowable Costs	-	-	-	23,607
Total allowable oper expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,338,113</u>
Capital expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Schedule of State Earnings

For the Twelve Months Ending June 30, 2012

Total Expenditures	\$ 23,490,526
Less:	
Other State and Federal funds	(6,108,051)
Non-Match SAMH funds	(2,790,044)
Unallowable costs	<u>23,607</u>
Net allowable expenditures	<u>14,616,038</u>
Maximum available earnings (75% of allowable expenditures)	<u>10,962,029</u>
Amount of State funds requiring match	6,229,630
Amount due to Department of Children and Families	<u><u>\$ -</u></u>

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
Schedule of Bed-Day Availability Payments
For the Twelve Months Ending June 30, 2012

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Gov't or other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units Payable by the Department	Amount Owed to Department
Adult MH	Inpatient	\$ 361.44	16,104	4,956	11,148	\$ 2,586,854	\$ 4,029,333	NONE
Adult MH	Crisis stabilization	\$ 331.74	2,928	1,815	1,113	\$ 367,254	\$ 369,227	NONE
Adult SA	Detoxification	\$ 218.53	1,464	747	717	\$ 57,548	\$ 156,686	NONE
Children's MH	Crisis stabilization	\$ 331.74	732	251	481	\$ 129,420	\$ 159,567	NONE

The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary
Schedule of Related Party Transaction Adjustments
For the year ended September 30, 2012

This schedule is not applicable for the current year. No related party transactions were identified.



KMETZ NUTTALL ELWELL GRAHAM, PLLC
Certified Public Accountants

**Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
The Jerome Golden Center for Behavioral Health, Inc.

We have audited the financial statements of The Jerome Golden Center for Behavioral Health, Inc. (the Center) (a nonprofit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated March 15, 2013. 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 Center is responsible for establishing and maintaining effective internal control 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 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 management, the Board of Directors, the Finance Committee, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Kmetz, Nuttall, Elwell, Graham". The signature is written in a cursive, flowing style.

Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

March 15, 2013



KMETZ NUTTALL • ELWELL • GRAHAM, PLLC
Certified Public Accountants

Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General

To the Board of Directors
The Jerome Golden Center for Behavioral Health, Inc.

Compliance

We have audited Jerome Golden Center for Behavioral Health, 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 *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 financial assistance projects for the year ended September 30, 2012. The Center's 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 financial assistance projects is the responsibility of the Centers' 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, 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 financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Center's compliance with those requirements.

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

Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance 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 financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing our 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 and state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 financial assistance 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, the Finance Committee, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

March 15, 2013

**The Jerome Golden Center for Behavioral Health, Inc.
and Subsidiary
Schedule of Findings and Questioned Costs
Federal Awards Programs and State Financial Assistance Projects
Year Ended September 30, 2012**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of The Jerome Golden Center for Behavioral Health, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report.
3. No instances of noncompliance material to the financial statements of The Jerome Golden Center for Behavioral Health, Inc. were disclosed during our audit.
4. No significant deficiencies relating to the audit of the major federal award program and/or state financial assistance projects is reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General.
5. The auditor's report on compliance for the major federal award program and state financial assistance projects for The Jerome Golden Center for Behavioral Health, Inc. expresses an unqualified opinion.
6. No audit findings or questioned costs relative to major federal award programs and state financial assistance projects, as are required to be reported under OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, are reported in Part C of this schedule.

**The Jerome Golden Center for Behavioral Health, Inc.
and Subsidiary
Schedule of Findings and Questioned Costs
Federal Awards Programs and State Financial Assistance Projects
Year Ended September 30, 2012 (continued)**

7. The program/projects tested as major program/projects include:

Federal Programs:	Federal CFDA No.
Department of Health and Human Services:	
Pass Through from Florida Department of Children & Families: Alcohol, Drug Abuse and Mental Health Services	93.150
Department of Housing and Urban Development:	
Pass Through from City of West Palm Beach, Florida Housing Opportunities for Persons with AIDS	14.241
Main Center HVAC Project	14.218
Department of Justice:	
Pass Through from Palm Beach County, Florida Criminal Justice Commission Justice and Mental Health Collaboration Program	16.745
Department of Agriculture:	
Pass Through from Florida Department of Elder Affairs Children and Adult Care Food Program	10.558
Department of Education:	
Pass Through from Florida Department of Education Employment and Supportive Employment Services	84.126
State Projects:	State CSFA No.
Florida Department of Children & Families:	
Alcohol, Drug Abuse and Mental Health Services	60.006

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

B. Findings - Financial Statements Audit - None

C. Findings and Questioned Costs - Major Federal Award Program and/or Major State Financial Assistance Project Audits - None

**The Jerome Golden Center for Behavioral Health, Inc.
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2012**

There were no instances of findings or questioned costs for major federal award programs or major state financial assistance projects in prior years.



KMETZ NUTTALL ELWELL GRAHAM, PLLC
Certified Public Accountants

Management Letter

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

We have completed our audit of the financial statements of The Jerome Golden Center for Behavioral Health, Inc. (the Center) for the year ended September 30, 2012, and issued our reports thereon dated March 15, 2013.

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters, Independent Auditor's report on Compliance with Requirements Applicable to each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 15, 2013, 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, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, there were no matters that are required to be disclosed.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

No current year findings.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

No prior year findings.

This management letter is intended for the information of the Board of Directors, the Finance Committee, management, federal and state awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

March 15, 2013