

**NEW HORIZONS OF THE
TREASURE COAST, INC.**

**Financial Statements
with
Independent Auditors' Report**

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

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KMETZ NUTTALL ELWELL GRAHAM, PLLC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
New Horizons of the Treasure Coast, Inc.

We have audited the accompanying statement of financial position of New Horizons of the Treasure Coast, Inc. (New Horizons) (a nonprofit organization) as of June 30, 2012, and the related statements of activities and changes in net assets, statement of functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of New Horizon's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 financial statements referred to above present fairly, in all material respects, the financial position of New Horizons as of June 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 December 20, 2012, on our consideration of New Horizons' 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 New Horizons 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 program/cost center actual expenses and revenues schedule, schedule of revenues, schedule of state earnings, schedule of bed-day availability payments, schedule of related party transaction adjustments, and schedule of local financial assistance are also presented for additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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
December 20, 2012

New Horizons of the Treasure Coast, Inc.
Statement of Financial Position
June 30, 2012
(With comparative totals for 2011)

	2012	2011
		Total (memo only)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 4,483,115	\$ 3,664,396
Patient accounts receivable, less allowance for uncollectible accounts of \$1,109,905	643,586	742,777
Public support receivable	969,735	592,287
Pledges receivable - current portion	67,394	179,112
Inventory - pharmaceuticals/supplies	106,606	89,894
Prepaid expenses and other current assets	179,745	194,365
Total current assets	6,450,181	5,462,831
Other Assets:		
Pledges receivable - less current portion	400	1,520
Deposits	61,841	80,016
Loan costs, net of amortization	84,915	75,273
Total other assets	147,156	156,809
Property and Equipment, net	10,452,468	10,928,944
Total assets	\$ 17,049,805	\$ 16,548,584
Liabilities and Unrestricted Net Assets		
Current Liabilities:		
Accounts payable	\$ 232,457	\$ 318,599
Accrued expenses	706,716	646,461
Patient deposits and employee funds	43,188	63,827
Current portion of long-term debt	149,145	122,111
Total current liabilities	1,131,506	1,150,998
Long-Term Liabilities:		
Long-term debt less current portion	4,155,802	4,320,375
Net Assets		
Unrestricted		
Designated	500,000	-
Undesignated	11,262,497	11,077,211
Total Net Assets	11,762,497	11,077,211
Total liabilities and net assets	\$ 17,049,805	\$ 16,548,584

See accompanying notes to financial statements.

New Horizons of the Treasure Coast, Inc.
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2012
(With comparative totals for 2011)

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total (memo only)
Revenues and other support				
Department of Children & Families				
Alcohol, Drug Abuse and Mental Health	\$ 12,490,015	\$ -	\$ 12,490,015	\$ 12,064,752
County and other government grants	2,910,513	-	2,910,513	3,060,856
Contributions and donations	257,512	-	257,512	314,114
Patient fees	5,861,368	-	5,861,368	5,577,292
In-kind contributions	1,450,645	-	1,450,645	1,146,069
Interest	2,030	-	2,030	3,769
Other income	25,659	-	25,659	31,460
Total revenues and other support	22,997,742	-	22,997,742	22,198,312
Expenses				
Program services:				
Case Management	729,265	-	729,265	703,811
Forensic Case Management	107,825	-	107,825	108,550
Intensive Case Management	467,616	-	467,616	535,724
Mobile Crisis	285,452	-	285,452	349,922
Residential Level I - SRT	1,425,637	-	1,425,637	1,437,655
Residential IV - CSS	318,657	-	318,657	324,211
Crisis Stabilization	2,474,817	-	2,474,817	2,502,653
Outpatient Treatment	410,223	-	410,223	348,908
Crisis Support/Emergency	1,197,852	-	1,197,852	1,060,910
Outpatient Medical Services	3,572,505	-	3,572,505	2,925,852
Supported Community Services	688,719	-	688,719	698,917
Criminal Justice St. Lucie Co.	422,976	-	422,976	544,326
FACT	1,123,515	-	1,123,515	1,172,332
ASA Independence Recovery	311,192	-	311,192	291,832
ASA Outpatient Treatment	36,574	-	36,574	68,661
Detox Residential	826,772	-	826,772	848,159
Family Intervention	202,367	-	202,367	204,642
CMH Case Management	435,690	-	435,690	474,166
CMH Outpatient Treatment	836,150	-	836,150	766,580
CMH Medical Services	310,885	-	310,885	359,811
CMH Crisis Stabilization	1,846,329	-	1,846,329	1,514,490
Prevention-SAP	670,396	-	670,396	643,902
Non-State Funded SAMH Cost Centers	354,126	-	354,126	336,476
Non-SAMH Cost Centers	2,919	-	2,919	2,779
Total program services	19,058,459	-	19,058,459	18,225,269
Supporting services:				
Administration	2,248,583	-	2,248,583	2,307,730
Support services	1,005,414	-	1,005,414	1,618,132
Total supporting services	3,253,997	-	3,253,997	3,925,862
Total expenses	22,312,456	-	22,312,456	22,151,131
Increase in net assets	685,286	-	685,286	47,181
Net assets, beginning of year	11,077,211	-	11,077,211	11,030,030
Net assets, end of year	\$ 11,762,497	\$ -	\$ 11,762,497	\$ 11,077,211

See accompanying notes to financial statements.

New Horizons of the Treasure Coast, Inc.

Statement of Functional Expenses

For the year ended June 30, 2012

(With comparative totals for 2011)

	Program Services							
	Case Management	Forensic Case Management	Intensive Case Management	Mobile Crisis	Residential Level I SRT	Residential IV CSS	Crisis Stabilization	Outpatient Treatment
Personnel expenses:								
Salaries	\$ 455,386	\$ 39,504	\$ 292,619	\$ 193,085	\$ 821,480	\$ 38,846	\$ 1,382,784	\$ 269,548
Fringe benefits	107,547	12,705	74,138	41,222	190,075	3,283	308,747	63,106
Total personnel expenses	562,933	52,209	366,757	234,307	1,011,555	42,129	1,691,531	332,654
Other Expenses:								
Building occupancy	44,034	1,978	24,224	11,130	41,325	20	75,878	26,919
Professional services	-	-	-	-	36,225	-	178,370	-
Travel	9,568	4,415	6,690	1,567	1,359	2	5,624	2,340
Equipment costs	4,499	891	3,491	1,332	8,226	197	16,307	4,652
Food services	202	-	98	-	105,752	-	138,359	-
Medical and pharmacy	16	2	6	6	67,619	1	105,513	18
Subcontracted services	18,896	2,248	13,045	6,961	36,622	78	68,841	13,970
Depreciation	13,813	1,746	10,166	7,777	27,648	8	52,856	7,984
Insurance	14,147	1,771	9,737	9,434	31,457	18	56,019	9,308
Interest	-	-	-	7,558	24,525	-	46,986	3,245
Telephone	24,014	2,497	14,455	3,612	4,992	5	7,626	5,588
Operating supplies/expenses	4,565	244	2,226	1,719	7,001	81	19,490	3,098
Other expenses	32,578	39,824	16,721	49	21,331	276,118	11,417	447
Total other expenses	166,332	55,616	100,859	51,145	414,082	276,528	783,286	77,569
Total expenses	\$ 729,265	\$ 107,825	\$ 467,616	\$ 285,452	\$ 1,425,637	\$ 318,657	\$ 2,474,817	\$ 410,223

New Horizons of the Treasure Coast, Inc.

Statement of Functional Expenses (continued)

For the year ended June 30, 2012

(With comparative totals for 2011)

	Program Services							
	Crisis Support/ Emergency	Outpatient Medical Services	Supported Community Services	Criminal Justice St. Lucie Co.	FACT	ASA Independence Recovery	ASA Outpatient Treatment	Detox Residential
Personnel expenses:								
Salaries	\$ 817,006	\$ 1,124,320	\$ 430,128	\$ 208,326	\$ 607,911	\$ 161,561	\$ 24,558	\$ 474,367
Fringe benefits	168,036	210,040	103,940	51,289	123,759	47,391	5,160	97,357
Total personnel expenses	985,042	1,334,360	534,068	259,615	731,670	208,952	29,718	571,724
Other Expenses:								
Building occupancy	47,077	46,494	42,178	933	15,739	20,171	1,046	26,012
Professional services	-	459,175	-	-	-	-	-	52,535
Travel	496	3,369	13,202	1,736	16,296	3,516	3,186	387
Equipment costs	10,814	7,841	4,716	707	5,344	2,927	99	6,715
Food services	11,879	20	4,314	-	582	32,218	-	60,833
Medical and pharmacy	5,158	1,553,737	19	28,884	1,911	2,928	1	21,498
Subcontracted services	43,269	53,255	18,080	8,172	23,254	7,475	581	22,794
Depreciation	19,091	32,586	17,533	3,903	18,900	6,983	372	16,857
Insurance	23,979	56,616	20,748	6,119	30,739	8,811	390	16,289
Interest	30,873	4,170	-	-	-	8,441	-	15,031
Telephone	6,001	9,947	15,280	2,966	19,936	3,533	211	2,226
Operating supplies/expenses	13,529	10,422	2,968	1,176	4,000	2,466	967	6,828
Other expenses	644	513	15,613	108,765	255,144	2,771	3	7,043
Total other expenses	212,810	2,238,145	154,651	163,361	391,845	102,240	6,856	255,048
Total expenses	\$ 1,197,852	\$ 3,572,505	\$ 688,719	\$ 422,976	\$ 1,123,515	\$ 311,192	\$ 36,574	\$ 826,772

New Horizons of the Treasure Coast, Inc.
Statement of Functional Expenses (continued)
For the year ended June 30, 2012
(With comparative totals for 2011)

	Program Services								
	Family Intervention	CMH Case Management	CMH Outpatient Treatment	CMH Medical Services	CMH Crisis Stabilization	Prevention SAP	Non-State Funded SAMH Cost Centers	Non-SAMH Cost Centers	Total Program Services
Personnel expenses:									
Salaries	\$ 103,555	\$ 241,892	\$ 467,722	\$ 228,076	\$ 983,768	\$ 431,943	\$ 234,388	\$ -	\$ 10,032,773
Fringe benefits	25,704	59,087	97,442	38,153	193,361	102,518	50,522	-	2,174,582
Total personnel expenses	129,259	300,979	565,164	266,229	1,177,129	534,461	284,910	-	12,207,355
Other Expenses:									
Building occupancy	13,214	25,515	23,940	4,723	75,598	29,936	13,137	-	611,221
Professional services	-	-	-	-	51,695	-	988	-	778,988
Travel	2,105	10,241	20,913	3,207	17	12,449	4,889	-	127,574
Equipment costs	1,043	2,379	3,387	1,044	10,251	3,853	2,026	-	102,741
Food services	-	35	-	-	70,336	-	6,819	-	431,447
Medical and pharmacy	4	4	624	9	42,080	24	4	2,919	1,832,985
Subcontracted services	35,629	38,520	181,905	21,926	82,270	16,661	8,777	-	723,229
Depreciation	3,419	7,062	10,485	4,659	150,797	8,449	6,374	-	429,468
Insurance	3,762	7,295	12,227	6,134	33,368	13,087	11,687	-	383,142
Interest	-	-	-	-	128,460	-	1,509	-	270,798
Telephone	5,025	15,973	13,066	1,712	8,711	14,255	2,854	-	184,485
Operating supplies/expenses	892	1,178	2,641	1,099	9,293	19,847	5,661	-	121,391
Other expenses	8,015	26,509	1,798	143	6,324	17,374	4,491	-	853,635
Total other expenses	73,108	134,711	270,986	44,656	669,200	135,935	69,216	2,919	6,851,104
Total expenses	\$ 202,367	\$ 435,690	\$ 836,150	\$ 310,885	\$ 1,846,329	\$ 670,396	\$ 354,126	\$ 2,919	\$ 19,058,459

New Horizons of the Treasure Coast, Inc.
Statement of Functional Expenses (continued)
For the year ended June 30, 2012
(With comparative totals for 2011)

			2012	2011	
Supporting Services			Total	Total (memo only)	
	Administration	Support Services	Total		
Personnel expenses:					
Salaries	\$ 1,263,945	\$ 946,932	\$ 2,210,877	\$ 12,243,650	\$ 11,951,239
Fringe benefits	280,007	233,698	513,705	2,688,287	2,791,461
Total personnel expenses	1,543,952	1,180,630	2,724,582	14,931,937	14,742,700
Other Expenses:					
Building occupancy	6,509	13,666	20,175	631,396	711,822
Professional services	136,865	-	136,865	915,853	1,151,758
Travel	25,997	9,992	35,989	163,563	169,023
Equipment costs	58,753	28,082	86,835	189,576	221,056
Food services	6,293	(234,696)	(228,403)	203,044	197,995
Medical and pharmacy	5,237	(99,727)	(94,490)	1,738,495	1,574,462
Subcontracted services	101,163	32,177	133,340	856,569	667,194
Depreciation	115,638	8,423	124,061	553,529	510,607
Insurance	59,859	30,681	90,540	473,682	585,756
Interest	-	-	-	270,798	224,989
Telephone	20,767	5,230	25,997	210,482	208,785
Operating supplies/expenses	85,174	30,408	115,582	236,973	252,515
Other expenses	82,376	548	82,924	936,559	932,469
Total other expenses	704,631	(175,216)	529,415	7,380,519	7,408,431
Total expenses	\$ 2,248,583	\$ 1,005,414	\$ 3,253,997	\$ 22,312,456	\$ 22,151,131

See accompanying notes to financial statements.

New Horizons of the Treasure Coast, Inc.

Statement of Cash Flows

For the year ended June 30, 2012

(With comparative totals for 2011)

	2012	2011
		Total (memo only)
Cash flows from operating activities:		
Increase in net assets	\$ 685,286	\$ 47,181
Adjustments to reconcile increase in unrestricted net assets to net cash flows provided by operating activities		
Depreciation	553,529	510,607
Amortization	4,826	4,163
Loss on disposal of property and equipment	21,067	2,461
(Increase) decrease in:		
Patient accounts receivable, net	99,191	(274,010)
Public support receivable	(377,448)	463,105
Pledges receivable	112,838	(50,597)
Inventory - pharmaceuticals/supplies	(16,712)	20,445
Prepaid expenses and other current assets	14,620	(49,476)
Deposits	18,175	10,018
Increase (decrease) in:		
Accounts payable	(86,142)	(100,012)
Accrued expenses	60,255	103,068
Contract and retainage payable	-	(581,866)
Patient deposits and employee funds	(20,639)	(9,016)
Net cash provided by operating activities	1,068,846	96,071
Cash flows from investing activities:		
Purchase of buildings and equipment	(98,120)	(812,012)
Net cash used for investing activities	(98,120)	(812,012)
Cash flows from financing activities:		
Proceeds from line of credit	-	1,252,950
Payments on long-term debt	(137,539)	(66,957)
Payments for loan costs on consolidated debt	(14,468)	-
Net cash provided by (used for) financing activities	(152,007)	1,185,993
Net increase in cash	818,719	470,052
Cash and cash equivalents, beginning of year	3,664,396	3,194,344
Cash and cash equivalents, end of year	\$ 4,483,115	\$ 3,664,396
<i>See accompanying notes to financial statements.</i>		
Supplemental disclosures:		
Cash paid for interest	\$ 270,798	\$ 276,373

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Organization

New Horizons of the Treasure Coast, Inc. (New Horizons) is a Florida nonprofit organization incorporated in September 1958 to provide treatment, counseling, and prevention for mental health, drug, and alcohol related problems to residents of St. Lucie, Indian River, Martin, and Okeechobee Counties, Florida.

Method of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principals, using the accrual basis of accounting.

Basis of Presentation

In accordance with ASC 958-205-05-6, New Horizons reports 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. New Horizons has no temporarily or permanently restricted net assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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.

New Horizons receives contributed services, including counseling, instruction, and other volunteer services related to each of its programs. These services do not meet ASC 958-605-25-16 criteria for recognizing donated services, and accordingly, are not recognized as revenue in the accompanying financial statements.

Costs incurred for soliciting contributions and for promotional materials, as well as costs of holding fundraising events, are recorded as fundraising expenses and are included in general and administrative expenses in the accompanying financial statements.

Public Support

Public support 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 units of service of the specific grant provisions have been incurred or provided. Such revenue is subject to audit by the grantor and, if the examination results in a non-allowance of units of service or expenses, New Horizons will be required to reimburse any overpayments.

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Public Support, Revenues and Expenses

For purposes of presentation, all transactions are deemed by management to be ongoing, major, or central to the provision of health care services and, accordingly, are recorded as public support, revenues and expenses.

Cash and Cash Equivalents

New Horizons classifies all highly liquid investments with a maturity of 90 days or less when purchased as cash equivalents. At June 30, 2012, cash included patient custodial accounts of \$33,101.

Inventories

Inventories of medical, office and janitorial supplies and forms are stated at the lower of cost or market, with cost determined on a first-in, first-out basis (FIFO).

Property and Equipment

Property and equipment acquisitions greater than \$1,000 is capitalized and is 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. Amortization of equipment under capital leases is included in depreciation expense and accumulated depreciation.

Estimated useful lives of property and equipment range as follows:

Land and improvements	5 - 25 years
Building and improvements	5 - 40 years
Furniture and equipment	3 - 20 years
Leasehold improvements	3 - 20 years

Fixed assets acquired by New Horizons with state monies are considered to be owned by New Horizons. Florida administrative code provides that real property purchased, constructed, or expanded with state funds shall be used for the originally authorized purpose for a period of twenty years. If the property is not used for the originally authorized purpose for twenty years, the state maintains an equitable interest in the property purchased as well as the right to determine the use of any proceeds from the sale of these assets. New Horizons obtains approval from the state when the use of such property is changed. The following is a schedule of fixed assets, which have a twenty-year limitation:

Year	Description	
2010	Childrens Crisis and Stabilization Unit	\$ 1,590,000
2001	SRT renovations	315,800
2000	Land-Midway Road	550,000
1997	Crisis Stabilization Unit	4,350,000
		\$ 6,805,800

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

New Horizons has purchased certain equipment and beds with Federal and State funds in the amounts of \$83,564 and \$493,810, respectively. These assets are restricted for specific purpose and the grantors maintain the right to reclaim equipment at the end of the contract period or if the contract is terminated.

Concentration of Credit Risk

New Horizons grants credit without collateral to its patients. Credit losses are provided for in the accompanying financial statements as an allowance for uncollectible patient accounts receivable, and have consistently been within management's expectations.

Income Tax Status

New Horizons is 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. New Horizons believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. In addition New Horizons has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 December 20, 2012, the date the financial statements were available to be issued.

Note 2 – Uninsured Cash and Cash Equivalent Balances

Cash accounts at banking institutions and credit unions are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) up to \$250,000 and money market funds maintained with brokerage firms are insured by the Securities Investor Protection Corporation (SIPC) up to \$250,000. In addition, New Horizons held cash used for operating purposes in non-interest bearing accounts that were participating in the FDIC Transaction Account Guarantee Program which fully guarantees the entire account balance. There were no amounts in excess of combined insured limits at June 30, 2012.

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements (continued)

Note 3 – Pledges Receivable

Pledges receivable consist of the following at June 30, 2012:

	Due in 1 Year	Due in 1 - 5 Years	Total
Capital campaign pledges receivable	\$ 67,394	\$ 400	\$ 67,794
Less:			
Allowance for uncollectible pledges	-	-	-
Net pledges receivable	\$ 67,394	\$ 400	\$ 67,794

The effect of a discount rate on the pledges receivable has been determined to be immaterial to these financial statements. Uncollectible pledges are expected to be insignificant. The capital campaign pledges receivable were restricted in use for construction related costs and expenses of the new facility, however because the costs have already been incurred, the restriction has been met.

Note 4 – Property and Equipment, net

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Land and improvements	\$ 1,759,065	\$ 28,283	\$ -	\$ 1,787,348
Building and improvements	12,239,936	40,847	(46,193)	12,234,590
Furniture and equipment	1,977,867	28,990	(63,777)	1,943,080
Leasehold improvements	35,417	-	-	35,417
	16,012,285	98,120	(109,970)	16,000,435
Accumulated depreciation	(5,083,341)	(553,529)	88,903	(5,547,967)
	\$ 10,928,944	\$ (455,409)	\$ (21,067)	\$ 10,452,468

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements (continued)

Note 5 – Line of Credit

New Horizons opened a bank line of credit on August 19, 2009 for \$1,000,000 with an initial term of one year. The line of credit has been renewed twice and was extended through March 1, 2013. The interest rate is equal to the Wall Street Journal Prime Rate or 6%, whichever is higher. Interest is payable monthly. The line of credit is secured by a Security Agreement and UCC Financing Statement which encumbers personal property, inventory and receivables situated in St. Lucie County, Florida. The loan balance at June 30, 2012 was \$0.

Note 6 – Long-Term Debt

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

Mortgage payable, secured by real estate and fixtures situated in St. Lucie County, Florida, due August 2029, monthly principal and interest payments of \$34,499, at a fixed interest rate of 6.25% for the first five years, and then adjusted to an index rate plus 375 basis points with a minimum interest rate of 6.5% and adjusted every five years until maturity in this manner.	\$ 4,304,947
	<hr/> 4,304,947
Less amounts due within one year	(149,145)
	<hr/> \$ 4,155,802 <hr/> <hr/>

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements (continued)

Note 6 – Long-Term Debt (continued)

The following schedule represents aggregate maturities on long-term debt:

Year Ending June 30,	
2013	\$ 149,145
2014	158,739
2015	168,949
2016	179,816
2017	191,382
Thereafter	3,456,916
	\$4,304,947

New Horizons must comply with the provisions and covenants of the promissory notes or face default. New Horizons met the required financial ratios for the year ended June 30, 2012.

Interest expense, which approximated interest paid, was \$270,798 for the year ended June 30, 2012.

Note 7 – Net Assets

Net assets, designated consist of resources that have been voluntarily set aside by the Board of Directors of New Horizons for future capital projects.

Note 8 – Patient Fees for Services

New Horizons provides services to patients regardless of their ability to pay or access to third-party medical insurance coverage. Patient fees for services are recorded from sliding fee scales and other reimbursement methods which are based on an assessment of the patient's ability to pay. New Horizons provides care to patients who meet certain criteria under its charity care policy at amounts less than its established rates. Since New Horizons does not pursue collection of amounts determined to qualify as charity care, it is not reported as revenue. Unreimbursed charity care provided is excluded from gross patient service revenue.

Patient fees for services are stated net of contractual adjustments and bad debts. Charity services provided were \$14,802,802 for the year ended June 30, 2012. This amount is excluded from gross patient revenues.

Patient fees for services consist of the following:

Gross patient revenue	\$ 10,390,875
Less:	
Provision for contractual adjustments	3,869,327
Provision for bad debts	660,180
	\$ 5,861,368

New Horizons of the Treasure Coast, Inc.

Notes to Financial Statements (continued)

Note 9 – In-Kind Contributions

New Horizons receives donated medication from pharmaceutical companies for eligible needy clients and has estimated the value to be \$1,450,645 for the year ended June 30, 2012. This amount has been recognized in the accompanying financial statements as an in-kind contribution and as medical and pharmacy expense.

Note 10 – Retirement Plan

New Horizons participates in a defined contribution retirement plan covering substantially all eligible employees, which is based on a minimum length of service. New Horizons' contribution to the Plan is equal to a percentage of the compensation of participants. Effective May 25, 2006, contribution rates decreased from a range of 2% to 6% to the new range of 1% to 3%. However, participants must make contributions representing percentages of their gross salary, ranging from 1% to 3%, in order to obtain employer matching benefits. New Horizons' contribution to the retirement plan for the year ended June 30, 2012, was \$191,348.

Note 11 – Operating Leases

New Horizons leases various facilities from third parties. Rental expense incurred under operating leases for the year ending June 30, 2012, amounted to \$144,482. The future minimum rental payments are as follows:

June 30, 2013	\$ 123,826
June 30, 2014	65,806
June 30, 2015	29,681
	<hr/> <hr/> \$ 219,313

Note 12 – Malpractice and Professional Liability Insurance

New Horizons has an occurrence-based medical malpractice and professional liability policy. The policy coverage is limited to \$1,000,000 per occurrence and \$3,000,000 in aggregate, with no self-insured retention.

Management is unaware of any claim against New Horizons 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 13 – Dependency on Governmental Support

New Horizons 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.

ADDITIONAL INFORMATION

New Horizons of the Treasure Coast, Inc.
 Program/Cost Center Actual Expenses and Revenues Schedule
 For the year ended June 30, 2012

	Program Services				
	Case Management	Forensic Case Management	Intensive Case Management	Mobile Crisis	Residential Level I SRT
Funding Sources and Revenues					
State SAMH Funding:					
District 15	\$ 321,333	\$ 123,221	\$ 245,066	\$ 282,972	\$ 1,691,099
Other Gov't Funding:					
Other State Agency funding	-	-	-	-	-
Medicaid	176,451	-	140,762	-	-
Other government	133,827	-	144,261	44,153	-
Total other gov't funding	310,278	-	285,023	44,153	-
All Other Revenues					
1st and 2nd party payments	10,290	-	716	-	16,565
3rd party pymts (except Medicare)	329,683	-	103,832	-	19,808
Medicare	-	-	-	-	-
Contributions and donations	912	212	412	-	267
Other income	-	-	-	-	(5,343)
In-kind	-	-	-	-	-
Total all other revenues	340,885	212	104,960	-	31,297
Total funding	\$ 972,496	\$ 123,433	\$ 635,049	\$ 327,125	\$ 1,722,396
Expense Categories					
Personnel expenses:					
Salaries	\$ 455,386	\$ 39,504	\$ 292,619	\$ 193,085	\$ 821,480
Fringe benefits	107,547	12,705	74,138	41,222	190,075
Total personnel expenses	562,933	52,209	366,757	234,307	1,011,555
Other Expenses:					
Building occupancy	44,034	1,978	24,224	11,130	41,325
Professional services	-	-	-	-	36,225
Travel	9,568	4,415	6,690	1,567	1,359
Equipment costs	4,499	891	3,491	1,332	8,226
Food services	202	-	98	-	105,752
Medical and pharmacy	16	2	6	6	67,619
Subcontracted services	18,896	2,248	13,045	6,961	36,622
Depreciation	13,813	1,746	10,166	7,777	27,648
Insurance	14,147	1,771	9,737	9,434	31,457
Interest	-	-	-	7,558	24,525
Telephone	24,014	2,497	14,455	3,612	4,992
Operating supplies/expenses	4,565	244	2,226	1,719	7,001
Other expenses	32,578	39,824	16,721	49	21,331
Total other expenses	166,332	55,616	100,859	51,145	414,082
Total personnel and other expenses	729,265	107,825	467,616	285,452	1,425,637
Distributed Indirect Costs:					
Administration	78,874	10,450	52,233	29,641	165,915
Other support	42,035	6,275	30,578	17,994	105,401
Total distr'd indirect costs	120,909	16,725	82,811	47,635	271,316
Total Actual Operating Expenses	850,174	124,550	550,427	333,087	1,696,953
Unallowable Costs	4,585	580	3,385	2,603	9,262
Total allowable oper expenses	\$ 845,589	\$ 123,970	\$ 547,042	\$ 330,484	\$ 1,687,691
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ 6,788

New Horizons of the Treasure Coast, Inc.

Program/Cost Center Actual Expenses and Revenues Schedule (continued)

For the year ended June 30, 2012

	Program Services				
	Residential IV CSS	Crisis Stabilization	Outpatient Treatment	Crisis Support/ Emergency	Outpatient Medical Services
Funding Sources and Revenues					
State SAMH Funding:					
District 15	\$ 421,421	\$ 2,196,013	\$ -	\$ 1,238,383	\$ 1,673,095
Other Gov't Funding:					
Other State Agency funding	-	-	-	-	-
Medicaid	-	-	60,203	-	187,118
Other government	-	225,904	14,669	163,450	84,497
Total other gov't funding	-	225,904	74,872	163,450	271,615
All Other Revenues					
1st and 2nd party payments	87,260	82,275	(6,619)	(497)	21,107
3rd party pymts (except Medicare)	-	657,561	304,214	14,204	729,198
Medicare	-	-	75,779	-	182,389
Contributions and donations	-	167	-	-	-
Other income	-	(4,614)	-	167	-
In-kind	-	-	-	-	1,448,145
Total all other revenues	87,260	735,389	373,374	13,874	2,380,839
Total funding	\$ 508,681	\$ 3,157,306	\$ 448,246	\$ 1,415,707	\$ 4,325,549
Expense Categories					
Personnel expenses:					
Salaries	\$ 38,846	\$ 1,382,784	\$ 269,548	\$ 817,006	\$ 1,124,320
Fringe benefits	3,283	308,747	63,106	168,036	210,040
Total personnel expenses	42,129	1,691,531	332,654	985,042	1,334,360
Other Expenses:					
Building occupancy	20	75,878	26,919	47,077	46,494
Professional services	-	178,370	-	-	459,175
Travel	2	5,624	2,340	496	3,369
Equipment costs	197	16,307	4,652	10,814	7,841
Food services	-	138,359	-	11,879	20
Medical and pharmacy	1	105,513	18	5,158	1,553,737
Subcontracted services	78	68,841	13,970	43,269	53,255
Depreciation	8	52,856	7,984	19,091	32,586
Insurance	18	56,019	9,308	23,979	56,616
Interest	-	46,986	3,245	30,873	4,170
Telephone	5	7,626	5,588	6,001	9,947
Operating supplies/expenses	81	19,490	3,098	13,529	10,422
Other expenses	276,118	11,417	447	644	513
Total other expenses	276,528	783,286	77,569	212,810	2,238,145
Total personnel and other expenses	318,657	2,474,817	410,223	1,197,852	3,572,505
Distributed Indirect Costs:					
Administration	55,756	337,314	63,382	154,615	289,027
Other support	-	213,143	29,034	82,737	117,576
Total distr'd indirect costs	55,756	550,457	92,416	237,352	406,603
Total Actual Operating Expenses	374,413	3,025,274	502,639	1,435,204	3,979,108
Unallowable Costs	2	17,718	2,664	6,295	10,998
Total allowable oper expenses	\$ 374,411	\$ 3,007,556	\$ 499,975	\$ 1,428,909	\$ 3,968,110
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

New Horizons of the Treasure Coast, Inc.

Program/Cost Center Actual Expenses and Revenues Schedule (continued)

For the year ended June 30, 2012

	Program Services				
	Supported Community Services	Criminal Justice St. Lucie Co.	FACT	Total AMH Revenues	ASA Independence Recovery
Funding Sources and Revenues					
State SAMH Funding:					
District 15	\$ 525,385	\$ 70,000	\$ 1,254,400	\$ 10,042,388	\$ 110,692
Other Gov't Funding:					
Other State Agency funding	-	-	-	-	-
Medicaid	148,700	(120)	-	713,114	-
Other government	130,361	411,159	-	1,352,281	146,076
Total other gov't funding	279,061	411,039	-	2,065,395	146,076
All Other Revenues					
1st and 2nd party payments	(3,768)	38	(3)	207,364	93,120
3rd party pymts (except Medicare)	180,761	-	-	2,339,261	-
Medicare	-	820	-	258,988	-
Contributions and donations	413	100	750	3,233	-
Other income	1,131	-	(1,337)	(9,996)	-
In-kind	-	-	-	1,448,145	-
Total all other revenues	178,537	958	(590)	4,246,995	93,120
Total funding	\$ 982,983	\$ 481,997	\$ 1,253,810	\$ 16,354,778	\$ 349,888
Expense Categories					
Personnel expenses:					
Salaries	\$ 430,128	\$ 208,326	\$ 607,911	\$ 6,680,943	\$ 161,561
Fringe benefits	103,940	51,289	123,759	1,457,887	47,391
Total personnel expenses	534,068	259,615	731,670	8,138,830	208,952
Other Expenses:					
Building occupancy	42,178	933	15,739	377,929	20,171
Professional services	-	-	-	673,770	-
Travel	13,202	1,736	16,296	66,664	3,516
Equipment costs	4,716	707	5,344	69,017	2,927
Food services	4,314	-	582	261,206	32,218
Medical and pharmacy	19	28,884	1,911	1,762,890	2,928
Subcontracted services	18,080	8,172	23,254	306,691	7,475
Depreciation	17,533	3,903	18,900	214,011	6,983
Insurance	20,748	6,119	30,739	270,092	8,811
Interest	-	-	-	117,357	8,441
Telephone	15,280	2,966	19,936	116,919	3,533
Operating supplies/expenses	2,968	1,176	4,000	70,519	2,466
Other expenses	15,613	108,765	255,144	779,164	2,771
Total other expenses	154,651	163,361	391,845	5,086,229	102,240
Total personnel and other expenses	688,719	422,976	1,123,515	13,225,059	311,192
Distributed Indirect Costs:					
Administration	74,675	36,229	83,583	1,431,694	29,511
Other support	37,629	16,043	41,116	739,561	21,527
Total distr'd indirect costs	112,304	52,272	124,699	2,171,255	51,038
Total Actual Operating Expenses	801,023	475,248	1,248,214	15,396,314	362,230
Unallowable Costs	-	1,283	6,155	65,530	2,326
Total allowable oper expenses	\$ 801,023	\$ 473,965	\$ 1,242,059	\$ 15,330,784	\$ 359,904
Capital expenditures	\$ -	\$ -	\$ 24,446	\$ 41,699	\$ -

New Horizons of the Treasure Coast, Inc.

Program/Cost Center Actual Expenses and Revenues Schedule (continued)

For the year ended June 30, 2012

	Program Services				
	ASA Outpatient Treatment	Detox Residential	Family Intervention	Total ASA Revenues	CMH Case Management
Funding Sources and Revenues					
State SAMH Funding:					
District 15	\$ -	\$ 722,251	\$ 225,823	\$ 1,058,766	\$ 95,776
Other Gov't Funding:					
Other State Agency funding	-	-	-	-	-
Medicaid	8,209	-	-	8,209	36,849
Other government	-	201,511	-	347,587	65,387
Total other gov't funding	8,209	201,511	-	355,796	102,236
All Other Revenues					
1st and 2nd party payments	23,612	557	-	117,289	(725)
3rd party pymts (except Medicare)	607	136,590	-	137,197	309,867
Medicare	696	-	-	696	-
Contributions and donations	-	66	-	66	351
Other income	-	169	-	169	-
In-kind	-	2,500	-	2,500	-
Total all other revenues	24,915	139,882	-	257,917	309,493
Total funding	\$ 33,124	\$1,063,644	\$ 225,823	\$ 1,672,479	\$ 507,505
Expense Categories					
Personnel expenses:					
Salaries	\$ 24,558	\$ 474,367	\$ 103,555	\$ 764,041	\$ 241,892
Fringe benefits	5,160	97,357	25,704	175,612	59,087
Total personnel expenses	29,718	571,724	129,259	939,653	300,979
Other Expenses:					
Building occupancy	1,046	26,012	13,214	60,443	25,515
Professional services	-	52,535	-	52,535	-
Travel	3,186	387	2,105	9,194	10,241
Equipment costs	99	6,715	1,043	10,784	2,379
Food services	-	60,833	-	93,051	35
Medical and pharmacy	1	21,498	4	24,431	4
Subcontracted services	581	22,794	35,629	66,479	38,520
Depreciation	372	16,857	3,419	27,631	7,062
Insurance	390	16,289	3,762	29,252	7,295
Interest	-	15,031	-	23,472	-
Telephone	211	2,226	5,025	10,995	15,973
Operating supplies/expenses	967	6,828	892	11,153	1,178
Other expenses	3	7,043	8,015	17,832	26,509
Total other expenses	6,856	255,048	73,108	437,252	134,711
Total personnel and other expenses	36,574	826,772	202,367	1,376,905	435,690
Distributed Indirect Costs:					
Administration	2,921	127,287	23,113	182,832	41,377
Other support	2,195	71,908	9,780	105,410	19,388
Total distr'd indirect costs	5,116	199,195	32,893	288,242	60,765
Total Actual Operating Expenses	41,690	1,025,967	235,260	1,665,147	496,455
Unallowable Costs	124	5,652	1,136	9,238	2,336
Total allowable oper expenses	\$ 41,566	\$1,020,315	\$ 234,124	\$ 1,655,909	\$ 494,119
Capital expenditures	\$ -	\$ 12,542	\$ -	\$ 12,542	\$ -

New Horizons of the Treasure Coast, Inc.

Program/Cost Center Actual Expenses and Revenues Schedule (continued)

For the year ended June 30, 2012

	Program Services				
	CMH Outpatient Treatment	CMH Medical Services	CMH Crisis Stabilization	Prevention SAP	Total Childrens Services
Funding Sources and Revenues					
State SAMH Funding:					
District 15	\$ 250,054	\$ 54,764	\$ 698,153	\$ 290,114	\$ 1,388,861
Other Gov't Funding:					
Other State Agency funding	103,246	-	-	-	103,246
Medicaid	44,542	10,359	-	-	91,750
Other government	78,229	-	129,400	438,963	711,979
Total other gov't funding	226,017	10,359	129,400	438,963	906,975
All Other Revenues					
1st and 2nd party payments	(1,300)	5,114	40,955	-	44,044
3rd party pymts (except Medicare)	532,217	208,302	889,845	-	1,940,231
Medicare	-	-	-	-	-
Contributions and donations	-	-	253,682	-	254,033
Other income	-	-	(631)	-	(631)
In-kind	-	-	-	-	-
Total all other revenues	530,917	213,416	1,183,851	-	2,237,677
Total funding	\$ 1,006,988	\$ 278,539	\$ 2,011,404	\$ 729,077	\$ 4,533,513
Expense Categories					
Personnel expenses:					
Salaries	\$ 467,722	\$ 228,076	\$ 983,768	\$ 431,943	\$ 2,353,401
Fringe benefits	97,442	38,153	193,361	102,518	490,561
Total personnel expenses	565,164	266,229	1,177,129	534,461	2,843,962
Other Expenses:					
Building occupancy	23,940	4,723	75,598	29,936	159,712
Professional services	-	-	51,695	-	51,695
Travel	20,913	3,207	17	12,449	46,827
Equipment costs	3,387	1,044	10,251	3,853	20,914
Food services	-	-	70,336	-	70,371
Medical and pharmacy	624	9	42,080	24	42,741
Subcontracted services	181,905	21,926	82,270	16,661	341,282
Depreciation	10,485	4,659	150,797	8,449	181,452
Insurance	12,227	6,134	33,368	13,087	72,111
Interest	-	-	128,460	-	128,460
Telephone	13,066	1,712	8,711	14,255	53,717
Operating supplies/expenses	2,641	1,099	9,293	19,847	34,058
Other expenses	1,798	143	6,324	17,374	52,148
Total other expenses	270,986	44,656	669,200	135,935	1,255,488
Total personnel and other expenses	836,150	310,885	1,846,329	670,396	4,099,450
Distributed Indirect Costs:					
Administration	71,147	52,087	177,432	70,112	412,155
Other support	27,537	17,845	88,535	-	153,305
Total distr'd indirect costs	98,684	69,932	265,967	70,112	565,460
Total Actual Operating Expenses	934,834	380,817	2,112,296	740,508	4,664,910
Unallowable Costs	3,462	1,577	39,767	2,761	49,903
Total allowable oper expenses	\$ 931,372	\$ 379,240	\$ 2,072,529	\$ 737,747	\$ 4,615,007
Capital expenditures	\$ -	\$ -	\$ 6,788	\$ -	\$ 6,788

New Horizons of the Treasure Coast, Inc.

Program/Cost Center Actual Expenses and Revenues Schedule (continued)

For the year ended June 30, 2012

	Program Services				
	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
Funding Sources and Revenues					
State SAMH Funding:					
District 15	\$ 12,490,015	\$ -	\$ 12,490,015	\$ -	\$ 12,490,015
Other Gov't Funding:					
Other State Agency funding	103,246	-	103,246	-	103,246
Medicaid	813,073	-	813,073	-	813,073
Other government	2,411,847	395,420	2,807,267	-	2,807,267
Total other gov't funding	3,328,166	395,420	3,723,586	-	3,723,586
All Other Revenues					
1st and 2nd party payments	368,697	-	368,697	3,225	371,922
3rd party pymts (except Medicare)	4,416,689	-	4,416,689	-	4,416,689
Medicare	259,684	-	259,684	-	259,684
Contributions and donations	257,332	-	257,332	-	257,332
Other income	(10,458)	-	(10,458)	-	(10,458)
In-kind	1,450,645	-	1,450,645	-	1,450,645
Total all other revenues	6,742,589	-	6,742,589	3,225	6,745,814
Total funding	\$ 22,560,770	\$ 395,420	\$ 22,956,190	\$ 3,225	\$ 22,959,415
Expense Categories					
Personnel expenses:					
Salaries	\$ 9,798,385	\$ 234,388	\$ 10,032,773	\$ -	\$ 10,032,773
Fringe benefits	2,124,060	50,522	2,174,582	-	2,174,582
Total personnel expenses	11,922,445	284,910	12,207,355	-	12,207,355
Other Expenses:					
Building occupancy	598,084	13,137	611,221	-	611,221
Professional services	778,000	988	778,988	-	778,988
Travel	122,685	4,889	127,574	-	127,574
Equipment costs	100,715	2,026	102,741	-	102,741
Food services	424,628	6,819	431,447	-	431,447
Medical and pharmacy	1,830,062	4	1,830,066	2,919	1,832,985
Subcontracted services	714,452	8,777	723,229	-	723,229
Depreciation	423,094	6,374	429,468	-	429,468
Insurance	371,455	11,687	383,142	-	383,142
Interest	269,289	1,509	270,798	-	270,798
Telephone	181,631	2,854	184,485	-	184,485
Operating supplies/expenses	115,730	5,661	121,391	-	121,391
Other expenses	849,144	4,491	853,635	-	853,635
Total other expenses	6,778,969	69,216	6,848,185	2,919	6,851,104
Total personnel and other expenses	18,701,414	354,126	19,055,540	2,919	19,058,459
Distributed Indirect Costs:					
Administration	2,026,681	38,632	2,065,313	-	2,065,313
Other support	998,276	7,138	1,005,414	-	1,005,414
Total distr'd indirect costs	3,024,957	45,770	3,070,727	-	3,070,727
Total Actual Operating Expenses	21,726,371	399,896	22,126,267	2,919	22,129,186
Unallowable Costs	124,671	851	125,522	-	125,522
Total allowable oper expenses	\$ 21,601,700	\$ 399,045	\$ 22,000,745	\$ 2,919	\$ 22,003,664
Capital expenditures	\$ 61,029	\$ -	\$ 61,029	\$ -	\$ 61,029

New Horizons of the Treasure Coast, Inc.

Program/Cost Center Actual Expenses and Revenues Schedule (continued)

For the year ended June 30, 2012

	Supporting Services			Total
	Administration	Support Services	Total	
Funding Sources and Revenues				
State SAMH Funding:				
District 15	\$ -	\$ -	\$ -	\$ 12,490,015
Other Gov't Funding:				
Other State Agency funding	-	-	-	103,246
Medicaid	-	-	-	813,073
Other government	-	-	-	2,807,267
Total other gov't funding	-	-	-	3,723,586
All Other Revenues				
1st and 2nd party payments	-	-	-	371,922
3rd party pymts (except Medicare)	-	-	-	4,416,689
Medicare	-	-	-	259,684
Contributions and donations	180	-	180	257,512
Other income	22,104	16,043	38,147	27,689
In-kind	-	-	-	1,450,645
Total all other revenues	22,284	16,043	38,327	6,784,141
Total funding	\$ 22,284	\$ 16,043	\$ 38,327	\$ 22,997,742
Expense Categories				
Personnel expenses:				
Salaries	\$ 1,263,945	\$ 946,932	\$ 2,210,877	\$ 12,243,650
Fringe benefits	280,007	233,698	513,705	2,688,287
Total personnel expenses	1,543,952	1,180,630	2,724,582	14,931,937
Other Expenses:				
Building occupancy	6,509	13,666	20,175	631,396
Professional services	136,865	-	136,865	915,853
Travel	25,997	9,992	35,989	163,563
Equipment costs	58,753	28,082	86,835	189,576
Food services	6,293	(234,696)	(228,403)	203,044
Medical and pharmacy	5,237	(99,727)	(94,490)	1,738,495
Subcontracted services	101,163	32,177	133,340	856,569
Depreciation	115,638	8,423	124,061	553,529
Insurance	59,859	30,681	90,540	473,682
Interest	-	-	-	270,798
Telephone	20,767	5,230	25,997	210,482
Operating supplies/expenses	85,174	30,408	115,582	236,973
Other expenses	82,376	548	82,924	936,559
Total other expenses	704,631	(175,216)	529,415	7,380,519
Total personnel and other expenses	2,248,583	1,005,414	3,253,997	22,312,456
Distributed Indirect Costs:				
Administration	(2,065,313)	-	(2,065,313)	-
Other support	-	(1,005,414)	(1,005,414)	-
Total distr'd indirect costs	(2,065,313)	(1,005,414)	(3,070,727)	-
Total Actual Operating Expenses	183,270	-	183,270	22,312,456
Unallowable Costs	183,270	-	183,270	308,792
Total allowable oper expenses	\$ -	\$ -	\$ -	\$ 22,003,664
Capital expenditures	\$ 30,212	\$ 6,879	\$ 37,091	\$ 98,120

New Horizons of the Treasure Coast, Inc.

Schedule of Revenues

For the year ended June 30, 2012

(With comparative totals for 2011)

	2012	2011
	Total	Total (memo only)
State ADM Grants:		
State of Florida, Department of Children & Families Alcohol, Drug Abuse and Mental Health	\$ 12,490,015	\$ 12,064,752
Government and Other Local Funding:		
Other Government funding	275,002	285,071
Local government grants:		
St. Lucie County	1,640,558	1,710,795
Indian River County	562,478	636,294
Martin County	361,962	360,382
Okeechobee County	70,513	68,314
Total government and other local funding	2,910,513	3,060,856
All other Funding and Revenues:		
Medicaid	813,073	871,224
Medicare	259,684	255,087
First and third party fees	4,788,611	4,450,981
Contributions and donations	257,512	314,114
In-kind contributions	1,450,645	1,146,069
Interest	2,030	3,769
Other income	25,659	31,460
Total all other funding and revenues	7,597,214	7,072,704
Total revenues	\$ 22,997,742	\$ 22,198,312

New Horizons of the Treasure Coast, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
U.S. Department of Health and Human Services:			
Pass Through from Florida Department of Children & Families:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	ZHJ40	\$ 102,925
Social Services Block Grant	93.667	ZHJ40	23,541
Children's Health Insurance Program	93.767	ZH101	34,000
Medical Assistance Program	93.778	ZHK47	281,667
Block Grants for Community Mental Health Services	93.958	ZHJ40/ZHK47	1,189,425
Block Grants for Prevention and Treatment of Substance Abuse	93.959	ZHJ40/ZDZL2	938,479
Total federal expenditures			\$ 2,570,037
State Grantor/Pass-through Grantor/Program Title			
Florida Department of Children & Families:			
Children's Baker Act Services	60.001	ZHJ40	\$ 989,809
Baker Act	60.006	ZHJ40	640,840
Indigent Psychiatric Outpatient Services	60.039	ZHJ40	176,296
Adult Community Mental Health Florida Assertive	60.042	ZHK47	254,400
Community Forensic Beds	60.114	ZHJ40	78,637
United for Families			
Community Based Care Support	60.094	CS00H/CS01H	167,122
Total state expenditures			\$ 2,307,104

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

New Horizons of the Treasure Coast, Inc.

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

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance was prepared to include the activity of all Federal and State awards of New Horizons 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*. 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 – Matching Requirements

New Horizons receives a substantial portion of its support from grants passed through the Department of Children and Families. Some of these grants require local match in the form of cash and/or in-kind resources.

Current match received includes local county revenues and in-kind contributions.

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

Contract Number	ZHJ40	Total
Required local match	\$ 1,643,338	\$ 1,643,338
Current match received	2,816,370	2,816,370
Excess match	\$ 1,173,032	\$ 1,173,032

The above match amounts are applied to the following cost centers:

Cost Center	
Case Management	\$ 93,518
Intensive Case Management	140,111
Crisis Stabilization	226,071
Mobile Crisis	44,152
Outpatient Medical Services	1,452,670
Supported Community Services	107,823
Crisis Support/Emergency	163,451
Residential Level I SRT	267
FACT	750
Independence Recovery	93,000
Detox Residential	201,578
Childrens Case Management	65,738
Childrens Outpatient Services	73,596
Childrens Crisis Stabilization	129,645
Childrens Medical Services	-
Student Assistance Program	24,000
	\$ 2,816,370

New Horizons of the Treasure Coast, Inc.
Schedule of State Earnings
For the year ended June 30, 2012

Total Expenditures	\$ 22,312,456
Less:	
Other State and Federal funds	(1,347,759)
Non-Match SAMH funds	(7,482,237)
Unallowable costs	(308,792)
Net allowable expenditures	13,173,668
Maximum available earnings (75% of allowable expenditures)	9,880,251
Amount of State funds requiring match	4,930,014
Amount due to Department of Children and Families	\$ -

New Horizons of the Treasure Coast, Inc.
Schedule of Bed-Day Availability Payments
For the year ended 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 (D-E)	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F (FxC)	Amount Owed to Department (G-H) or \$0, whichever is greater
A	B	C	D	E	F	G	H	I
Adult MH	Crisis stabilization unit	\$ 291.24	10,950	1,309	9,641	\$ 2,196,013	\$ 2,807,893	\$ -
Adult SA	Substance abuse detox	197.30	4,380	501	3,879	722,251	765,348	-
Children's SA/MH	Children's crisis stabilization unit	291.24	7,300	1,510	5,790	698,153	1,686,282	-
Adult MH	Short term residential treatment	247.28	7,300	29	7,271	1,691,099	1,797,887	-
Total amount owed to Department								\$ -

New Horizons of the Treasure Coast, Inc.
 Schedule of Related Party Transaction Adjustments
 For the year ended June 30, 2012

	Related * Party	Allocation of Related Party Transactions Adjustment			
		Cost Centers			Total
		1	2	3	
Revenues from Grantees:					
Rent	\$ -				
Services	-				
Interest	-				
Other income	-				
Total revenues from grantees	-				
Expenses Associated with Grantee Transactions:					
Personnel services	-				
Depreciation	-				
Interest	-				
Other expenses	-				
Total associated expenses	-				
Related party transaction adjustment	\$ -				

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

New Horizons of the Treasure Coast, Inc.
 Schedule of Local Financial Assistance
 For the year ended June 30, 2012

	Accrued or (Deferred) Revenue at July 1, 2011	Cash Received	Reimbursable Expenditures	Accrued or (Deferred) Revenue at June 30, 2012
Local Grants:				
St. Lucie County Match	\$ -	\$ 673,606	\$ 673,606	\$ -
Martin County Match	-	331,445	331,445	-
Indian River County Match	16,852	278,051	311,753	50,554
Okeechobee County Match	7,583	45,208	45,125	7,500
Indian River County Forensic Contract	8,866	104,399	104,149	8,616
Indian River County Steps to Freedom	4,323	56,785	57,399	4,937
Indian River County Healthcare District	10,974	93,722	89,176	6,428
Martin County Steps to Recovery	2,423	30,358	30,517	2,582
St. Lucie County Children's Services Council	32,644	443,107	444,878	34,415
St. Lucie County Jail Diversion	2,823	414,740	452,341	40,424
St. Lucie County Mental Health Court	85,530	134,280	65,000	16,250
Okeechobee County Children's Service Council	4,067	27,997	25,388	1,458
Total local assistance	\$ 176,085	\$ 2,633,698	\$ 2,630,777	\$ 173,164



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
New Horizons of the Treasure Coast, Inc.

We have audited the financial statements of New Horizons of the Treasure Coast, Inc. (New Horizons) (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered New Horizons' 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 New Horizons' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of New Horizon'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 New Horizons' 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, 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 cursive script that reads "Kmetz, Nuttall, Elwell, Graham".

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

December 20, 2012



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
New Horizons of the Treasure Coast, Inc.

Compliance

We have audited the compliance of New Horizons of the Treasure Coast, Inc. (New Horizons) (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state financial assistance projects for the year ended June 30, 2012. New Horizons' 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 New Horizons' management. Our responsibility is to express an opinion on New Horizons' 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 New Horizons' 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 New Horizons' compliance with those requirements.

In our opinion, New Horizons complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state financial assistance projects for the year ended June 30, 2012.

Internal Control over Compliance

Management of New Horizons 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 New Horizon'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 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 our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of New Horizons' 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, 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. The restriction on the report is required. Though restricted in use, reports issued in connection with an audit of a local government may be a matter of public record.



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

December 20, 2012

**New Horizons of the Treasure Coast, Inc.
Schedule of Findings and Questioned Costs
Federal Awards Programs and State Financial Assistance Projects
Year Ended June 30, 2012**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of New Horizons of the Treasure Coast, 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 New Horizons of the Treasure Coast, 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 are 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 New Horizons of the Treasure Coast, 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.
7. The program/projects tested as major program/projects include:

<u>Federal Program</u>	<u>Federal CFDA No.</u>
Block Grants for Community Mental Health Services	93.958
<u>State Project</u>	<u>State CSFA No.</u>
Children's Baker Act Services	60.001
Baker Act	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. New Horizons of the Treasure Coast, 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

**New Horizons of the Treasure Coast, Inc.
Summary Schedule of Prior Audit Findings
Year Ended June 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
New Horizons of the Treasure Coast, Inc.
Fort Pierce, Florida

We have completed our audit of the financial statements of New Horizons of the Treasure Coast, Inc. (New Horizons) for the year ended June 30, 2012, and issued our reports thereon dated December 20, 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 *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*; and Chapter 10.650, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133, and Chapter 10.650, Rules of the Florida Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 20, 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, fraud, illegal acts, 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, 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.

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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants
December 20, 2012