

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

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

September 30, 2013  
(With Comparative Totals for September 30, 2012)

## Table of Contents

	<b>Page</b>
<b>Independent Auditors' Report</b> .....	2 - 3
<b>Financial Statements:</b>	
Consolidated Statement of Financial Position .....	4
Consolidated Statement of Activities and Changes in Net Assets .....	5
Consolidated Statement of Cash Flows.....	6
Notes to Consolidated Financial Statements .....	7 - 15
<b>*Additional Information:</b>	
Schedule of Expenditures of Federal Awards .....	17
Schedule of State and Local Financial Assistance .....	18
Notes to Schedule of Expenditures of Federal Awards and Schedule of State and Local Assistance.....	19
Program/Cost Center Actual Expenses and Revenues Schedule .....	20 – 30
Schedule of State Earnings .....	31
Schedule of Bed-Day Availability Payments.....	32
Schedule of Related Party Transaction Adjustments .....	33
<b>* Internal Controls and Compliance:</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	34 - 35
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 .....	36 - 37
Schedule of Findings and Questioned Costs.....	38 - 39
Summary Schedule of Prior Audit Findings .....	40
Management Letter .....	41

\* 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

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of The Jerome Golden Center for Behavioral Health, Inc. (the Center) and Subsidiary (the Foundation) (both nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2013, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary as of September 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary's 2012 consolidated financial statements, and our report dated March 15, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, and Local Governments, and Non-Profit Organizations*, is presented for the purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying schedule of state and 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 subject 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 consolidated financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 28, 2014 on our consideration of The Jerome Golden Center for Behavioral Health, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Jerome Golden Center for Behavioral Health, Inc.'s internal control over financial reporting and compliance.



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

February 28, 2014

**The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary**  
Consolidated Statement of Financial Position  
September 30, 2013  
(With comparative totals for 2012)

	Unrestricted	Temporarily Restricted	Totals	
			2013	2012 (memo only)
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 1,442,037	\$ 122,831	\$ 1,564,868	\$ 1,756,842
Certificate of deposit	249,995	-	249,995	-
Investments	352,857	-	352,857	-
Client personal funds	242,629	-	242,629	166,209
Accounts receivable, less allowance for uncollectible accounts of \$10,341,988	928,839	-	928,839	1,016,506
Due from contracting agencies	1,517,387	-	1,517,387	1,528,929
Promises to give	-	242,131	242,131	476,640
Inventories	140,071	-	140,071	129,799
Prepaid expenses	418,945	-	418,945	435,986
<b>Total current assets</b>	<b>5,292,760</b>	<b>364,962</b>	<b>5,657,722</b>	<b>5,510,911</b>
<b>Other Assets:</b>				
Deposits and other assets	120,332	-	120,332	152,664
Loan/bond issue costs, net of amortization	42,303	-	42,303	98,429
Construction in progress	155,344	-	155,344	99,025
<b>Total other assets</b>	<b>317,979</b>	<b>-</b>	<b>317,979</b>	<b>350,118</b>
<b>Property and Equipment, net</b>	<b>6,899,744</b>	<b>-</b>	<b>6,899,744</b>	<b>7,242,818</b>
<b>Total assets</b>	<b>\$ 12,510,483</b>	<b>\$ 364,962</b>	<b>\$ 12,875,445</b>	<b>\$ 13,103,847</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 817,389	\$ -	\$ 817,389	\$ 1,078,047
Client personal funds payable	241,446	-	241,446	197,168
Employee compensation and other accrued expenses	828,851	-	828,851	758,866
Accrued employee leave benefits	487,376	-	487,376	502,554
Deferred revenue	44,989	52,147	97,136	35,772
Line of credit	-	-	-	500,000
Current portion of long-term debt	426,854	-	426,854	327,865
<b>Total current liabilities</b>	<b>2,846,905</b>	<b>52,147</b>	<b>2,899,052</b>	<b>3,400,272</b>
<b>Long-Term Liabilities:</b>				
Long-term debt less current portion	1,733,488	-	1,733,488	1,827,830
<b>Net Assets</b>				
Unrestricted:				
Invested in property and equipment	5,331,576	-	5,331,576	5,674,650
Current operations	2,282,114	-	2,282,114	1,411,091
Board designated	316,400	-	316,400	192,833
Temporarily restricted	-	312,815	312,815	597,171
<b>Total net assets</b>	<b>7,930,090</b>	<b>312,815</b>	<b>8,242,905</b>	<b>7,875,745</b>
<b>Total liabilities and net assets</b>	<b>\$ 12,510,483</b>	<b>\$ 364,962</b>	<b>\$ 12,875,445</b>	<b>\$ 13,103,847</b>

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, 2013  
(With comparative totals for 2012)

	Unrestricted	Temporarily Restricted	Totals	
			2013	2012 (memo only)
<b>Operating Revenues:</b>				
Grants and contracts for center operations	\$ 12,822,354	\$ -	\$ 12,822,354	\$ 13,467,865
Net patient service revenue	8,930,243	-	8,930,243	8,683,202
In-kind contributions	78,400	-	78,400	67,287
Contributions	131,355	36,054	167,409	-
Other operating revenue	438,667	-	438,667	187,140
<b>Total operating revenues</b>	<b>22,401,019</b>	<b>36,054</b>	<b>22,437,073</b>	<b>22,405,494</b>
<b>Operating Expenses:</b>				
Operating expenses	21,352,402	-	21,352,402	21,566,385
Depreciation	624,597	-	624,597	609,397
Interest expense	183,737	-	183,737	168,022
Amortization	16,069	-	16,069	17,916
<b>Total operating expenses</b>	<b>22,176,805</b>	<b>-</b>	<b>22,176,805</b>	<b>22,361,720</b>
<b>Excess of operating revenues over operating expenses</b>	<b>224,214</b>	<b>36,054</b>	<b>260,268</b>	<b>43,774</b>
<b>Nonoperating revenues (expenses)</b>				
Contributions	11,837	25,156	36,993	141,595
Interest income	30,187	350	30,537	29,281
Unrealized gain on investments	26,060	-	26,060	-
Depreciation	(10,483)	-	(10,483)	(10,483)
Gain (loss) on disposal of fixed assets	15,500	-	15,500	(196,458)
Loss on bond issue costs	(58,811)	-	(58,811)	-
Fundraising events	106,789	-	106,789	-
Fundraising expenses	(31,268)	-	(31,268)	-
Other expenses	425	(8,850)	(8,425)	(34,136)
Release of temporarily restricted net assets	337,066	(337,066)	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>427,302</b>	<b>(320,410)</b>	<b>106,892</b>	<b>(70,201)</b>
<b>Increase (decrease) in net assets</b>	<b>651,516</b>	<b>(284,356)</b>	<b>367,160</b>	<b>(26,427)</b>
<b>Net assets, beginning of year</b>	<b>7,278,574</b>	<b>597,171</b>	<b>7,875,745</b>	<b>7,902,172</b>
<b>Net assets, end of year</b>	<b>\$ 7,930,090</b>	<b>\$ 312,815</b>	<b>\$ 8,242,905</b>	<b>\$ 7,875,745</b>

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, 2013

(With comparative totals for 2012)

	2013	2012 (memo only)
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 367,160	\$ (26,427)
Adjustments to reconcile increase (decrease) in net assets to net cash flows provided by operating activities		
Depreciation	635,080	619,880
Amortization	16,069	17,916
In-kind contribution of securities	(326,792)	-
Realized/unrealized (gains)/losses on investments	(26,060)	-
Loss (gain) on disposal of property and equipment	(15,500)	196,458
Loss on bond issue costs	58,811	-
Prior period adjustment	-	(266,388)
(Increase) decrease in:		
Client personal funds	(76,420)	92,468
Accounts receivable, net	87,667	(150,551)
Due from contracting agencies	11,542	617,752
Promises to give	234,509	227,128
Inventories	(10,272)	301,547
Prepaid expenses	17,041	13,284
Deposits and other assets	32,332	(103,225)
Increase (decrease) in:		
Accounts payable	(260,658)	188,243
Client personal funds	44,278	(61,509)
Employee compensation and other accrued expenses	69,985	(438,967)
Accrued employee leave benefits	(15,178)	11,472
Deferred revenue	61,364	(57,831)
Net cash provided by operating activities	904,958	1,181,250
Cash flows from investing activities:		
Proceeds from sale of property and equipment	15,500	11,146
Payments for purchase of property and equipment	(248,481)	(970,869)
Payments made for construction in progress	(99,844)	(96,954)
Purchase of certificates of deposit	(500,000)	-
Redemption of certificate of deposit	250,000	-
Net cash used for investing activities	(582,825)	(1,056,677)
Cash flows from financing activities:		
Proceeds from line of credit	300,000	975,000
Proceeds from long-term debt	1,371,898	556,000
Payments on long-term debt	(1,367,252)	(282,634)
Payments on line of credit	(800,000)	(475,000)
Payments for loan costs on new debt	(18,753)	(15,470)
Net cash provided by (used for) financing activities	(514,107)	757,896
<b>Net increase (decrease) in cash</b>	<b>(191,974)</b>	<b>882,469</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,756,842</b>	<b>874,373</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,564,868</b>	<b>\$ 1,756,842</b>

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

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

### 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. (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, the Center and the Foundation are required to report information regarding their 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, 2013.

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.

##### **Investment Valuation and Income Recognition**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change of net assets.

##### **Accounts Receivable**

Accounts receivable are reduced by an allowance for doubtful accounts based upon regular review of past payment history. For all receivables, this allowance adjusts the receivable to contractually due amounts and amounts expected after bad debts. For receivables associated with self-pay patients, the provision for bad debts fully reserves self-pay accounts receivable. Accounts receivable are charged off against the allowance for doubtful accounts after all reasonable collection efforts have been exhausted.

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

**Note 2 – Summary of Significant Accounting Policies** (continued)

**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.

**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, 2013, the Center and the Foundation recorded no donated property and equipment.

**Intangible Assets**

Intangible assets consist of loan costs. Loan costs are amortized over the term of the related loan using the straight-line method.

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

**Note 2 – Summary of Significant Accounting Policies** (continued)

**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.

**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 958-605-25-16 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 \$78,400 for the year ended September 30, 2013. 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, 2013.

**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 are 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.

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

Notes to Consolidated Financial Statements (continued)

**Note 2 – Summary of Significant Accounting Policies** (continued)

**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 February 28, 2014, the date the financial statements were available to be issued.

**Note 3 – Investments**

Investment in marketable equity securities with readily determinable values are carried at fair value based on quoted prices in active markets (all level 1 measurements). Investments at September 30, 2013 were comprised of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains (Losses)</u>
Mutual Funds:			
Gabelli Dividend & Income Trust	\$ 55,554	\$ 58,745	\$ 3,191
Stocks and ETF's			
SRPDR Dow Jones Indl - ETF	48,893	50,585	1,692
SPDR S&P 500 Trust - ETF	112,467	115,927	3,460
Vanguard Small CAP	109,224	127,600	18,376
	<u>\$ 326,138</u>	<u>\$ 352,857</u>	<u>\$ 26,719</u>

**Note 4 – Promises to Give**

Promises to give consist of the following at September 30, 2013:

Receivable in less than one year	\$ 250,000
Receivable in one to five years	-
Total unconditional promises to give	<u>250,000</u>
Less discounts to net present value at 3.25%	<u>(7,869)</u>
Net unconditional promises to give	<u>\$ 242,131</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, 2013. Promises to give are classified as temporarily restricted.

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

**Note 5 – Property and Equipment, net**

Property and equipment consists of the following at September 30, 2013:

Buildings and improvements	\$ 10,666,239
Land	1,568,168
Equipment and furniture	3,693,421
Computer equipment	946,828
Leasehold improvements	158,789
	17,033,445
Less accumulated depreciation	10,133,701
	\$ 6,899,744

**Note 6 – Line of Credit**

On June 1, 2013, 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, 2013. The line of credit is due on demand or at maturity on June 1, 2014 and is secured by all business assets. In addition, this obligation is cross-collateralized and cross-defaulted with three mortgages described in Note 7. The line of credit balance at September 30, 2013 was \$0.

**Note 7 – Long-Term Debt**

Long-term debt consists of the following at September 30, 2013:

Mortgage payable, secured by real property and facilities, due July 2017, monthly principal and interest payments of \$29,678 at a fixed rate of 4.55%.	\$ 1,250,631
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 6.)	155,832
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%.	177,041
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 6.)	22,346

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

**Note 7 – Long-Term Debt** (continued)

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 6.)	229,844
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.	262,301
Loan payable, secured by a vehicle, due December 2017 with principal and interest payable in monthly installments of \$706 at a fixed rate of 5.5%.	30,349
Loan payable, secured by a vehicle, due December 2017 with principal and interest payable in monthly installments of \$669 at a fixed rate of 5.5%.	31,996
	2,160,340
Less amounts due within one year	426,852
	\$ 1,733,488

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

Year Ending September 30,	
2014	\$ 426,852
2015	446,262
2016	462,838
2017	386,439
2018	71,098
Thereafter	366,851
	\$2,160,340

**Note 8 – Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at September 30, 2013:

Promises to give	\$ 242,131
Housing project and client activities	70,684
	\$ 312,815

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

Notes to Consolidated Financial Statements (continued)

### Note 9 – Board Designated Unrestricted Net Assets

At September 30, 2013, the total amount of net assets designated by the Board for future capital projects was \$316,400, including \$140,187 for housing projects. During the year ended September 30, 2013, approximately \$38,340 of funds that were previously designated by the board were used for renovations to the main center.

### Note 10 – Fair Value Measurements

ASC Topic 820, “Fair Value Measurements and Disclosures”, defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements. ASC Topic 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. ASC Topic 820 establishes and prioritizes three levels of inputs that may be used to measure fair value.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

*Money Market funds:* Valued at fair value, which is determined by readily available market values at the date of measurement.

*Certificate of Deposit:* Valued at fair value, which is determined by readily available market values at the date of measurement.

*Mutual funds:* Valued at net asset value (NAV) of shares held by the portfolio at year end by readily determinable market values at the date of measurement.

*Equities & ETF’s* Valued at net asset value (NAV) of shares held by the portfolio at year end by readily determinable market values at the date of measurement.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

**Note 10 – Fair Value Measurements** (continued)

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of September 30, 2013:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 18,702	\$ -	\$ -	\$ 18,702
Certificate of deposit	249,995	-	-	249,995
Mutual funds	58,745	-	-	58,745
Equities & ETF's	294,112	-	-	294,112
	<u>\$ 621,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621,554</u>

There were no significant transfers between levels during the year ended September 30, 2013.

**Note 11 – 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, 2013, 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 \$332,250 to the retirement plans.

**Note 12 – 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, 2013 amounted to \$62,338. 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.

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

Notes to Consolidated Financial Statements (continued)

**Note 13 – 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, 2013, the third contribution of \$250,000 to the Fund was received by the Foundation, while the remaining \$250,000 will be contributed to the Foundation over the next year as indicated in Note 4.

**Note 14 – Supplemental Cash Flow Information**

Supplemental Disclosure of Cash Flow Information:

Cash received during the year for - Interest income	\$ 30,537
Cash paid during the year for - Interest expense	\$ 183,737

**Note 15 – Functional Classification of Expenses**

Expenses by function for the year ended September 30, 2013, were as follows:

Expenses:

Program services:	
Adult Mental Health	\$ 12,239,922
Adult Substance Abuse	833,873
Children's Mental Health	603,045
Children's Substance Abuse	143,366
Other	6,559,085
Management and general	1,797,514
	<u>\$ 22,176,805</u>

**Note 16 – 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. The 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 individuals with limited or no ability to pay. 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.

**ADDITIONAL INFORMATION**

**The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary**  
Schedule of Expenditures of Federal Awards  
For the year ended September 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Grant Contract Number	Expenditures
<b>Direct Program:</b>			
<b>Department of Housing and Urban Development:</b>			
Haven House	14.235	FL0283B4D051104	\$ 270,372
	14.235	FL0283B4D051003	82,234
Project Home II	14.235	FL0321L4D051204	66,070
	14.235	FL0321B4D051103	40,836
Project Home III	14.235	FL0276B4D051103	33,529
	14.235	FL0276B4D051002	72,737
<b>Indirect Programs:</b>			
<b>Department of Health and Human Services:</b>			
Pass through from Southeast Florida Behavioral Health Network, Inc.			
Alcohol, Drug Abuse and Mental Health Services	93.958	IH-590	736,212
	93.959	IH-590	583,510
	93.150	IH-590	140,006
Social Services Block Grant	93.667	IH-590	22,615
Pass through from Florida Department of Health Rape Prevention Education and Training	93.136	C0H6T	47,568
<b>Department of Housing and Urban Development:</b>			
Pass through from City of West Palm Beach, Florida Housing Opportunities for Persons with AIDS	14.241	11287.001	874,094
Pass through from Palm Beach County, Florida Project Success	14.238	R2011-1992	14,684
	14.238	R2013-0129	32,513
	14.238	R2012-1216	30,925
Shelter Plus Care	14.238	R2009-1634	80,778
	14.238	R2013-0518	118,209
	14.238	R2012-0804	205,141
<b>Department of Justice:</b>			
Pass through from Palm Beach County, Florida Criminal Justice Commission Justice and Mental Health Collaboration Program	16.745	R2010-0923	23,473
<b>Department of Education:</b>			
Pass through from Florida Department of Education Employment and Supportive Employment Services	84.126	VS-302	90,941
<b>Department of Agriculture:</b>			
Pass through from Florida Department of Elder Affairs Children and Adult Care Food Program	10.558	Y-1038	95,253
<b>Total federal expenditures</b>			<u><u>\$ 3,661,700</u></u>

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

**The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary**  
Schedule of State and Local Financial Assistance  
For the year ended September 30, 2013

Grantor	Program Title	Contract Number	Revenue
Pass through from Florida Department of Children and Families:			
Southeast Florida Behavioral Health Network, Inc.	Alcohol, Drug Abuse and Mental Health Services	IH-590	\$ 7,201,202
Palm Beach County	Financially Assisted Agency Program	R2011-1775	1,387,109
	Project Success	R2011-1992	4,895
		R2013-0129	10,838
		R2012-1216	10,308
	Homeless Assertive Community Treatment Team	R2011-1307	60,716
	Mental Health and Substance Abuse Services	R2011-1410	94,629
Children's Service Council of Palm Beach County, Florida	Healthy Beginnings	10-581	217,603
Department of Health	HIV Mental Health Services	PB304	30,664
		PB304-R1	9,282
Palm Healthcare Foundation	Coping with Economic Stress	20100083/ 20100066	4,793
United Way of Palm Beach County, Florida	Continuous Improvement Initiative	-	16,500
Palm Beach County Sheriff's Office	Pass Program	-	7,500
Other assistance			104,615
			\$ 9,160,654

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

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

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

**Note A – Basis of Presentation**

The accompanying schedules of expenditures of federal award, and schedule of state and local financial assistance were prepared to include the activity of all Federal, State and local awards of the Center and are presented on the accrual basis of accounting. The information in these schedules are 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 these schedules 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 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, 2013, 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, 2013	\$ 2,102,483
U.S. Department of Housing and Urban Development	FL0283B4D051003	December 31, 2012	63,212
	FL0321B34D051103	February 28, 2013	9,190
	FL0276B4D0501002	January 31, 2013	9,869
	R2009-1634	June 30, 2013	74,292
	R2012-0804	May 22, 2013	305,527
			<u>2,564,573</u>
Current match received			<u>3,022,485</u>
Excess match			<u><u>\$ 457,912</u></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, 2013

Funding Sources of Revenues	Adult Mental Health						
	Crisis Support/ Emergency	Crisis Stabilization	Inpatient	Out-Patient	Residential Level III	Residential Level IV	Case Management
<b>State SAMH Funding:</b>							
District 9	\$ 1,315,705	\$ 372,318	\$ 2,661,187	\$ 70,884	\$ 259,068	\$ 427,528	\$ 89,963
<b>Other Gov't Funding:</b>							
Medicaid	16,814	109,313	432,197	100,101	711	2,135	140,755
Local government	135,489	446,794	570,719	145	159,291	407,715	-
Federal grants and contracts	-	-	-	-	-	-	-
Other State Agency funding	1,435	-	-	14,562	-	-	-
<b>Total other gov't funding</b>	<b>153,738</b>	<b>556,107</b>	<b>1,002,916</b>	<b>114,808</b>	<b>160,002</b>	<b>409,850</b>	<b>140,755</b>
<b>All Other Revenues</b>							
Medicare	36,339	3,052	1,269,830	8,245	-	164	-
In-kind	-	-	34,720	-	-	-	-
1st and 2nd party payments	7,395	2,263	33,910	1,420	34,185	206,564	(33)
3rd party pymts (except Medicare)	23,362	39,411	295,904	1,105	15,582	42,869	-
Other income	2,179	(536)	20,396	6,740	-	22,430	-
<b>Total all other revenues</b>	<b>69,275</b>	<b>44,190</b>	<b>1,654,760</b>	<b>17,510</b>	<b>49,767</b>	<b>272,027</b>	<b>(33)</b>
<b>Total funding</b>	<b>\$ 1,538,718</b>	<b>\$ 972,615</b>	<b>\$ 5,318,863</b>	<b>\$ 203,202</b>	<b>\$ 468,837</b>	<b>\$ 1,109,405</b>	<b>\$ 230,685</b>

**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, 2013

<u>Funding Sources of Revenues</u>	Adult Mental Health				
	Intensive Case Management	Comprehensive Community Service Team	Medical Services	Outreach Services	Total Adult Mental Health
<b>State SAMH Funding:</b>					
District 9	\$ 89,216	\$ 1,284,124	\$ 760,716	\$ 261,370	\$ 7,592,079
<b>Other Gov't Funding:</b>					
Medicaid	78,165	778,527	313,722	6,539	1,978,979
Local government	-	-	2,113	-	1,722,266
Federal grants and contracts	-	-	-	-	-
Other State Agency funding	-	(157)	1,951	-	17,791
<b>Total other gov't funding</b>	78,165	778,370	317,786	6,539	3,719,036
<b>All Other Revenues</b>					
Medicare	48	10,857	212,839	3,473	1,544,847
In-kind	-	-	-	-	34,720
1st and 2nd party payments	(35)	(2,962)	15,479	578	298,764
3rd party pymts (except Medicare)	-	1,250	13,121	219	432,823
Other income	-	3	22,855	-	74,067
<b>Total all other revenues</b>	13	9,148	264,294	4,270	2,385,221
<b>Total funding</b>	\$ 167,394	\$ 2,071,642	\$ 1,342,796	\$ 272,179	\$ 13,696,336

**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, 2013

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
<b>State SAMH Funding:</b>							
District 9	\$ 50,588	\$ 407,433	\$ 132,927	\$ 590,948	\$ 119,188	\$ 174,048	\$ 3,586
<b>Other Gov't Funding:</b>							
Medicaid	-	2,427	2,207	4,634	33,367	2,225	58,361
Local government	-	-	149,998	149,998	64,789	17,927	-
Federal grants and contracts	-	-	-	-	-	-	-
Other State Agency funding	-	-	-	-	-	190	-
<b>Total other gov't funding</b>	-	2,427	152,205	154,632	98,156	20,342	58,361
<b>All Other Revenues</b>							
Medicare	-	245	438	683	-	4,808	-
In-kind	-	43,680	-	43,680	-	-	-
1st and 2nd party payments	-	(190)	(162)	(352)	345	979	(14)
3rd party pymts (except Medicare)	-	-	3,940	3,940	9,140	3,091	-
Other income	-	30,512	11,786	42,298	-	288	-
<b>Total all other revenues</b>	-	74,247	16,002	90,249	9,485	9,166	(14)
<b>Total funding</b>	<u>\$ 50,588</u>	<u>\$ 484,107</u>	<u>\$ 301,134</u>	<u>\$ 835,829</u>	<u>\$ 226,829</u>	<u>\$ 203,556</u>	<u>\$ 61,933</u>

**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, 2013

<u>Funding Sources of Revenues</u>	Children's Mental Health			Children's Substance Abuse		
	Out-Patient Services	CMH Medical Services	Total Childrens Mental Health	CSA Child Prevention	CSA Crisis Support /Emergency	Total Childrens Substance Abuse
<b>State SAMH Funding:</b>						
District 9	\$ 18,860	\$ 19,998	\$ 335,680	\$ 151,273	\$ 13,566	\$ 164,839
<b>Other Gov't Funding:</b>						
Medicaid	26,641	23,904	144,498	191	173	364
Local government	-	161	82,877	-	1,393	1,393
Federal grants and contracts	-	-	-	-	-	-
Other State Agency funding	3,876	149	4,215	-	15	15
<b>Total other gov't funding</b>	30,517	24,214	231,590	191	1,581	1,772
<b>All Other Revenues</b>						
Medicare	2,194	16,217	23,219	-	374	374
In-kind	-	-	-	-	-	-
1st and 2nd party payments	378	1,179	2,867	-	76	76
3rd party pymts (except Medicare)	294	1,000	13,525	-	240	240
Other income	1,794	1,741	3,823	-	22	22
<b>Total all other revenues</b>	4,660	20,137	43,434	-	712	712
<b>Total funding</b>	\$ 54,037	\$ 64,349	\$ 610,704	\$ 151,464	\$ 15,859	\$ 167,323

**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, 2013

<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>
<b>State SAMH Funding:</b>					
District 9	\$ 8,683,546	\$ -	\$ 8,683,546	\$ 100,569	\$ 8,784,115
<b>Other Gov't Funding:</b>					
Medicaid	2,128,475	1,519,621	3,648,096	448,899	4,096,995
Local government	1,956,534	1,238,175	3,194,709	-	3,194,709
Federal grants and contracts	-	751,972	751,972	-	751,972
Other State Agency funding	22,021	21,969	43,990	47,568	91,558
<b>Total other gov't funding</b>	<u>4,107,030</u>	<u>3,531,737</u>	<u>7,638,767</u>	<u>496,467</u>	<u>8,135,234</u>
<b>All Other Revenues</b>					
Medicare	1,569,123	79,288	1,648,411	2,200,375	3,848,786
In-kind	78,400	-	78,400	-	78,400
1st and 2nd party payments	301,355	93,281	394,636	98,137	492,773
3rd party pymts (except Medicare)	450,528	(2,778)	447,750	10,205	457,955
Other income	120,210	315,809	436,019	203,791	639,810
<b>Total all other revenues</b>	<u>2,519,616</u>	<u>485,600</u>	<u>3,005,216</u>	<u>2,512,508</u>	<u>5,517,724</u>
<b>Total funding</b>	<u>\$ 15,310,192</u>	<u>\$ 4,017,337</u>	<u>\$ 19,327,529</u>	<u>\$ 3,109,544</u>	<u>\$ 22,437,073</u>

**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, 2013

Adult Mental Health

Expense Categories	Crisis Support/ Emergency	Crisis Stabilization	Inpatient	Out-Patient	Residential Level III	Residential Level IV	Case Management
<b>Personnel expenses:</b>							
Salaries	\$ 1,048,704	\$ 464,590	\$ 2,729,989	\$ 77,717	\$ 216,866	\$ 128,546	\$ 143,007
Fringe benefits	281,167	118,958	716,397	20,959	57,818	33,296	37,766
<b>Total personnel expenses</b>	<b>1,329,871</b>	<b>583,548</b>	<b>3,446,386</b>	<b>98,676</b>	<b>274,684</b>	<b>161,842</b>	<b>180,773</b>
<b>Other Expenses:</b>							
Medical and pharmacy	1,938	16,473	78,362	14	212	3	80
Building occupancy	16,511	17,846	54,439	2,774	99,875	220,040	5,749
Operating supplies/expenses	23,618	23,251	139,397	1,643	24,939	23,259	3,982
Professional services	3,584	52,466	124,018	44,974	424	602	195
Insurance	50,614	19,985	131,694	3,704	10,472	6,072	6,796
Equipment costs	19,114	20,128	55,790	1,383	11,831	19,477	1,861
Food costs and services	4,548	3	84,796	2	7,922	14,273	1
Subcontracted services	6,386	53,030	82,167	390	19,277	55,413	618
Interest	1,262	3,419	285	118	-	97,199	504
Travel	2,708	2,163	6,325	435	139	4,310	6,322
Donated services	-	-	34,720	-	-	-	-
<b>Total other expenses</b>	<b>130,283</b>	<b>208,764</b>	<b>791,993</b>	<b>55,437</b>	<b>175,091</b>	<b>440,648</b>	<b>26,108</b>
<b>Total personnel and other expenses</b>	<b>1,460,154</b>	<b>792,312</b>	<b>4,238,379</b>	<b>154,113</b>	<b>449,775</b>	<b>602,490</b>	<b>206,881</b>
<b>Distributed Indirect Costs:</b>							
Other support	81,461	87,397	400,767	2,530	57,024	235,819	15,896
Administration	140,591	75,175	353,256	15,452	45,154	64,135	20,778
<b>Total distr'd indirect costs</b>	<b>222,052</b>	<b>162,572</b>	<b>754,023</b>	<b>17,982</b>	<b>102,178</b>	<b>299,954</b>	<b>36,674</b>
<b>Total Actual Operating Expenses</b>	<b>1,682,206</b>	<b>954,884</b>	<b>4,992,402</b>	<b>172,095</b>	<b>551,953</b>	<b>902,444</b>	<b>243,555</b>
Unallowable Costs	-	-	-	-	-	-	-
<b>Total allowable oper expenses</b>	<b>\$ 1,682,206</b>	<b>\$ 954,884</b>	<b>\$ 4,992,402</b>	<b>\$ 172,095</b>	<b>\$ 551,953</b>	<b>\$ 902,444</b>	<b>\$ 243,555</b>
<b>Capital expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2013

Expense Categories	Adult Mental Health				
	Intensive Case Management	Comprehensive Community Service Team	Medical Services	Outreach Services	Total Adult Mental Health
<b>Personnel expenses:</b>					
Salaries	\$ 86,364	\$ 1,189,333	\$ 573,793	\$ 124,105	\$ 6,783,014
Fringe benefits	22,817	318,967	148,804	33,106	1,790,055
<b>Total personnel expenses</b>	<b>109,181</b>	<b>1,508,300</b>	<b>722,597</b>	<b>157,211</b>	<b>8,573,069</b>
<b>Other Expenses:</b>					
Medical and pharmacy	1	(40)	11,700	133	108,876
Building occupancy	5,281	27,830	8,920	13,501	472,766
Operating supplies/expenses	3,534	46,735	25,102	7,883	323,343
Professional services	123	13,133	429,743	182	669,444
Insurance	4,099	57,377	31,796	5,957	328,566
Equipment costs	1,174	32,313	16,720	1,740	181,531
Food costs and services	1	379	82	1	112,008
Subcontracted services	487	8,432	4,326	796	231,322
Interest	493	3,832	2,652	2,600	112,364
Travel	6,079	24,293	1,552	1,965	56,291
Donated services	-	-	-	-	34,720
<b>Total other expenses</b>	<b>21,272</b>	<b>214,284</b>	<b>532,593</b>	<b>34,758</b>	<b>2,631,231</b>
<b>Total personnel and other expenses</b>	<b>130,453</b>	<b>1,722,584</b>	<b>1,255,190</b>	<b>191,969</b>	<b>11,204,300</b>
<b>Distributed Indirect Costs:</b>					
Other support	16,607	75,567	60,788	1,766	1,035,622
Administration	13,102	166,888	122,974	19,434	1,036,939
<b>Total distr'd indirect costs</b>	<b>29,709</b>	<b>242,455</b>	<b>183,762</b>	<b>21,200</b>	<b>2,072,561</b>
<b>Total Actual Operating Expenses</b>	<b>160,162</b>	<b>1,965,039</b>	<b>1,438,952</b>	<b>213,169</b>	<b>13,276,861</b>
Unallowable Costs	-	-	-	-	-
<b>Total allowable oper expenses</b>	<b>\$ 160,162</b>	<b>\$ 1,965,039</b>	<b>\$ 1,438,952</b>	<b>\$ 213,169</b>	<b>\$ 13,276,861</b>
<b>Capital expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2013

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
<b>Personnel expenses:</b>							
Salaries	\$ -	\$ 219,633	\$ 151,552	\$ 371,185	\$ 138,728	\$ 73,324	\$ 59,295
Fringe benefits	-	60,187	34,622	94,809	37,194	16,022	15,659
<b>Total personnel expenses</b>	-	279,820	186,174	465,994	175,922	89,346	74,954
<b>Other Expenses:</b>							
Medical and pharmacy	-	6,271	1	6,272	256	-	33
Building occupancy	-	29,876	3,038	32,914	2,184	9,023	2,384
Operating supplies/expenses	-	28,155	1,920	30,075	3,124	2,303	1,651
Professional services	-	1,320	26,414	27,734	474	14,007	81
Insurance	-	10,771	5,376	16,147	6,696	2,470	2,818
Equipment costs	-	7,494	1,575	9,069	2,529	1,534	771
Food costs and services	-	7,202	1	7,203	602	-	-
Subcontracted services	-	91,148	12,413	103,561	845	10,005	256
Interest	-	-	583	583	167	1,207	209
Travel	-	2,983	165	3,148	358	30	2,621
Donated services	-	43,680	-	43,680	-	-	-
<b>Total other expenses</b>	-	228,900	51,486	280,386	17,235	40,579	10,824
<b>Total personnel and other expenses</b>	-	508,720	237,660	746,380	193,157	129,925	85,778
<b>Distributed Indirect Costs:</b>							
Other support	-	71,002	16,491	87,493	10,776	34,869	6,591
Administration	-	38,458	23,343	61,801	18,598	12,728	8,615
<b>Total distr'd indirect costs</b>	-	109,460	39,834	149,294	29,374	47,597	15,206
<b>Total Actual Operating Expenses</b>	-	618,180	277,494	895,674	222,531	177,522	100,984
Unallowable Costs	-	-	-	-	-	-	-
<b>Total allowable oper expenses</b>	\$ -	\$ 618,180	\$ 277,494	\$ 895,674	\$ 222,531	\$ 177,522	\$ 100,984
<b>Capital expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2013

Expense Categories	Children's Mental Health			Children's Substance Abuse		
	Out-Patient	CMH Medical Services	Total Childrens Mental Health	CSA Child Prevention	Crisis Support /Emergency	Total Childrens Substance Abuse
<b>Personnel expenses:</b>						
Salaries	\$ 20,678	\$ 43,720	\$ 335,745	\$ 71,754	\$ 10,813	\$ 82,567
Fringe benefits	5,576	11,338	85,789	19,093	2,899	21,992
<b>Total personnel expenses</b>	<b>26,254</b>	<b>55,058</b>	<b>421,534</b>	<b>90,847</b>	<b>13,712</b>	<b>104,559</b>
<b>Other Expenses:</b>						
Medical and pharmacy	4	891	1,184	1	20	21
Building occupancy	738	680	15,009	947	170	1,117
Operating supplies/expenses	437	1,913	9,428	6,181	244	6,425
Professional services	11,966	32,744	59,272	104	37	141
Insurance	986	2,423	15,393	3,437	522	3,959
Equipment costs	368	1,274	6,476	996	197	1,193
Food costs and services	1	6	609	-	47	47
Subcontracted services	104	330	11,540	225	66	291
Interest	31	202	1,816	-	13	13
Travel	116	118	3,243	7,834	28	7,862
Donated services	-	-	-	-	-	-
<b>Total other expenses</b>	<b>14,751</b>	<b>40,581</b>	<b>123,970</b>	<b>19,725</b>	<b>1,344</b>	<b>21,069</b>
<b>Total personnel and other expenses</b>	<b>41,005</b>	<b>95,639</b>	<b>545,504</b>	<b>110,572</b>	<b>15,056</b>	<b>125,628</b>
<b>Distributed Indirect Costs:</b>						
Other support	673	4,632	57,541	16,898	840	17,738
Administration	4,111	9,370	53,422	11,105	1,450	12,555
<b>Total distr'd indirect costs</b>	<b>4,784</b>	<b>14,002</b>	<b>110,963</b>	<b>28,003</b>	<b>2,290</b>	<b>30,293</b>
<b>Total Actual Operating Expenses</b>	<b>45,789</b>	<b>109,641</b>	<b>656,467</b>	<b>138,575</b>	<b>17,346</b>	<b>155,921</b>
Unallowable Costs	-	-	-	-	-	-
<b>Total allowable oper expenses</b>	<b>\$ 45,789</b>	<b>\$ 109,641</b>	<b>\$ 656,467</b>	<b>\$ 138,575</b>	<b>\$ 17,346</b>	<b>\$ 155,921</b>
<b>Capital expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2013

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
<b>Personnel expenses:</b>					
Salaries	\$ 7,572,511	\$ 1,261,922	\$ 8,834,433	\$ 510,210	\$ 9,344,643
Fringe benefits	1,992,645	339,813	2,332,458	136,344	2,468,802
<b>Total personnel expenses</b>	<b>9,565,156</b>	<b>1,601,735</b>	<b>11,166,891</b>	<b>646,554</b>	<b>11,813,445</b>
<b>Other Expenses:</b>					
Medical and pharmacy	116,353	823	117,176	2,032,868	2,150,044
Building occupancy	521,806	1,074,805	1,596,611	23,631	1,620,242
Operating supplies/expenses	369,271	107,284	476,555	30,265	506,820
Professional services	756,591	267,524	1,024,115	15,098	1,039,213
Insurance	364,065	60,840	424,905	28,678	453,583
Equipment costs	198,269	40,610	238,879	252,545	491,424
Food costs and services	119,867	125,408	245,275	500	245,775
Subcontracted services	346,714	27,244	373,958	7,308	381,266
Interest	114,776	25,517	140,293	2,889	143,182
Travel	70,544	6,858	77,402	4,239	81,641
Donated services	78,400	-	78,400	-	78,400
<b>Total other expenses</b>	<b>3,056,656</b>	<b>1,736,913</b>	<b>4,793,569</b>	<b>2,398,021</b>	<b>7,191,590</b>
<b>Total personnel and other expenses</b>	<b>12,621,812</b>	<b>3,338,648</b>	<b>15,960,460</b>	<b>3,044,575</b>	<b>19,005,035</b>
<b>Distributed Indirect Costs:</b>					
Other support	1,198,394	174,211	1,372,605	1,651	1,374,256
Administration	1,164,717	326,777	1,491,494	306,020	1,797,514
<b>Total distr'd indirect costs</b>	<b>2,363,111</b>	<b>500,988</b>	<b>2,864,099</b>	<b>307,671</b>	<b>3,171,770</b>
<b>Total Actual Operating Expenses</b>	<b>14,984,923</b>	<b>3,839,636</b>	<b>18,824,559</b>	<b>3,352,246</b>	<b>22,176,805</b>
Unallowable Costs	-	-	-	-	-
<b>Total allowable oper expenses</b>	<b>\$ 14,984,923</b>	<b>\$ 3,839,636</b>	<b>\$ 18,824,559</b>	<b>\$ 3,352,246</b>	<b>\$ 22,176,805</b>
<b>Capital expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2013

Expense Categories	Support Services	Administration	Total	Total Center 2013
<b>Personnel expenses:</b>				
Salaries	\$ 500,714	\$ 1,010,099	\$ 1,510,813	\$ 10,855,456
Fringe benefits	136,166	260,804	396,970	2,865,772
<b>Total personnel expenses</b>	<u>636,880</u>	<u>1,270,903</u>	<u>1,907,783</u>	<u>13,721,228</u>
<b>Other Expenses:</b>				
Medical and pharmacy	7,135	472	7,607	2,157,651
Building occupancy	422,767	22,142	444,909	2,065,151
Operating supplies/expenses	81,451	158,459	239,910	746,730
Professional services	10,434	129,955	140,389	1,179,602
Insurance	26,295	48,386	74,681	528,264
Equipment costs	98,144	40,713	138,857	630,281
Food costs and services	23,872	793	24,665	270,440
Subcontracted services	50,853	78,512	129,365	510,631
Interest	14,399	26,156	40,555	183,737
Travel	2,026	21,023	23,049	104,690
Donated services	-	-	-	78,400
<b>Total other expenses</b>	<u>737,376</u>	<u>526,611</u>	<u>1,263,987</u>	<u>8,455,577</u>
<b>Total personnel and other expenses</b>	<u>1,374,256</u>	<u>1,797,514</u>	<u>3,171,770</u>	<u>22,176,805</u>
<b>Distributed Indirect Costs:</b>				
Other support	(1,374,256)	-	(1,374,256)	-
Administration	-	(1,797,514)	(1,797,514)	-
<b>Total distr'd indirect costs</b>	<u>(1,374,256)</u>	<u>(1,797,514)</u>	<u>(3,171,770)</u>	<u>-</u>
<b>Total Actual Operating Expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,176,805</u>
Unallowable Costs	-	-	-	-
<b>Total allowable oper expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,176,805</u>
<b>Capital expenditures</b>	<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, 2013

Total Expenditures	\$ 21,389,259
Less:	
Other State and Federal funds	(6,340,190)
Non-Match SAMH funds	(2,790,044)
Unallowable costs	<u>34,720</u>
Net allowable expenditures	12,293,745
Maximum available earnings (75% of allowable expenditures)	<u>9,220,309</u>
Amount of State funds requiring match	5,980,509
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, 2013

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	16,060	5,585	10,475	\$ 2,650,996	\$ 3,786,084	NONE
Adult MH	Crisis stabilization	\$ 331.74	2,920	1,796	1,124	\$ 371,572	\$ 372,876	NONE
Adult SA	Detoxification	\$ 218.53	1,460	712	748	\$ 129,420	\$ 163,460	NONE
Children's MH	Crisis stabilization	\$ 331.74	730	290	440	\$ 120,514	\$ 145,966	NONE

**The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary**  
Schedule of Related Party Transaction Adjustments  
For the year ended September 30, 2013

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



KMETZ NUTTALL ELWELL GRAHAM, PLLC  
*Certified Public Accountants*

**Independent Auditors' 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Jerome Golden Center for Behavioral Health, Inc. (the Center) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows or the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be a material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

February 28, 2014



KMETZ NUTTALL ELWELL GRAHAM, PLLC  
*Certified Public Accountants*

**Independent Auditors' Report on Compliance for Each Major Federal Program on Internal Control  
over Compliance Required by OMB Circular A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited The Jerome Golden Center for Behavioral Health, Inc.'s (the Center) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended September 30, 2013. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each type of the Center's major federal programs based on our audit of compliance requirements referred to above. 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 Organization*. Those standards, OMB Circular A-133, 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

## Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



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

February 28, 2014

**The Jerome Golden Center for Behavioral Health, Inc.  
and Subsidiary  
Schedule of Findings and Questioned Costs  
Federal Awards Programs  
Year Ended September 30, 2013**

**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. and Subsidiary.
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 is reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program 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 as are required to be reported under OMB Circular A-133 are reported in Part C of this schedule.
7. The program/projects tested as major program/projects include:

<b>Federal Programs:</b>	<b>Federal CFDA No.</b>
<b>Department of Health and Human Services:</b>	
Pass through from Southeast Florida Behavioral Health Network, Inc.	
Projects for Assistance in Transition from Homelessness	93.150
<b>Department of Housing and Urban Development:</b>	
Pass Through from City of West Palm Beach, Florida	
Shelter Plus Care	14.238
Supportive Housing Program	14.235

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

**The Jerome Golden Center for Behavioral Health, Inc.  
and Subsidiary  
Schedule of Findings and Questioned Costs  
Federal Awards Programs  
Year Ended September 30, 2013 (continued)**

- B. Findings - Financial Statements Audit - None**
- C. Findings and Questioned Costs - Major Federal Award Program Audit - None**

**The Jerome Golden Center for Behavioral Health, Inc. and Subsidiary  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2013**

There were no instances of findings or questioned costs for major federal award programs 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, 2013, and issued our reports thereon dated February 28, 2014.

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 Auditors' 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*, Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 28, 2014, should be considered in conjunction with this management letter.

#### 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.

A handwritten signature in cursive script that reads "Kmetz, Nuttall, Elwell, Graham".

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

February 28, 2014