

**INDEPENDENT AUDITORS' REPORT
AND
COMBINING FINANCIAL STATEMENTS**

**MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

JUNE 30, 2013

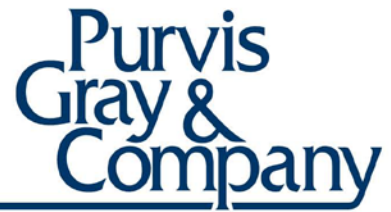
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**MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

We have audited the accompanying combining statement of net position of Meridian Behavioral Healthcare, Inc. (the Corporation), a nonprofit corporation, as of June 30, 2013, and the related combining statements of revenues, expenses, and changes in net position, 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 combining 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 the combining financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combining financial statements based on our audit. We did not audit the financial statements of the New Horizons Properties, which represent 10.75%, (3.1%), and 1.2%, respectively, of the assets, net position, and revenues of the Corporation. Those financial statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the New Horizons Properties, is based solely on the reports of the other auditors. 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* (GAS), 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment and include the assessment of the risks of material misstatements of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the combining 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 Corporation'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 estimates made by management, as well as evaluating the overall financial statement presentation of the combining statements.

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

Certified Public Accountants

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

5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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

Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinion

In our opinion, based on our audit and the reports of other auditors, the combining financial statements referred to above present fairly, in all material respects, the financial position of the Corporation and its New Horizons Properties as of June 30, 2013, and the respective changes in net position and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the combining financial statements as a whole. The accompanying schedules of functional revenues and expenses; state earnings for alcohol, drug abuse, and mental health services - Circuits 3 and 8, and schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the State of Florida Department of Children and Families; the 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 are not a required part of the combining financial statements. The information has been subjected to the auditing procedures applied in the audit of the combining financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combining financial statements or to the combining 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 combining financial statements taken as a whole.

Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2013, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Purvis, Gray and Company, LLP

October 18, 2013
Gainesville, Florida

**MANAGEMENT'S DISCUSSION AND ANALYSIS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

The management's discussion and analysis of Meridian Behavioral Healthcare, Inc.'s financial performance offers an overview of the agency's financial activities during the fiscal year that ended June 30, 2013. While the analysis provides a snapshot of Meridian's performance as a whole, the reader is directed to the basic financial statements and the notes to these for a more detailed understanding of the financial performance.

FINANCIAL HIGHLIGHTS

- The assets of Meridian Behavioral Healthcare, Inc. exceeded its liabilities at the close of the fiscal year ended June 30, 2013, by \$8.83 million. Total assets decreased \$1.1 million during the year ended June 30, 2013. Total net position was divided as follows at June 30, 2013: Invested in Capital Assets, Net of Related Debt of \$2.2 million; Endowed Investments of \$372 thousand; and Unrestricted of \$6.2 million for total ending Net Position of \$8.83 million.
- State and Federal revenues accounted for \$11.83 million or 39% of total revenue. Medicaid accounted for \$12.3 million or 41%. County revenues accounted for \$1.244 million or 4% of total revenue and other county revenues totaled \$1.89 million or 6.3% of revenues. The remaining \$2.86 million or 10% of revenue was generated principally from client and insurance fees, other contracts, and interest income.
- Salaries and benefits of \$21.5 million represented 70% of total expense. This is a decrease of \$584 thousand over fiscal year 2012. Contractual services represented \$1.16 million or 3.8% of total expenses for a total of \$22.65 million or 73.8% of Meridian Behavioral Healthcare, Inc.'s total expenses of \$30.66 million. Equipment and facilities expenses and related interest expense accounted for \$2.2 million or 7.2% of total expenses. Expenses related to program operating costs such as insurance, supplies and travel represented \$2.58 million or 8.4% of total expenses.
- Total assets decreased \$1.1 million, a 6.6% decrease from 2012. Total liabilities decreased \$667 thousand, a 9.2% decrease.

USING THIS ANNUAL FINANCIAL REPORT

This report consists of a series of financial statements, the notes to those statements, and supplementary information to allow readers to review the financial activities of Meridian Behavioral Healthcare, Inc. as a whole or to obtain more detailed information, as the reader may prefer.

OVERVIEW OF THE FINANCIAL STATEMENTS

The "totals" column in each financial statement that follows is designed to give the reader a broad overview of Meridian's operations as a whole, including the financially interrelated organizations. The Statement of Net Position presents information on assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in net position may represent a useful indicator of whether Meridian's financial position is improving or deteriorating. However, in evaluating Meridian Behavioral Healthcare Inc.'s overall position, other non-financial factors should also be considered. Other factors include: the current economic situation, changes in governmental contracts for services, the age and condition of Meridian's buildings and equipment, and other contributing factors.

Meridian's financial statements are prepared on the accrual basis of accounting. This basis takes into account all revenues earned and all expenses incurred in the current year, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

REPORTING MERIDIAN BEHAVIORAL HEALTHCARE'S MOST SIGNIFICANT FUNDS

Meridian Behavioral Healthcare, Inc. is involved in one business-type activity: providing a variety of behavioral health and social services designed to help children and adults with behavioral problems. These services include treatment for mental illness and substance abuse, improve their functioning in the community, remain in intact families, and maintain their self-sufficiency. This activity is recorded in a single enterprise fund:

Net Position

	Fiscal Year 2013	Fiscal Year 2012	% Change
Current Assets, Including Restricted Property and Equipment, Net	\$ 8,271,038	\$ 9,851,816	(16.1%)
Other Assets	6,731,985	6,421,018	4.84%
	<u>411,507</u>	<u>236,930</u>	73.68%
Total Assets	15,414,530	16,509,764	(6.63%)
Current Liabilities, Including Restricted	2,278,715	6,970,120	(67.30%)
Long-Term Liabilities	4,300,839	277,390	1550%
Total Liabilities	<u>6,579,554</u>	<u>7,247,510</u>	(9.21%)
Net Position Invested in Capital Assets			
Net of Related Debt	2,215,305	1,465,291	51.18%
Restricted			
Endowed Investments	372,047	372,047	0%
Net Position - Unrestricted	<u>6,247,624</u>	<u>7,424,916</u>	(9.12%)
Total Net Position	<u><u>8,834,976</u></u>	<u><u>9,262,254</u></u>	(4.61%)
Revenues - State and Federal	\$ 11,825,643	\$ 11,886,822	(.5%)
Revenues - County	1,244,166	1,250,612	(.5%)
Revenues - Medicare, Medicaid, Insurance, and Other	<u>17,055,582</u>	<u>18,328,784</u>	(6.95%)
Total Operating Revenues	30,125,391	31,466,218	(4.26%)
Expenses - Salaries, Benefits, and Other Professional Services	(22,651,117)	(23,310,095)	(2.8%)
Expenses - Program Operating	(4,539,533)	(4,535,862)	.08%
Expenses - Other Operating	<u>(3,228,230)</u>	<u>(3,293,787)</u>	(1.9%)
Total Operating Expenses	(30,418,880)	(31,139,744)	(2.3%)
Non Operating Revenues/(Expenses)	(133,789)	(278,012)	(51.8%)
Change in Net Position	<u>\$ 427,278</u>	<u>\$ 48,462</u>	782%

MANAGEMENT'S DISCUSSION AND ANALYSIS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

FINANCIAL ANALYSIS OF MERIDIAN BEHAVIORAL HEALTHCARE, INC. AS A WHOLE

The Statement of Net Position provides an overall view of Meridian Behavioral Healthcare, Inc. as of year-end, over time, and can serve as a useful indicator of Meridian Behavioral Healthcare, Inc.'s financial position.

Total assets decreased from \$16,509,764 in fiscal year 2012 to \$15,514,530 in fiscal year 2013, a decrease of \$1,095,234. This decrease in total assets is largely due to a decrease in Cash and Cash Equivalents. Cash and Cash Equivalents decreased by \$1,218,322.

Total liabilities decreased from \$7,247,510 in fiscal year 2012 to \$6,579,554 in fiscal year 2013, a decrease of \$668 thousand. This decrease is due to a \$370,630 decrease in liabilities from Notes, Mortgages and Bonds Payable and Interest Rate Swap of \$76,117, as well as an \$118,340 decrease in Accrued Vacation and Sick Leave.

The Statement of Revenues, Expenses, and Changes in Net Position reports the financial operations of the center during the current fiscal year. \$11.93 million or 38% of Meridian Behavioral Healthcare, Inc.'s \$30 million of revenue in 2013 was earned from services provided contracted by the Department of Children and Families (DCF) of the State of Florida and other State and Federal agencies. Client Fees, Medicare, Medicaid, and Insurance Fees represented \$13.2 million or 44% of fiscal year 2013 revenues. The other significant revenue source in fiscal year 2013, was contracts with the eleven counties in which Meridian Behavioral Healthcare, Inc.'s, funding totaled \$1.244 million or 4% of revenues, and other county revenues totaled \$1.89 million (6% of revenues). Total revenues went down with a decrease of \$1.3 million from fiscal year ending 2012 to fiscal year ending 2013.

Salaries and benefits, professional development, and contractual services account for \$22.8 million or 74% of Meridian Behavioral Healthcare, Inc.'s \$30.6 million total expenses in fiscal year 2013. Equipment, facilities, and related interest expense accounted for \$2.36 million or 7.7% of total expenses. Expenses related to program operating expenses such as insurance, supplies and travel represented \$2.4 million or 7.9% of total expenses. Total expenses decreased from \$31.4 million in fiscal year 2012 to \$30.6 million in fiscal year 2013, an increase of \$665 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2013, Meridian Behavioral Healthcare, Inc. had \$6.73 million, net of accumulated depreciation, invested in capital assets such as furniture and equipment, land and buildings and improvements. This amount represents an increase of \$310 thousand or a 4.8% increase.

Debt

At year-end, Meridian had \$4.54 million in short-term and long-term notes and mortgages payable related to existing land and buildings, compared to \$4.9 million at the end of fiscal year 2012.

Additional information concerning Meridian's debt can be found in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

CURRENT ECONOMIC CONDITION AND OUTLOOK

Meridian Behavioral Healthcare Inc. is a not-for-profit corporation that provides a variety of services including outreach, prevention, treatment services to adults and children who suffer from mental illnesses and substance use disorders, supported employment, and housing programs. Comprehensive services are primarily offered in a ten-county area of North Central Florida, additionally, Meridian provides inpatient services for Baker and Putnam counties. On June 30, 2013, Meridian's primary revenue sources included contracts with the Florida Department of Children and Families \$10.97 million, (36% of total revenues), other State and Federal contracts \$857 thousand (.2% of total revenues), various Medicaid plans totaling \$12.3 million (40% of revenues), and County government, \$1.244 million (4% of revenues) and other county, \$1.89 million (6% of revenues).

Meridian's strategic planning process emphasizes service excellence, stewardship, practice excellence, and allocation of the right resources to support these. Annual activities support the maintenance of financial stability and promotion of consumer/social impacts called for by our mission. Meridian also continuously seeks new initiatives that will improve consumer outcomes and the company's financial position. This process includes the ability to respond quickly to changes in market conditions, or to opportunities for new initiatives. During fiscal year ending 2013, Meridian continued delivering services to the majority of its Medicaid consumers through a pre-paid, capitated contract. These revenues will decline as Florida transitions to expanded Medicaid reform. The services now paid for through the North Florida Behavioral Health Partners will transition to new commercial carrier plans. Rate will be a critical issue in this transition.

In fiscal year ending 2013, Meridian implemented a new electronic health record that will facilitate clinical, financial, and business processes. The new system is fully compliant with federal requirements for Meaningful Use. The conversion was partially funded through federal incentive payments to physicians and ARNPs.

Toward the end of the year, Meridian was awarded several large grants that will expand services in housing supports and integration of child welfare and mental health/substance abuse treatment. Both will be effective in fiscal year ending 2014.

Our operation, given the current financial crisis, will continue to be impacted by the declines in State and Federal revenues, initiatives to reform Medicaid and DCF contracted Managing Entities. Reductions in program funding as the result of these changes will ultimately reduce service capacity. The Affordable Care Act will also bring additional challenges during the next several years. The impact on services is not fully known at this time, though clearly managed care approaches will bring both delivery methods changes and limit care. The increasing transition of Medicaid to a managed care model offers the challenge of increased competition and possible service payment decreases or service reductions.

We have been preparing for these system transformations and are prepared to meet these challenges by reducing service lines and delivery structure, reducing expenses and managing the accompanying financial changes. In looking at the future, it is clear that larger entities with more service scope, payer diversification, and the ability to be responsive to changing payers is critical. Meridian is currently in the process of affiliating with three like entities to create a parent organization that can make us a more efficient and effective provider in this new marketplace. The goals of this new entity will be improved breadth of service, creating centers of excellence; improved appeal to payers through ease of contracting as well as providing the widest range of services under one entity; enhanced efficiencies. We anticipate everything being in place by January, 2014.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Concluded)**

CURRENT ECONOMIC CONDITION AND OUTLOOK (Concluded)

Other than those noted above, Meridian's management is not aware of any current facts, decisions, or conditions that are expected to have a significant effect on the financial condition of the agency during fiscal year 2014.

CONTACTING MERIDIAN BEHAVIORAL HEALTHCARE, INC.'S FINANCIAL MANAGEMENT

This financial report is designed to provide readers with a general overview of Meridian's finances and to reflect its accountability for the revenues received. Any questions or requests for additional information can be sent to the Finance Department, Meridian Behavioral Healthcare, Inc., P.O. Box 141750, Gainesville, Florida 32614-1750.

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA

ASSETS

	Meridian Behavioral Healthcare, Inc.	New Horizons Properties	Totals	
			2013 Combined	2012 Combined
Current Assets				
Cash and Cash Equivalents	\$ 1,684,559	\$ 51,979	\$ 1,736,538	\$ 2,926,539
Certificates of Deposit	1,332,941	0	1,332,941	1,316,313
Investments	264,831	0	264,831	231,793
Accounts Receivable:				
Client Fees (Net of Allowance for Uncollectible Accounts of \$1,769,179 in 2013 and \$811,362 in 2012)	1,760,888	7,023	1,767,911	1,711,249
Other	122,134	0	122,134	147,368
Contracts and Grants Receivable	2,431,772	0	2,431,772	2,898,970
Due from HUD	0	6,908	6,908	10,119
Prepaid Expenses	226,212	0	226,212	211,203
Inventories	75,654	0	75,654	66,106
Total Current Assets	7,898,991	65,910	7,964,901	9,519,660
Restricted Assets				
Funded Reserves	0	1,034,881	1,034,881	1,101,504
Endowed Investments	372,047	0	372,047	372,047
Total Restricted Assets	372,047	1,034,881	1,406,928	1,473,551
Property, Plant and Equipment - Cost Less Depreciation	6,731,985	844,648	7,576,633	7,284,274
Other Assets				
Security Deposits	12,701	10,502	23,203	43,724
Unamortized Issue Costs	26,658	0	26,658	34,358
Due from Affiliates	372,148	0	372,148	101,124
Deferred Outflow of Resources - Interest Rate Swaps	0	0	0	76,117
Total Other Assets	411,507	10,502	422,009	255,323
Total Assets	\$ 15,414,530	\$ 1,955,941	\$ 17,370,471	\$ 18,532,808

See accompanying notes.

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Concluded)

LIABILITIES AND NET POSITION

	Meridian Behavioral Healthcare, Inc.	New Horizons Properties	Totals	
			2013 Combined	2012 Combined
Current Liabilities				
Accounts Payable	\$ 423,215	\$ 65,763	\$ 488,978	\$ 696,090
Accrued Salaries and Payroll Taxes	772,895	0	772,895	828,289
Accrued Vacation and Sick Leave	692,564	0	692,564	810,904
HUD Payable	0	8,504	8,504	13,102
Restricted Deferred Revenues	7,284	693	7,977	13,784
Current Portion of Long-term Liabilities	242,499	31,834	274,333	4,741,779
Interest Payable	0	6,532	6,532	6,752
Other	140,258	10,502	150,760	134,086
Total Current Liabilities	2,278,715	123,828	2,402,543	7,244,786
Long-term Liabilities				
Notes, Mortgages, and Bonds Payable	4,300,839	1,756,184	6,057,023	1,989,289
Derivative Instruments - Interest Rate Swaps	0	0	0	76,117
Due to Affiliate	0	372,148	372,148	101,124
Total Long-term Liabilities	4,300,839	2,128,332	6,429,171	2,166,530
Total Liabilities	6,579,554	2,252,160	8,831,714	9,411,316
Net Position				
Invested in Capital Assets, Net of Related Debt	2,215,305	0	2,215,305	1,465,291
Endowed Investments	372,047	0	372,047	372,047
Unrestricted	6,247,624	(296,219)	5,951,405	7,284,154
Total Net Position	8,834,976	(296,219)	8,538,757	9,121,492
Total Liabilities and Net Position	\$ 15,414,530	\$ 1,955,941	\$ 17,370,471	\$ 18,532,808

See accompanying notes.

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

	Meridian	New	Totals	
	Behavioral Healthcare, Inc.	Horizons Properties	2013 Combined	2012 Combined
Operating Revenues				
State and Federal				
Mental Health:				
Adult	\$ 5,960,370	\$ 0	\$ 5,960,370	\$ 6,253,543
Children	1,402,105	0	1,402,105	1,455,276
Substance Abuse:				
Adult	2,438,008	0	2,438,008	2,744,886
Children	1,167,630	0	1,167,630	1,204,642
Healthy Kids Contract	5,761	0	5,761	36,000
Other Federal and State Contracts	771,444	0	771,444	107,108
HUD Hope Grant	80,325	0	80,325	85,367
Section 8 Housing Grant	0	172,351	172,351	230,571
Medicaid Fees (Net of Provision for Bad Debts of \$1,192,514 in 2013 and \$388,820 in 2012)	5,269,865	0	5,269,865	5,148,130
Medicaid Prepaid Mental Health Plan	6,808,416	0	6,808,416	8,086,962
Medicaid and SSI Fees (Net of Provision for Bad Debts of \$247,928 in 2013 and \$262,096 in 2012)	227,236	0	227,236	228,403
Total State and Federal	<u>24,131,160</u>	<u>172,351</u>	<u>24,303,511</u>	<u>25,580,888</u>
County				
Alachua County	695,556	0	695,556	695,556
Bradford County	88,807	0	88,807	88,807
Columbia County	202,313	0	202,313	195,000
Dixie County	42,000	0	42,000	42,000
Gilchrist County	47,000	0	47,000	38,000
Hamilton County	18,149	0	18,149	12,596
Lafayette County	10,687	0	10,687	9,687
Levy County	52,755	0	52,755	62,715
Putnam County	35,399	0	35,399	35,399
Suwannee County	6,500	0	6,500	26,000
Union County	45,000	0	45,000	44,852
Total County	<u>1,244,166</u>	<u>0</u>	<u>1,244,166</u>	<u>1,250,612</u>
Other Revenues				
Client Fees (Net of Provision for Bad Debts of \$804,108 in 2013 and \$(183,456) in 2012)	719,530	0	719,530	816,130
Insurance Fees (Net of Provision for Bad Debts of \$676,208 in 2013 and \$134,772 in 2012)	253,191	0	253,191	372,843
In-kind Services and Materials	1,308,953	0	1,308,953	1,473,105
Local Contracts	1,892,937	0	1,892,937	1,837,472
Food Stamps	53,538	0	53,538	46,111
Contributions	115,832	0	115,832	78,229
Rental Income	0	117,852	117,852	112,642
Other	406,084	77,567	483,651	242,274
Total Other	<u>4,750,065</u>	<u>195,419</u>	<u>4,945,484</u>	<u>4,978,806</u>
Total Operating Revenues	<u>30,125,391</u>	<u>367,770</u>	<u>30,493,161</u>	<u>31,810,306</u>

See accompanying notes.

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

	Meridian Behavioral Healthcare, Inc.	New Horizons Properties	Totals	
			2013 Combined	2012 Combined
Operating Expenses				
Personnel				
Salaries	\$ 17,831,370	\$ 47,000	\$ 17,878,370	\$ 18,709,725
Benefits and Taxes	3,654,523	0	3,654,523	3,407,517
Total Personnel	<u>21,485,893</u>	<u>47,000</u>	<u>21,532,893</u>	<u>22,117,242</u>
Contractual Services				
Professional Fees	1,165,224	38,655	1,203,879	1,263,584
Travel, Training, and Professional Development				
Travel	366,284	0	366,284	494,607
Training and Professional Development	162,970	0	162,970	129,260
Total Travel, Training, and Professional Development	<u>529,254</u>	<u>0</u>	<u>529,254</u>	<u>623,867</u>
Facilities				
Depreciation	496,369	52,749	549,118	539,116
Building Rental	87,291	0	87,291	87,607
Repairs and Maintenance	422,663	152,820	575,483	386,725
Utilities	544,333	44,582	588,915	605,804
Total Facilities	<u>1,550,656</u>	<u>250,151</u>	<u>1,800,807</u>	<u>1,619,252</u>
Equipment				
Depreciation	522,998	10,197	533,195	541,947
Equipment Purchases	73,714	0	73,714	91,336
Repairs and Maintenance	57,571	0	57,571	38,191
Total Equipment	<u>654,283</u>	<u>10,197</u>	<u>664,480</u>	<u>671,474</u>
Medical and Pharmacy				
Medical Supplies	115,028	0	115,028	202,043
Indigent Drugs	108,208	0	108,208	127,579
Medicine and Drugs - Regular	257,253	0	257,253	216,448
Total Medical and Pharmacy	<u>480,489</u>	<u>0</u>	<u>480,489</u>	<u>546,070</u>
Supplies				
Food/Household Supplies	629,926	0	629,926	624,734
Operating Supplies	587,295	0	587,295	564,652
Total Supplies	<u>1,217,221</u>	<u>0</u>	<u>1,217,221</u>	<u>1,189,386</u>
Subcontracted Services				
Other Subcontracted Services	107,630	0	107,630	111,859
Total Subcontracted Services	<u>107,630</u>	<u>0</u>	<u>107,630</u>	<u>111,859</u>

See accompanying notes.

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Concluded)

	Meridian Behavioral Healthcare, Inc.	New Horizons Properties	Totals	
			2013 Combined	2012 Combined
Operating Expenses (Concluded)				
Other				
In-kind Services and Materials	\$ 1,308,953	\$ 0	\$ 1,308,953	\$ 1,473,105
Insurance and Taxes	844,720	35,211	879,931	805,498
Telephone	463,078	0	463,078	482,164
Other	611,479	21,774	633,253	581,438
Total Other	<u>3,228,230</u>	<u>56,985</u>	<u>3,285,215</u>	<u>3,342,205</u>
(Total Operating Expenses)	<u>(30,418,880)</u>	<u>(402,988)</u>	<u>(30,821,868)</u>	<u>(31,484,939)</u>
Income (Loss) from Operations	<u>(293,489)</u>	<u>(35,218)</u>	<u>(328,707)</u>	<u>325,367</u>
Nonoperating Revenues (Expenses)				
Investment and Interest Income	115,432	5,480	120,912	44,498
Interest and Amortization	(249,221)	(125,719)	(374,940)	(403,319)
Total Nonoperating (Expenses) Revenues	<u>(133,789)</u>	<u>(120,239)</u>	<u>(254,028)</u>	<u>(358,821)</u>
Increase (Decrease) in Net Assets	<u>(427,278)</u>	<u>(155,457)</u>	<u>(582,735)</u>	<u>(33,454)</u>
Net Position (Deficit), Beginning of Year	<u>9,262,254</u>	<u>(140,762)</u>	<u>9,121,492</u>	<u>9,154,946</u>
Net Position (Deficit), End of Year	<u>\$ 8,834,976</u>	<u>\$ (296,219)</u>	<u>\$ 8,538,757</u>	<u>\$ 9,121,492</u>

See accompanying notes.

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

	Meridian Behavioral Healthcare, Inc.	New Horizons Properties	Totals	
			2013 Combined	2012 Combined
Cash Flows from Operating Activities				
Cash Received from State, Federal, County and Local Contracts, Clients and Third-party Billings	\$ 28,712,097	\$ 0	\$ 28,712,097	\$ 29,265,140
Rent and Rent Subsidy Received	0	293,905	293,905	341,405
Other Income Received	276,126	42,621	318,747	173,135
Cash Paid to Employees	(21,273,416)	(51,999)	(21,325,415)	(21,928,673)
Cash Paid to Suppliers	(6,670,199)	(129,630)	(6,799,829)	(6,797,736)
Payroll Taxes Paid	(386,211)	0	(386,211)	(348,396)
Net Cash Provided by (Used in) Operating Activities	658,397	154,897	813,294	704,875
Cash Flows from Investing Activities				
Property, Plant and Equipment Purchases	(1,330,334)	(44,336)	(1,374,670)	(1,219,014)
Proceeds from Property Dispositions	0	0	0	23,535
Gain on Sale of Investments	14,267	66,600	80,867	(3,507)
Interest and Dividends on Investments	108,909	5,480	114,389	58,183
Net Cash Provided by (Used in) Investing Activities	(1,207,158)	27,744	(1,179,414)	(1,140,803)
Cash Flows from Capital and Related Financing Activities				
Repayment of Long-term Debt	(420,340)	(28,599)	(448,939)	(511,133)
Long-term Debt Proceeds Received	0	0	0	249,000
Interest Paid on Long-term Debt	(249,221)	(125,719)	(374,940)	(301,820)
Net Cash Provided by (Used in) Financing Activities	(669,561)	(154,318)	(823,879)	(563,953)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,218,322)	28,323	(1,189,999)	(999,881)
Cash and Cash Equivalents, Beginning of Year	2,902,881	23,656	2,926,537	3,926,418
Cash and Cash Equivalents, End of Year	\$ 1,684,559	\$ 51,979	\$ 1,736,538	\$ 2,926,537
<u>Presented in the Accompanying Combining Balance Sheet As:</u>				
Cash and Cash Equivalents				
Current Assets	\$ 1,684,559	\$ 51,979	\$ 1,736,538	\$ 2,926,539
Total Cash and Cash Equivalents	\$ 1,684,559	\$ 51,979	\$ 1,736,538	\$ 2,926,539

See accompanying notes.

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013,
WITH COMBINED TOTALS FOR JUNE 30, 2012
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Concluded)**

	Meridian Behavioral Healthcare, Inc.	New Horizons Properties	Totals	
			2013 Combined	2012 Combined
<u>Reconciliation of Excess (Deficiency)</u>				
<u>of Revenues Over (Under) Expenses</u>				
<u>to Net Cash Provided by (Used in)</u>				
<u>Operating Activities</u>				
Excess (Deficiency) of Revenues				
Over (Under) Expenses	\$ (293,489)	\$ (35,218)	\$ (328,707)	\$ 325,367
Reconciling Adjustments:				
Depreciation	1,019,367	62,946	1,082,313	1,081,063
Bad Debt Expense	2,446,685	0	2,446,685	943,571
(Increase) Decrease in Gross Receivables	(546,372)	1,772	(544,600)	(342,124)
Write-off of Accounts Receivable	(1,488,868)	0	(1,488,868)	(906,267)
(Increase) Decrease in Prepaid Expenses	(15,009)	0	(15,009)	17,202
(Increase) in Inventory	(9,548)	0	(9,548)	(15,601)
Security Deposits	12,630	0	12,630	(34)
Increase (Decrease) in Other Receivables	25,234	0	25,234	(147,368)
Other Assets	(271,024)	0	(271,024)	0
(Decrease) Increase in Accounts Payable and Accrued Expenses	(239,274)	125,341	(113,933)	(191,893)
Increase (Decrease) in Other Current Liabilities	24,565	(102)	24,463	50,620
Increase (Decrease) in Deferred Revenue	(6,500)	158	(6,342)	(109,661)
Net Cash Provided by (Used in)				
Operating Activities	\$ 658,397	\$ 154,897	\$ 813,294	\$ 704,875
<u>Noncash Activity</u>				
Noncash Donation of Fixed Assets	\$ 445,000	\$ 0	\$ 445,000	\$ 0
Noncash In-kind Service and Materials Revenues	\$ 1,308,953	\$ 0	\$ 1,308,953	\$ 1,473,105
Noncash In-kind Service and Materials Expenses	\$ 1,308,953	\$ 0	\$ 1,308,953	\$ 1,473,105

See accompanying notes.

NOTES TO COMBINING FINANCIAL STATEMENTS

**NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity and Basis of Accounting

The accompanying financial statements include the combining assets, liabilities, revenues, and expenses as determined by use of the accrual basis of accounting of Meridian Behavioral Healthcare, Inc. (the Corporation) and the New Horizons Properties described in Note 2.

The Corporation is a not-for-profit Florida corporation which provides comprehensive mental health, substance abuse, and children's services to the general public of Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Suwannee, and Union Counties. Because these counties have approval of the majority of the members elected to the Board of Directors, the Corporation is considered a governmental nonprofit. For financial statement purposes, the Corporation is considered a special purpose government engaged only in business-type activities and uses enterprise fund accounting. Accordingly, the accompanying financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has occurred. The combining financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

Cash and Cash Equivalents

Cash and cash equivalents are stated at fair market value, and consist of interest-bearing checking and savings accounts, and petty cash. Although most deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC) at year-end, certain accounts of the Corporation exceeded insured limits. The amount of all uninsured deposits of the Corporation totaled \$1,071,345. The Corporation does not have a formal investment policy that addresses credit risk.

Concentration of Credit Risk

The Corporation maintains deposits in excess of FDIC insurance limits and receivables are generally unsecured.

Investments

Investments are recorded at fair market value and consist of money market accounts, external pooled investments, and stocks.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The primary management estimates included in the accompanying statements relate to the collectability of service fee receivables including amounts due from Medicare, Medicaid, third-party insurers, and clients and amounts due to these parties as a result of subsequent audits, if any, as discussed in Note 8.

Inventories

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

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Assets

Restricted assets are segregated from other current assets due to mortgage agreements and endowment restrictions. These assets are legally restricted for specific purposes such as debt service and other donor restrictions and are generally not available for other uses. The Haynie Trust Endowment is invested in the Gainesville Community Foundation.

Capital Assets

Property, plant and equipment are recorded at cost with estimated lives of three to ten years for transportation and other equipment, and five to thirty years for various buildings and leasehold improvements. Donated assets are recorded at the fair market value as of the date of the gift. The straight-line method of depreciation is used. Maintenance and repairs are expensed as incurred. The Corporation's policy is to capitalize all property, plant and equipment purchases greater than \$1,000.

Accounts Receivable

Accounts receivable are shown at the anticipated realizable value, net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is based on historical data of collectability of revenue types. Accounts older than one year with no activity are written off. Accounts receivable consist primarily of contract and fee amounts due from state and county governments, clients, and third-party payers.

Unamortized Debt Issuance Costs and Refunding Loss

Debt issuance costs are amortized over the term of the related debt using the straight-line method. Unamortized refunding loss is amortized over the term of the refunded debt using the effective interest method.

Income Taxes

The Corporation is currently exempt from state and federal income taxes under Section 501(c)(3) of the *Internal Revenue Code* and, accordingly, no provision has been made for income tax liabilities or expenses. Contributions to the Corporation may qualify for the charitable contribution deduction for federal tax purposes.

Operating Revenues and Expenses

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

Revenue Recognition

Revenues from general sources are recognized when services are provided or when contract and grant funds are earned. Restricted revenues are recognized only to the extent that they are expended in accordance with donor or grantor restrictions. Any restricted revenues which have been received, but not expended, are shown as deferred revenue in the liability section of the accompanying combining statement of net position. Tenant rents and U.S. Department of Housing and Urban Development (HUD) Section 8 - Housing Assistance payments are recognized as revenue when earned.

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Capitation Revenue Agreements

The Corporation has an agreement with North Florida Behavioral Health Partners, Inc. to provide certain medical services to patients in the Florida Prepaid Mental Health Plan. Under the agreement, the Corporation receives monthly capitation payments based on the number of patients in the Florida Prepaid Mental Health Plan area. In addition, North Florida Behavioral Health Partners, Inc. makes fee for service payments to the Corporation for certain covered services based upon a contracted fee schedule. North Florida Behavioral Health Partners, Inc. is a related party as further described in Note 10.

In-kind Revenues and Expenses

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

Matching Requirements

The Corporation receives grants through the State of Florida Department of Children and Families (DCF) which require local matching funds. All local matching requirements have been met.

Compensated Absences

The Corporation pays certain amounts of unused personal time off and short-term disability to employees upon termination in accordance with its compensated absences policy. The accrual presented in the accompanying financial statements is computed using the gross salary at the end of the reporting period.

Prior Period Information

The financial statements include certain prior year summarized comparative information in total but not by combining entity. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Reclassification

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

Note 2 - New Horizons Properties

The Corporation, acting as sponsor, established four not-for-profit, single-asset HUD corporations titled New Horizons Properties, Inc. (NHP), New Horizons Properties II, Inc. (NHP II), New Horizons Properties III, Inc. (NHP III), and New Horizons Properties IV, Inc. (NHP IV). The purpose of these organizations is to construct and operate living facilities for the mentally ill who are undergoing treatment by the Corporation, from the proceeds of HUD Section 202 mortgages and Section 8 Housing Assistance. The four single-asset corporations have no employees. Administrative support is provided by the Corporation's employees.

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 2 - New Horizons Properties (Concluded)

The New Horizons Properties are entities for which the Corporation is considered to be financially accountable and, accordingly, the data from the New Horizons Properties are combined with the data from the Corporation. However, for further understandability, the entities' operations are presented in separate columns in the accompanying combining financial statements. Separate financial statements for the New Horizons Properties can be obtained from the Corporation's fiscal department.

The following is a condensed summary of the affiliated groups' financial position as of June 30, 2013, and the results of their operations for the year then ended:

Financial Position		2013				
	NHP	NHP II	NHP III	NHP IV	Total	
Current Assets	\$ 2,006	\$ 44,745	\$ 528	\$ 18,631	\$ 65,910	
Property, Plant and Equipment (Accumulated Depreciation)	434,011 (348,458)	766,822 (600,947)	434,354 (333,099)	929,401 (437,436)	2,564,588 (1,719,940)	
Restricted Assets	115,970	746,614	66,424	105,873	1,034,881	
Other Assets	<u>1,132</u>	<u>3,502</u>	<u>2,609</u>	<u>3,259</u>	<u>10,502</u>	
Total Assets	<u>204,661</u>	<u>960,736</u>	<u>170,816</u>	<u>619,728</u>	<u>1,955,941</u>	
Current Liabilities	17,852	71,548	25,048	9,380	123,828	
Long-term Liabilities	<u>279,737</u>	<u>495,797</u>	<u>311,304</u>	<u>1,041,494</u>	<u>2,128,332</u>	
Total Liabilities	297,589	567,345	336,352	1,050,874	2,252,160	
Fund (Deficit) Balances	<u>(92,928)</u>	<u>393,391</u>	<u>(165,536)</u>	<u>(431,146)</u>	<u>(296,219)</u>	
Total Liabilities and Fund Balances	<u>\$ 204,661</u>	<u>\$ 960,736</u>	<u>\$ 170,816</u>	<u>\$ 619,728</u>	<u>\$ 1,955,941</u>	
Results of Operations		2013				
	NHP	NHP II	NHP III	NHP IV	Total	
Grant Revenue	\$ 28,890	\$ 87,450	\$ 38,514	\$ 17,497	\$ 172,351	
Rental Income	18,561	30,897	40,043	31,212	120,713	
Interest and Miscellaneous Income (Expenses)	10,122 (77,055)	60,784 (224,763)	6,182 (121,209)	5,959 (108,541)	83,047 (531,568)	
(Deficiency) of Revenues (Under) Expenses	<u>\$ (19,482)</u>	<u>\$ (45,632)</u>	<u>\$ (36,470)</u>	<u>\$ (53,873)</u>	<u>\$ (155,457)</u>	

Affiliate advances from the Corporation to the four New Horizons Properties represent uncollateralized, noninterest-bearing intercompany accounts totaling \$372,148, of which nothing is expected to be paid during the 2013-2014 year. For the year ended June 30, 2013, no payments to the Corporation for affiliate advances were made from the New Horizons Properties.

Note 3 - Deposits and Investments

Deposits

At year-end, the carrying amount of the Corporation's deposits was \$1,684,559 and the bank balances were \$1,703,766.

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 3 - Deposits and Investments (Concluded)

Deposits (Concluded)

The carrying amount of the New Horizons Properties' deposits was \$51,979 and the bank balances were \$53,613. Deposits of the New Horizons Properties are maintained in public depositories and are insured by FDIC up to \$250,000 per financial institution for interest bearing accounts and fully insured for all noninterest-bearing accounts.

Money Market Accounts, Certificates of Deposit, and Other Investments

Investments are recorded at fair market value. The carrying amount and fair market value at June 30, 2013, are as follows:

	<u>Meridian Behavioral Healthcare, Inc.</u>	<u>New Horizons Properties</u>
Cash Equivalents, Certificates of Deposit, and Other Investments		
Ameris Bank, 0.50%	\$ 104,703	\$ 0
Bank of America, 0.05% Interest	136,156	0
Bank of America, 0.25% Interest	103,518	0
Heritage Bank, 0.45% Interest	266,766	0
Compass Bank, 0.99% Interest	252,128	0
M&S Bank, 0.35% Interest	261,021	0
Mercantile Bank, 0.25% Interest	208,649	0
New Horizons, 0.05% Interest	0	1,132
New Horizons II, 0.04% Interest	0	3,502
New Horizons III, 0.04% Interest	0	2,609
New Horizons III, 0.01% Interest	0	2,000
New Horizons III, 0.13% Interest	0	64,424
New Horizon IV, 0.04% Interest	0	3,259
John Hancock Money Market Account (MMA)	317	0
New Horizons, 0.24% Interest MMA	0	113,983
New Horizons, 0.21% Interest MMA	0	1,987
New Horizons II, 0.00% Interest MMA	0	648,549
New Horizons II, 0.14% Interest MMA	0	98,065
New Horizons IV, 0.013% Interest MMA	0	93,185
New Horizon IV, 0.03% Interest MMA	0	12,688
Gainesville Community Foundation	544,986	0
Florida Premier Health Plan	15,000	0
MHRRG - Class C Stock (150 Shares)	75,000	0
MHRRG - Class D Stock (3 Shares)	<u>1,575</u>	<u>0</u>
Total Cash Equivalents, Certificates of Deposit, and Other Investments	1,969,819	1,045,383
(Endowed Investments)	(372,047)	0
(Funded Reserves)	0	(1,034,881)
(Tenant Security Deposit Portion)	<u>0</u>	<u>(10,502)</u>
Total Current Cash Equivalents, Certificates of Deposit, and Other Investments	<u>\$ 1,597,772</u>	<u>\$ 0</u>

For the year ended June 30, 2013, investment and interest income includes \$91,951 of interest and an unrealized gain of \$26,524 on investments.

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

Meridian Behavioral Healthcare, Inc.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 626,535	\$ 0	\$ 0	\$ 626,535
Work in Progress	300,503	384,741	0	685,244
Total Capital Assets Not Being Depreciated	<u>927,038</u>	<u>384,741</u>	<u>0</u>	<u>1,311,779</u>
Capital Assets Being Depreciated				
Land Improvements	84,168	6,115	0	90,283
Buildings and Improvements	11,972,099	558,674	0	12,530,773
Computer Software	1,294,409	296,486	0	1,590,895
Furniture and Equipment	2,500,533	84,318	0	2,584,851
Total Capital Assets Being Depreciated	<u>15,851,209</u>	<u>945,593</u>	<u>0</u>	<u>16,796,802</u>
Less Accumulated Depreciation				
Land Improvements	(24,105)	(4,014)	0	(28,119)
Buildings and Improvements	(8,378,741)	(478,200)	0	(8,856,941)
Furniture and Equipment	(1,954,383)	(537,153)	0	(2,491,536)
Total Accumulated Depreciation	<u>(10,357,229)</u>	<u>(1,019,367)</u>	<u>0</u>	<u>(11,376,596)</u>
Total Capital Assets Being Depreciated, Net	<u>5,493,980</u>	<u>(73,774)</u>	<u>0</u>	<u>5,420,206</u>
Total Capital Assets, Net	<u>\$ 6,421,018</u>	<u>\$ 310,967</u>	<u>\$ 0</u>	<u>\$ 6,731,985</u>

New Horizons Properties

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 279,636	\$ 0	\$ 0	\$ 279,636
Capital Assets Being Depreciated				
Buildings and Improvements	2,121,652	37,809	0	2,159,461
Furniture and Equipment	118,963	6,529	0	125,492
Total Capital Assets Being Depreciated	<u>2,240,615</u>	<u>44,338</u>	<u>0</u>	<u>2,284,953</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,581,559)	(52,749)	0	(1,634,308)
Furniture and Equipment	(75,436)	(10,197)	0	(85,633)
Total Accumulated Depreciation	<u>(1,656,995)</u>	<u>(62,946)</u>	<u>0</u>	<u>(1,719,941)</u>
Total Capital Assets Being Depreciated, Net	<u>583,620</u>	<u>(18,608)</u>	<u>0</u>	<u>565,012</u>
Total Capital Assets, Net	<u>\$ 863,256</u>	<u>\$ (18,608)</u>	<u>\$ 0</u>	<u>\$ 844,648</u>

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 4 - Capital Assets (Concluded)

Depreciation expense for the year ended June 30, 2013, for the Corporation totaled \$1,019,367 and for the New Horizons Properties totaled \$62,945.

Substantially all property and equipment has been pledged as collateral on long-term debt of the Corporation. See Note 5 for further long-term debt information.

Note 5 - Long-term Debt

A summary of mortgages, bonds, capital leases payable and compensated absences at June 30, 2013, follows:

<u>Meridian Behavioral Healthcare, Inc.</u>					
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds and Mortgages Payable - Collateralized by Real Estate					
Regions Bank Draw, 2008A, Variable Interest Rate at 63.7% of LIBOR Plus 117 Basis Points	\$ 3,075,318	\$ 0	\$ (120,648)	\$ 2,954,670	\$ 150,672
Unamortized Refunding Loss	(49,711)	0	49,711	0	0
Regions Bank Draw, 2008B, Variable Interest Rate at 63.7% of LIBOR Plus 117 Basis Points	1,615,715	0	(278,572)	1,337,143	68,187
M&S Bank Note Payable, Interest Rate at 5.35%	247,188	0	(11,406)	235,782	11,807
Capital Leases Payable - Collateralized by Equipment					
U.S. Bank, Payable \$1,090 Per Month Including Interest Rate at 12.813%	<u>25,458</u>	<u>0</u>	<u>(9,715)</u>	<u>15,743</u>	<u>11,833</u>
Total Long-term Debt - Meridian Behavioral Healthcare, Inc.	<u>\$ 4,913,968</u>	<u>\$ 0</u>	<u>\$ (370,630)</u>	<u>\$ 4,543,338</u>	<u>\$ 242,499</u>
<u>New Horizons Properties</u>					
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Mortgages Payable - Collateralized by Real Estate					
U.S. Department of HUD, Payable \$2,068 Per Month Including Interest at 9.25% for Forty Years	\$ 188,571	\$ 0	\$ (7,699)	\$ 180,872	\$ 8,442
U.S. Department of HUD, Payable \$4,766 Per Month Including Interest at 9.25% for Forty Years After Closing	459,477	0	(15,330)	444,147	16,811
U.S. Department of HUD, Payable \$2,242 Per Month Including Interest at 8.38% for Forty Years	251,652	0	(6,053)	245,599	6,581
U.S. Department of HUD, Capital Advance, Not Payable if Facility is Used for Very Low-income Residents	<u>917,400</u>	<u>0</u>	<u>0</u>	<u>917,400</u>	<u>0</u>
Total Long-term Debt - New Horizons Properties	<u>1,817,100</u>	<u>0</u>	<u>(29,082)</u>	<u>1,788,018</u>	<u>31,834</u>
Total Long-term Debt - Meridian Behavioral Healthcare, Inc. and New Horizons Properties	<u>\$ 6,731,068</u>	<u>\$ 0</u>	<u>\$ (399,712)</u>	<u>\$ 6,331,356</u>	<u>\$ 274,333</u>

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 5 - Long-term Debt (Continued)

The capital advance from HUD in the amount of \$917,400 bears no interest and is not required to be repaid as long as the facility is used for low-income residents over a forty-year period. The facility is currently being used in this capacity and it is anticipated it will continue to be over the forty-year period.

Interest costs incurred for the year ended June 30, 2013, on the long-term debt previously described totaled \$156,502 for the Corporation and \$81,460 for the New Horizons Properties (none of which was capitalized).

The Corporation's property under capital leases, which is included in capital assets, consists of the following at June 30, 2013:

Furniture and Equipment	\$ 455,795
(Accumulated Depreciation)	<u>(393,678)</u>
Total	<u>\$ 62,117</u>

Current year amortization of equipment under capital lease is included in depreciation expense.

The Corporation leases equipment under a capital lease expiring in fiscal year 2015. Future minimum rental payments required for all noncancellable leases that have remaining lease terms in excess of one year for leases in effect on June 30, 2012, are included below.

The following is a summary of principal and interest payments due on the long-term debt previously described (note that the future maturities excluded the \$917,400 capital advance which it is not anticipated to require future cash outflows):

<u>Meridian Behavioral Healthcare, Inc. Debt</u>			
<u>Fiscal</u>			
<u>Year</u>			
<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 242,499	\$ 114,583	\$ 357,082
2015	238,467	118,090	356,557
2016	240,765	108,870	349,635
2017	247,739	101,473	349,212
2018	254,624	93,893	348,517
2019-2023	1,626,713	325,861	1,952,574
2024-2028	<u>1,692,531</u>	<u>109,295</u>	<u>1,801,826</u>
Total	<u>\$ 4,543,338</u>	<u>\$ 972,065</u>	<u>\$ 5,515,403</u>

<u>New Horizons Properties</u>	
<u>Fiscal</u>	
<u>Year</u>	
<u>Ending</u>	<u>Principal</u>
2014	\$ 31,834
2015	34,844
2016	38,138
2017	41,746
2018	45,646
2019-2033	<u>678,410</u>
Total	<u>\$ 870,618</u>

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 5 - Long-term Debt (Concluded)

Regions Bank Note, 2008A

In February 2008, the Corporation obtained a \$3,600,000 note payable to Regions Bank for the refunding of the Health Facility Revenue Bonds, Series 2003. The refunding resulted in an accounting loss of \$177,534, which is being amortized over the remaining term of the refunded bonds. The note is secured by real estate of the Corporation.

Regions Bank Note, 2008B

In February 2008, the Corporation obtained a \$2,400,000 note payable to Regions Bank to fund capital acquisitions and improvements. The note is secured by real estate of the Corporation.

Debt Covenants

Under the Regions Bank notes, the Corporation has agreed to maintain a debt service coverage ratio equal to or greater than 1.25 and a net funded debt to EBITDA ratio equal to or greater than 2.5 for the preceding twelve-month period, measured annually, as defined in the covenants. The Corporation has not met either debt covenant, and the penalties were waived by the Regions Bank.

As of July 9, 2013, the Corporation refinanced the Regions Bank Notes 2008A and B. See Note 12 for additional information.

Note 6 - Fees

Fees represent charges for client services. The charges are made to first-party payers (the client) and third-party payers (insurance companies, state, and local agencies). The Corporation operates as an agent for the client in pursuing the collection of third-party payments. A sliding fee schedule is used which discounts the fee based on the client's financial ability to pay.

Note 7 - Pension Plan

The Corporation has adopted a defined contribution pension plan covering all employees. The employer contributes a variable amount of each employee's gross salary based on participation in Social Security taxes. The employer contributes 7.5% of each employee's gross salary that opts out of Social Security taxes and 1.3% for employees that continue to pay Social Security taxes. Employees vest immediately. Pension expense for 2013 was \$1,123,591.

The Corporation also provides a tax-deferred annuity plan to which employees may contribute. All employees are eligible to participate and vest immediately.

Note 8 - Grants and Service Fees

The Corporation and the New Horizons Properties receive federal and state grants, Medicare, Medicaid, Medicaid capitation, and service fees funds. These funds are subject to compliance audits by the providers or their representatives. The audits of these programs have not yet been accepted/approved by the providers and their representatives. Accordingly, the final determination of compliance with applicable grant requirements and other federal and state programs will be established at a future date. The amount, if any, of billings and expenditures which may be disallowed cannot be determined and, accordingly, no provision for these amounts have been made in the accompanying financial statements.

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Continued)

Note 9 - Risk Management

The Corporation is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Corporation carries insurance. Insurance against losses are provided through various commercial insurers for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Professional Liability
- Real and Personal Property Damage
- Automobile Physical Damage and Liability
- Directors' and Officers' Liability

The Corporation's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the Corporation's experience for this type of risk.

As of June 30, 2013, the Corporation was the defendant to various ongoing litigations. The outcomes and a reasonable estimation of any losses were not determinable.

Note 10 - Related Parties

During 2006, the Corporation became a member in the North Florida Behavioral Health Network, Inc. for the purpose of bidding on one or more contracts for the provision behavioral health care services pursuant to the State of Florida in connection with the Florida Medicaid Prepaid Mental Health Plan. North Florida Behavioral Health Network, Inc. is a 50% shareholder in North Florida Behavioral Health Partners, Inc., which in turn executed the bids and was ultimately awarded the contract under the Florida Medicaid Prepaid Mental Health Plan during the year ended June 30, 2007. The contracts the Agency for Health Care Administration (AHCA) has signed with North Florida Behavioral Health Partners, Inc. provide the rates paid, which are determined by the appropriate AHCA actuaries, and those rates include all costs incurred in administering and delivering the services required. The Corporation, as a member of the North Florida Behavioral Health Network, Inc. provided services under the contracts for the prepaid mental health services and fee for services during the years ended June 30, 2013 and 2012, recognizing revenue of \$6,808,416 and \$8,086,962, respectively.

Note 11 - Commitments and Contingencies

During the year the Corporation received five properties from Alachua County, Florida, as part of the Neighborhood Stabilization Grant. Each property is secured with a zero percent interest deferred mortgage loan with a maturity date of 15 years. The principle portion of the mortgages are forgiven evenly over 15 years on the anniversary date of each mortgage. As of June 30, 2013, the contingent liability for these mortgages is \$445,000.

NOTES TO COMBINING FINANCIAL STATEMENTS
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Concluded)

Note 12 - Subsequent Events

As of July 9, 2013, the Corporation issued the 2013A Bond to provide funds sufficient, to refund the outstanding 2008A and B Bonds. The 2013A Bond is secured by real estate and bears an interest rate of 2.55% for 15 years. The corporation also issued the 2013B Bond in the amount of \$3,000,000, at an interest rate of 2.55% for 15 years, the proceeds of which will be used to construct a new administration facility.

In July of 2013, the Corporation awarded the construction contract for the New Administration Building in the amount of \$2,971,695.

ADDITIONAL INFORMATION

SCHEDULE OF FUNCTIONAL REVENUES

SCHEDULE OF FUNCTIONAL REVENUES

	Case Management AMH	Case Management CMH	Crisis Stabilization AMH	Crisis Stabilization CMH	Crisis Support Emergency	Day Treatment / Day Care ASA	Family Crisis Intervention CMH
COST CENTER REVENUE REPORT-ACTUAL							
SECTION I - STATE ADM FUNDING							
STATE-SMHA1 610			149,482		143,446		
STATE-AESS1 610			35,000		703,770		
STATE-CBAS 610							
STATE-TRTAS 618					22,642	393,972	1,410
STATE-CESS1 257				168,024	338,584		
STATE-CESS1 435				326,072	257,586		
STATE-CRRS1 435							151,912
STATE-TRTCS 420					26,340		
STATE-ARRS1 610	159,511						
STATE-AESS1 611			2,057,534				
STATE-PRVAS 618							
STATE-PRVCS 420							
STATE-39A18 610 (TANF)							
STATE-GX018 610							
STATE FUNDS AD/MH (IDP) LINE CREDIT			(100)				
STATE FUNDS (IDP) LINE OF CREDIT			41,877	11,174			
STATE-27HIV 618							
STATE-27WOM 618							
STATE-39TC0 618 (TANF)							
STATE-DTXAS 618							
STATE-DTXCS 619							
STATE-27CHV 420							
STATE-39TC1 420 (TANF)							
Total SECTION I - STATE ADM FUNDING	159,511	-	2,283,793	505,270	1,492,368	393,972	153,322
SECTION II - OTHER GOVERNMENT FUNDING							
A. OTHER STATE FUNDING							
GRANTS - HUD HOPE							
DCF CONTRACTS - DISASTER RELIEF							
DCF CONTRACTS - B-NET TITLE 21							
NON-OPERATING GRANT - NSP							
NON-OPERATING GRANT - USDA TELEMEDICINE							
Total A. OTHER STATE FUNDING	-	-	-	-	-	-	-
B. MEDICAID							
MEDICAID FFS	100,640	39,417	144	635	219	2,778	1,165
MCD FFS - ACCRUAL	29	25,673	(95)			177,040	(3,380)
MCD FFS - BAD DEBT/WRITTEN OFF	33,442	11,366				10,971	
PREPAID MEDICAID	547,528	491,164	343,215		6,278		15,887
MANAGED MEDICAID - ACCRUAL	(5,515)	(28,613)			325		(1,475)
MANAGE MEDICIAD - BAD DEBT/WRITTEN OFF	21,504	46,438	112,548	83,273			
MANAGED MEDICIAD CBC	12	5,088					301
MANAGED MEDICAID OUT OF AREA							
MANAGED MEDICAID INPATIENT			248,392	95,587			
Prestige Beacon FFS	17,742	24,528			271		
MCD VO INPATIENT			1,398,682	466,223			
COMMERCIAL - INPATIENT			100,222	29,223			
PROVISIONS FOR BD- MANAGED MEDICAID							
PROVISIONS FOR BD- MEDICAID FFS							
PROVISIONS FOR CONTR ADJ- MANAGED MEDICAID	1,042	13,971			(180)		709
PROVISIONS FOR CONT ADJ- MEDICAID FFS	(1,555)	(13,597)	47			(166,081)	1,626
Total B. MEDICAID	714,869	615,435	2,203,155	674,941	6,913	24,708	14,833

Intervention AMH	Intervention ASA	Intervention CSA	Outpatient AMH	Outpatient ASA	Outpatient CMH	Outpatient CSA	Outpatient Medical AMH	Outpatient Medical ASA	Outpatient Medical CMH	Outreach AMH
56,790			10,417							
132,697				138,989				4,171		23,276
		12,447				12,184			159,927	
			507,453				459,227			
							24,782			
			173							26,568
							25,092			125,320
				13,700			67,213	1,086		
										16,354
189,487	-	12,447	518,043	152,689	-	12,184	576,314	5,257	159,927	191,518
			12,846		5,761					
-	-	-	12,846	-	5,761	-	-	-	-	-
20	148	451	113,660	169,128	90,059	3,298	63,743	38,370	22,919	
	6,969		54,527	24,100	(15,227)	(6,061)	35,668	15,004	(875)	
	3,578	97	75,056	43,951	42,006	418	94,583		33,114	
			712,719		1,230,698		739,023		532,517	
			72,934		(13,964)		37,852		1,954	
			72,277		111,426		53,288		65,692	
	37		625		50,542	146	410		8,463	
			30		78		40		20	
			49,792	501	60,822	595	30,775		18,536	
			(33,172)		14,380		(11,843)		2,299	
	(4,754)		(43,405)	(23,846)	(1,423)	2,931	(6,198)	(7,056)	2,107	
20	5,978	548	1,075,043	213,834	1,569,397	1,327	1,037,341	46,318	686,746	-

SCHEDULE OF FUNCTIONAL REVENUES (Continued)

	Outreach		Prevention		R&B w/Supv	Residential	Residential	Residential	Residential
	Outreach	Outreach	Prevention	Prevention	Residential	Detox	Level 2	Level 2	
	ASA	CSA	ASA	CSA	AMH	ASA/CSA	ASA	CSA	
COST CENTER REVENUE REPORT-ACTUAL									
SECTION I - STATE ADM FUNDING									
STATE-SMHA1 610									
STATE-AESS1 610									
STATE-CBAS 610									
STATE-TRTAS 618	40,678						218,526		
STATE-CESS1 257									
STATE-CESS1 435									
STATE-CRRS1 435									
STATE-TRTCS 420		200,275							859,269
STATE-ARRS1 610					471,454		428,658		
STATE-AESS1 611									
STATE-PRVAS 618			31,688						
STATE-PRVCS 420				7,466					
STATE-39A18 610 (TANF)							213,887		
STATE-GX018 610									
STATE FUNDS AD/MH (IDP) LINE CREDIT									
STATE FUNDS (IDP) LINE OF CREDIT									
STATE-27HIV 618	59,742						56,874		
STATE-27WOM 618							573,900		
STATE-39TC0 618 (TANF)							190,162		
STATE-DTXAS 618							650,837		
STATE-DTXCS 619							18,182		
STATE-27CHV 420									4,978
STATE-39TC1 420 (TANF)								26,489	
Total SECTION I - STATE ADM FUNDING	100,420	200,275	31,688	7,466	471,454	669,019	1,708,496		864,247
SECTION II - OTHER GOVERNMENT FUNDING									
A. OTHER STATE FUNDING									
GRANTS - HUD HOPE									
DCF CONTRACTS - DISASTER RELIEF									
DCF CONTRACTS - B-NET TITLE 21									
NON-OPERATING GRANT - NSP									
NON-OPERATING GRANT - USDA TELEMEDICINE									
Total A. OTHER STATE FUNDING	-	-	-	-	-	-	-	-	-
B. MEDICAID									
MEDICAID FFS	707	2,209							
MCD FFS - ACCRUAL									
MCD FFS - BAD DEBT/WRITTEN OFF									
PREPAID MEDICAID									
MANAGED MEDICAID - ACCRUAL									
MANAGE MEDICIAD - BAD DEBT/WRITTEN OFF									
MANAGED MEDICIAD CBC		214							
MANAGED MEDICAID OUT OF AREA									
MANAGED MEDICAID INPATIENT									
Prestige Beacon FFS	72								
MCD VO INPATIENT									
COMMERCIAL - INPATIENT							29,102	2,800	
PROVISIONS FOR BD- MANAGED MEDICAID									
PROVISIONS FOR BD- MEDICAID FFS									
PROVISIONS FOR CONTR ADJ- MANAGED MEDICAID									
PROVISIONS FOR CONT ADJ- MEDICAID FFS									
Total B. MEDICAID	779	2,423	-	-	-	-	29,102	2,800	-

Supported Employment	Non-Program Specific	Rehab	Forensics	Family Intervention Team	HUD HOPE	Opioid Treatment Program	Partial Hospital. Program	Property Management	Other Support General	Adminis- tration	TOTAL
AMH	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF			
											292,928
											738,770
											67,207
											976,361
											506,608
											583,658
											311,839
											1,110,515
108,947											2,135,250
											2,057,534
											56,470
											7,466
											240,628
											150,412
											(100)
											120,264
											131,402
											573,900
											206,516
											650,837
											18,182
											4,978
											26,489
108,947	-	-	-	-	-	-	-	-	-	-	10,968,114
						80,325					80,325
											12,846
											5,761
									445,000		445,000
										121,940	121,940
-	-	-	-	-	80,325	-	-	-	-	566,940	665,872
	48,075	408,158		6,786		1,403,904	3,824.00				2,520,457
	(27,301)	91,525	29,160	14,259		6,157	194,150.00				621,322
		72,184		4,230		113,659					538,655
	759,042	1,642,295		30,719							7,051,085
	(11,700)	37,272		(19,526)			29,376.00				98,920
				22,089							588,535
				25,573							91,411
				152							320
											343,979
	68,321	1,754		923							274,632
											1,864,905
											161,347
	(654,804)										(654,804)
	(537,710)										(537,710)
		(8,895)		8,743			(26,419.00)				(39,365)
		(127,436)	(18,979)	(9,189)		(51,693)	(187,387.00)				(655,888)
-	(356,077)	2,116,857	10,181	84,759	-	1,472,027	13,544	-	-	-	12,267,801

SCHEDULE OF FUNCTIONAL REVENUES (Continued)

	Case Management	Case Management	Crisis Stabilization	Crisis Stabilization	Crisis Support Emergency	Day Treatment / Day Care	Family Crisis Intervention
	AMH	CMH	AMH	CMH		ASA	CMH
C. LOCAL GOVERNMENT							
BCC - QRTL COUNTY			243,538				
BCC - MONTHLY COUNTY			353,793				
Total C. LOCAL GOVERNMENT	-	-	597,331	-	-	-	-
D. IN-KIND (Local Gov't Only)							
DONATIONS - SPACE	8,820	8,820					
Total D. IN-KIND (Local Gov't Only)	8,820	8,820	-	-	-	-	-
Total SECTION II - OTHER GOVERNMENT FUNDING	723,689	624,255	2,800,486	674,941	6,913	24,708	14,833
SECTION III - ALL OTHER FUNDING AND REVENUES							
A. FIRST AND THIRD PARTY FEES (including Medicare)							
CLIENT FEES	12	(124)			19	8,806	230
CLIENT FEES - ACCRUAL			(460,135)		(28,175)	(319,110)	
CLIENT FEES - BAD DEBT/WRITTEN OFF			2,768			25,744	
INSURANCE							
INSURANCE - ACCRUAL					(1,130)	47,402	689
INSURANCE - BAD DEBT/WRITTEN OFF			148,226	55,146	1,745	25,357	
INSURANCE - AETNA					176		
INSURANCE - BLUE CROSS/BLUE SHIELD							
INSURANCE - CIGNA BEHAVIORAL						895	
INSURANCE - HUMANA							
INSURANCE - PEDICARE							
INSURANCE - PSYCHCARE/AVMED/VISTA							
INSURANCE - TRICARE							
INSURANCE - UNITED BEHAVIORAL HEALTHCARE						480	
INSURANCE - VALUE OPTIONS COMMERCIAL		1,530			45		
INSURANCE - WELLCARE/HEALTHLEASE/STAYWELL							
INSURANCE - OTHER NON-CONTRACTED						800	
INSURANCE - FEES - INPATIENT			30,634	44,186			
CLIENT FEES INPATIENT			3,468	754			
MANAGED MEDICAID ACCRUAL-INPATIENT			232,656	49,566			
MEDICARE							
MEDICARE - ACCRUAL							
MEDICARE - BAD DEBT/WRITTEN OFF							
PROVISIONS FOR BD- CLIENT FEES							
PROVISIONS FOR BD- COMMERCIAL INSURANCE							
PROVISIONS FOR BD- MEDICARE							
PROVISIONS FOR CONT ADJ- INPATIENT			(31,014)	(7,335)			
PROVISIONS FOR CONT ADJ- CLIENT FEES			501,502		28,846	331,262	
PROVISIONS FOR CONT ADJ- COMMERCIAL INSURANCE					305	(2,650)	
PROVISIONS FOR CONT ADJ- MEDICARE							
Total A. FIRST AND THIRD PARTY FEES (including Medicare)	12	1,406	428,105	142,317	1,831	118,986	919
B. CONTRIBUTIONS AND DONATIONS							
DONATIONS							
DONATIONS - CASH							
DONATIONS-UNITED WAY							
DONATIONS-EMPLOYEE GIVING							
DONATIONS - SPECIAL EVENTS							
IN KIND DONATIONS - SPECIAL EVENTS							
DONATIONS - Stop the Violence							
Total B. CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-

Intervention AMH	Intervention ASA	Intervention CSA	Outpatient AMH	Outpatient ASA	Outpatient CMH	Outpatient CSA	Outpatient Medical AMH	Outpatient Medical ASA	Outpatient Medical CMH	Outreach AMH
							15,761			
							75,071			
							90,832			
			8,820		8,820		17,645			
			8,820		8,820		17,645			
20	5,978	548	1,096,709	213,834	1,583,978	1,327	1,145,818	46,318	686,746	-
84	150	96	28,743	38,552	6,590	421	41,354	416	3,873	21
(9,224)	(2,300)		(137,016)	(80,693)	(86,680)	(26,978)	(264,273)		(21,195)	(2,422)
	2,074		18,425	32,796	13,785	905	34,468		3,346	
			33,475	14,046	(3,397)	4,917	47,950		1,477	
			47,761	18,478	90,480		61,885		20,493	
			217	268	94		695		67	
			1,365	502	446		1,586		410	
			195	366	65		29			
							36			
			147		12,127		450		7,561	
			3,868	771	5,704		8,805		5,093	
			598		38		1,109		481	
			531	156	883		1,968		578	
			953		775	234	12,240		4,737	44
					558		1,828		2,391	
			831	47	66		3,419		274	
			30,839	1,958	528	77	98,260	331	366	
	38		(29,864)	1,124	882		(173,974)	1,210	(994)	
			104,672		223		296,263			
			142,894	76,112	85,878	27,368	278,251		23,096	5
			(8,606)	(4,854)	(3,456)	(578)	(11,623)		661	
			(454)	(133)	(343)		75,312	(1,210)	707	
(9,140)	3,283	96	239,574	99,496	125,246	6,366	516,038	747	53,422	(2,352)

SCHEDULE OF FUNCTIONAL REVENUES *(Continued)*

	Outreach		Prevention		R&B w/Supv	Residential	Residential	Residential	Residential
	Outreach	Outreach	Prevention	Prevention	Residential	Detox	Level 2	Level 2	Level 2
	ASA	CSA	ASA	CSA	AMH	ASA/CSA	ASA	CSA	CSA
C. LOCAL GOVERNMENT									
BCC - QRTLTY COUNTY						83,168	72,335		
BCC - MONTHLY COUNTY						218,913	181,587		
Total C. LOCAL GOVERNMENT	-	-	-	-	-	302,081	253,922		-
D. IN-KIND (Local Gov't Only)									
DONATIONS - SPACE									
Total D. IN-KIND (Local Gov't Only)	-	-	-	-	-	-	-		-
Total SECTION II - OTHER GOVERNMENT FUNDING	779	2,423	-	-	-	331,183	256,722		-
SECTION III - ALL OTHER FUNDING AND REVENUES									
A. FIRST AND THIRD PARTY FEES (including Medicare)									
CLIENT FEES	161	114				3,946	3,951		
CLIENT FEES - ACCRUAL						(1,284,650)	(2,073,100)		(14,500)
CLIENT FEES - BAD DEBT/WRITTEN OFF						26,578	36,093		
INSURANCE									
INSURANCE - ACCRUAL									
INSURANCE - BAD DEBT/WRITTEN OFF						16,220	14,689		
INSURANCE - AETNA									
INSURANCE - BLUE CROSS/BLUE SHIELD									
INSURANCE - CIGNA BEHAVIORAL									
INSURANCE - HUMANA									
INSURANCE - PEDICARE									
INSURANCE - PSYCHCARE/AVMED/VISTA									
INSURANCE - TRICARE									
INSURANCE - UNITED BEHAVIORAL HEALTHCARE									
INSURANCE - VALUE OPTIONS COMMERCIAL									
INSURANCE - WELLCARE/HEALTHLEASE/STAYWELL									
INSURANCE - OTHER NON-CONTRACTED									
INSURANCE - FEES - INPATIENT						52,000	99,800		
CLIENT FEES INPATIENT						76,863	31,643		
MANAGED MEDICAID ACCRUAL-INPATIENT						600			
MEDICARE									
MEDICARE - ACCRUAL	(38)								
MEDICARE - BAD DEBT/WRITTEN OFF									
PROVISIONS FOR BD- CLIENT FEES									
PROVISIONS FOR BD- COMMERCIAL INSURANCE									
PROVISIONS FOR BD- MEDICARE									
PROVISIONS FOR CONT ADJ- INPATIENT									
PROVISIONS FOR CONT ADJ- CLIENT FEES						(12,296)	(19,998)		
PROVISIONS FOR CONT ADJ- COMMERCIAL INSURANCE						1,252,907	2,064,499		17,430
PROVISIONS FOR CONT ADJ- MEDICARE									
Total A. FIRST AND THIRD PARTY FEES (including Medicare)	123	114	-	-	-	132,168	157,577		2,930
B. CONTRIBUTIONS AND DONATIONS									
DONATIONS									
DONATIONS - CASH									
DONATIONS-UNITED WAY									
DONATIONS-EMPLOYEE GIVING									
DONATIONS - SPECIAL EVENTS									
IN KIND DONATIONS - SPECIAL EVENTS									
DONATIONS - Stop the Violence				13,801					
Total B. CONTRIBUTIONS AND DONATIONS	-	-	13,801	-	-	-	-		-

Supported Employment	Non-Program Specific	Rehab	Forensics	Family Intervention Team	HUD HOPE	Opioid Treatment Program	Partial Hospital. Program	Property Management	Other Support General	Adminis- tration	TOTAL
AMH	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF			
											414,802
											829,364
-	-	-	-	-	-	-	-	-	-	-	1,244,166
											52,925
-	-	-	-	-	-	-	-	-	-	-	52,925
-	(356,077)	2,116,857	10,181	84,759	80,325	1,472,027	13,544	-	-	566,940	14,230,764
	181,784	12	225	390		610,205	50,572.00				980,603
	(61,852)			(916)		45,842	39,513.00				(4,787,864)
				698		87,675					285,355
	6,620										6,620
	(11,758)			4,555		(16,702)	48,307.00				169,831
				1,655		19,624					521,759
							1,345.00				2,862
						166					4,475
				185							1,735
											36
											20,285
						149					24,390
											2,226
							114				4,710
		2,669	80	23		15	94.00				23,439
											4,777
		20				598					6,055
											226,620
											112,728
											282,822
	12,046			78		2,264	4,599.00				151,346
	(1,947)		1,697			(3,529)	(145.00)				(205,540)
						10,302					411,460
	(604,363)										(604,363)
	(876,208)										(876,208)
	(321,512)										(321,512)
											(70,643)
			(6,046)	1,539		(5,070)	(20,033.00)				4,803,761
				(783)		(172)	(20,010.00)				(51,766)
						(295)					73,584
-	(1,677,190)	2,701	(4,044)	7,424	-	751,186	104,242	-	-	-	1,203,583
											0
									61,430		61,430
									7,435		7,435
									22,208		22,208
									54,402		54,402
									70,500		70,500
									5,885		19,686
-	-	-	-	-	-	-	-	-	-	221,860	235,661

SCHEDULE OF FUNCTIONAL REVENUES (Continued)

	Case Management	Case Management	Crisis Stabilization	Crisis Stabilization	Crisis Support Emergency	Day Treatment / Day Care	Family Crisis Intervention
	AMH	CMH	AMH	CMH		ASA	CMH
C. OTHER							
Choices							
No Wrong Door- Residential							
No Wrong Door- Psychiatric							
WellFlorida EAP							
LIP Grants							
SCHOOL BOARD							
SCHOOL BOARD - RECOVERY CENTER							
DRUG COURT						42,690	
DRUG COURT DAY REPORTING						16,499	
COURT SERVICES - OPUS							
GOVT - DEPARTMENT OF CORRECTIONS							
GOVT - PARTNERSHIP FFS							374
GOVT - VETERANS HOSPITAL							
GOVT - Dept of Juvenile Justice							
GRANTS - CDBG							
GRANTS - CJMHSAG							
GRANTS - MIWG							
ELDER FOOD PROGRAM							
GENOA HEALTHCARE							
M V TRANSPORTATION							
NHP I							
NHP II							
NHP III							
NHP IV							
NSP REVENUE							
SMA (FKA PUTNAM BEHAVIORAL HEALTHCARE)							
MEDICAL RECORDS							
FOOD STAMP INCOME							
GROUP HOME FEES							
CAFETERIA REVENUE							
INTEREST INCOME							
MISCELLANEOUS INCOME							
BACKGROUND REVENUE							
EMPLOYEE WELLNESS							
DIVIDEND/INTEREST INCOME ON INVESTMENTS							
REALIZED GAIN (LOSS) ON INVESTMENTS							
UNREALIZED GAIN (LOSS) ON INVESTMENTS							
Total C. OTHER	-	-	-	-	-	59,189	374
D. IN-KIND							
DONATIONS - GOODS/EQUIPMENT							
DONATIONS - SERVICES							
Total D. IN-KIND	-	-	-	-	-	-	-
Total SECTION III - ALL OTHER FUNDING AND REVENUES	12	1,406	428,105	142,317	1,831	178,175	1,293
Total COST CENTER REVENUE REPORT-ACTUAL	883,212	625,661	5,512,384	1,322,528	1,501,112	596,855	169,448

Intervention AMH	Intervention ASA	Intervention CSA	Outpatient AMH	Outpatient ASA	Outpatient CMH	Outpatient CSA	Outpatient Medical AMH	Outpatient Medical ASA	Outpatient Medical CMH	Outreach AMH
			50,000				50,000			
			1,500				9,563			
			25,581							
					14,703					
				7,000						
			5,635							
				7,862						
					67,921					
										160,728
			(1,337)	2,340	844		5,759			
-	-	-	81,379	17,202	83,468	-	65,322	-	-	160,728
							1,109,749			
-	-	-	-	-	-	-	1,109,749	-	-	-
(9,140)	3,283	96	320,953	116,698	208,714	6,366	1,691,109	747	53,422	158,376
180,367	9,261	13,091	1,935,705	483,221	1,792,692	19,877	3,413,241	52,322	900,095	349,894

SCHEDULE OF FUNCTIONAL REVENUES *(Concluded)*

	Outreach		Prevention		R&B w/Supv	Residential	Residential	Residential	Residential
	Outreach	Outreach	Prevention	Prevention	Residential	Detox	Level 2	Level 2	
	ASA	CSA	ASA	CSA	Level 2	ASA/CSA	ASA	CSA	
C. OTHER									
Choices									
No Wrong Door- Residential							357,908		
No Wrong Door- Psychiatric									
WellFlorida EAP									
LIP Grants									
SCHOOL BOARD									
SCHOOL BOARD - RECOVERY CENTER									25,957
DRUG COURT									
DRUG COURT DAY REPORTING									
COURT SERVICES - OPUS									
GOVT - DEPARTMENT OF CORRECTIONS									
GOVT - PARTNERSHIP FFS									
GOVT - VETERANS HOSPITAL							292,750		
GOVT - Dept of Juvenile Justice									139,572
GRANTS - CDBG									
GRANTS - CJMHSAG									
GRANTS - MIWG									
ELDER FOOD PROGRAM									
GENOA HEALTHCARE									
M V TRANSPORTATION									
NHP I						15,273			
NHP II									
NHP III						20,389			
NHP IV									
NSP REVENUE									
SMA (FKA PUTNAM BEHAVIORAL HEALTHCARE)									
MEDICAL RECORDS									
FOOD STAMP INCOME						5,815		47,723	
GROUP HOME FEES						117,898			
CAFETERIA REVENUE									
INTEREST INCOME									
MISCELLANEOUS INCOME			(2,000)	2,000				1,150	
BACKGROUND REVENUE									
EMPLOYEE WELLNESS									
DIVIDEND/INTEREST INCOME ON INVESTMENTS									
REALIZED GAIN (LOSS) ON INVESTMENTS									
UNREALIZED GAIN (LOSS) ON INVESTMENTS									
Total C. OTHER	-	-	(2,000)	2,000	159,375	-	699,531	165,529	
D. IN-KIND									
DONATIONS - GOODS/EQUIPMENT									
DONATIONS - SERVICES									
Total D. IN-KIND	-	-	-	-	-	-	-	-	
Total SECTION III - ALL OTHER FUNDING AND REVENUES	123	114	11,801	2,000	159,375	132,168	857,108	168,459	
Total COST CENTER REVENUE REPORT-ACTUAL	101,322	202,812	43,489	9,466	630,829	1,132,370	2,822,326	1,032,706	

Supported Employment	Non-Program Specific	Rehab	Forensics	Family Intervention Team	HUD HOPE	Opioid Treatment Program	Partial Hospital. Program	Property Management	Other Support General	Adminis- tration	TOTAL
AMH	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF	NON-DCF			
											100,000
											357,908
											9,563
											1,500
											25,581
											14,703
											25,957
											49,690
											16,499
											5,635
											7,862
				844							69,139
											292,750
4,865											139,572
											4,865
			357,026								357,026
			160,729								321,457
								47,220.00			47,220
								6,607.00			6,607
								38,165.00			38,165
								6,197.00			21,470
								43,732	12,926.00		56,658
									5,399.00		25,788
								27,621	8,974.00		36,595
								13,192			13,192
									19,650.00		19,650
									32,734.00		32,734
									-		53,538
									-		117,898
									16,339.00		16,339
									-	13,610	13,610
									39,987.00	242,168	290,911
										31,394	31,394
										4,920	4,920
										58,341	58,341
										21,114	21,114
										26,524	26,524
4,865	-	-	517,755	844	-	-	-	84,545	234,198	398,071	2,732,375
										56,581	1,166,330
										19,112	19,112
										75,693	1,185,442
4,865	(1,677,190)	2,701	513,711	8,268	-	751,186	104,242	84,545	234,198	695,624	5,357,061
113,812	(2,033,267)	2,119,558	523,892	93,027	80,325	2,223,213	117,786	84,545	234,198	1,262,564	30,555,939

SCHEDULE OF FUNCTIONAL EXPENSES

SCHEDULE OF FUNCTIONAL EXPENSES

	Case Management AMH	Case Management CMH	Crisis Stabilization AMH	Crisis Stabilization CMH	Crisis Support Emergency	Day Treatment / Day Care ASA	Family Crisis Intervention CMH	Intervention AMH
COST CENTER EXPENSE REPORT - ACTUAL								
SECTION I - PERSONNEL SERVICES								
A. SALARIES								
SALARIES	339,622	316,331	1,609,286	288,586	497,313	89,839	25,320	139,526
RETENTION PAYMENTS			15,492	1,290				
PRN			227,067	30,096	151,803			
OVERTIME	2,335	611	54,081	9,640	1,422			432
SHIFT			96,254	18,664	24,323	4,749		
PTO PAYOUT / ACCRUAL	5,311	999	23,257	1,514	3,457		577	
ON-CALL			32,542	1,782				
PTO	28,742	29,112	104,443	15,373	47,331	9,672	1,614	15,283
MISC SALARY EXPENSE		50	58	10				
AGENCY STAFF								
PHYSICIAN FEES- LOCUM TENEMS			74,670					
SUBCONTRACT - PSYCHIATRIST			70,870	5,925				
Total A. SALARIES	376,010	347,103	2,308,020	372,880	725,649	104,260	27,511	155,241
B. FRINGE								
PAYROLL MEDICARE CO. PORTION	5,301	4,893	30,485	5,173	10,230	1,470	388	2,189
HEALTH INSURANCE	33,132	30,585	190,545	32,334	63,940	9,187	2,424	13,679
UNEMPLOYMENT INSURANCE	15,225		14,952	163	1,682			
RETIREMENT/FICA	29,037	26,805	166,998	28,338	56,038	8,052	2,125	11,988
LIFE AND DISABILITY INSURANCE	2,889	2,667	16,616	2,820	5,576	801	211	1,193
SUBCONTRACT - EAP	60	56	347	59	116	17	4	25
WORKERS COMPENSATION INSURANCE	4,167	3,847	23,966	4,067	8,042	1,155	305	1,720
Total B. FRINGE	89,811	68,853	443,909	72,954	145,624	20,682	5,457	30,794
Total SECTION I - PERSONNEL SERVICES	465,821	415,956	2,751,929	445,834	871,273	124,942	32,968	186,035
SECTION II - EXPENSES								
A. BUILDING OCCUPANCY								
ELECTRICITY								
UTILITY-OTHER								
WATER & SEWER								
GARBAGE								
REPAIRS AND MAINTENANCE								
MAINTENANCE CONTRACTS								
DEPRECIATION - BUILDING/IMPROVEMENTS								
RENT OF BUILDING								
Total A. BUILDING OCCUPANCY	-	-	-	-	-	-	-	-
B. PROFESSIONAL SERVICES								
CONSULT & MGMT FEES								
ATTORNEY FEES								
OTHER PROFESSIONAL FEES								
Total B. PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-
C. TRAVEL								
TRAVEL	20,254	12,716	19,904		4,998		684	72
TRAINING & PROFESSIONAL DEVELOPMENT	6,876	1,563	78		1,596		645	724
MOTOR FUEL								
Total C. TRAVEL	27,130	14,279	19,982	-	6,594	-	1,329	796
D. EQUIPMENT COSTS								
MINOR EQUIPMENT								
FURNITURE UNDER \$1000			1,119		310			
RENT OF EQUIPMENT								
EQUIP REPAIRS AND MAINTENANCE								
AUTOMOTIVE REPAIRS								
DEPRECIATION - EQUIPMENT								
Total D. EQUIPMENT COSTS	-	-	1,119	-	310	-	-	-

Intervention ASA	Intervention CSA	Outpatient AMH	Outpatient ASA	Outpatient CMH	Outpatient CSA	Outpatient Medical AMH & ASA	Outpatient Medical CMH	Outreach AMH	Outreach ASA	Outreach CMH	Outreach CSA	Prevention ASA
15,792	37,673	860,361	127,554	1,024,333		1,214,017		221,659	92,587	36,742	40,699	46,575
		10,413		7,482		7,904						
	134	2,643		190		414		1,111	1,176		13	41
		650				265						
		6,993	1,800	4,634		4,557		2,105	606			4,880
						121,678						
1,426	5,348	97,343	15,956	98,213		103,415		20,462	9,499	4,874	1,690	11,893
	74	34		50				34				500
						134,215						
						247,069						
17,218	43,229	978,437	145,310	1,134,902	-	1,835,900	-	245,371	103,868	41,616	42,402	63,889
243	609	13,793	2,048	15,999		20,506		3,459	1,464	587	598	901
1,517	3,809	86,214	12,804	100,001		128,172		21,621	9,152	3,667	3,737	5,630
		13,642		421		5,976		7,700	(801)	-	-	6,325
1,330	3,338	75,560	11,222	87,643		112,333		18,949	8,021	3,214	3,274	4,934
132	332	7,518	1,117	8,720		11,177		1,885	798	320	326	491
3	7	157	23	182		233		39	17	7	7	10
191	479	10,844	1,610	12,578		16,121		2,720	1,152	461	470	708
3,416	8,574	207,728	28,824	225,544	-	294,518	-	56,373	19,803	8,256	8,412	18,999
20,634	51,803	1,186,165	174,134	1,360,446	-	2,130,418	-	301,744	123,671	49,872	50,814	82,888
-	-	-	-	-	-	-	-	-	-	-	-	-
						2,500						
						10,264						
						12,764						
		50,093	2,264	24,109	198	24,245		8,861	2,714	886	3,910	1,397
		12,120	1,569	4,264		7,879		3,395				
-	-	62,213	3,833	28,373	198	32,124	-	12,256	2,714	886	3,910	1,397
						60						
				7,498								
-	-	-	-	7,498	-	60	-	-	-	-	-	-

SCHEDULE OF FUNCTIONAL EXPENSES (Continued)

	Prevention CSA	R&B w/Supv Residential Level 2 AMH	Residential Detox ASA/CSA	Residential Level 2 ASA	Residential Level 2 CSA	Supported Employment AMH	Non- Program Specific NON-DCF	Rehab NON-DCF	Forensics NON-DCF
COST CENTER EXPENSE REPORT - ACTUAL									
SECTION I - PERSONNEL SERVICES									
A. SALARIES									
SALARIES		216,080	448,121	779,868	321,001	64,320		347,026	103,306
RETENTION PAYMENTS			900	100					
PRN		25,705	3,780	26,259	3,293	30,904			
OVERTIME		3,957	20,774	21,376	3,489	961		4,933	26
SHIFT		8,551	20,684	21,013	8,831				
PTO PAYOUT / ACCRUAL		8,324	7,084	7,327	1,738				2,500
ON-CALL			16,899	5,923					
PTO		17,249	39,409	66,416	35,601	4,932		31,869	9,202
MISC SALARY EXPENSE		37	34	345	320	150		50	
AGENCY STAFF									
PHYSICIAN FEES- LOCUM TENEMS									
SUBCONTRACT - PSYCHIATRIST									
Total A. SALARIES	-	279,903	557,685	928,627	374,273	101,267	-	383,878	115,034
B. FRINGE									
PAYROLL MEDICARE CO. PORTION		3,946	7,862	13,091	5,276	1,428		5,412	1,622
HEALTH INSURANCE		24,664	49,140	81,825	32,979	8,923		33,825	10,136
UNEMPLOYMENT INSURANCE		4,419		5,858			3,618	943	550
RETIREMENT/FICA		21,616	43,067	71,713	28,903	7,820	(41,962)	29,645	8,883
LIFE AND DISABILITY INSURANCE		2,151	4,285	7,135	2,876	778		2,950	884
SUBCONTRACT - EAP		45	89	149	60	16		62	18
WORKERS COMPENSATION INSURANCE		3,102	6,181	10,292	4,148	1,122	5,631	4,254	1,275
Total B. FRINGE	-	59,943	110,624	190,063	74,242	20,087	(32,713)	77,091	23,368
Total SECTION I - PERSONNEL SERVICES	-	339,846	668,309	1,118,690	448,515	121,354	(32,713)	460,969	138,402
SECTION II - EXPENSES									
A. BUILDING OCCUPANCY									
ELECTRICITY		236					(395)		
UTILITY-OTHER									
WATER & SEWER									
GARBAGE									
REPAIRS AND MAINTENANCE							(3,213)		
MAINTENANCE CONTRACTS									
DEPRECIATION - BUILDING/IMPROVEMENTS									
RENT OF BUILDING									
Total A. BUILDING OCCUPANCY	-	236	-	-	-	-	(3,608)	-	-
B. PROFESSIONAL SERVICES									
CONSULT & MGMT FEES									
ATTORNEY FEES									
OTHER PROFESSIONAL FEES							(2,014)		56,733
Total B. PROFESSIONAL SERVICES	-	-	-	-	-	-	(2,014)	-	56,733
C. TRAVEL									
TRAVEL		50	630	2,237	5,478	301	(2,096)	1,281	153
TRAINING & PROFESSIONAL DEVELOPMENT			535	4,302	1,046	572		1,623	610
MOTOR FUEL							(3,470)		
Total C. TRAVEL	-	50	1,165	6,539	6,524	873	(5,566)	2,904	763
D. EQUIPMENT COSTS									
MINOR EQUIPMENT									
FURNITURE UNDER \$1000		601			322				
RENT OF EQUIPMENT					1,777			592	
EQUIP REPAIRS AND MAINTENANCE									
AUTOMOTIVE REPAIRS									
DEPRECIATION - EQUIPMENT									
Total D. EQUIPMENT COSTS	-	601	-	-	2,099	-	-	592	-

Family Intervention Team NON-DCF	HUD HOPE NON-DCF	Integrated Health Care NON-DCF	Opioid Treatment Program NON-DCF	Partial Hospital. Program NON-DCF	Property Management NON-DCF	Other Support General	Information Technology	Adminis- tration	Total
186,859	54,798		683,119	116,616		2,036,547	398,674	2,271,801	15,051,951
				250					25,936
			14,805			169,554		40,936	742,511
	589		5,652	533		26,865	2,642	13,834	181,826
			6,490			193		11	210,678
	638		7,756	2,263		25,381	2,151	(111,371)	14,481
			11,864	6,505		9,218			206,411
20,921	7,422		80,714	11,266		194,136	40,195	212,427	1,393,448
34	34		68	50		360		1,756	4,048
						-		18,657	18,657
						-			208,885
						-			323,864
207,814	63,481	-	810,468	137,483	-	2,462,254	443,662	2,448,051	18,382,696
2,930	895		11,425	1,938		34,710	6,256	35,917	253,044
18,311	5,594		71,414	12,114		216,958	39,100	224,492	1,581,625
2,485						31,061	5,775	13,176	133,170
16,048	4,902		62,589	10,617		190,148	34,268	196,748	1,344,204
1,597	488		6,227	1,056		18,918	3,410	19,577	137,921
33	10		130	22		396	71	409	2,879
2,303	704		8,982	1,524		27,288	4,918	28,236	204,563
43,707	12,593	-	160,767	27,271	-	519,479	93,798	518,555	3,657,406
251,521	76,074	-	971,235	164,754	-	2,981,733	537,460	2,966,606	22,040,102
	10,682			11,800	2,379	386,601			411,303
						12,334			12,334
						51,501			51,501
				1,336		46,150			47,486
	1,383				8,728	271,453	2,059	1,777	282,187
					9,275	131,245			140,520
						496,369			496,369
	47,040	3,600				33,051	1,237	2,363	87,291
-	59,105	3,600	-	13,136	20,382	1,428,704	3,296	4,140	1,528,991
								60,979	60,979
								200,188	202,688
						19,348	2,266	100,270	186,867
-	-	-	-	-	-	19,348	2,266	361,437	450,534
8,234	387		4,756	111		29,600	752	39,017	268,196
1,687			6,823	1,240		15,201	1,302	54,600	130,250
						102,014			98,544
9,921	387	-	11,579	1,351	-	146,815	2,054	93,617	496,990
						5,411			5,411
			200		1,459	14,805	1,604	1,069	21,549
			14,867			22,386		2,832	49,952
			137		345	16,292			16,774
						40,797			40,797
						150,080	370,204		520,284
-	-	-	15,204	-	1,804	249,771	371,808	3,901	654,767

SCHEDULE OF FUNCTIONAL EXPENSES (Continued)

	Case Management AMH	Case Management CMH	Crisis Stabilization AMH	Crisis Stabilization CMH	Crisis Support Emergency	Day Treatment / Day Care ASA	Family Crisis Intervention CMH	Intervention AMH
E. FOOD SERVICES								
FOOD								
EMPLOYEE FOOD EXPENSE								
FOOD SUPPLIES								
Stop the Violence Inter Company								
Total E. FOOD SERVICES	-	-	-	-	-	-	-	-
F. MEDICAL & PHARMACY SUPPLIES								
MEDICINE & DRUG & SUPPLIES			79,925	6,408				
LABS / TEST FEES			10,763					2,272
INDIGENT DRUGS			36,199	9,185				
OTHER MEDICAL SUPPLIES			32,087					
Total F. MEDICAL & PHARMACY SUPPLIES	-	-	158,974	15,593	-	-	-	2,272
G. SUBCONTRACTED SERVICES								
SUBCONTRACT - DATIS								
SUBCONTRACT - EMAIL/VIRUS PROTECTION								
SUBCONTRACT - MIP								
SUBCONTRACT - PHARMACIST			1,325					
SUBCONTRACT - PINNACLE								
SUBCONTRACT - UNICARE								
SUBCONTRACT - OTHER								
Total G. SUBCONTRACTED SERVICES	-	-	1,325	-	-	-	-	-
H. INSURANCE								
INSURANCE - AUTO								
INSURANCE - DIRECTORS & OFFICERS								
INSURANCE - PROFESSIONAL LIABILITY								
INSURANCE - PROPERTY								
Total H. INSURANCE	-	-	-	-	-	-	-	-
I. INTEREST								
Variable Interest - Swap Agreement								
INTEREST EXPENSE								
VARIABLE INTEREST - Notes/Bonds								
MISC INTEREST EXPENSES								
AMORTIZATION COSTS - BOND1								
AMORTIZATION COSTS NSP HOUSES								
CARF Accreditation Expense								
Total I. INTEREST	-	-	-	-	-	-	-	-
J. OPERATING SUPPLIES								
TELEPHONE					421			
Internet/Cable								
MOBILE / PAGER								
OPERATING EXPENSES			15					37
COPY/PRINTING COSTS	2,367		4,276		714			
OFFICE AND ADMIN SUPPLIES					65			
CLEANING/CHEMICAL SUPPLIES								
CONSTRUCTION AND MAINTENANCE SUPPLIES								
COMPUTER SUPPLIES/EQUIPMENT	2	(2)			298			
CLIENT ACTIVITY	472		1,983					
CLIENT FLEX FUNDS	445							7
ADVERTISING								
PURCHASED LINEN SERVICES			68,589	251				
EMPLOYEE RECOGNITION								
TUITION REIMBURSEMENT								
CENTERWIDE TRAINING COSTS								
RECRUITMENT			10,000					
BACKGROUND CHECK								
MEHR EXPENSES								
NETWORK								
Total J. OPERATING SUPPLIES	3,286	(2)	84,863	251	1,498	-	-	44

SCHEDULE OF FUNCTIONAL EXPENSES (Continued)

	Prevention CSA	R&B w/Supv Residential Level 2 AMH	Residential Detox ASA/CSA	Residential Level 2 ASA	Residential Level 2 CSA	Supported Employment AMH	Non- Program Specific NON-DCF	Rehab NON-DCF	Forensics NON-DCF
E. FOOD SERVICES									
FOOD		5,376							
EMPLOYEE FOOD EXPENSE									
FOOD SUPPLIES									
Stop the Violence Inter Company									
Total E. FOOD SERVICES	-	5,376	-	-	-	-	-	-	-
F. MEDICAL & PHARMACY SUPPLIES									
MEDICINE & DRUG & SUPPLIES		16,303	5,823	32,087	373				
LABS / TEST FEES			2,590	7,449	822				
INDIGENT DRUGS									
OTHER MEDICAL SUPPLIES		64	5,366	1,436					
Total F. MEDICAL & PHARMACY SUPPLIES	-	16,367	13,779	40,972	1,195	-	-	-	-
G. SUBCONTRACTED SERVICES									
SUBCONTRACT - DATIS									
SUBCONTRACT - EMAIL/VIRUS PROTECTION									
SUBCONTRACT - MIP									
SUBCONTRACT - PHARMACIST		1,975	1,275	1,375					
SUBCONTRACT - PINNACLE									
SUBCONTRACT - UNICARE									
SUBCONTRACT - OTHER									
Total G. SUBCONTRACTED SERVICES	-	1,975	1,275	1,375	-	-	-	-	-
H. INSURANCE									
INSURANCE - AUTO									
INSURANCE - DIRECTORS & OFFICERS									
INSURANCE - PROFESSIONAL LIABILITY									
INSURANCE - PROPERTY									
Total H. INSURANCE	-	-	-	-	-	-	-	-	-
I. INTEREST									
Variable Interest - Swap Agreement									
INTEREST EXPENSE									
VARIABLE INTEREST - Notes/Bonds									
MISC INTEREST EXPENSES							23,521		
AMORTIZATION COSTS - BOND1									
AMORTIZATION COSTS NSP HOUSES									
CARF Accreditation Expense									
Total I. INTEREST	-	-	-	-	-	-	23,521	-	-
J. OPERATING SUPPLIES									
TELEPHONE									
Internet/Cable									
MOBILE / PAGER			270	1,020	360			173	
OPERATING EXPENSES		2,183			1,602	81		413	264
COPY/PRINTING COSTS		651	1,125	2,726	828		(2,180)	2,306	742
OFFICE AND ADMIN SUPPLIES					240		(256)	457	1,243
CLEANING/CHEMICAL SUPPLIES		1,791							
CONSTRUCTION AND MAINTENANCE SUPPLIES									
COMPUTER SUPPLIES/EQUIPMENT									
CLIENT ACTIVITY		1,758	126	300	5,451	422		451	
CLIENT FLEX FUNDS									52,548
ADVERTISING									
PURCHASED LINEN SERVICES		2,822	16,757	45,203					
EMPLOYEE RECOGNITION									
TUITION REIMBURSEMENT									
CENTERWIDE TRAINING COSTS									
RECRUITMENT									
BACKGROUND CHECK							(264)		
MEHR EXPENSES									
NETWORK									
Total J. OPERATING SUPPLIES	-	9,205	18,278	49,249	8,481	503	(2,700)	3,800	54,797

Family Intervention Team NON-DCF	HUD HOPE NON-DCF	Integrated Health Care NON-DCF	Opioid Treatment Program NON-DCF	Partial Hospital. Program NON-DCF	Property Management NON-DCF	Other Support General	Information Technology	Adminis- tration	Total
						542,577		24,845	574,682
						11,536			11,536
						43,677			43,709
								16,686	18,361
-	-	-	-	-	-	597,790	-	41,531	648,288
			68,151						263,764
			16,633	505				9,351	60,807
									108,209
			6,088	146				76	47,711
-	-	-	90,872	651	-	-	-	9,427	480,491
							101,365		101,365
							2,048		2,048
								9,934	9,934
			1,600			4,075			13,750
							33,311		33,311
							81,312		81,312
							7,770	6,519	26,318
-	-	-	1,600	-	-	4,075	225,806	16,453	268,038
							72,252		72,252
								29,249	29,249
							597,065	8,385	605,450
							137,769		137,769
-	-	-	-	-	-	807,086	-	37,634	844,720
								77,529	77,529
								7,992	7,992
								71,877	71,877
							22,942	(14,820)	31,643
								84,068	84,068
								362	362
								8,289	8,289
-	-	-	-	-	-	22,942	-	235,297	281,760
							354,902	7	355,330
							21,710		21,710
128						2,637	98,022	4,618	107,748
	6,326		1,448	584	571	24,710	6,755	80,073	125,350
	125		2,445			49,274	51,788	31,629	150,805
			761	151		33,032	556	12,276	48,551
						62,456			64,247
						4			4
			353			7,388	53,939	2,709	64,687
						785			13,419
									156,678
						3,099		40,291	43,390
									133,622
						554		11,461	12,015
								12,180	12,180
								32,260	32,260
								12,601	41,768
							3,550	37,809	41,095
							20,809		20,809
							590		590
128	6,451	-	5,007	735	571	183,939	612,621	277,914	1,446,258

SCHEDULE OF FUNCTIONAL EXPENSES (Continued)

	Case Management AMH	Case Management CMH	Crisis Stabilization AMH	Crisis Stabilization CMH	Crisis Support Emergency	Day Treatment / Day Care ASA	Family Crisis Intervention CMH	Intervention AMH
K. OTHER								
PROFESSIONAL DUES								
BUSINESS LICENSES				1,975		838		320
DUES AND MEMBERSHIPS					2,250			
BOOKS SUBSCRIPTION FEES								
REGISTRATION FEES								
POSTAGE AND SHIPPING COST								
CASH OVER/SHORT								
BAD DEBT EXPENSE - MANAGED MEDICAID								
ADMINISTRATIVE FEES FOR INVESTMENTS								
BANK SERVICE FEES FOR GCF								
OTHER DIRECT EXPENSES								
EMPLOYEE WELLNESS								
Total K. OTHER	-	-	-	1,975	2,250	838	-	320
L. DONATED ITEMS								
DONATED GOODS/EQUIPMENT								
DONATED ITEMS								
DONATED SERVICES								
DONATED SPACE								
DONATED CASH								
EMPLOYEE GIVING EXPENSE								
IN KIND EXPENSE - SPECIAL EVENTS								
SPECIAL EVENTS EXPENSE								
Total L. DONATED ITEMS	-	-	-	-	-	-	-	-
Total SECTION II - EXPENSES	30,416	14,277	266,263	17,819	10,652	838	1,329	3,432
SECTION III - DISTRIBUTED COSTS								
A. DEPARTMENT SUPPORT								
DEPARTMENT SUPPORT-ALLOCATION	22,761	16,992	87,627	16,202		4,432	11,092	8,129
Total A. DEPARTMENT SUPPORT	22,761	16,992	87,627	16,202	-	4,432	11,092	8,129
B. FACILITIES								
FACILITY COSTS-ALLOCATION	102,622	68,414	253,572	58,452	56,396	12,943	45,995	18,185
Total B. FACILITIES	102,622	68,414	253,572	58,452	56,396	12,943	45,995	18,185
C. CLINICAL SUPPORT / MEDICAL RECORDS								
CLINICAL SUPPORT/MEDICAL RECORDS-ALLOCATION	71,594	53,495	218,775	40,454	106,726	13,973	34,865	25,550
BILLING - ALLOCATION	22,246	17,303	49,436	24,718	19,774	17,303	9,887	2,472
Total C. CLINICAL SUPPORT / MEDICAL RECORDS	93,840	70,798	268,211	65,172	126,500	31,276	44,752	28,022
D. TRANSPORTATION								
TRANSPORTATION - ALLOCATION	9,327	9,327	31,711	5,596				15,544
Total D. TRANSPORTATION	9,327	9,327	31,711	5,596	-	-	-	15,544
E. FOOD SERVICES								
FOOD SERVICES - ALLOCATION			200,334	31,632		18,777		
Total E. FOOD SERVICES - ALLOCATION	-	-	200,334	31,632	-	18,777	-	-
F. MEDICAL ANCILLARY								
MEDICAL ANCILLARY - ALLOCATION			99,848	17,620				
Total F. MEDICAL ANCILLARY - ALLOCATION	-	-	99,848	17,620	-	-	-	-
G. PROFESSIONAL LIABILITY INSURANCE								
PROFESSIONAL LIABILITY - ALLOCATION	17,611	13,507	78,987	19,158	25,515	4,417	10,617	8,006
Total G. PROFESSIONAL LIABILITY INSURANCE	17,611	13,507	78,987	19,158	25,515	4,417	10,617	8,006
H. INFORMATION TECHNOLOGY								
INFORMATION TECHNOLOGY-ALLOCATION	59,198	33,394	43,412	8,196	55,556	9,108	30,360	22,535
Total H. INFORMATION TECHNOLOGY	59,198	33,394	43,412	8,196	55,556	9,108	30,360	22,535
I. STAFFING								
STAFFING - ALLOCATION			83,872	15,125				
Total I. STAFFING	-	-	83,872	15,125	-	-	-	-
J. TRAINING								
TRAINING - ALLOCATION	5,366	3,759	15,949	2,948	7,193	988	2,461	1,798
Total J. TRAINING	5,366	3,759	15,949	2,948	7,193	988	2,461	1,798
Total SECTION III - DISTRIBUTED COSTS	310,725	216,191	1,163,523	240,101	271,160	81,941	145,277	102,219
SECTION IV - ADMINISTRATION								
ADMINISTRATION - ALLOCATION	108,151	82,950	485,074	117,651	156,689	27,128	65,198	49,168
Total SECTION IV - ADMINISTRATION	108,151	82,950	485,074	117,651	156,689	27,128	65,198	49,168
Total COST CENTER EXPENSE REPORT - ACTUAL	915,113	729,374	4,666,789	821,405	1,309,774	234,849	244,772	340,854

Intervention ASA	Intervention CSA	Outpatient AMH	Outpatient ASA	Outpatient CMH	Outpatient CSA	Outpatient Medical AMH & ASA	Outpatient Medical CMH	Outreach AMH	Outreach ASA	Outreach CMH	Outreach CSA	Prevention ASA
850		2,200	2,125									
				625								
850	-	2,200	2,125	625	-	-	-	-	-	-	-	-
						1,109,749						2,300
-	-	-	-	-	-	1,109,749	-	-	-	-	-	2,300
850	-	74,448	13,228	40,733	198	1,290,208	96	115,229	3,466	886	4,565	17,641
	1,469	29,185	5,900	44,342	1,469			12,639	4,432	1,469	1,469	1,783
-	1,469	29,185	5,900	44,342	1,469	-	-	12,639	4,432	1,469	1,469	1,783
		136,518	30,278	235,289		178,432		26,963	18,952		7,165	18,028
-	-	136,518	30,278	235,289	-	178,432	-	26,963	18,952	-	7,165	18,028
	4,658	91,821	18,630	139,462	4,658	30,873		39,789	13,973	4,658	4,658	5,589
	4,944	59,323	17,303	29,662	9,887	34,605		7,416	9,888		4,944	4,944
-	9,602	151,144	35,933	169,124	14,545	65,478	-	47,205	23,861	4,658	9,602	10,533
		15,544		18,653				15,544				
-	-	15,544	-	18,653	-	-	-	15,544	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
		(391,563)				195,782						
-	-	(391,563)	-	-	-	195,782	-	-	-	-	-	-
	1,575	36,484	8,184	44,370	941	42,211		9,849	2,647		1,242	4,187
-	1,575	36,484	8,184	44,370	941	42,211	-	9,849	2,647	-	1,242	4,187
		167,848	18,214	57,682		72,860		34,271	7,590		4,554	12,144
-	-	167,848	18,214	57,682	-	72,860	-	34,271	7,590	-	4,554	12,144
-	-	-	-	-	-	-	-	-	-	-	-	-
	324	8,578	1,312	9,818	324	3,818		2,801	972	324	324	398
-	324	8,578	1,312	9,818	324	3,818	-	2,801	972	324	324	398
-	12,970	153,738	99,821	579,278	17,279	558,581	-	149,272	58,454	6,451	24,356	47,073
	9,669	224,057	50,261	268,133	5,776	263,575		60,483	16,255		7,628	25,712
-	9,669	224,057	50,261	268,133	5,776	263,575	-	60,483	16,255	-	7,628	25,712
21,484	74,442	1,638,408	337,444	2,248,590	23,253	4,242,782	96	626,728	201,846	57,209	87,363	173,314

SCHEDULE OF FUNCTIONAL EXPENSES (Concluded)

	Prevention CSA	R&B w/Supv Residential Level 2 AMH	Residential Detox ASA/CSA	Residential Level 2 ASA	Residential Level 2 CSA	Supported Employment AMH	Non- Program Specific NON-DCF	Rehab NON-DCF	Forensics NON-DCF
K. OTHER									
PROFESSIONAL DUES							1,098		
BUSINESS LICENSES		135	260	240	650				
DUES AND MEMBERSHIPS									
BOOKS SUBSCRIPTION FEES				593					
REGISTRATION FEES				731					
POSTAGE AND SHIPPING COST									
CASH OVER/SHORT									
BAD DEBT EXPENSE - MANAGED MEDICAID							310,989		
ADMINISTRATIVE FEES FOR INVESTMENTS									
BANK SERVICE FEES FOR GCF									
OTHER DIRECT EXPENSES									
EMPLOYEE WELLNESS									
Total K. OTHER	-	135	260	1,564	650	-	312,087	-	-
L. DONATED ITEMS									
DONATED GOODS/EQUIPMENT									
DONATED ITEMS	7,825								
DONATED SERVICES									
DONATED SPACE									
DONATED CASH									
EMPLOYEE GIVING EXPENSE									
IN KIND EXPENSE - SPECIAL EVENTS									
SPECIAL EVENTS EXPENSE									
Total L. DONATED ITEMS	7,825	-	-	-	-	-	-	-	-
Total SECTION II - EXPENSES	7,825	33,945	34,757	99,699	18,949	1,376	321,720	7,296	112,293
SECTION III - DISTRIBUTED COSTS									
A. DEPARTMENT SUPPORT									
DEPARTMENT SUPPORT-ALLOCATION		10,935	19,381	40,042	14,816				
Total A. DEPARTMENT SUPPORT	-	10,935	19,381	40,042	14,816	-	-	-	-
B. FACILITIES									
FACILITY COSTS-ALLOCATION			186,291	495,542	56,165			166,183	
Total B. FACILITIES	-	-	186,291	495,542	56,165	-	-	166,183	-
C. CLINICAL SUPPORT / MEDICAL RECORDS									
CLINICAL SUPPORT/MEDICAL RECORDS-ALLOCATION		34,467	48,306	126,022	46,443	9,315		51,101	
BILLING - ALLOCATION		7,415	12,359	29,662	9,887	4,944		22,246	
Total C. CLINICAL SUPPORT / MEDICAL RECORDS	-	41,882	60,665	155,684	56,330	14,259	-	73,347	-
D. TRANSPORTATION									
TRANSPORTATION - ALLOCATION		18,653		74,613	33,349			55,959	
Total D. TRANSPORTATION	-	18,653	-	74,613	33,349	-	-	55,959	-
E. FOOD SERVICES									
FOOD SERVICES - ALLOCATION		17,525	84,352	347,949	89,623			93,884	
Total E. FOOD SERVICES - ALLOCATION	-	17,525	84,352	347,949	89,623	-	-	93,884	-
F. MEDICAL ANCILLARY									
MEDICAL ANCILLARY - ALLOCATION			39,156	39,156					
Total F. MEDICAL ANCILLARY - ALLOCATION	-	-	39,156	39,156	-	-	-	-	-
G. PROFESSIONAL LIABILITY INSURANCE									
PROFESSIONAL LIABILITY - ALLOCATION		7,703	18,117	45,239	14,963	2,106	(492,369)	36,226	
Total G. PROFESSIONAL LIABILITY INSURANCE	-	7,703	18,117	45,239	14,963	2,106	(492,369)	36,226	-
H. INFORMATION TECHNOLOGY									
INFORMATION TECHNOLOGY-ALLOCATION		9,108	21,251	66,791	45,539	3,036		113,845	
Total H. INFORMATION TECHNOLOGY	-	9,108	21,251	66,791	45,539	3,036	-	113,845	-
I. STAFFING									
STAFFING - ALLOCATION		13,396	18,842	49,389	18,126				
Total I. STAFFING	-	13,396	18,842	49,389	18,126	-	-	-	-
J. TRAINING									
TRAINING - ALLOCATION		2,417	3,508	8,933	3,273	648		3,597	
Total J. TRAINING	-	2,417	3,508	8,933	3,273	648	-	3,597	-
Total SECTION III - DISTRIBUTED COSTS	-	121,619	451,563	1,323,338	332,184	20,049	(492,369)	543,041	-
SECTION IV - ADMINISTRATION									
ADMINISTRATION - ALLOCATION		47,305	111,264	277,822	91,888	12,931		222,473	
Total SECTION IV - ADMINISTRATION	-	47,305	111,264	277,822	91,888	12,931	-	222,473	-
Total COST CENTER EXPENSE REPORT - ACTUAL	7,825	542,715	1,265,893	2,819,549	891,536	155,710	(203,362)	1,233,779	250,695

Family Intervention Team NON-DCF	HUD HOPE NON-DCF	Integrated Health Care NON-DCF	Opioid Treatment Program NON-DCF	Partial Hospital. Program NON-DCF	Property Management NON-DCF	Other Support General	Information Technology	Adminis- tration	Total
						15,000		11,523	27,621
			1,030			822			11,445
			900			200		42,836	46,186
							86	2,424	3,103
						4,306		199	5,236
	10		143			35,022	75	3,196	38,446
								32	32
									310,989
								3,011	3,011
								1,146	1,146
						8,983		65	9,673
								50	50
-	10	-	2,073	-	-	64,333	161	64,482	456,938
						85		56,581	1,166,415
									10,125
								19,112	19,112
						52,926			52,926
								3,675	3,675
								21,794	21,794
								70,500	70,500
								41,013	41,013
-	-	-	-	-	-	53,011	-	212,675	1,385,560
10,049	65,953	3,600	126,335	15,873	22,757	3,577,814	1,218,012	1,358,508	8,943,335
	1,101		21,869	5,900		(385,435)			1
-	1,101	-	21,869	5,900	-	(385,435)	-	-	1
			114,178	24,731		(2,311,295)			(1)
-	-	-	114,178	24,731	-	(2,311,295)	-	-	(1)
	3,460		68,800	18,630		(1,330,744)			1
	2,472		9,887	12,359				(457,286)	-
-	5,932	-	78,687	30,989	-	(1,330,744)	-	(457,286)	1
						(322,471)	18,653		2
-	-	-	-	-	-	(322,471)	18,653	-	2
			63,263			(947,339)			-
-	-	-	-	63,263	-	(947,339)	-	-	-
									(1)
-	-	-	-	-	-	-	-	-	(1)
	1,593		27,665	9,249					-
-	1,593	-	27,665	9,249	-	-	-	-	-
			81,968	15,180		203,403	(1,418,660)	221,617	-
-	-	-	81,968	15,180	-	203,403	(1,418,660)	221,617	-
								(198,748)	2
-	-	-	-	-	-	-	-	(198,748)	2
	250		5,056	2,034		27,737	3,936	(130,846)	(2)
-	250	-	5,056	2,034	-	27,737	3,936	(130,846)	(2)
-	8,876	-	329,423	151,346	-	(5,066,144)	(1,396,071)	(565,263)	2
	9,781		169,897	56,801				(3,023,717)	3
-	9,781	-	169,897	56,801	-	-	-	(3,023,717)	3
261,570	160,684	3,600	1,596,890	388,774	22,757	1,493,403	359,401	736,134	30,983,442

**SCHEDULE OF STATE EARNINGS FOR ALCOHOL, DRUG ABUSE,
AND MENTAL HEALTH SERVICES - DISTRICT 3**

**SCHEDULE OF STATE EARNINGS FOR ALCOHOL, DRUG ABUSE, AND
MENTAL HEALTH SERVICES - DISTRICT 3
FOR THE YEAR ENDED JUNE 30, 2013
MERIDIAN BEHAVIORAL HEALTHCARE, INC. - GAINESVILLE, FLORIDA**

A		B	C		D
Cost Center	Program	Total Units	State Rate	Earnings	
1	Aftercare	ASA	0.00	\$ 52.91	\$ 0
2	Aftercare	CSA	0.00	52.91	0
3	Assessment	AMH	0.00	82.11	0
4	Assessment	ASA	0.00	82.11	0
5	Assessment	CMH	0.00	82.11	0
6	Case Management	AMH	5,971.25	54.27	324,060
7	Case Management	ASA	0.00	54.27	0
8	Case Management	CMH	2,726.06	54.27	147,943
9	Case Management	CSA	0.00	54.27	0
10	Crisis Stabilization	AMH *	6,258.33	342.43	2,143,041
11	Crisis Stabilization	CMH *	1,707.10	342.43	584,561
12	Crisis Support Emergency	AMH *	35,605.43	30.18	1,074,572
13	Crisis Support Emergency	ASA *	781.41	30.18	23,583
14	Crisis Support Emergency	CMH *	18,257.59	30.18	551,014
15	Crisis Support Emergency	CSA *	909.05	30.18	27,435
16	Day Care	AMH	909.00	30.30	27,543
17	Day Care	ASA	133.00	30.30	4,030
18	Day-Night	AMH	0.00	71.48	0
19	Day-Night	ASA	10,798.03	71.48	771,843
20	Day-Night	CMH	0.00	71.48	0
21	Day-Night	CSA	0.00	71.48	0
22	In-Home/On-Site	CMH	0.00	71.48	0
23	In-Home/On-Site	CSA	0.00	71.48	0
24	Intervention	AMH	6,901.06	49.81	343,742
25	Intervention	ASA	276.23	49.81	13,759
26	Intervention	CMH	19.25	49.81	959
27	Intervention	CSA	5.68	49.81	283
28	Intervention Group	AMH	833.34	12.45	10,375
29	Intervention Group	ASA	611.42	12.45	7,612
30	Intervention Group	CMH	6.33	12.45	79
31	Intervention Group	CSA	10.75	12.45	134
32	OTP Outpatient	ASA	17,507.00	51.66	904,412
33	Outpatient	AMH	12,057.95	74.19	894,579
34	Outpatient	ASA	3,190.28	74.19	236,687
35	Outpatient	CMH	5,478.88	74.19	406,478
36	Outpatient	CSA	293.30	74.19	21,760
37	Outpatient Group	AMH	25,297.23	18.55	469,264
38	Outpatient Group	ASA	4,706.33	18.55	87,302
39	Outpatient Group	CMH	1,940.80	18.55	36,002
40	Outpatient Group	CSA	37.67	18.55	699
41	Outpatient Medical	AMH	4,559.14	406.50	1,853,290

**SCHEDULE OF STATE EARNINGS FOR ALCOHOL, DRUG ABUSE, AND
MENTAL HEALTH SERVICES - DISTRICT 3
FOR THE YEAR ENDED JUNE 30, 2013
MERIDIAN BEHAVIORAL HEALTHCARE, INC. - GAINESVILLE, FLORIDA
(Concluded)**

A		B		C		D	
Cost Center	Program	Total Units	State Rate			Earnings	
42	Outpatient Medical	ASA	144.30	\$	406.50	\$	58,658
43	Outpatient Medical	CMH	935.50		406.50		380,281
44	Outpatient Medical	CSA	0.00		406.50		0
45	Outreach	AMH	9,690.25		43.20		418,619
46	Outreach	ASA	2,234.17		43.20		96,516
47	Outreach	CMH	949.88		43.20		41,035
48	Outreach	CSA	4,702.68		43.20		203,156
49	Peer Counseling	AMH	0.00		20.00		0
50	Prevention	ASA	1,151.33		43.20		49,737
51	Prevention	CSA	285.00		43.20		12,312
52	Rehab Services	AMH	0.00		60.60		0
53	Rehab Services	ASA	0.00		60.60		0
54	Rehab Services	CMH	0.00		60.60		0
55	Respite Services	CMH	0.00		12.76		0
56	Residential Detox	ASA *	2,237.61		302.95		677,885
57	Residential Detox	CSA *	62.51		302.95		18,938
58	Residential Level 2 w/sup	AMH	5,937.00		102.81		610,383
59	Residential Level 2	ASA	8,321.00		224.49		1,867,981
60	Residential Level 2 w/sup	CMH	0.00		102.81		0
61	Residential Level 2	CSA	4,709.00		224.49		1,057,123
62	Residential Level 2 - Dual Diag	AMH	3,409.00		224.49		765,286
63	Residential Level 3	CMH	0.00		94.21		0
64	Residential Level 4	AMH	0.00		6.09		0
65	Supported Employment	AMH	2,183.97		51.99		113,545
66	TASC	ASA	0.00		59.52		0
					Subtotal		17,338,496
					Unallowable Costs		0
							17,338,496
E.	Total Estimated Earnings						17,338,496
F.	Federal Funds						
G.	Medicaid						(2,485,889)
H.	Other State						(6,000)
I.	Net Allowable						\$ 14,846,607
J.	State ADM Funds			\$	11,298,821		
K.	Required Local Match				2,275,267		
L.	Percent				16.76%		
M.	Total Allowable State Earnings			\$	12,358,042		
N.	Amount of ADM Funds Paid/Received					\$	11,298,821
O.	Total Allowable State Earnings						(12,358,042)
P.	Amount Owed to State/(Uncompensated Care)						\$ (1,059,221)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

	<u>CFDA/ CFSA Number</u>	<u>Grant/ Contract Number</u>	<u>Expenditures</u>
Federal Awards			
U.S. Department of Health and Human Services			
Indirect Programs:			
Passed Through Florida Department of Children and Families:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150 *	CH200	\$ 156,663
Temporary Assistance for Needy Families (TANF)	93.558 *	CH200	477,728
Block Grants for Social Services	93.667 *	CH200	144,438
Block Grant for Community Mental Health Services	93.958 *	CH200	580,505
Block Grants for Prevention and Treatment of Substance Abuse	93.959 *	CH200	1,783,184
Children's Health Insurance Program (CHIP)	93.767	CH208	5,761
Passed Through University of South Florida:			
Medical Assistance Program	93.778		<u>5,759</u>
Total U.S. Department of Health and Human Services			<u>3,154,038</u>
U.S. Department of Housing and Urban Development			
Indirect Programs:			
Passed Through City of Gainesville, Florida:			
Community Development Block Grant (CDBG)	14.218	B-06-MC12-0007	4,865
Supportive Housing	14.235	FL29B60-8002	80,325
Passed Through Alachua County, Florida:			
Neighborhood Stabilization Project	14.228		<u>445,000</u>
Total U.S. Department of Housing and Urban Development			<u>530,190</u>
U.S. Department of Agriculture Food and Nutrition Service			
Direct Programs:			
Telehealth/Telemedicine	10.855		121,940
Indirect Programs:			
Passed Through Florida Department of Elder Affairs:			
Child and Adult Care Food Program	10.558	Y2109	<u>47,220</u>
Total U.S. Department of Agriculture Food and Nutrition Service			<u>169,160</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,853,388</u></u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Concluded)**

	<u>CFDA/ CFSA Number</u>		<u>Grant/ Contract Number</u>	<u>Expenditures</u>
State Financial Assistance				
Florida Department of Children and Families				
Children's Baker Act Services	60.001	*	CH200	\$ 469,912
Baker Act	60.006	*	CH200	2,143,041
Indigent Psychiatric Outpatient Services	60.039	*	CH200	25,812
Adult Mental Health Special Projects Emergency Stabilization	60.061	*	CH200	305,100
Community Forensic Beds	60.114	*	CH200	70,000
				<u>3,013,865</u>
Florida Department of Juvenile Justice				
Children's Residential Treatment Program				<u>139,572</u>
Florida Department of Corrections				
Columbia County Drug Court	70.016			<u>7,862</u>
Total Expenditures of State Financial Assistance				<u><u>\$ 3,161,299</u></u>

* These programs are part of Meridian Behavior Healthcare, Inc.'s primary funding contract.

The above schedule of federal awards and state financial assistance was prepared using the accrual basis of accounting. The above schedule does not include state matching funds provided for federal programs. Also, the above schedule does not include state funds not identified by a CSFA number.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2013
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA**

I. Summary of Audit Results

Financial Statements

A. Type of Audit Report Issued on Financial Statements

Unqualified Opinion

B. Significant Deficiencies in Internal Control

Significant deficiencies identified during the audit of the financial statements are reported in the report on internal control over financial reporting on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

C. Noncompliance Material to Auditee Financial Statements

Audit disclosed no material instances of noncompliance.

Federal Awards and State Financial Assistance

A. Significant Deficiencies and/or Material Weaknesses in Internal Control Over Major Federal Programs and State Projects

Audit disclosed no instances of significant deficiencies in internal control over major federal programs and state projects or significant deficiencies which were material weaknesses in internal control over major federal programs and state projects that are required to be reported in the schedule of findings and questioned costs.

B. Type of Audit Report Issued on Compliance with Requirements Applicable to Major Federal Programs and State Projects

Unqualified Opinion

C. Audit Findings Relative to Section .510(a) of OMB Circular A-133 and Chapter 10.656, *Rules of the Auditor General*

The audit disclosed no findings required to be reported under Section .510(a) of OMB Circular A-133 and Chapter 10.656, *Rules of the Auditor General*.

D. The Programs/Projects Tested as Major Programs/Projects Include the Following:

<u>Federal Program</u>	<u>Federal CFDA No.</u>
Block Grants for Community Mental Health Services	93.958
Block Grants for Prevention and Treatment of Substance Abuse	93.959
Neighborhood Stabilization Project	14.228
Telehealth/Telemedicine	10.855
<u>State Project</u>	<u>State CSFA No.</u>
Baker Act	60.006
Adult Mental Health Special Projects Emergency Stabilization	60.061

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2013
MERIDIAN BEHAVIORAL HEALTHCARE, INC.
GAINESVILLE, FLORIDA
(Concluded)**

I. Summary of Audit Results (Concluded)

E. The Threshold for Distinguishing Type A and Type B Programs/Projects was \$300,000 for Major Federal Programs and \$300,000 for Major State Projects.

F. The Auditee was Determined to be a Low-risk Auditee Pursuant to OMB Circular A-133. This Does Not Apply to State Projects.

II. Findings Related to the Financial Statements Required to be Reported Under Generally Accepted Government Auditing Standards (GAGAS)

Significant deficiencies identified during the audit of the financial statements are reported in the report on internal control over financial reporting on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

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

The audit disclosed no findings which are required to be reported under Section .510(a) of OMB Circular A-133.

IV. Findings and Questioned Costs for Major State Projects Under Chapter 10.656, Rules of the Auditor General

The audit disclosed no findings which are required to be reported under Chapter 10.656, *Rules of the Auditor General*.

V. Management Letter

No management letter was issued because there were no items related to major state projects required to be reported in the management letter.

VI. Status of Prior Audit Findings

There were no prior year findings included in the schedule of findings and questioned costs required to be reported under Section .510 (a) of OMB Circular A-133 or Chapter 10.650, *Rules of the Auditor General*.

VII. Corrective Action Plan for Current Year Audit Findings

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

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

Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Meridian Behavioral Healthcare, Inc. (the Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the compliance requirements described in the Department of Financial Services' State Projects, *Compliance Supplement*, that could have a direct and material effect on each of the Corporation's major federal programs and State projects for the year ended June 30, 2013. The Corporation's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. The Corporation's basic financial statements include the operations of the New Horizons Properties which received federal awards which is not included in the schedule during the year June 30, 2013. Our audit, described below, did not include the operations of the New Horizons Properties because those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Horizons Properties, is based solely on the reports of the other auditors. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Corporation'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 and state project. However, our audit does not provide a legal determination of the Corporation's compliance.

Certified Public Accountants

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

5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

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

Opinion on Each Major Federal Program and State Project

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

Internal Control Over Compliance

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

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

Our consideration of the 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.

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, and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Purvis, Gray and Company, LLP

October 18, 2013
Gainesville, Florida

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

Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

We have audited the combining financial statements of Meridian Behavioral Healthcare, Inc. (the Corporation), as of and for the year ended June 30, 2013, and have issued our report thereon dated October 18, 2013. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the New Horizons Properties, as described in our report on the Corporation's combining financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 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 identify a certain deficiency in internal control, described below that we consider to be a significant deficiency.

■ **Audit Adjustments**

Condition – Auditing standards require written communication of significant deficiencies in internal control identified during an audit and generally considers significant audit adjustments which are not detected and prevented by the Corporation's internal controls over financial reporting to be a strong indicator of significant deficiencies. During the audit, we proposed one adjustment to the financial statements that we consider to be significant, which was related to the calculation of the estimate for the allowance for doubtful accounts.

Certified Public Accountants

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Board of Directors
Meridian Behavioral Healthcare, Inc.
Gainesville, Florida

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

Internal Control Over Financial Reporting (Concluded)

■ **Audit Adjustments (Concluded)**

Effect – Auditors are prohibited from acting as a segment of the Corporation’s internal control over financial reporting. If the errors corrected by audit adjustments had not been detected in our audit, which is designed only to provide reasonable assurance that the financial statements are fairly presented, the Corporation’s statements may have been misstated.

Recommendation – Although no system of internal control can guarantee accurate financial reporting at all times, we recommend the Corporation review the calculation for the allowance for doubtful accounts, and consider the cause of the adjustment.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation’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 Corporation’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 Corporation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

October 18, 2013
Gainesville, Florida

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October 31, 2013

Purvis, Gray and Company
Certified Public Accountants
PO Box 23999
Gainesville, FL 32602

MANAGEMENT RESPONSE TO AUDITOR'S RECOMMENDATIONS

The management has reviewed the recommendations as set forth by the audit team and has taken necessary steps to improve its internal control over the financial reporting in order to mitigate the causes of the audit adjustments.

Specifically as it pertains to the allowance accrual adjustment, management has set up a process to have a review monthly for AR over 120 days. The allowance for uncollectible accounts adjustment has been recognized as an area needing more frequent review and adjustment. Management has implemented the monthly review policy in order to better estimate and make this adjustment during the course of the year.

The above-mentioned changes should strengthen the internal controls and accuracy of financial reporting for Meridian.

Jennifer Stull, CFO
Sr. Vice President Administrative Services

