



**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Consolidated Financial Statements, Other Information and Reports as Required
by OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*

December 31, 2013

(With Independent Auditors' Reports Thereon)

**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

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KPMG LLP
Suite 1700
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Tampa, FL 33602

Independent Auditors' Report

The Board of Directors
BayCare Behavioral Health, Inc. d/b/a The Harbor
Behavioral Health Care Institute, Inc.:

We have audited the accompanying consolidated financial statements of BayCare Behavioral Health, Inc. d/b/a The Harbor Behavioral Health Care Institute, Inc. (the Institute) and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BayCare Behavioral Health, Inc. d/b/a The Harbor



Behavioral Health Care Institute, Inc. and subsidiaries as of December 31, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information, and statement of functional expenses are presented for purposes of additional analysis as required by specific grant requirements and are not a requirement of the consolidated financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General* and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information, statement of functional expenses, and schedule of expenditure of federal and state awards are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole. The schedule of state earnings, funding sources and revenues schedules, supplemental schedule of revenue requirements of the State of Florida, Department of Children and Families Contracts, schedule of expenditures of other financial assistance, schedule of related-party transaction adjustments, and schedule of bed-day availability payments are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

KPMG LLP

September 25, 2014
Certified Public Accountants

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Consolidated Balance Sheet

December 31, 2013

Assets

Current assets:	
Cash	\$ 4,237
Patient accounts receivable, less allowance for uncollectible accounts of \$543,372	1,885,326
Grant and contract receivables	1,276,879
Prepaid expenses and other current assets	<u>302,323</u>
Total current assets	3,468,765
Property and equipment, net	3,521,553
Other assets	<u>79,375</u>
Total assets	<u><u>\$ 7,069,693</u></u>

Liabilities and Net Deficit

Current liabilities:	
Account payable and accrued expenses	\$ 651,323
Accrued employee compensation and benefits	1,924,895
Current portion of long-term debt	<u>149,384</u>
Total current liabilities	2,725,602
Other long-term liabilities	516,034
Due to affiliates	<u>27,634,703</u>
Total liabilities	<u>30,876,339</u>
Net (deficit) assets:	
Unrestricted	(24,220,440)
Temporarily restricted	<u>413,794</u>
Total net deficit	<u>(23,806,646)</u>
Total liabilities and net deficit	<u><u>\$ 7,069,693</u></u>

See accompanying notes to consolidated financial statements.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Consolidated Statement of Operations and Changes in Net Assets

Year ended December 31, 2013

Operating revenues and other support:	
Patient service revenue (net of contractual adjustments and discounts)	\$ 16,621,101
Provision for bad debts	<u>(1,062,538)</u>
Net patient service revenue less provision for bad debts	15,558,563
Capitation revenue	3,322,690
Public support grants	11,325,292
Contributions	326,404
Other	<u>535,413</u>
Total operating revenues and other support	<u>31,068,362</u>
Operating expenses:	
Program services	32,056,809
Supporting services	4,809,983
Loss on impairment of long-lived assets	<u>669,344</u>
Total operating expenses	<u>37,536,136</u>
Deficit of operating revenues and other support over expenses	(6,467,774)
Investment income	771
Net assets released from restriction for property and equipment	<u>70,260</u>
Decrease in unrestricted net assets	<u>(6,396,743)</u>
Temporarily restricted net assets:	
Net assets released from restriction for property and equipment	<u>(70,260)</u>
Decrease in temporarily restricted net assets	<u>(70,260)</u>
Decrease in net assets	(6,467,003)
Net deficit at beginning of year	<u>(17,339,643)</u>
Net deficit at end of year	<u><u>\$ (23,806,646)</u></u>

See accompanying notes to consolidated financial statements.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Consolidated Statement of Cash Flows

Year ended December 31, 2013

Cash flows from operating activities:	
Change in net assets	\$ (6,467,003)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Provision for bad debts	1,062,538
Depreciation	896,342
Loss on impairment of long-lived assets	669,344
Changes in:	
Patient accounts receivable, net	(737,531)
Grant and contract receivables	108,751
Prepaid expenses and other assets	36,057
Accounts payable and accrued expenses	(185,690)
Accrued employee compensation and benefits	(15,032)
Other long-term liabilities	174,435
Due to affiliates	5,113,517
	<u>655,728</u>
Net cash provided by operating activities	<u>655,728</u>
Cash flows from investing activity:	
Purchase of property and equipment	<u>(512,123)</u>
Net cash used in investing activity	<u>(512,123)</u>
Cash flows from financing activity:	
Repayments of long-term debt	<u>(143,390)</u>
Net cash used in financing activity	<u>(143,390)</u>
Increase in cash	215
Cash at beginning of year	<u>4,022</u>
Cash at end of year	<u>\$ 4,237</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	\$ 9,708

See accompanying notes to consolidated financial statements.

**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
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Notes to Consolidated Financial Statements

December 31, 2013

(1) Organization and Summary of Significant Accounting Policies

BayCare Behavioral Health, Inc. d/b/a The Harbor Behavioral Health Care Institute, Inc. (Behavioral Health) is a not-for-profit corporation, whose sole corporate member is BayCare Health System, Inc. (BayCare), which offers mental health and drug and alcohol abuse treatment-related services to children, adolescents, adults, and senior citizens of Pasco, Hernando, Pinellas and Hillsborough Counties, Florida. Behavioral Health's staff includes psychologists, social workers, nurses, psychiatrists, and other professionals.

Behavioral Health Management Services, Inc. d/b/a BayCare Life Management (Life Management) is a not-for-profit corporation, whose sole corporate member is Behavioral Health, which provides employee assistance programs and outpatient mental health services to individuals in the Tampa Bay, Florida area.

BayCare Behavioral Health Associates, LLC (Health Associates) is a not-for-profit corporation, whose sole corporate member is Life Management, which provides mental health services to inpatient individuals in the Tampa Bay, Florida area.

BayCare, a not-for-profit corporation exempt from state and federal income taxes, was formed effective July 1, 1997, pursuant to a joint operating agreement (JOA) among Catholic Health East, Morton Plant Mease Health Care, Inc. (MPMHC), South Florida Baptist Hospital, Inc. (collectively, the Members), and BayCare. The Members executed the JOA to develop a regional healthcare network providing for a collaborative effort in the areas of community health care delivery, enhanced access to healthcare services for the poor, and the sharing of other common goals. The JOA is effective for a period of 50 years.

The consolidated entities of Behavioral Health, Life Management and Health Associates are hereafter referred to as the "Institute." All significant intercompany accounts and transactions have been eliminated in preparing the consolidated financial statements.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of these consolidated financial statements, in conformity with U.S. generally accepted accounting principles, 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Cash

Cash includes cash on hand and money in checking accounts.

(c) Property and Equipment

Property and equipment are recorded at historical cost at the date of acquisition or fair value at the date of donation.

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Depreciation expense is calculated using the straight-line method over the estimated useful lives of the property and equipment or the lease term, whichever is less. Routine maintenance and repairs are charged to expense as incurred. Expenditures that increase capacities or extend useful lives are capitalized.

Property and equipment, net consist of the following:

Land	\$ 683,787
Buildings	9,120,637
Leasehold improvements	603,936
Furniture and equipment	<u>5,880,044</u>
	16,288,404
Less accumulated depreciation and amortization	<u>12,766,851</u>
	<u>\$ 3,521,553</u>

Depreciation expense for the year ended December 31, 2013 was \$896,342, including allocated depreciation expense from BayCare of \$290,966.

The Institute reviews whether events and circumstances have occurred to indicate if the remaining useful life of long-lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. If such an event occurs, an assessment of possible impairment is based on whether the carrying amount of the assets exceeds the expected total undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the undiscounted cash flows are less than the net book value of the assets, an impairment loss based on the fair value of the assets is recognized.

During 2013, leadership changes and operational modifications were undertaken at The Harbor for Behavioral Health to improve its financial operating income and cash flow position. Despite these changes the Institute determined the carrying value of the long-lived assets would not be recoverable from estimated future cash flows and an impairment loss should be recognized. The Institute recorded an impairment loss of approximately \$669,000 for the write-down primarily of leasehold improvements and equipment to their estimated fair value, for the year ending December 31, 2013.

The determination of fair value of long lived assets involves certain judgments and estimates. These fair value estimates can change by material amounts in subsequent periods due to future financial trends, changes in healthcare trends and regulations and the nature of ultimate disposition of assets. In some cases, these fair value estimates assume the highest and best possible use of assets in the future to a marketplace participant. Accordingly, the ultimate cash realized from the assets could be significantly different than their impaired value should they be sold or discontinued.

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(d) Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Institute has been limited by donors to a specific time period or purpose. Temporarily restricted net assets are maintained primarily for the purpose of capital improvements. Temporarily restricted net assets for state funded capital assets are released from restriction as the capital assets are depreciated (note 3).

(e) Community Commitment

The Institute exists to meet the healthcare needs of the community. Patients who are uninsured or underinsured and cannot pay for services are eligible for either traditional or hardship charity consideration.

The Agency for Health Care Administration (AHCA) defines traditional charity care eligibility at 200% of the federal poverty guidelines, unless the amount due from the patient exceeds 25% of annual family income limited to four times the poverty level. In an effort to meet its mission, the Institute affords its patients a hardship charity, which is defined as 250% of the federal poverty guidelines. Accordingly, services are being provided to the community at no charge or for which costs exceed the payments received. Because payment is not pursued from patients meeting these guidelines, such amounts are not reported as net patient service revenue.

Payments received from Medicaid and other means tested (based on patients' income level) programs are significantly less than established patient charges and are less than management's estimate of the costs of providing those services. These payments reduce the community commitment costs. Unbilled community services represent management's estimate of the cost of providing various programs to the community at no or little charge. These programs include health screenings, educational programs, sponsorships, and research.

The table below is a summary of the Institute's community commitment as measured by unreimbursed costs (estimated by the Institute's cost accounting system) as of December 31, 2013:

	Charity care	Medicaid and other means- tested programs	Total
Community commitment	\$ 3,320,038	3,711,419	7,031,457
Subsidized costs	—	—	—
Net community commitment	\$ 3,320,038	3,711,419	7,031,457

(f) Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. The Institute has agreements with third-party payors

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that provide for payments to the Institute at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. The Institute provides discounts to uninsured patients who do not qualify for Medicaid, charity care, or county funding.

Revenue from the Medicare and Medicaid programs accounted for approximately 9.4% and 12.7% of the Institute's net patient service revenue for the year ended December 31, 2013. The composition of patient service revenue (net of contractual adjustments and discounts) but before the provision for bad debts recognized from these major payor sources is as follows:

	<u>Third-party payors</u>	<u>Self-pay</u>	<u>Total all payors</u>
Patient service revenue (net of contractual adjustments and discounts)	\$ 16,483,136	137,965	16,621,101

Grant and contract receivables represent funds due to the Institute from various state and local government entities based on contracts established during the year.

The Institute analyzes its past collection history and identifies trends by each of its major payor sources of patient service revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about the major payor sources of patient service revenue in evaluating the adequacy of the allowance for doubtful accounts.

The Institute analyzes contractual amounts due from patients who have third-party coverage and provides an allowance for doubtful accounts and a provision for bad debts. For self-pay patients, which includes those patients without insurance coverage and patients with deductibles and copayment balances for which third-party coverage exists for a portion of the bill, the Institute records a provision for bad debts for patients that are unwilling to pay for the portion of the bill representing their financial responsibility. Account balances are charged off against the allowance for doubtful accounts after all means of collection has been exhausted. The Institute follows established guidelines for placing certain past-due patient balances with a collection agency.

The Institute's allowance for uncollectible accounts for self-pay patients was 86.4% of self-pay accounts receivable as of December 31, 2013. The Institute has not experienced significant changes in write-off trends and has not changed its uninsured discount or charity care policies for the year ended December 31, 2013.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates associated with these programs will change by a material amount in the near term. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined or as years are no longer subject to audits, reviews and investigations. Net

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patient service revenue includes approximately \$493,000 received during the year ended December 31, 2013 due to final settlements on open cost report filings, specific settlement of certain appeal issues, and changes in recorded estimates for retroactive adjustments.

The Institute grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The credit risk for other concentrations of receivables is limited due to the large number of insurance companies and other payors that provide payments for services.

(g) *Capitation Revenue*

Behavioral Health has agreements with various health maintenance organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, Behavioral Health receives monthly capitation payments based on the number of the HMOs' participants, regardless of services actually performed by Behavioral Health. In addition, the HMOs make fee-for-service payments to Behavioral Health for certain covered services based upon discounted fee schedules. Behavioral Health periodically reviews these agreements to determine whether expected healthcare costs exceed anticipated future capitation payments. At December 31, 2013, Behavioral Health has determined that an accrual for losses is not necessary.

Life Management has agreements with various employers to provide employee assistance and mental health services to their employees. Under these agreements, Life Management receives monthly capitation payments based on the number of employees in the program, regardless of the services provided by Life Management. Life Management reviews these agreements on a monthly basis to estimate the amount of claims incurred, but not reported. The estimate of the claims incurred but not reported at December 31, 2013 approximated \$189,000 and is recorded in accounts payable and accrued expenses.

(h) *Public Support Grants*

Revenue from federal, state, and other grants is recorded as public support grants based upon the terms of the grantor allotment, which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred. Such revenue is subject to audit by the grantor, and if the examination results in a deficiency of allowable expenses, the Institute will be required to refund any deficiencies. Any adjustments to grant funding are recorded in the year the adjustment occurs. Management is of the opinion that all amounts recognized as public support grants revenue have been earned as of December 31, 2013. Grant and contract receivables included approximately \$1,037,000 or 81% due from the State of Florida, Department of Children and Families as of December 31, 2013.

(i) *Contributions*

Contributions consist primarily of in-kind donations of occupancy expense and salary expense, which are recorded as both revenue and expense based upon the estimate of the fair value of the space and services provided. Donations restricted for property and equipment are recorded as other changes in net assets at the fair value of the donation on the date of contribution.

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Notes to Consolidated Financial Statements

December 31, 2013

(j) Income Taxes

Behavioral Health and Life Management are 501(c)(3) organizations, which are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and from state income taxes under Chapter 220.13 of the Florida Statutes. Management believes that the unrelated business income generated by Behavioral Health and Life Management is not material to the consolidated financial statements.

(3) Assets Acquired with State Funds

The State of Florida (State) rules governing mental health services contractors stipulate that the State can recover its proportionate share of State funds used to acquire real property or equipment if the asset is sold prior to expiration of the holding period in which the State has an interest in the assets. The State can also recover its proportionate share of the fair value or the asset itself of any property or equipment no longer used for its original authorized purpose or State-approved alternative use during the holding period. The holding period is defined as 20 years for real property and the contract-approved useful life for equipment. As of December 31, 2013, there were no pending transactions requiring return of State funds relating to property and equipment.

Depreciation expense for the year ended December 31, 2013 for property and equipment acquired with State funds was approximately \$70,000. Cost, net of accumulated depreciation, of property and equipment acquired with State funds and in the possession of the Institute at December 31, 2013 was approximately \$478,000.

(4) Current Debt

The Institute is obligated under its long-term debt agreement as follows:

Term loan payable to a bank, at a fixed rate (3.25% as of December 31, 2013), payable in monthly installments of principal and interest through December 15, 2014	\$ 149,384
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Morton Plant Hospital Association, Inc. has agreed to guarantee payments for the term loan payable to a bank. As of December 31, 2013, management believes the Institute is in compliance with all required debt covenants.

Interest expense incurred on debt was approximately \$9,700 for the year ended December 31, 2013.

The carrying amount of the Institute's debt approximates its fair value at December 31, 2013.

(5) Retirement Plan

The Institute participates in the BayCare Health System Retirement Plan (the Plan), a defined contribution plan that covers substantially all employees who meet certain service requirements. For these employees, the Plan provides that the Institute will contribute 2% of wages and also match 50% of the employee's contributions up to 6% of the contributing employee's wages. The total contribution expense attributed to the Plan for the year ended December 31, 2013 was approximately \$608,000.

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(6) Related-Party Transactions

Behavioral Health acts as the management agent for nine related entities, which sponsor U.S. Department of Housing and Urban Development (HUD) Section 811 projects. These entities have been awarded funding from HUD for the purpose of constructing and operating housing for disabled individuals.

The entities share some common board members with Behavioral Health. At December 31, 2013, approximately \$160,000 of amounts due to the Institute for expenses paid on behalf of these entities is included in prepaid expenses and other current assets in the consolidated balance sheet.

Life Management provides capitated mental health and other services to BayCare employees through employee benefit programs. Approximately \$1,743,000 of Life Management's capitation revenue during the year ended December 31, 2013 is derived from BayCare.

Amounts classified in the consolidated balance sheet as due to affiliates at December 31, 2013 represent advances to the Institute for certain management fees, professional and liability, property and workers' compensation insurance, employees' health benefits, marketing, planning, data processing, and other expenses paid by MPMHC and BayCare on behalf of the Institute. The Institute is economically dependent upon BayCare to provide similar advances in the future in order for the Institute to maintain its current level of operations. BayCare has committed to provide future contributions, if needed, through at least January 1, 2015 and has agreed not to require repayment of previous advances during 2014 until subsequent to January 1, 2015.

Due to affiliates is classified as a long-term liability as there are no specific repayment terms established for the due to affiliates balance, and MPMHC and BayCare have indicated they will not require the Institute to make payments prior to January 1, 2015. MPMHC and BayCare do not charge interest to the Institute for unpaid balances.

(7) Contingencies

(a) Professional Liability

Effective October 1, 1998, the Institute became insured through an insurance agreement with BayCare's wholly owned insurance captive for all incidents reported after September 30, 1998. The insurance provided by the captive is on a claims-made basis. The liability related to the captive is recorded on BayCare's consolidated financial statements.

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Notes to Consolidated Financial Statements

December 31, 2013

(b) *Litigation and Investigation*

Grant monies received and disbursed by the Institute are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Institute does not believe that such disallowances, if any, would have a material effect on the financial position and changes in net assets of the Institute.

As of August 16, 2014, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment is known.

The Institute is currently the subject of litigation involving matters that arise in the normal course of business. The Institute is fully cooperating with the federal agencies in connection with their inquiries. Based on current information, management believes at this time that the results of the litigation are not likely to have a material adverse effect on the consolidated financial position and changes in net assets of the Institute.

(c) *Operating Leases*

The Institute leases certain facilities, office space, equipment, and land under noncancelable operating leases expiring at various times through 2018. Future minimum lease payments under noncancelable operating leases are as follows at December 31, 2013:

2014	\$	460,639
2015		372,112
2016		193,244
2017		195,236
2018		181,659
Thereafter		—
Total	\$	<u><u>1,402,890</u></u>

Total rent expense, including donated rent, was \$755,248 for the year ended December 31, 2013.

(8) *Subsequent Events*

The Institute has evaluated events and transactions occurring subsequent to December 31, 2013 as of September 25, 2014, which is the date the consolidated financial statements were available for issuance. Management believes that no material events have occurred since December 31, 2013 that requires recognition or disclosure in the consolidated financial statements.

OTHER FINANCIAL INFORMATION

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Schedule 2 – Consolidating Statement of Operations and Changes in Net Assets Information

Year ended December 31, 2013

	BayCare Behavioral Health, Inc. d/b/a The Harbor Behavioral Health Care Institute, Inc.	Behavioral Health Management Services, Inc. d/b/a BayCare Life Management	Consolidated
Operating revenues and other support:			
Patient service revenue (net of contractual adjustments and discounts)	\$ 10,595,369	6,025,732	16,621,101
Provision for bad debts	(139,034)	(923,504)	(1,062,538)
Net patient service revenue less provision for bad debts	10,456,335	5,102,228	15,558,563
Capitation revenue	979,830	2,342,860	3,322,690
Public support grants	11,325,292	—	11,325,292
Contributions	326,404	—	326,404
Other	533,196	2,217	535,413
Total operating revenues and other support	<u>23,621,057</u>	<u>7,447,305</u>	<u>31,068,362</u>
Operating expenses:			
Program services	22,933,828	9,122,981	32,056,809
Supporting services	3,968,888	841,095	4,809,983
Impairment loss	669,344	—	669,344
Total operating expenses	<u>27,572,060</u>	<u>9,964,076</u>	<u>37,536,136</u>
Deficit of operating revenues and other support over expenses	(3,951,003)	(2,516,771)	(6,467,774)
Investment income	771	—	771
Net assets released from restriction for property and equipment	70,260	—	70,260
Decrease in unrestricted net assets	<u>(3,879,972)</u>	<u>(2,516,771)</u>	<u>(6,396,743)</u>
Temporarily restricted net assets:			
Net assets released from restriction for property and equipment	<u>(70,260)</u>	<u>—</u>	<u>(70,260)</u>
Decrease in temporarily restricted net assets	<u>(70,260)</u>	<u>—</u>	<u>(70,260)</u>
Decrease in net assets	(3,950,232)	(2,516,771)	(6,467,003)
Net deficit at beginning of year	<u>(3,088,525)</u>	<u>(14,251,118)</u>	<u>(17,339,643)</u>
Net deficit at end of year	<u>\$ (7,038,757)</u>	<u>(16,767,889)</u>	<u>(23,806,646)</u>

See accompanying independent auditors' report.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Statement of Functional Expenses

Year ended December 31, 2013

	Program services									
	Aftercare	B-NET	Case management	Crisis support	Crisis stabilization	Supportive employment	Supportive housing	FACT	Residential services	Detoxification substance abuse
Personnel services:										
Salaries	\$ 24,499	208,222	1,587,258	186,939	—	26,717	298,832	615,327	924,848	622,424
Fringe benefits	6,007	51,052	389,163	45,834	—	6,550	73,267	150,866	226,754	152,606
Total personnel services expenses	30,506	259,274	1,976,421	232,773	—	33,267	372,099	766,193	1,151,602	775,030
Operating expenses:										
Building occupancy	2,602	31,442	392,614	22,860	—	6,035	68,352	104,251	110,584	102,304
Professional services	5,048	19,165	2,377	211	—	80	1,567	4,447	111,419	48,187
Travel	12	3,354	67,314	7,223	—	671	9,406	13,207	239	—
Equipment costs	792	25	4,334	89	—	57	1,943	8,130	25,771	2,754
Food services	2,389	—	—	—	—	—	—	—	113,197	50,798
Medical and pharmacy	172	11,631	13,580	3	—	—	—	183	6,212	21,226
Insurance	238	1,840	13,876	1,537	—	226	2,559	10,001	9,196	5,673
Interest										
Other supplies and expenses	220	851	7,010	10,704	—	128	2,401	7,694	11,169	2,518
Other	61	10	492	—	—	10	178	117	2,455	7,929
Donated items	657	—	8,217	—	—	—	—	—	105,913	—
Total operating expenses	12,191	68,318	509,814	42,627	—	7,207	86,406	148,030	496,155	241,389
Total personnel services and operating expenses	42,697	327,592	2,486,235	275,400	—	40,474	458,505	914,223	1,647,757	1,016,419
Indirect expenses:										
Allocation of general and other support costs	2,821	21,648	164,297	18,200	—	2,675	30,299	60,414	108,889	67,168
Administration	4,335	33,260	252,419	27,960	—	4,109	46,551	92,818	167,291	103,194
Total all expenses	\$ 49,853	382,500	2,902,951	321,560	—	47,258	535,355	1,067,455	1,923,937	1,186,781

(Continued)

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Statement of Functional Expenses

Year ended December 31, 2013

	Program services								
	Incidentals	Intervention	Medical services	Outpatient individual	Outreach	Prevention	Inhome onsite	Outpatient group	CCST
Personnel services:									
Salaries	\$ 39,406	303,797	1,518,762	1,785,176	405,228	214,889	32,975	209,660	—
Fringe benefits	9,662	74,485	372,369	437,689	99,354	52,686	8,085	51,404	—
Total personnel services expenses	<u>49,068</u>	<u>378,282</u>	<u>1,891,131</u>	<u>2,222,865</u>	<u>504,582</u>	<u>267,575</u>	<u>41,060</u>	<u>261,064</u>	<u>—</u>
Operating expenses:									
Building occupancy	43,425	43,114	301,665	282,211	73,532	40,585	9,667	39,703	—
Professional services	182,823	761	501,289	4,327	45,508	2,829	41	448	—
Travel	3,590	13,212	7,860	14,099	8,238	14,726	842	1,094	—
Equipment costs	29	1,749	81	40	182	—	—	29	—
Food services	40	—	—	—	—	—	—	—	—
Medical and pharmacy	63,522	1,632	2,859	14,613	8,627	115	—	1,034	—
Insurance	3,729	2,474	33,274	14,275	3,661	1,870	290	1,711	—
Interest									
Other supplies and expenses	301,608	1,699	2,318	4,421	7,733	6,866	8	1,125	—
Other	75	404	525	950	79	500	33	301	—
Donated items	20,318	—	—	—	3,903	—	—	—	—
Total operating expenses	<u>619,159</u>	<u>65,045</u>	<u>849,871</u>	<u>334,936</u>	<u>151,463</u>	<u>67,491</u>	<u>10,881</u>	<u>45,445</u>	<u>—</u>
Total personnel services and operating expenses	<u>668,227</u>	<u>443,327</u>	<u>2,741,002</u>	<u>2,557,801</u>	<u>656,045</u>	<u>335,066</u>	<u>51,941</u>	<u>306,509</u>	<u>—</u>
Indirect expenses:									
Allocation of general and other support costs	44,158	29,296	181,133	169,026	43,353	22,142	3,432	20,255	—
Administration	67,843	45,009	278,285	259,685	66,606	34,019	5,274	31,119	—
Total all expenses	\$ <u>780,228</u>	<u>517,632</u>	<u>3,200,420</u>	<u>2,986,512</u>	<u>766,004</u>	<u>391,227</u>	<u>60,647</u>	<u>357,883</u>	<u>—</u>

(Continued)

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Statement of Functional Expenses

Year ended December 31, 2013

	Program services					Supporting services				
	Total substance abuse and mental health	Other programs	Subtotal	BBHA & Life Management Program Services	Nonadministrative (support)	Subtotal	Administrative	BBHA & Life Management Administrative Services	Subtotal	Total
Personnel services:										
Salaries	\$ 9,004,959	2,592,817	11,597,776	4,936,097	1,921,713	18,455,586	1,563,325	959,810	2,523,135	20,978,721
Fringe benefits	2,207,833	635,705	2,843,538	661,809	471,165	3,976,512	383,294	348,097	731,391	4,707,903
Total personnel services expenses	11,212,792	3,228,522	14,441,314	5,597,906	2,392,878	22,432,098	1,946,619	1,307,907	3,254,526	25,686,624
Operating expenses:										
Building occupancy	1,674,946	404,641	2,079,587	301,226	2,343	2,383,156	216,736	2,318	219,054	2,602,210
Professional services	930,527	734,394	1,664,921	2,963,821	100,897	4,729,639	131,955	(648,234)	(516,279)	4,213,360
Travel	165,087	24,360	189,447	36,124	11,535	237,106	38,971	13,114	52,085	289,191
Equipment costs	46,005	30,593	76,598	36,343	35,043	147,984	90,353	4,759	95,112	243,096
Food services	166,424	45,374	211,798	1,679	5	213,482	6,850	—	6,850	220,332
Medical and pharmacy	145,409	624,273	769,682	59	171	769,912	1,974	—	1,974	771,886
Insurance	106,430	31,787	138,217	153,500	—	291,717	—	1,276	1,276	292,993
Interest	—	—	—	—	—	—	(63,528)	—	(63,528)	(63,528)
Other supplies and expenses	368,473	61,829	430,302	15,072	39,936	485,310	58,325	5,379	63,704	549,014
Other	14,119	7,627	21,746	17,251	504	39,501	1,540,433	154,576	1,695,009	1,734,510
Donated items	139,008	187,896	326,904	—	—	326,904	200	—	200	327,104
Total operating expenses	3,756,428	2,152,774	5,909,202	3,525,075	190,434	9,624,711	2,022,269	(466,812)	1,555,457	11,180,168
Total personnel services and operating expenses	14,969,220	5,381,296	20,350,516	9,122,981	2,583,312	32,056,809	3,968,888	841,095	4,809,983	36,866,792
Indirect expenses:										
Allocation of general and other support costs	989,206	1,594,106	2,583,312	—	(2,583,312)	—	—	—	—	—
Administration	1,519,777	2,449,111	3,968,888	841,095	—	4,809,983	(3,968,888)	(841,095)	(4,809,983)	—
Total all expenses	\$ 17,478,203	9,424,513	26,902,716	9,964,076	—	36,866,792	—	—	—	36,866,792

See accompanying independent auditors' report.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Schedule of State Earnings

Year ended December 31, 2013

(Unaudited)

	<u>Suncoast Region</u>	<u>District 13</u>	<u>Combined</u>
Total expenditures	\$ 21,419,350	5,483,366	26,902,716
Less:			
Other state and federal funds	(4,786,905)	(1,479,085)	(6,265,990)
Nonmatch Substance Abuse and Mental Health Funds	(5,668,871)	(1,114,813)	(6,783,684)
Unallowable costs			—
Total allowable expenditures	<u>\$ 10,963,574</u>	<u>2,889,468</u>	<u>13,853,042</u>
Total amount of state earnings (total allowable expenditures times 75%)	\$ 8,222,681	2,167,101	10,389,782
Amount of state funds received	<u>(3,817,724)</u>	<u>(1,943,008)</u>	<u>(5,760,732)</u>
State earnings in excess of state funds received	<u>\$ 4,404,957</u>	<u>224,093</u>	<u>4,629,050</u>

See accompanying independent auditors' report.

AGENCY: Baycare Behavioral Health

DATE PREPARED: 7/31/2014

CONTRACT #: Suncoast Region

PERIOD: FROM 01/01/2013 TO 12/31/2013

Adult Mental Health										
FUNDING SOURCES & REVENUES	RECOVERY & RESILIENCY-Case Management 51125,51201,51210	RECOVERY & RESILIENCY-INTERVENTION IND. 51210,51312	RECOVERY & RESILIENCY-Medical Service 51258	RECOVERY & RESILIENCY-Outpatient Individual 51122,51123,51125,51201	RECOVERY & RESILIENCY-Outreach 51122,51123,51125,51201,51210,51312,53000	RECOVERY & RESILIENCY-Residential Services Level 2 51365	RECOVERY & RESILIENCY-Incidentals 51130,51211,51246,51365	RECOVERY & RESILIENCY-Supportive Employment 51290	RECOVERY & RESILIENCY-Supportive Housing 51290	RECOVERY & RESILIENCY-FACT 51245
A	2	11	12	14	15	19	28	25	26	34
IA. TOTAL STATE SAMH FUNDING										
(1) From the District funding this contract	238,452.03	135,453.61	777,025.73	417,021.04	90,866.53	187,516.13	663,772.46	12,402.51	166,824.54	999,999.99
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding								1,061.63	14,269.37	
(2) Medicaid	94,946.10	38,655.44	127,818.64	94,388.17	8,515.14		57,418.58	3,273.48	44,111.94	
(3) Local Government			274,873.92							
(4) Federal Grants and Contracts										
(5) In-kind from local govt. only										
TOT. OTHER GOVT. FUNDING =	94,946.10	38,655.44	402,692.56	94,388.17	8,515.14	0.00	57,418.58	4,335.11	58,381.31	0.00
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	30.76	0.00	85,064.00	44,720.37	10,089.42	1,451.36	83,633.99	16.08	216.12	4.01
(2) 3rd Party Payments (except Medicare)	92,890.53	38,954.42	474,018.15	407,089.98	48,494.22	31,152.53	897,659.04	3,797.91	51,047.82	
(3) Medicare			58,974.36	72,807.55	7,630.22			3.95	53.10	
(4) Contributions and Donations			19,999.96							
(5) Other										
(6) In-kind						21,210.07	207,723.28			
TOT. ALL OTHER REVENUES =	92,921.29	38,954.42	638,056.47	524,617.90	66,213.86	53,813.96	1,189,016.31	3,817.94	51,317.04	4.01
TOTAL ACTUAL FUNDING =	\$426,319.42	\$213,063.47	\$1,817,774.76	\$1,036,027.11	\$165,595.53	\$241,330.09	\$1,910,207.35	\$20,555.56	\$276,522.89	\$1,000,004.00

(Continued)

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
ACTUAL COST CENTER OPERATING AND CAPITAL BUDGET

STATE-DESIGNATED SAMH COST CENTERS

Children's Mental Health												Adult Substance Abuse	
RECOVERY & RESILIENCY- Outpatient Group	RECOVERY & RESILIENCY-CCST Individual	Total for Adult Mental Health (B _{1-a} +...+B _{1-x})	RECOVERY & RESILIENCY-Case Management	Crisis Support	RECOVERY & RESILIENCY- Intervention	RECOVERY & RESILIENCY-Medical Service	RECOVERY & RESILIENCY-Outpatient Individual	RECOVERY & RESILIENCY-Outreach	RECOVERY & RESILIENCY-Outpatient Group	RECOVERY & RESILIENCY-CCST Individual	B-NET	Total for Children's Mental Health (B _{2-a} +...+B _{2-x})	RECOVERY & RESILIENCY- Case Management
51125,51201	51123,51125,51210,51290,53000	(B _{1-a} +...+B _{1-x})	51140,51349	51314	51140	51458	51140	51140,51349	51140	51349,51140	51140,51349,51458	(B _{2-a} +...+B _{2-x})	51132,51201
35	44	C ₁	2	4	11	12	14	15	35	44	50	C ₂	2
26,549.85	0.00	\$3,715,884.42	31,300.13	227,156.17	0.00	74,600.53	41,413.44	19,930.52	164.53	0.00	362,228.50	\$756,793.82	67,903.94
		15,331.00										0.00	
5,102.90		474,230.39	75,256.33			52,691.31	136,775.46	48,388.24	559.59			313,670.93	32,579.90
		274,873.92		61,752.12								61,752.12	
		0.00										0.00	
		0.00										0.00	
5,102.90	0.00	764,435.31	75,256.33	61,752.12	0.00	52,691.31	136,775.46	48,388.24	559.59	0.00	0.00	375,423.05	32,579.90
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
1,979.78		227,205.89	934.12	(60.00)		14,547.86	26,777.22	933.57	108.87			43,241.64	3,569.16
19,202.41		2,064,307.01	207,758.99			308,670.06	883,651.21	140,351.54	3,592.60			1,544,024.40	3,576.91
2,256.16		141,725.34										0.00	887.27
		19,999.96										0.00	
		0.00										0.00	
		228,933.35										0.00	
23,438.35	0.00	2,682,171.55	208,693.11	(60.00)	0.00	323,217.92	910,428.43	141,285.11	3,701.47	0.00	0.00	1,587,266.04	8,033.34
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
\$55,091.10	\$0.00	\$7,162,491.28	\$315,249.57	\$288,848.29	\$0.00	\$450,509.76	\$1,088,617.33	\$209,603.87	\$4,425.59	\$0.00	\$362,228.50	\$2,719,482.91	\$108,517.18
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

(Continued)

										Children's Substance Abuse				
TREATMENT & AFTERCARE- Intervention Individual 51312,51353 11	TREATMENT & AFTERCARE- Outpatient Individual 51132,51201 14	TREATMENT & AFTERCARE- Outreach 51132,51312 15	PREVENTION 51344 16	TREATMENT & AFTERCARE- Residential Services Level 2 51365 19	DETOX- SUBSTANCE ABUSE DETOX 51331 24	TREATMENT & AFTERCARE- Aftercare 51132 29	TREATMENT & AFTERCARE- Outpatient Group 51132,51201 35	TREATMENT & AFTERCARE- Aftercare Group 51132 43	Total for Adult Substance Abuse (B _{2-a} +...+B _{2-x}) C ₂	TREATMENT & AFTERCARE- Outpatient Individual 51561 14	PREVENTION- Prevention 51343,51344 16	TREATMENT & AFTERCARE- Residential Services Level 2 51565 19	TREATMENT & AFTERCARE- Aftercare 51565 29	TREATMENT & AFTERCARE- Outpatient Group 51561 35
259,322.84	183,345.50	118,185.87	80,615.68	681,090.08	686,086.35	0.00	102,269.63	0.00	\$2,178,819.89	2,061.60	214,258.04	591,585.50	38,565.22	119.76
	89,263.39	2,013.01			11,433.00		50,463.20		174,319.50	30,424.39		22,033.74		1,767.81
									11,433.00					
									0.00					
									0.00					
0.00	89,263.39	2,013.01	0.00	0.00	11,433.00	0.00	50,463.20	0.00	185,752.50	30,424.39	0.00	22,033.74	0.00	1,767.81
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
0.00	9,782.09	216.08		4,998.73	2,013.42		5,526.96		26,106.44	1,013.29		2,550.70	167.29	58.87
32.97	9,805.05	222.76		105,245.01	145,992.34		5,540.66		270,415.70	9,413.60		111,462.49	7,262.06	546.98
	2,429.11	54.73					1,374.17		4,745.28					
									0.00					
									0.00					
				71,655.60					71,655.60			12,857.31	837.69	
32.97	22,016.25	493.57	0.00	181,899.34	148,005.76	0.00	12,441.79	0.00	372,923.02	10,426.89	0.00	126,870.50	8,267.04	605.85
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
\$259,355.81	\$294,625.14	\$120,692.45	\$80,615.68	\$862,989.42	\$845,525.11	\$0.00	\$165,174.62	\$0.00	\$2,737,495.41	\$42,912.88	\$214,258.04	\$740,489.74	\$46,832.26	\$2,493.42
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

(Continued)

Total for Children's Substance Abuse (B _{2-a} +...+B _{2-x}) C₂	Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₄) D	Total for Non-State-Funded SAMH Cost Centers E	Tot. for All State-Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Total Funding H
\$846,590.12	\$7,498,088.25		\$7,498,088.25	31,507.46	\$7,529,595.71
22,033.74	37,364.74		37,364.74	182,302.19	219,666.93
32,192.20	994,413.02		994,413.02	2,688,900.80	3,683,313.82
0.00	348,059.04		348,059.04	102,015.13	450,074.17
0.00	0.00		0.00	883,924.28	883,924.28
0.00	0.00		0.00		0.00
54,225.94	1,379,836.80	0.00	1,379,836.80	3,857,142.40	5,236,979.20
=====	=====	=====	=====	=====	=====
3,790.15	300,344.12		300,344.12	50,884.61	351,228.73
128,685.13	4,007,432.24		4,007,432.24	180,784.08	4,188,216.32
0.00	146,470.62		146,470.62	27,313.93	173,784.55
0.00	19,999.96		19,999.96	11,767.43	31,767.39
0.00	0.00		0.00	550,300.80	550,300.80
13,695.00	314,283.95		314,283.95		314,283.95
146,170.28	4,788,530.89	0.00	4,788,530.89	821,050.85	5,609,581.74
=====	=====	=====	=====	=====	=====
\$1,046,986.34	\$13,666,455.94	\$0.00	\$13,666,455.94	\$4,709,700.71	\$18,376,156.65
=====	=====	=====	=====	=====	=====

(Continued)

EXPENSE CATEGORIES A	Adult Mental Health									
	RECOVERY & RESILIENCY-Case Management 51125, 51201,51210 2	RECOVERY & RESILIENCY-INTERVENTION IND. 51210, 51312 11	RECOVERY & RESILIENCY-Medical Service 51258 12	RECOVERY & RESILIENCY-Outpatient Individual 51123,51125,51201 14	RECOVERY & RESILIENCY-Outreach 51123,51125,51201, 51210, 51312, 53000, 51122 15	RECOVERY & RESILIENCY-Residential Services Level 2 51365 19	RECOVERY & RESILIENCY-Incidentals 51130, 51246, 51365, 51211 28	RECOVERY & RESILIENCY-Supportive Employment 51290 25	RECOVERY & RESILIENCY-Supportive Housing 51290 26	RECOVERY & RESILIENCY-FACT 51245 34
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$ 305,185	\$ 112,015	\$ 877,388	\$ 570,639	\$ 126,937	\$ -	\$ 39,406	\$ 11,913	\$ 160,238	\$ 615,327
(2) Fringe Benefits	\$ 74,831	\$ 27,466	\$ 214,956	\$ 139,921	\$ 31,125	\$ -	\$ 9,662	\$ 2,921	\$ 39,290	\$ 150,878
TOTAL PERSONNEL EXPENSES =	\$ 380,016	\$ 139,481	\$ 1,092,344	\$ 710,560	\$ 158,062	\$ -	\$ 49,068	\$ 14,834	\$ 199,528	\$ 766,205
IIB. OTHER EXPENSES										
(1) Building Occupancy	\$ 43,650	\$ 16,225	\$ 111,993	\$ 69,942	\$ 16,700	\$ -	\$ 44,743	\$ 1,784	\$ 23,563	\$ 106,191
(2) Professional Services	\$ 1,248	\$ 523	\$ 66,971	\$ 1,720	\$ 959	\$ -	\$ 182,817	\$ 44	\$ 588	\$ 4,447
(3) Travel	\$ 12,915	\$ 5,413	\$ 7,048	\$ 1,197	\$ 624	\$ -	\$ 3,590	\$ 523	\$ 7,037	\$ 13,207
(4) Equipment	\$ 4,107	\$ 1,722	\$ 24	\$ -	\$ 127	\$ -	\$ 6	\$ 21	\$ 276	\$ 8,130
(5) Food Services						\$ -	\$ 40			
(6) Medical and Pharmacy	\$ 489	\$ -	\$ 240	\$ 1,050	\$ -	\$ -	\$ 58,261	\$ -	\$ -	\$ 183
(7) Subcontracted Services						\$ -				
(8) Insurance	\$ 2,521	\$ 931	\$ 19,845	\$ 4,430	\$ 999	\$ -	\$ 3,759	\$ 102	\$ 1,306	\$ 10,044
(9) Interest Paid						\$ -				
(10) Operating Supplies & Expenses	\$ 3,994	\$ 1,658	\$ 625	\$ 1,293	\$ 254	\$ -	\$ 301,609	\$ 96	\$ 1,292	\$ 7,694
(11) Other	\$ 40	\$ 17	\$ 374	\$ -	\$ 1	\$ -	\$ 75	\$ 6	\$ 81	\$ 117
(12) Donated Items						\$ -	\$ 20,318			
TOTAL OTHER EXPENSES =	\$ 68,964	\$ 26,489	\$ 207,120	\$ 79,632	\$ 19,664	\$ -	\$ 615,218	\$ 2,576	\$ 34,143	\$ 150,013
TOT. PERSONNEL & OTH. EXP. =	\$ 448,980	\$ 165,970	\$ 1,299,464	\$ 790,192	\$ 177,726	\$ -	\$ 664,286	\$ 17,410	\$ 233,671	\$ 916,218
IIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Costs (Optional)	29,676	10,980	85,958	52,230	11,772	-	43,921	1,187	15,432	60,539
(b) Administration	45,593	16,870	132,069	80,244	18,085	-	67,478	1,824	23,709	93,010
TOT. DISTR'D INDIRECT COSTS =	\$ 75,269	\$ 27,850	\$ 218,027	\$ 132,474	\$ 29,857	\$ -	\$ 111,399	\$ 3,011	\$ 39,141	\$ 153,549
TOTAL ACTUAL OPER. EXPENSES =	\$ 524,249	\$ 193,820	\$ 1,517,491	\$ 922,666	\$ 207,583	\$ -	\$ 775,685	\$ 20,421	\$ 272,812	\$ 1,069,767
IID. UNALLOWABLE COSTS										
IIIE. TOTAL SAMH LINES OF CREDIT EQUIVALENT =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOT. ALLOWABLE ACTUAL OPERATING EXP., Excluding SAMH Credit Equivalent =	\$ 524,249	\$ 193,820	\$ 1,517,491	\$ 922,666	\$ 207,583	\$ -	\$ 775,685	\$ 20,421	\$ 272,812	\$ 1,069,767
IIIF. CAPITAL EXPENDITURES										

(Continued)

STATE-DESIGNATED SAMH COST CENTERS

Children's Mental Health												Adult Substance Abuse	
RECOVERY & RESILIENCY-Outpatient Group	RECOVERY & RESILIENCY-CCST Individual	Total for Adult Mental Health (B _{1-a} +...+B _{1-x})	RECOVERY & RESILIENCY-Case Management	Crisis Support	RECOVERY & RESILIENCY-Intervention	RECOVERY & RESILIENCY-Medical Service	RECOVERY & RESILIENCY-Outpatient Individual	RECOVERY & RESILIENCY-Outreach	RECOVERY & RESILIENCY-Outpatient Group	RECOVERY & RESILIENCY-CCST Individual	B-NET	Total for Children's Mental Health (B _{2-a} +...+B _{2-x})	RECOVERY & RESILIENCY-Case Management
51125,51201	51123,51125,51210,51290,53000		51140, 51349	51314	51140	51458	51140	51140, 51349	51140	51349,51140	458, 51140, 513		51132, 51201
35	44	C ₁	2	4	11	12	14	15	35	44	50	C ₂	2
\$ 47,648	\$ 2,866,696	\$ 185,367	\$ 186,939	\$ 194,161	\$ 582,148	\$ 122,511	\$ 2,376	\$ 208,222	\$ 1,481,724	\$ 46,424			
\$ 11,683	\$ 702,733	\$ 45,452	\$ 45,837	\$ 47,608	\$ 142,743	\$ 30,040	\$ 583	\$ 51,056	\$ 363,319	\$ 11,383			
\$ 59,331	\$ 3,569,429	\$ 230,819	\$ 232,776	\$ 241,769	\$ 724,891	\$ 152,551	\$ 2,959	\$ 259,278	\$ 1,845,043	\$ 57,807			
\$ 6,109	\$ 440,900	\$ 23,396	\$ 23,415	\$ 44,861	\$ 63,420	\$ 12,001	\$ 268	\$ 32,111	\$ 199,472	\$ 5,899			
\$ 69	\$ 259,386	\$ 400	\$ 211	\$ 293,324	\$ 1,532	\$ 268	\$ 6	\$ 19,164	\$ 314,905	\$ 205			
\$ 58	\$ 51,612	\$ 3,514	\$ 7,223	\$ 466	\$ 5,505	\$ 2,249	\$ 22	\$ 3,354	\$ 22,333	\$ 164			
	\$ 14,413	\$ 24	\$ 89	\$ 81	\$	\$ 15	\$	\$ 25	\$ 234	\$			
	\$ 40	\$	\$	\$	\$	\$	\$	\$	\$ -	\$			
\$ 321	\$ 60,544	\$ 12,662	\$ 3	\$ 2,647	\$ 12,496	\$ 8,006	\$ 51	\$ 11,631	\$ 47,496	\$ 432			
	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -	\$			
\$ 375	\$ 44,312	\$ 1,533	\$ 1,545	\$ 3,488	\$ 4,566	\$ 988	\$ 23	\$ 12	\$ 12,155	\$ 363			
	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -	\$			
\$ 83	\$ 318,598	\$ 790	\$ 10,704	\$ 1,356	\$ 1,484	\$ 509	\$ 6	\$ 851	\$ 15,700	\$ 76			
	\$ 711	\$ 12	\$	\$	\$	\$ 7	\$	\$ 10	\$ 29	\$ 78			
	\$ 20,318	\$	\$	\$	\$	\$	\$	\$	\$ -	\$			
\$ 7,015	\$ 1,210,834	\$ 42,331	\$ 43,190	\$ 346,223	\$ 89,003	\$ 24,043	\$ 376	\$ 67,158	\$ 612,324	\$ 7,217			
\$ 66,346	\$ 4,780,263	\$ 273,150	\$ 275,966	\$ 587,992	\$ 813,894	\$ 176,594	\$ 3,335	\$ 326,436	\$ 2,457,367	\$ 65,024			
4,353	\$ 316,048	\$ 18,004	\$ 18,201	\$ 38,876	\$ 53,813	\$ 11,673	\$ 198	\$ 21,565	\$ 162,330	\$ 4,254			
6,687	\$ 485,569	\$ 27,660	\$ 27,964	\$ 59,727	\$ 82,676	\$ 17,933	\$ 304	\$ 33,131	\$ 249,395	\$ 6,535			
\$ 11,040	\$ 801,617	\$ 45,664	\$ 46,165	\$ 98,603	\$ 136,489	\$ 29,606	\$ 502	\$ 54,696	\$ 411,725	\$ 10,789			
\$ 77,386	\$ 5,581,880	\$ 318,814	\$ 322,131	\$ 686,595	\$ 950,383	\$ 206,200	\$ 3,837	\$ 381,132	\$ 2,869,092	\$ 75,813			
	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -	\$			
\$ 77,386	\$ 5,581,880	\$ 318,814	\$ 322,131	\$ 686,595	\$ 950,383	\$ 206,200	\$ 3,837	\$ 381,132	\$ 2,869,092	\$ 75,813			
\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -	\$			

(Continued)

										Children's Substance Abuse				
TREATMENT & AFTERCARE- Intervention Individual	TREATMENT & AFTERCARE- Outpatient Individual	TREATMENT & AFTERCARE- Outreach	PREVENTION	TREATMENT & AFTERCARE- Residential Services Level 2	DETOX- SUBSTANCE ABUSE DETOX	TREATMENT & AFTERCARE- Aftercare	TREATMENT & AFTERCARE- Outpatient Group	TREATMENT & AFTERCARE- Aftercare Group	Total for Adult Substance Abuse (B _{2-a} +...+B _{2-x})	TREATMENT & AFTERCARE- Outpatient Individual	PREVENTION- Prevention	TREATMENT & AFTERCARE- Residential Services Level 2	TREATMENT & AFTERCARE- Aftercare	TREATMENT & AFTERCARE- Outpatient Group
51312, 51353	51132, 51201	51132, 51312	51344	51365	51331	51132	51132, 51201	51132	C ₂	51561	51343, 51344	51565	51565	51561
11	14	15	16	19	24	29	35	43		14	16	19	29	35
\$ 148,736	\$ 127,152	\$ 35,815	\$ 82,685	\$ 380,884	\$ 478,644	\$ 71,910	\$ 1,372,250	\$ 43,723	\$ 86,135	\$ 397,069	\$ 24,499	\$ 2,540		
\$ 36,470	\$ 31,178	\$ 8,782	\$ 20,274	\$ 93,393	\$ 117,364	\$ 17,632	\$ 336,476	\$ 10,721	\$ 21,120	\$ 97,361	\$ 6,007	\$ 623		
\$ 185,206	\$ 158,330	\$ 44,597	\$ 102,959	\$ 474,277	\$ 596,008	\$ 89,542	\$ 1,708,726	\$ 54,444	\$ 107,255	\$ 494,430	\$ 30,506	\$ 3,163		
\$ 15,065	\$ 16,173	\$ 6,259	\$ 13,593	\$ 52,599	\$ 80,298	\$ 9,163	\$ 199,049	\$ 4,831	\$ 13,566	\$ 24,527	\$ 2,529	\$ 286		
\$ 185	\$ 563	\$ 44,189	\$ 9,800	\$ 37,056	\$ 318	\$ 92,316	\$ 5,058	\$ 2,823	\$ 81,821					
\$ 6,700	\$ 840	\$ 2,137	\$ 2,417	\$ 5	\$ 254	\$ 12,517	\$ 12	\$ 9,817						
\$ 27				\$ 8,726	\$ 2,118	\$ 10,871			\$ 12,841	\$ 792				
				\$ 57,113	\$ 39,064	\$ 96,177			\$ 38,716	\$ 2,389				
\$ 1,632	\$ 660	\$ 620		\$ 2,437	\$ 16,323	\$ 373	\$ 22,477		\$ 2,779	\$ 172				
\$ 1,181	\$ 999		\$ 670	\$ 3,903	\$ 4,393	\$ 568	\$ 12,077	\$ 363	\$ 795	\$ 3,778	\$ 216	\$ 23		
\$ 30	\$ 208	\$ 6,919		\$ 5,913	\$ 1,936	\$ 118	\$ 15,200		\$ 6,866	\$ 3,558	\$ 220			
\$ 344	\$ 213	\$ 61	\$ 100	\$ 1,078	\$ 6,097	\$ 120	\$ 8,091	\$ 331	\$ 991	\$ 61	\$ 19			
				\$ 80,588			\$ 80,588		\$ 10,655	\$ 657				
\$ 25,164	\$ 19,656	\$ 60,185	\$ 16,780	\$ 222,162	\$ 187,285	\$ 10,914	\$ 549,363	\$ 10,595	\$ 33,867	\$ 179,666	\$ 7,036	\$ 351		
\$ 210,370	\$ 177,986	\$ 104,782	\$ 119,739	\$ 696,439	\$ 783,293	\$ 100,456	\$ 2,258,089	\$ 65,039	\$ 141,122	\$ 674,096	\$ 37,542	\$ 3,514		
\$ 13,948	\$ 11,772	\$ 6,924	\$ 7,914	\$ 45,998	\$ 51,735	\$ 6,628	\$ 149,173	\$ 4,254	\$ 9,299	\$ 44,514	\$ 2,473	\$ 198		
\$ 21,429	\$ 18,085	\$ 10,638	\$ 12,158	\$ 70,670	\$ 79,484	\$ 10,183	\$ 229,182	\$ 6,535	\$ 14,286	\$ 68,390	\$ 3,799	\$ 304		
\$ 35,377	\$ 29,857	\$ 17,562	\$ 20,072	\$ 116,668	\$ 131,219	\$ 16,811	\$ 378,355	\$ 10,789	\$ 23,585	\$ 112,904	\$ 6,272	\$ 502		
\$ 245,747	\$ 207,843		\$ 139,811	\$ 813,107	\$ 914,512	\$ 117,267	\$ 2,636,444	\$ 75,828	\$ 164,707	\$ 787,000	\$ 43,814	\$ 4,016		
							\$ -							
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 245,747	\$ 207,843	\$ -	\$ 139,811	\$ 813,107	\$ 914,512	\$ 117,267	\$ 2,636,444	\$ 75,828	\$ 164,707	\$ 787,000	\$ 43,814	\$ 4,016		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

Total for Children's Substance Abuse (B _{2,a} +...+B _{2,x}) C ₂	Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₄) D	Total for Non-State-Funded SAMH Cost Centers E	Tot. for All State-Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Other Support Costs (optional) H	Administration I	Total Expense J
\$ 553,966	\$ 6,274,636	0	\$ 6,274,636	\$2,546,535	\$ 1,676,695	\$ 1,364,001	\$ 11,861,867
\$ 135,832	\$ 1,538,360	\$ -	\$ 1,538,360	\$ 624,409	\$ 411,092	\$ 334,423	\$ 2,908,284
\$ 689,798	\$ 7,812,996	\$ -	\$ 7,812,996	\$ 3,170,944	\$ 2,087,787	\$ 1,698,424	\$ 14,770,151
\$ 45,739	\$ 885,160		\$ 885,160	\$397,418	\$ 2,044	\$ 189,102	\$ 1,473,724
\$ 89,702	\$ 756,309		\$ 756,309	\$721,284	\$ 88,033	\$ 115,131	\$ 1,680,757
\$ 9,852	\$ 96,314		\$ 96,314	\$24,159	\$ 10,064	\$ 34,002	\$ 164,539
\$ 13,633	\$ 39,151		\$ 39,151	\$30,047	\$ 30,575	\$ 78,833	\$ 178,606
\$ 41,105	\$ 137,322		\$ 137,322	\$44,564	\$ 4	\$ 5,977	\$ 187,867
\$ 2,951	\$ 133,468		\$ 133,468	\$613,130	\$ 149	\$ 1,722	\$ 748,469
\$ -	\$ -		\$ -				\$ -
\$ 5,175	\$ 73,719		\$ 73,719	\$31,220			\$ 104,939
\$ -	\$ -		\$ -			\$ (55,428)	\$ (55,428)
\$ 10,644	\$ 360,142	0	\$ 360,142	\$60,725	\$ 34,844	\$ 50,889	\$ 506,600
\$ 1,402	\$ 10,233		\$ 10,233	\$7,491	\$ 440	\$ 1,344,028	\$ 1,362,192
\$ 11,312	\$ 112,218		\$ 112,218	\$184,542		\$ 174	\$ 296,934
\$ 231,515	\$ 2,604,036	\$ -	\$ 2,604,036	\$ 2,114,580	\$ 166,153	\$ 1,764,430	\$ 6,649,199
\$ 921,313	\$ 10,417,032	\$ -	\$ 10,417,032	\$ 5,285,524	\$ 2,253,940	\$ 3,462,854	\$ 21,419,350
\$ 60,738	\$ 688,289		\$ 688,289	\$1,565,651	\$ (2,253,940)		\$ -
\$ 93,314	\$ 1,057,460		\$ 1,057,460	\$2,405,394	\$ -	\$ (3,462,854)	\$ -
\$ 154,052	\$ 1,745,749	\$ -	\$ 1,745,749	\$ 3,971,045	XXXXXXXXXX	XXXXXXXXXX	\$ -
\$ 1,075,365	\$ 12,162,781	\$ -	\$ 12,162,781	\$ 9,256,569			\$ 21,419,350
\$ -	\$ -		\$ -		XXXXXXXXXX	XXXXXXXXXX	\$ -
\$ -	\$ -		\$ -		XXXXXXXXXX	XXXXXXXXXX	\$ -
\$ 1,075,365	\$ 12,162,781	\$ -	\$ 12,162,781	\$ 9,256,569	XXXXXXXXXX	XXXXXXXXXX	\$ 21,419,350
\$ -	\$ -		\$ -				\$ -

PART III: CERTIFICATION

I certify the above to be accurate and in agreement with this agency's records and with the terms of this agency's contract with the department.

Signature _____

See accompanying independent auditors' report.

AGENCY: Baycare Behavioral Health
 CONTRACT #: District 13/Lutheran

DATE PREPARED: 7/31/2013
 PERIOD: FROM 01/01/2013 TO 12/31/2013

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	Adult Mental Health											Children's Mental Health	
	RECOVERY & RESILIENCY-Case Management 52212,52252 2	EMERGENCY STABILIZATION-Crisis Stabilization 3	EMERGENCY STABILIZATION-Crisis Support 4	RECOVERY & RESILIENCY-Medical Services 52257 12	RECOVERY & RESILIENCY-Outpatient Individual 52252 14	RECOVERY & RESILIENCY-Outreach 52252 15	RECOVERY & RESILIENCY-Supportive Employment 52252,52290 25	RECOVERY & RESILIENCY-Supportive Housing 52290 26	RECOVERY & RESILIENCY-Incidentals 51130,52212 28	RECOVERY & RESILIENCY-Outpatient Group 52252 35	Total for Adult Mental Health (B _{1-a} +...+B _{1-x}) C ₁	RECOVERY & RESILIENCY-Case Management 52452,52312 2	EMERGENCY STABILIZATION-Crisis Stabilization 3
IA. TOTAL STATE SAMH FUNDING													
(1) From the District funding this contract	156,466.04			393,287.88	121,286.72	37,420.48	8,602.16	108,475.22	5,259.33	16,214.90	847,012.73 0.00	32,849.55	
IB. OTHER GOVT. FUNDING													
(1) Other State Agency Funding							280.37	12,920.63			13,201.00		
(2) Medicaid	108,193.70			179,082.35	77,999.98	24,067.07	8,116.75	188,973.46		10,422.98	596,856.29	475,302.99	
(3) Local Government	4,463.08			168,490.58	53,915.58	16,637.31	2,779.52			7,200.51	253,486.58		
(4) Federal Grants and Contracts											0.00		
(5) In-kind from local govt. only											0.00		
TOT. OTHER GOVT. FUNDING =	112,656.78	0.00	0.00	347,572.93	131,915.56	40,704.38	11,176.64	201,894.09	0.00	17,623.49	863,543.87	475,302.99	0.00
IC. ALL OTHER REVENUES													
(1) 1st & 2nd Party Payments	864.90			24,497.31	10,337.34	3,189.90	533.87	43.88		1,380.56	40,847.76	4,493.55	
(2) 3rd Party Payments (except Medicare)	106,687.34			320,434.45	147,251.51	45,438.98	8,587.39	45,904.48		19,665.66	693,969.81	618,173.75	
(3) Medicare	901.14			12,456.03	10,479.91	3,232.00	(1,161.77)			3,106.75	29,014.06		
(4) Contributions and Donations											0.00		
(5) Other											0.00		
(6) In-kind											0.00		
TOT. ALL OTHER REVENUES =	108,453.38	0.00	0.00	357,387.79	168,068.76	51,860.88	7,959.49	45,948.36	0.00	24,152.97	763,831.63	622,667.30	0.00
TOTAL ACTUAL FUNDING =	377,576.20	0.00	0.00	1,098,248.60	421,271.04	129,985.74	27,738.29	356,317.67	5,259.33	57,991.36	2,474,388.23	1,130,819.84	0.00

(Continued)

**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
ACTUAL COST CENTER OPERATING AND CAPITAL BUDGET**

NTERS

Adult Substance Abuse														Children's Substance Abuse	
EMERGENCY STABILIZATION-Crisis Support 4	RECOVERY & RESILIENCY-In-Home On Site 52452 8	RECOVERY & RESILIENCY-Medical Services 52257 12	RECOVERY & RESILIENCY-Outpatient Individual 52452 14	Total for Children's Mental Health (B _{2-a} +...+B _{2-x}) C ₂	RECOVERY & RESILIENCY-Case Management 52310,52352 2	TREATMENT & AFTERCARE-Intervention 52352 11	TREATMENT & AFTERCARE-Outpatient Individual 52352 14	TREATMENT & AFTERCARE-Outreach 52310 15	PREVENTION-Prevention 52345 16	TREATMENT & AFTERCARE-Residential Services Level 2 51365 19	DETOX-Substance Abuse Detox 51331 24	Recovery & Resiliency Incidental Exp 52311 28	TREATMENT & AFTERCARE-Outpatient Group 52352 35	Total for Adult Substance Abuse (B _{2-a} +...+B _{2-x}) C ₂	TREATMENT & AFTERCARE-Intervention 52452 11
	150.41	43,287.91	1,955.35	78,243.22	103,930.14		90,121.38	28,822.22	34,865.50	103,857.74	206,076.25		65,360.36	633,033.59	2,978.39
				0.00										0.00	
	23,614.93	31,710.71	31,099.12	561,727.75	25,976.92		54,135.56		59.56				39,252.64	119,424.68	30,821.81
		30,131.38		30,131.38	9,248.66		19,274.08						13,975.26	42,498.00	
				0.00										0.00	
				0.00										0.00	
0.00	23,614.93	61,842.09	31,099.12	591,859.13	35,225.58	0.00	73,409.64	0.00	59.56	0.00	0.00	0.00	53,227.90	161,922.68	30,821.81
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	730.23	4,380.89	1,644.10	11,248.77	7,326.23		15,267.77	0.00					11,070.37	33,664.37	952.71
	33,875.93	57,303.69	76,271.79	785,625.16	(2,405.63)		(5,013.32)						(3,635.05)	(11,054.00)	44,197.72
		2,227.53		2,227.53	1,033.05		2,152.85						1,560.98	4,746.88	
				0.00										0.00	
				0.00										0.00	
				0.00	8,217.42			3,902.58						12,120.00	
0.00	34,606.16	63,912.11	77,915.89	799,101.46	14,171.07	0.00	12,407.30	3,902.58	0.00	0.00	0.00	0.00	8,996.30	39,477.25	45,150.43
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
0.00	58,371.50	169,042.11	110,970.36	1,469,203.81	153,326.79	0.00	175,938.32	32,724.80	34,925.06	103,857.74	206,076.25	0.00	127,584.56	834,433.52	78,950.63
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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TREATMENT & AFTERCARE- Outpatient Individual 52452 14	TREATMENT & AFTERCARE-Outreach 52345 15	PREVENTION- Prevention 52345 16	TREATMENT & AFTERCARE- Residential Services Level 2 51565 19	TREATMENT & AFTERCARE- Outpatient Group 52452 35	Total for Children's Substance Abuse (B _{2a} +...+B _{2x}) C ₂	Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₄) D	Total for Non-State-Funded SAMH Cost Centers E	Tot. for All State-Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Total Funding H
425.48	56,189.39	42,388.49	132,295.63	141.83	234,419.21	1,792,708.75		1,792,708.75		1,792,708.75
					0.00	13,201.00		13,201.00	58,500.00	71,701.00
91,270.12	82.33	61.71		7,139.79	129,375.76	1,407,384.48		1,407,384.48		1,407,384.48
					0.00	326,115.96		326,115.96	26,274.98	352,390.94
					0.00	0.00		0.00		0.00
					0.00	0.00		0.00		0.00
91,270.12	82.33	61.71	0.00	7,139.79	129,375.76	1,746,701.44	0.00	1,746,701.44	84,774.98	1,831,476.42
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
2,138.63				220.34	3,311.68	89,072.58		89,072.58		89,072.58
99,213.71				10,222.15	153,633.58	1,622,174.55		1,622,174.55		1,622,174.55
					0.00	35,988.47		35,988.47		35,988.47
					0.00	0.00		0.00	394.91	394.91
					0.00	0.00		0.00		0.00
					0.00	12,120.00		12,120.00		12,120.00
101,352.34	0.00	0.00	0.00	10,442.49	156,945.26	1,759,355.60	0.00	1,759,355.60	394.91	1,759,750.51
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
193,047.94	56,271.72	42,450.20	132,295.63	17,724.11	520,740.23	5,298,765.79	0.00	5,298,765.79	85,169.89	5,383,935.68
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

(Continued)

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	Adult Mental Health										Children's Mental Health	
	RECOVERY & RESILIENCY-Case Management 52212, 52252 2	EMERGENCY STABILIZATION-Crisis Stabilization 3	EMERGENCY STABILIZATION-Crisis Support 4	RECOVERY & RESILIENCY-Medical Services 52257 12	RECOVERY & RESILIENCY-Outpatient Individual 52252 14	RECOVERY & RESILIENCY-Outreach 52252 15	RECOVERY & RESILIENCY-Supportive Employment 52252, 52290 25	RECOVERY & RESILIENCY-Supportive Housing 52290 26	RECOVERY & RESILIENCY-Incidentals 51130, 52212 28	RECOVERY & RESILIENCY-Outpatient Group 52252 35	Total for Adult Mental Health (B _{1-a} +...+B _{1-x}) C ₁	RECOVERY & RESILIENCY-Case Management 52452, 52312 2
IIA. PERSONNEL EXPENSES												
(1) Salaries	\$ 274,355			\$ 402,311	\$ 228,974	\$ 70,634	\$ 14,804	\$ 138,593		\$ 30,571	\$ 1,160,242	\$ 708,345
(2) Fringe Benefits	\$ 67,272			\$ 98,647	\$ 56,144	\$ 17,319	\$ 3,630	\$ 33,983		\$ 7,496	\$ 284,491	\$ 173,686
TOTAL PERSONNEL EXPENSES =	\$ 341,627	\$ -	\$ -	\$ 500,958	\$ 285,118	\$ 87,953	\$ 18,434	\$ 172,576	\$ -	\$ 38,067	\$ 1,444,733	\$ 882,031
II.B. OTHER EXPENSES												
(1) Building Occupancy	85,753			\$ 135,027	65,048	20,057	4,338	45,484		\$ 8,716	\$ 364,423	\$ 218,250
(2) Professional Services	24			\$ 126,846	287	89	36	979		\$ 38	\$ 128,299	\$ 498
(3) Travel	19,085			\$ 314				148		\$ 2,369	\$ 21,916	\$ 32,161
(4) Equipment	100							36		\$ 1,667	\$ 1,803	
(5) Food Services										\$ -	\$ -	
(6) Medical and Pharmacy				\$ 89					\$ 5,259	\$ 5,348	\$ 5,348	
(7) Subcontracted Services										\$ -	\$ -	
(8) Insurance	\$ 2,521			\$ 10,862	\$ 1,976	\$ 613	\$ 125	\$ 1,261		\$ 261	\$ 17,619	\$ 6,372
(9) Interest Paid										\$ -	\$ -	
(10) Operating Supplies & Expenses	\$ 1,254			\$ 302	\$ 161	\$ 50	\$ 32	\$ 1,108		\$ 22	\$ 2,929	\$ 299
(11) Other	\$ 61			\$ 135	\$ 32	\$ 10	\$ 4	\$ 97		\$ 4	\$ 343	\$ 203
(12) Donated Items										\$ -	\$ -	
TOTAL OTHER EXPENSES =	\$ 108,798	\$ -	\$ -	\$ 273,575	\$ 67,504	\$ 20,819	\$ 4,719	\$ 52,965	\$ 5,259	\$ 9,041	\$ 542,680	\$ 257,783
TOT. PERSONNEL & OTH. EXP. =	\$ 450,425	\$ -	\$ -	\$ 774,533	\$ 352,622	\$ 108,772	\$ 23,153	\$ 225,541	\$ 5,259	\$ 47,108	\$ 1,987,413	\$ 1,139,814
II.C. DISTRIBUTED INDIRECT COSTS												
(a) Other Support Costs (Optional)	29,775			\$ 51,142	23,345	7,221	1,484	14,937	\$ 396	\$ 3,067	\$ 131,367	\$ 75,279
(b) Administration	45,745			\$ 78,572	35,867	11,094	2,280	22,949	\$ 608	\$ 4,711	\$ 201,826	\$ 115,655
TOT. DISTR'D INDIRECT COSTS =	\$ 75,520	\$ -	\$ -	\$ 129,714	\$ 59,212	\$ 18,315	\$ 3,764	\$ 37,886	\$ 1,004	\$ 7,778	\$ 333,193	\$ 190,934
TOTAL ACTUAL OPER. EXPENSES =	\$ 525,945	\$ -	\$ -	\$ 904,247	\$ 411,834	\$ 127,087	\$ 26,917	\$ 263,427	\$ 6,263	\$ 54,886	\$ 2,320,606	\$ 1,330,748
II.D. UNALLOWABLE COSTS												
											\$ -	\$ -
TOTAL SAMH LINES OF CREDIT EQUIVALENT =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOT. ALLOWABLE ACTUAL OPERATING EXP., Excluding SAMH Credit Equivalent =	\$ 525,945	\$ -	\$ -	\$ 904,247	\$ 411,834	\$ 127,087	\$ 26,917	\$ 263,427	\$ 6,263	\$ 54,886	\$ 2,320,606	\$ 1,330,748
II.F. CAPITAL EXPENDITURES												
											\$ -	\$ -

(Continued)

Adult Substance Abuse													Children's Substance Abuse		
EMERGENCY STABILIZATION-Crisis Support 4	RECOVERY & RESILIENCY-In-Home On Site 52452 8	RECOVERY & RESILIENCY-Medical Services 52257 12	RECOVERY & RESILIENCY-Outpatient Individual 52452 14	Total for Children's Mental Health (B _{2-a} +...+B _{2-x}) C ₂	RECOVERY & RESILIENCY-Case Management 52310, 52352 2	TREATMENT & AFTERCARE-Intervention 52352 11	TREATMENT & AFTERCARE-Outpatient Individual 52352 14	TREATMENT & AFTERCARE-Outreach 52310 15	PREVENTION-Prevention 52345 16	TREATMENT & AFTERCARE-Residential Services Level 2 51365 19	DETOX-Substance Abuse Detox 51331 24	Recovery & Resiliency Incidental Exp 52311 28	TREATMENT & AFTERCARE-Outpatient Group 52352 35	Total for Adult Substance Abuse (B _{2-a} +...+B _{2-x}) C ₂	TREATMENT & AFTERCARE-Intervention 52452 11
	\$ 32,975	\$ 44,900	\$ 170,898	\$ 957,118	\$ 67,581	\$ 61,642	\$ 49,332	\$ 12,038	\$ 58,074	\$ 143,780		\$ 44,682	\$ 437,129	\$ 43,047	
	\$ 8,085	\$ 11,009	\$ 41,904	\$ 234,684	\$ 16,571	\$ 15,115	\$ 12,096	\$ 2,952	\$ 14,240	\$ 35,255		\$ 10,956	\$ 107,185	\$ 10,555	
\$ -	\$ 41,060	\$ 55,909	\$ 212,802	\$ 1,191,802	\$ 84,152	\$ -	\$ 76,757	\$ 61,428	\$ 14,990	\$ 72,314	\$ 179,035	\$ -	\$ 55,638	\$ 544,314	\$ 53,602
	\$ 9,729	\$ 15,070	\$ 50,382	\$ 293,431	\$ 19,408	\$ 17,676	\$ 14,737	\$ 3,676	\$ 8,020	\$ 24,121		\$ 15,261	\$ 102,899	\$ 12,661	
	\$ 41	\$ 14,156	\$ 211	\$ 14,906	\$ 2	\$ 5	\$ 4	\$ 2	\$ 1,494	\$ 11,131		\$ 3	\$ 12,641	\$ 53	
	\$ 842	\$ 35	\$ 4,364	\$ 37,402	\$ 2,172	\$ 321	\$ 2,651	\$ 651	\$	\$ 233		\$ 233	\$ 6,028	\$ 1,099	
				\$ -	\$ 142	\$ 40			\$ 1,331	\$ 636		\$ 29	\$ 2,178		
				\$ -					\$ 8,708	\$ 11,734		\$	\$ 20,442		
	\$	\$ 9	\$	\$ 9	\$	\$ 398	\$	\$ 372	\$ 4,903	\$	\$	\$ 289	\$ 5,962		
	\$	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$	\$ -		
	\$ 295	\$ 1,212	\$ 1,511	\$ 9,390	\$ 647	\$ 545	\$ 466	\$ 110	\$ 595	\$ 1,320		\$ 409	\$ 4,092	\$ 375	
	\$	\$	\$	\$ -	\$	\$	\$	\$	\$	\$		\$	\$ -		
	\$ 8	\$ 34	\$ 41	\$ 382	\$ 597	\$ 1,234	\$ 2	\$	\$ 902	\$ 582		\$ 895	\$ 4,212	\$ 10	
	\$ 33	\$ 15	\$ 171	\$ 422	\$ 98	\$ 204	\$	\$ 105	\$ 164	\$ 1,832		\$ 148	\$ 2,551	\$ 43	
				\$ -	\$ 8,217	\$	\$ 3,903	\$	\$ 12,287	\$	\$	\$	\$ 24,407		
\$ -	\$ 10,948	\$ 30,531	\$ 56,680	\$ 355,942	\$ 31,283	\$ -	\$ 20,423	\$ 21,763	\$ 4,544	\$ 33,873	\$ 56,259	\$ -	\$ 17,267	\$ 185,412	\$ 14,241
\$ -	\$ 52,008	\$ 86,440	\$ 269,482	\$ 1,547,744	\$ 115,435	\$ -	\$ 97,180	\$ 83,191	\$ 19,534	\$ 106,187	\$ 235,294	\$ -	\$ 72,905	\$ 729,726	\$ 67,843
	\$ 3,462	\$ 5,737	\$ 17,806	\$ 102,284	\$ 7,617	\$ 6,430	\$ 5,540	\$ 1,286	\$ 7,023	\$ 15,531		\$ 4,847	\$ 48,274	\$ 4,451	
	\$ 5,319	\$ 8,815	\$ 27,356	\$ 157,145	\$ 11,702	\$ 9,879	\$ 8,511	\$ 1,976	\$ 10,790	\$ 23,860		\$ 7,447	\$ 74,165	\$ 6,839	
\$ -	\$ 8,781	\$ 14,552	\$ 45,162	\$ 259,429	\$ 19,319	\$ -	\$ 16,309	\$ 14,051	\$ 3,262	\$ 17,813	\$ 39,391	\$ -	\$ 12,294	\$ 122,439	\$ 11,290
\$ -	\$ 60,789	\$ 100,992	\$ 314,644	\$ 1,807,173	\$ 134,754	\$ -	\$ 113,489	\$ 97,242	\$ 22,796	\$ 124,000	\$ 274,685	\$ -	\$ 85,199	\$ 852,165	\$ 79,133
				\$ -									\$ -		
\$	\$	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ -	
\$ -	\$ 60,789	\$ 100,992	\$ 314,644	\$ 1,807,173	\$ 134,754	\$ -	\$ 113,489	\$ 97,242	\$ 22,796	\$ 124,000	\$ 274,685	\$ -	\$ 85,199	\$ 852,165	\$ 79,133
\$	\$	\$	\$	\$ -	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ -	

(Continued)

TREATMENT & AFTERCARE- Outpatient Individual 52452 14	TREATMENT & AFTERCARE-Outreach 52345 15	PREVENTION- Prevention 52345 16	TREATMENT & AFTERCARE- Residential Services Level 2 51565 19	TREATMENT & AFTERCARE- Outpatient Group 52452 35	Total for Children's Substance Abuse (B _{2-a} +...+B _{2-x}) C ₂	Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₄) D	Total for Non-State-Funded SAMH Cost Centers E	Tot. for All State- Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Other Support Costs (optional) H	Administration I	Total Expense J
\$ 19,400	\$ 4,757	\$ 14,632	\$ 88,821	\$ 9,934	\$ 175,834	\$ 2,730,323	\$ 2,730,323	\$ 46,282	\$ 245,018	\$ 199,324	\$ 3,220,947	
\$ -	\$ 24,157	\$ 18,220	\$ 110,600	\$ 12,370	\$ 218,949	\$ 3,399,798	\$ 3,399,798	\$ 57,576	\$ 305,091	\$ 248,195	\$ 4,010,660	
\$ 5,925	\$ 3	\$ 4,469	\$ 5,486	\$ 492	\$ 29,033	\$ 789,786	\$ 789,786	\$ 7,223	\$ 299	\$ 27,634	\$ 824,942	
\$ 1,049	\$ 791	\$ 2	\$ 18,303	\$ 12	\$ 18,373	\$ 174,219	\$ 174,219	\$ 13,109	\$ 12,864	\$ 16,824	\$ 217,016	
		\$ 2,873	\$ 2,873	\$ 254	\$ 3,193	\$ 68,539	\$ 68,539	\$ 435	\$ 1,471	\$ 4,969	\$ 75,414	
		\$ 8,660	\$ 8,660	\$ 2,873	\$ 2,873	\$ 6,854	\$ 6,854	\$ 546	\$ 4,468	\$ 11,520	\$ 23,388	
		\$ 622	\$ 622	\$ 8,660	\$ 8,660	\$ 29,102	\$ 29,102	\$ 810	\$ 1	\$ 873	\$ 30,786	
		\$ -	\$ -	\$ 622	\$ 622	\$ 11,941	\$ 11,941	\$ 11,143	\$ 22	\$ 252	\$ 23,358	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 177	\$ 133	\$ 845	\$ 80	\$ 1,610	\$ 32,711	\$ 32,711	\$ 32,711	\$ 567	\$ -	\$ -	\$ 33,278	
		\$ 796	\$ 2	\$ 808	\$ 8,331	\$ 8,331	\$ 8,331	\$ 1,104	\$ 5,092	\$ 7,436	\$ 21,963	
\$ 168	\$ 127	\$ 222	\$ 10	\$ 570	\$ 3,886	\$ 3,886	\$ 3,886	\$ 136	\$ 64	\$ 196,405	\$ 200,491	
		\$ 2,383	\$ 2,383	\$ 26,790	\$ 26,790	\$ 26,790	\$ 26,790	\$ 3,354	\$ 26	\$ 30,170		
\$ -	\$ 7,322	\$ 5,522	\$ 40,190	\$ 850	\$ 68,125	\$ 1,152,159	\$ 1,152,159	\$ 38,427	\$ 24,281	\$ 257,839	\$ 1,472,706	
\$ -	\$ 31,479	\$ 23,742	\$ 150,790	\$ 13,220	\$ 287,074	\$ 4,551,957	\$ 4,551,957	\$ 96,003	\$ 329,372	\$ 506,034	\$ 5,483,366	
\$ 2,077	\$ 1,583	\$ 9,991	\$ 890	\$ 18,992	\$ 300,917	\$ 300,917	\$ 300,917	\$ 28,455	\$ (329,372)	\$ -	\$ -	
\$ 3,192	\$ 2,432	\$ 15,350	\$ 1,368	\$ 29,181	\$ 462,317	\$ 462,317	\$ 462,317	\$ 43,717	\$ (506,034)	\$ -	\$ -	
\$ -	\$ 5,269	\$ 4,015	\$ 25,341	\$ 2,258	\$ 48,173	\$ 763,234	\$ 763,234	\$ 72,172	XXXXXXXXXX	XXXXXXXXXX	\$ -	
\$ -	\$ 36,748	\$ 27,757	\$ 176,131	\$ 15,478	\$ 335,247	\$ 5,315,191	\$ 5,315,191	\$ 168,175	XXXXXXXXXX	XXXXXXXXXX	\$ 5,483,366	
					\$ -	\$ -	\$ -	\$ -	XXXXXXXXXX	XXXXXXXXXX	\$ -	
\$ -	\$ 36,748	\$ 27,757	\$ 176,131	\$ 15,478	\$ 335,247	\$ 5,315,191	\$ 5,315,191	\$ 168,175	XXXXXXXXXX	XXXXXXXXXX	\$ 5,483,366	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

PART III: CERTIFICATION

I certify the above to be accurate and in agreement with this agency's records and with the terms of this agency's contract with the department.

Signature

Title

See accompanying independent auditors' report.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Supplemental Schedule of Revenue Requirements of the State of Florida,
Department of Children and Families Contracts

Year ended December 31, 2013

(Unaudited)

State of Florida, Department of Children and Families SAMH Grants:	
Aftercare	\$ 38,565
B-Net	362,229
Case management	630,902
CCST individual	
Crisis stabilization	
Crisis support	227,156
Detox substance abuse	892,163
FACT	1,000,000
Home on-site	150
Incidentals	669,032
Intervention	397,755
Medical services	1,288,202
Outpatient Group	210,821
Outpatient individual	857,631
Outreach	351,415
Prevention	372,128
Supportive employment	21,005
Supportive housing	275,300
Residential service level 2	<u>1,696,345</u>
Total State Grants (DCF and pass through)	<u>9,290,799</u>
Other government funding:	
Local government	802,465
Other state grants	291,368
Federal grants	883,924
In-kind expenditures	<u>326,404</u>
Total other government funding	<u>2,304,161</u>
All other funding and revenues:	
Medicaid	5,090,698
Medicare, 1st and 2nd party, and 3rd party	6,460,465
Other income	<u>613,969</u>
Total nongovernment funding	<u>12,165,132</u>
Total all funding and revenues	<u>\$ 23,760,092</u>

See accompanying independent auditors' report.

THE HARBOR BEHAVIORAL HEALTH CARE INSTITUTE, INC.

Schedule of Expenditures of Other Financial Assistance

Year ended December 2013

(Unaudited)

<u>Grantor/pass-through grantor/program title</u>	<u>Contract period</u>	<u>Expenditures</u>
Pasco County, Board of County Commissioners: Adult & Children Mental Health & Substance Abuse Serv.	10/12-09/13	\$ 245,607
	10/12-09/13 MPNBRC	670,255
	10/13-9/14	102,453
	10/13-9/14 MPNBRC	202,834
		<hr/> 1,221,149
Hernando County, Board of County Commissioners: Adult & Children Mental Health & Sub Abuse Serv.	10/12-9/13	244,586
	10/12-9/13 MPNBRC	139,784
	10/13-9/14	81,529
	10/13-9/14 MPNBRC	46,595
		<hr/> 512,494
United Way of Pasco County	07/12-6/13	<hr/> 10,000
United Way of Pasco County	07/13-6/14	<hr/> 10,000
Total other financial assistance		\$ <u><u>1,753,643</u></u>

See accompanying independent auditors' report.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Schedule of Related Party Transaction Adjustments

Year ended December 31, 2013

(Unaudited)

	Related party	Allocation of related party transactions adjustment				Total
		State-designated cost centers				
		1	2	3	
Revenues from grantee:						
Rent	\$					
Services						
Interest						
Other						
Total revenue from grantee		—	—	—	—	—
Expenses associated with grantee transactions:						
Personnel services						
Depreciation						
Interest						
Other						
Total associated expenses		—	—	—	—	—
Related party transaction adjustment	\$	N/A				

See accompanying independent auditors' report.

**BAYCARE BEHAVIORAL HEALTH, INC. D/B/A THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Schedule of Bed-Day Availability Payments

Department of Children and Families

Year ended December 31, 2013

(Unaudited)

A	B	C	D	E	F	G	H	I
Program	Cost center	State contracted rate	Total units of service provided	Total units of service paid for by third-party contracts, local government, or other state agencies	Maximum number of units eligible for payment by department (D-E)	Amount paid for services by the department	Maximum \$ value of units in column F (F x C)	Amount owed to department (G-H or \$0, whichever is greater)
CMH	Crisis Stabilization Unit	\$ 291.24	5,840	4,247	1,593	\$ 292,274	463,945	—
AMH	Crisis Stabilization Unit	291.24	20,440	7,678	12,762	1,856,670	3,716,805	—
ASA	Substance Abuse Detox – District 13	288.24	913	65	848	210,528	244,428	—
ASA	Substance Abuse Detox – Suncoast	204.94	6,388	318	6,070	520,810	1,243,986	—
Total amount owed to department								\$ —

See accompanying independent auditors' report.

**OMB CIRCULAR A-133 AND CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL,
COMPLIANCE AND INTERNAL CONTROL**

Reports and Schedules



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

The Board of Directors
BayCare Behavioral Health, Inc. d/b/a The Harbor
Behavioral Health Care Institute, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of BayCare Behavioral Health Care, Inc. d/b/a The Harbor Behavioral Health Care Institute, Inc. (the Institute) and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 25, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institute's consolidated financial statements are free from 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 Institute'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 Institute's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

September 25, 2014
Certified Public Accountants



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance

The Board of Directors
BayCare Behavioral Health, Inc. d/b/a The Harbor
Behavioral HealthCare Institute, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited BayCare Behavioral Health Care, Inc. d/b/a The Harbor Behavioral Health Care Institute, Inc.'s (the Institute) and subsidiaries compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs and state projects for the year ended December 31, 2013. The Institute's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Institute's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Institute'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 Institute's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2013.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and Chapter 10.650 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002. Our opinion on each major federal program and state project is not modified with respect to these matters.

The Institute’s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Institute’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Institute’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, 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 Institute’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 material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

September 25, 2014
Certified Public Accountants

THE HARBOR BEHAVIORAL HEALTH CARE INSTITUTE, INC.

Schedule of Expenditures of Federal and State Awards

Year ended December 31, 2013

Funding source	Contract number	Contract period	Program title	CFDA number or state CSFA number	Expenditures
Federal awards:					
U.S. Department of Agriculture					
Child Nutrition Cluster:					
Department of Education – State of Florida	01-0323	07/12-06/13	National School Lunch Program	10.553	\$ 4,320
Department of Education – State of Florida	01-0323	07/12-06/13	National School Lunch Program-MPNBRC	10.553	5,002
Department of Education – State of Florida	01-0323	07/13-06/14	National School Lunch Program	10.553	4,455
Department of Education – State of Florida	01-0323	07/13-06/14	National School Lunch Program-MPNBRC	10.553	4,574
Department of Education – State of Florida	01-0323	07/12-06/13	National School Lunch Program	10.555	6,709
Department of Education – State of Florida	01-0323	07/12-06/13	National School Lunch Program-MPNBRC	10.555	7,976
Department of Education – State of Florida	01-0323	07/13-06/14	National School Lunch Program	10.555	6,995
Department of Education – State of Florida	01-0323	07/13-06/14	National School Lunch Program-MPNBRC	10.555	7,287
Total U.S. Department of Agriculture			Program total		47,318
U.S. Department of Housing and Urban Development:					
City of Tampa	POBC12700010	10/01/12-09/30/13	Housing Opportunities for People with AIDS	14.241	67,240
City of Tampa	POBC13700030	10/01/13-09/30/14	Housing Opportunities for People with AIDS	14.241	23,519
Total U.S. Department of Housing and Urban Development			Program total		90,759
U.S. Department of Education:					
Vocational Rehabilitation	VS618	10/12-06/13	Employment Services/Supported Employment	84.390	32,117
Total Division of Vocational Rehabilitation and U.S. Department of Education			Program total		32,117
U.S. Department of Health and Human Services:					
State of Florida, Department of Health, Hernando County	HR004	12/01/12-11/30/13	Nature Coast Community Healthcenter Outpatient Services	93.224	44,125
State of Florida, Department of Health, Hernando County	HR004	12/01/13-11/30/14	Nature Coast Community Healthcenter Outpatient Services	93.224	14,375
			Program total		58,500
SAMHSA-Substance Abuse and Mental Health Services Administration	5H79TI021264-02	09/30/2012-09/29/2013	Veteran and Inebriate Program	93.243	295,900
SAMHSA-Substance Abuse and Mental Health Services Administration	5H79TI021264-03	09/30/2013-09/29/2014	Veteran and Inebriate Program	93.243	88,530
			Program total		384,430
Center for Substance Abuse Prevention, pass through Adolescent Substance Abuse Program	5H79SP015663-03	09/30/12-9/29/13	Drug Free Communities	93.276	93,645
Center for Substance Abuse Prevention, pass through Adolescent Substance Abuse Program	5H79SP015663-04	09/30/13-9/29/14	Drug Free Communities	93.276	28,077
			Total Drug Free Communities		121,722
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency-(39A18) (MHATB)	93.558	85,240
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Treatment & Aftercare – (39TCO) (MSATB)	93.558	49,275
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(39A18-100610) (MHATB)	93.558	48,420
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (39TCO-100618) (MSATB)	93.558	49,087
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Recovery & Resiliency-(39A18) (MHATB)	93.558	47,456
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Treatment & Aftercare – (39TCO) (MSATB)	93.558	960
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Recovery & Resiliency -(39A18) (MHATB)	93.558	32,408
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Treatment & Aftercare – (39TCO)(MSATB)	93.558	318
			Total TANF CLUSTER		313,164
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Treatment & Aftercare – (TRTCS-100420)(MSC03/04) (MSC11/12)	93.667	3,241
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency – (CRRS1-100435) (MHC09)	93.667	5,208
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Emergency Stabilization – (CESS1-104257) (MHC18)-MPNBRC	93.667	19,626
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Treatment & Aftercare – (TRTCS) (MSC03/04)(MSC11/12)	93.667	933
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Treatment & Aftercare – (CRRS1) (MHC09)	93.667	2,500
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Emergency Stabilization –(CESS1-104257) (MHC18)-MPNBRC	93.667	11,836
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Treatment & Aftercare – (TRTCS) (MSC03/04)(MSC11/12)	93.667	1,036
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Treatment & Aftercare – (CRRS1) (MHC09)	93.667	3,734
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Emergency Stabilization – (CESS1-104257) (MHC18)-MPNBRC	93.667	12,444
			Total Social Services Block Grant		60,558

THE HARBOR BEHAVIORAL HEALTH CARE INSTITUTE, INC.

Schedule of Expenditures of Federal and State Awards

Year ended December 31, 2013

Funding source	Contract number	Contract period	Program title	CFDA number or state CSFA number	Expenditures
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	BNET(89Q13) (MHCBN)	93.767	\$ 188,277
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	BNET(89Q13-100435) (MHCBN)	93.767	174,000
			Total Children's Health Insurance Program		362,277
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency-(FTA19-100610) (MHA73)	93.778	351,667
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(FTA19-100610) (MHA73)	93.778	351,666
			Total Medicaid Cluster		703,333
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency-(FTA19)(MHA73)	93.958	148,334
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency-(ARRS1-100610)(MHA01) (MHA09)(MHA25)	93.958	999,235
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Emergency Stabilization – (AESS1-100610) (MHA18)-MPNBR	93.958	461,061
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency – (CRRS1-100435) (MHC09)	93.958	81,334
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency-(ARRS1-101350) (MHA76)	93.958	47,576
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Emergency Stabilization – (CESS1-100435) (MHC18)/MPNBR	93.958	213,634
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(ARRS1-100610) (MHA09)	93.958	866,663
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(ARRS1-101350) (MHA76)	93.958	61,245
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(FTA19)(MHA73)	93.958	148,334
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(FTA19)(MHA74)	93.958	105,725
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(ARRS1-100610) (MHA01)	93.958	84,175
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency-(ARRS1-100610) (MHA25)	93.958	22,610
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Recovery & Resiliency – (CRRS1-100435) (MHC09)	93.958	82,157
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Emergency Stabilization – (CESS1-100435) (MHC18)	93.958	179,874
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Emergency Stabilization – (AESS1-100610) (MHA18)-MPNBR	93.958	470,530
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Emergency Stabilization – (AESS1-100611) (MHA18)-MPNBR	93.958	718,057
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Emergency Stabilization – (CESS1-104257) (MHC18)/MPNBR	93.958	99,866
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Recovery & Resiliency – (ARRS1)(MHA76)	93.958	3,934
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Recovery & Resiliency – (ARRS1-100610) (MHA09)	93.958	354,026
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Recovery & Resiliency – (CRRS1-100435) (MHC09)	93.958	38,681
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Emergency Stabilization – (AESS1-100610) (MHA18)/MPNBR	93.958	146,284
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Emergency Stabilization – (CESS1-100435) (MHC18)/MPNBR	93.958	29,725
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Recovery & Resiliency – (ARRS1)(MHA76)	93.958	4,331
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Recovery & Resiliency-(ARRS1-100610) (MHA09)	93.958	395,205
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Recovery & Resiliency – (CRRS1-100435) (MHC09)	93.958	57,741
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Emergency Stabilization – (AESS1-100610) (MHA18)/MPNBR	93.958	147,791
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Emergency Stabilization – (CESS1-100435) (MHC18)/MPNBR	93.958	31,560
			Total Block Grants for Community Mental Health Services		5,999,688
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Treatment & Aftercare – (27HIV-100618)(MSA23)	93.959	23,748
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Treatment & Aftercare – (TRTAS-100618)(MSA03/04)(MSA11/12)	93.959	445,130
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Detoxification – (DTXAS-100618)(MSA21/22)	93.959	262,248
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Prevention Services-(PRVAS-100618)(MSA25)	93.959	58,417
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Prevention Services-(PRVCS-100420)(MSCPP)	93.959	98,550
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Prevention Services-(PRVCS-100420)(MSC25)	93.959	24,152
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Treatment & Aftercare – (TRTCS-100420)(MSC03/04)(MSC11/12)	93.959	360,895
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Treatment & Aftercare – (27WOM-100618)(MSA03/04)	93.959	84,847
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1299/CA062	07/01/12-6/30/14	Alliance for Substance Abuse Prevention	93.959	55,207
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1202	08/01/12-6/30/13	Prescription Drug Program-SPJAS	93.959	656,710
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (27HIV-100618)(MSA23)	93.959	17,113
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (27WOM-100618)(MSA03/04)	93.959	79,097
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (TRTAS-100618)(MSA11/12)	93.959	256,756
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Detoxification – (DTXAS-100618)(MSA21/22)	93.959	261,292
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Prevention Services-(PRVAS-100618)(MSA25)	93.959	41,688
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (TRTAS-100618)(MSA03/04)	93.959	184,159
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (Women's Project-100618)(MSA81)	93.959	18,803
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Prevention Services-(PRVCS-100420)(MSCPP)	93.959	71,237
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Prevention Services-(PRVCS-100420)(MSC25)	93.959	19,565
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (TRTCS-100420)(MSC11/12)	93.959	20,018
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	QA002	07/01/13-6/30/14	Treatment & Aftercare – (TRTCS-100420)(MSC03/04)	93.959	267,377
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Detoxification – (DTXAS-100618)(MSA21/22)	93.959	101,063
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Treatment & Aftercare – (TRTAS-100618)(MSA03/04)(MSA11/12)	93.959	192,802
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Treatment & Aftercare – (TRTCS-100420)(MSC03/04)(MSC11/12)	93.959	104,436
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Prevention Services-(PRVAS-100618)(MSA25)	93.959	19,095
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Prevention Services-(PRVCS-100420)(MSC25)	93.959	25,698
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Detoxification – (DTXAS-100618)(MSA21/22)	93.959	96,982
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Treatment & Aftercare – (TRTAS-100618)(MSA03/04)(MSA11/12)	93.959	222,956
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Treatment & Aftercare – (TRTCS-100420)(MSC03/04)(MSC11/12)	93.959	119,141
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Prevention Services-(PRVAS-100618)(MSA25)	93.959	25,537
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Prevention Services-(PRVCS-100420)(MSC25)	93.959	35,420
			Total Block Grants for Prevention and Treatment of Substance Abuse		4,250,139
Total U.S. Department of Health and Human Services					12,253,811
Total Expenditure of Federal Awards					12,424,005

THE HARBOR BEHAVIORAL HEALTH CARE INSTITUTE, INC.

Schedule of Expenditures of Federal and State Awards

Year ended December 31, 2013

<u>Funding source</u>	<u>Contract number</u>	<u>Contract period</u>	<u>Program title</u>	<u>CSFA number</u>	<u>Expenditures</u>
State Awards:					
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Emergency Stabilization - (CESS1-104257) (MHC18)-MPNBRC	60.001	\$ 80,443
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Emergency Stabilization - (CESS1-104257) (MHC18)-MPNBRC	60.001	48,514
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Emergency Stabilization - (CESS1-104257) (MHC18)-MPNBRC	60.001	51,623
			Program total		<u>180,580</u>
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Emergency Stabilization-(AESS1) (MHA18)-MPNBRC	60.006	719,513
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	PH201	07/01/12-6/30/13	Emergency Stabilization - (AESS1-100611) (MHA18)-MPNBRC	60.006	140,547
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	PH201	07/01/13-6/30/14	Emergency Stabilization - (AESS1-100611) (MHA18)-MPNBRC	60.006	141,996
			Program total		<u>1,002,056</u>
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency-(FTS19-100610) (MHA74)	60.042	121,378
State of Florida, Department of Children & Families passed through Central Florida Behavioral Health Network	CF651-1201	07/01/12-6/30/13	Recovery & Resiliency - (CFBAS-100610) (MHA72)	60.114	5,807
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/12-6/30/13	Recovery & Resiliency -(CFBAS) (MHA72)	60.114	35,403
State of Florida, Department of Children & Families passed through Lutheran Financial Services	PH201	07/01/13-6/30/14	Recovery & Resiliency -(CFBAS) (MHA72)	60.114	5,583
			Program total		<u>46,793</u>
Total Expenditure of State Awards					<u>1,350,807</u>
Total Expenditure of Federal and State Awards					\$ <u>13,774,812</u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal and state awards.

**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Notes to Schedule of Expenditures of Federal and State Awards

Year ended December 31, 2013

(1) Summary of Significant Accounting Policies

The accounting policies and presentation of the accompanying schedule of expenditures of federal and state awards of BayCare Behavioral Health, Inc. d/b/a The Harbor Behavioral Health Care Institute, Inc. (the Institute) have been designed to conform to U.S. generally accepted accounting principles, and the reporting requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General*.

(a) Reporting Entity

OMB Circular A-133, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*, set forth the reporting requirements for federal and state financial assistance. The Institute has included the schedule of expenditures of federal and state awards in its annual audited consolidated financial statements. Financial assistance expended from the State of Florida is included to satisfy the requirements of Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*.

The schedule of expenditures of federal and state awards includes all federal and state financial assistance expended by the Institute during the year ended December 31, 2013.

(b) Basis of Accounting

Basis of accounting refers to when expenditures are recognized in the accounts and reported in the consolidated financial statements. The accrual basis of accounting is followed for the schedule of expenditures of federal and state awards.

(2) Match Requirements of DCF Contracts

The Institute has contracts with the State of Florida, Department of Children and Families (DCF), which require a twenty-five percent local match for certain mental health and substance abuse services. The Institute provided a total local share match of \$5,760,632 for the year ended December 31, 2013.

(3) Nonreimbursable Expenses

The Institute incurs certain expenses that are nonreimbursable or nonallowable under certain state or federal grant awards. These expenses are funded by nongrant revenues, such as patient fees, and are excluded from the schedule of expenditures of federal and state awards.

**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Schedule of Findings and Questioned Costs

December 31, 2013

(1) Summary of Auditors' Results

- | | |
|--|---------------|
| (a) The type of auditors' report issued: | Unmodified |
| (b) Internal control over financial reporting: | |
| Material weaknesses identified: | No |
| Significant deficiencies identified that are not considered to be material weaknesses: | None reported |
| (c) Noncompliance material to financial statements noted: | No |

Federal Awards

- | | |
|--|---------------|
| (d) Internal control over major programs: | |
| Material weaknesses identified: | No |
| Significant deficiencies identified that are not considered to be material weaknesses: | None reported |
| (e) Type of auditor's report issued on compliance for major programs: | Unmodified |
| (f) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | Yes |
| (g) Identification of major programs: | |

<u>Federal programs</u>	<u>CFDA No.</u>
U.S. Department of Health and Human Services – passed through State of Florida, Department of Children and Families – Block Grants for Community Mental Health Services	93.958
U.S. Department of Health and Human Services – passed through State of Florida Department of Children and Families – Block Grants for Prevention and Treatment of Substance Abuse	93.959
U.S. Department of Health and Human Services – passed through State of Florida, Department of Children and Families – Medicaid Cluster	93.778
U.S. Department of Health and Human Services – passed through State of Florida, Department of Children and Families – TANF Cluster	93.558

- | | |
|--|-----------|
| (h) Dollar threshold used to distinguish between type A and type B programs: | \$372,720 |
| (i) Auditee qualified as a low-risk auditee? | No |

**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
BEHAVIORAL HEALTH CARE INSTITUTE, INC.**

Schedule of Findings and Questioned Costs

December 31, 2013

State Awards

- (j) Internal control over major programs:
 - Material weaknesses identified: No
 - Significant deficiencies identified that are not considered to be material weaknesses: None reported
- (k) Type of auditor's report issued on compliance for major programs: Unmodified
- (l) Any audit findings disclosed that are required to be reported in accordance with section Chapter 215.97, Florida Statutes? Yes
- (m) Identification of major programs:

<u>State projects</u>	<u>CSFA No.</u>
State of Florida, Department of Children and Families – passed through Central Florida Behavioral Health Network – Emergency Stabilization	60.006
State of Florida, Department of Children and Families – passed through Lutheran Financial Services – Emergency Stabilization	60.001

- (n) Dollar threshold used to distinguish between type A and type B programs: \$300,000
- (2) **Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*** None

**BAYCARE BEHAVIORAL HEALTH, INC. d/b/a THE HARBOR
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(3) Findings and Questioned Costs Relating to Federal and State Awards

Finding 2013-001 Subrecipient Monitoring

Federal Program:

Temporary Assistance for Needy Families (TANF) Cluster, Block Grants for Community Mental Health Services, and Block Grants for Prevention and Treatment of Substance Abuse, CFDA 93.558, 93.958, 93.959, Award No. PH201

Federal Agency:

U.S. Department of Health and Human Services

Pass-through Entity:

State of Florida, Department of Children & Families

Federal Award Year:

July 1, 2012 to June 30, 2014

State Program:

Emergency Stabilization, CSFA No. 60.001 and 60.006, Award No. PH201

State Agency:

State of Florida Department of Children and Families

Pass-through Entity:

Lutheran Financial Services

State Award Year:

July 1, 2012 to June 30, 2014

Criteria

Under the terms of contract PH201, the Institute may not assign the responsibility of the contract to another party without prior written approval of the Department of Children and Families.

Condition

The Institute passed through funds from contract PH201 to the North Bay Recovery Center (NBRC) without obtaining written documentation of the consent from the Department of Children and Families allowing the Institute to assign the responsibility of the contract to the NBRC.

Questioned Costs

None.

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Context

Management had verbal discussions with the Department of Children and Families about assigning part of the contract to NBRC. However, the Institute did not obtain written consent from the Department of Children and Families to assign the responsibility of contract PH201 to the North Bay Recovery Center. The Institute received written approval subsequent to the fiscal year end, December 31, 2013.

Effect

Any assignment occurring without prior approval of the Department could cause the Institute to lose funding.

Cause

The Institute had verbal discussions with the Department, but did not ensure that written consent was obtained, as required in the contract.

Recommendation

The Institute should ensure that the assignment requirements of the contract are adhered to.

View of Responsible Officials

During FY2012, at the time discussions were going on with the Department of Children and Families (DCF) regarding the transfer of funds to North Bay Recovery Center, DCF was undergoing a major reduction in force. This resulted in DCF staff either terminating their employment relationship with DCF or transitioning into other positions. Although the Institute received verbal approval from the DCF staff at that time, it was unable to obtain written approval from the staff that were no longer accessible. Since that time, the Institute has provided monthly outcomes and performance reports to the DCF Managing Entity for the services provided at North Bay Recovery Center, as per contract, and the DCF Managing Entity has provided licensure and funding for those services at that location. Management will ensure that written approval is obtained from DCF on any future transfer of funding between the institute and any other party as per contract.

Finding 2013-002 Matching, Earmarking and Level of Effort

Federal Program:

Block Grants for Prevention and Treatment of Substance Abuse, CFDA 93.959, Award No. CF651-1202

Federal Agency:

U.S. Department of Health and Human Services

Pass-through Entity:

State of Florida, Department of Children & Families

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Federal Award Year:

August 1, 2013 to June 30, 2014

Criteria

Exhibit D of Contract CF651-1202 requires the Institute to meet specific outcomes and outputs, at the end of the contract year, June 30, 2013.

Condition

One of the fourteen required outcomes and outputs were not met as of June 30, 2013. The Institute was required to ensure 50% of adults successfully completed treatment. The Institute had 44% of adults successfully complete treatment as of June 30, 2013.

Questioned Costs

None.

Context

The Institute was not in compliance with one of the fourteen required outcomes and outputs.

Effect

Not meeting the required outcomes and outputs could result in the Institute losing funding under the contract.

Cause

The Institute did not meet the outcomes and outputs because they were not referred an adequate level of patients to be treated under the contract.

Recommendation

The Institute should work to ensure that the required outcomes and outputs are adhered to at the end of the contract year.

View of Responsible Officials

The Institute did not meet the outcomes and outputs due to client(s) not being discharged from the substance abuse episode of care, or did not have an eligible discharge reason, or did not meet the no substance use within prior 30 days criteria. The Institute provides continuous outcome training and support to ensure all team members are current with the State performance outcomes measurement and core requirements. The Institute has recently implemented process improvements to address any outcomes and outputs measures that are below target, which include:

- Reports are available for team members to review the aforementioned purposes and proactively identify potential discrepancies with outcome reporting.

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- On a monthly basis, the Institute's Outcomes Committee meets to review outcome measures and provide technical assistance for measures that are falling below respective targets.