

Mental Health Resource Center, Inc.

(a non-profit organization)

Jacksonville, Florida

Financial Statements and Supplemental Information

June 30, 2020 and 2019

Mental Health Resource Center, Inc.
(a non-profit organization)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mental Health Resource Center, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Mental Health Resource Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, statements of functional expenses and statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mental Health Resource Center, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance; program/cost center actual expenses and revenues schedules, schedule of state earnings, schedule of revenues; schedule of bed-day availability payments; schedule of related party transaction adjustments; and schedule of findings and questioned costs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; (Uniform Guidance) and Florida Office of Auditor General, Florida Single Audit Act, *Chapter 10.650 Rules of the Auditor General*, as well as the schedule of the source and status of funds received from the City of Jacksonville, Florida as required by the City of Jacksonville Municipal Ordinance Code, Chapter 118.202(e), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020 on our consideration of Mental Health Resource Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mental Health Resource Center, Inc.'s internal control over financial reporting and compliance.

Ralston ; Company

October 23, 2020

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Financial Position
June 30, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,464,873	\$ 3,009,234
Accounts receivable, net of allowance for doubtful accounts of \$3,427,521 and \$3,406,853	774,192	777,746
Grants receivable	2,310,035	2,445,055
Prepaid expenses and other current assets	211,669	237,329
Due from related organizations	262,786	256,121
Property and equipment, net of accumulated depreciation of \$7,593,564 and \$7,060,152	7,643,015	7,675,236
Deposits	<u>25,005</u>	<u>25,796</u>
Total assets	<u><u>\$ 15,691,575</u></u>	<u><u>\$ 14,426,517</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 278,751	\$ 383,018
Accrued expenses	2,667,318	1,570,663
Due to related organizations	417,849	410,492
Notes payable	<u>3,834,472</u>	<u>4,109,404</u>
Total liabilities	7,198,390	6,473,577
Net assets without donor restrictions	<u>8,493,185</u>	<u>7,952,940</u>
Total liabilities and net assets	<u><u>\$ 15,691,575</u></u>	<u><u>\$ 14,426,517</u></u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Activities
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Changes in net assets without donor restrictions:		
Public support and revenue		
Public support:		
Federal and state grants	\$ 22,872,107	\$ 22,779,188
Other government funding	2,520,154	2,231,545
Contributions	<u>7,585</u>	<u>176,965</u>
Total public support	<u>25,399,846</u>	<u>25,187,698</u>
Revenue:		
Client fees for services	3,564,788	3,684,547
Medicaid HMO	6,556,607	7,448,233
Other contract revenue	1,264,241	1,158,039
Miscellaneous revenue	<u>104,223</u>	<u>193,126</u>
Total revenue	<u>11,489,859</u>	<u>12,483,945</u>
Total public support and revenue	36,889,705	37,671,643
Expenses		
Program services	31,588,930	33,651,503
Management and general	<u>4,760,530</u>	<u>4,894,042</u>
Total expenses	<u>36,349,460</u>	<u>38,545,545</u>
Change in net assets without donor restrictions	540,245	(873,902)
Net assets without donor restrictions - beginning of year	<u>7,952,940</u>	<u>8,826,842</u>
Net assets without donor restrictions - end of year	<u><u>\$ 8,493,185</u></u>	<u><u>\$ 7,952,940</u></u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Management and General	Total
Salaries	\$ 16,902,573	\$ 69,620	\$ 16,972,193
Payroll taxes	1,203,731	4,025	1,207,756
Fringe benefits	2,907,095	16,509	2,923,604
Total salaries and related expenses	21,013,399	90,154	21,103,553
Management fees	-	4,550,728	4,550,728
Professional services	2,474,835	25,917	2,500,752
Operating supplies and expenses	2,340,008	17,606	2,357,614
Building occupancy	1,846,327	404	1,846,731
Medical and pharmacy	1,042,830	975	1,043,805
Travel	817,376	2,968	820,344
Insurance	724,796	34,529	759,325
Food services	374,302	-	374,302
Provision for doubtful accounts	255,171	-	255,171
Equipment costs	245,636	1,879	247,515
Subcontractor services	201,918	-	201,918
Interest	172,708	-	172,708
Miscellaneous	79,624	35,370	114,994
Total expenses	<u>\$ 31,588,930</u>	<u>\$ 4,760,530</u>	<u>\$ 36,349,460</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services	Management and General	Total
Salaries	\$ 17,810,457	\$ 103,474	\$ 17,913,931
Payroll taxes	1,281,726	6,352	1,288,078
Fringe benefits	3,108,832	27,088	3,135,920
Total salaries and related expenses	22,201,015	136,914	22,337,929
Management fees	-	4,608,127	4,608,127
Operating supplies and expenses	2,554,285	22,649	2,576,934
Professional services	2,356,191	37,083	2,393,274
Building occupancy	1,928,861	338	1,929,199
Medical and pharmacy	1,164,411	-	1,164,411
Travel	1,000,971	2,146	1,003,117
Insurance	753,922	37,925	791,847
Provision for doubtful accounts	570,162	-	570,162
Food services	402,494	516	403,010
Subcontractor services	244,636	-	244,636
Interest	244,043	-	244,043
Equipment costs	212,576	756	213,332
Miscellaneous	17,936	47,588	65,524
Total expenses	\$ 33,651,503	\$ 4,894,042	\$ 38,545,545

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets without donor restrictions	\$ 540,245	\$ (873,902)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	555,569	554,457
Change in allowance for doubtful accounts	20,668	711,068
Change in accounts receivable	(17,114)	(590,148)
Change in grants receivable	135,020	226,982
Change in prepaid expenses and other current assets	25,660	305,009
Change in amounts due from related organizations	(6,665)	(58,884)
Change in deposits	791	10,000
Change in accounts payable	(104,267)	(42,559)
Change in accrued expenses	1,096,655	104,223
Change in due to related organizations	7,357	(74,246)
Change in deferred income	-	(1,000)
Change in estimated liabilities to third-party payors	-	(61,510)
Net cash provided by operating activities	<u>2,253,919</u>	<u>209,490</u>
Cash flows from investing activities		
Purchases of property and equipment	(523,348)	(236,237)
Increase in construction in process	-	(238,607)
Net cash used by investing activities	<u>(523,348)</u>	<u>(474,844)</u>
Cash flows from financing activities		
Repayment of long-term debt	<u>(274,932)</u>	<u>(2,252,751)</u>
Net cash used by financing activities	<u>(274,932)</u>	<u>(2,252,751)</u>
Increase (decrease) in cash and cash equivalents	1,455,639	(2,518,105)
Cash and cash equivalents - beginning of year	<u>3,009,234</u>	<u>5,527,339</u>
Cash and cash equivalents - end of year	<u>\$ 4,464,873</u>	<u>\$ 3,009,234</u>
Supplemental disclosures:		
Cash paid for interest	<u>\$ 172,708</u>	<u>\$ 244,043</u>
Income taxes paid	<u>\$ N/A</u>	<u>\$ N/A</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

1. Organization

Mental Health Resource Center, Inc.(the Center) provides comprehensive community mental health services including clinical, rehabilitative and residential programs. The Center's goal is to provide such services to all individuals requesting assistance, regardless of their ability to pay. The Center is accredited by The Joint Commission. The Center is governed by a Board of Directors (the Board) consisting of volunteers from the community. The Board is approved by Renaissance Behavioral Health Systems, Inc. (RBHS), a not-for-profit organization that is the sole member of the Center.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The costs related to the administration of the Center's programs are summarized in the statement of activities. Personnel and operating expenses that are associated with a specific program are charged directly to that program. Personnel and operating expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Center adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Center’s liquidity, financial performance, and cash flows.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Recognition

Revenue from Exchange Transactions: The Organization recognized revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Public support and revenue – The Organization recognizes revenue from public support and government grants based upon the terms of the grantor allotment that generally provides that revenues are earned when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenues are subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses or services, the Center will be required to refund any deficiencies. Management believes that any potential disallowed costs in

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

the Schedule of Expenditures of Federal Awards and State Financial Assistance would be insignificant as of June 30, 2020 and 2019.

Client fees for services – The Organization records fees for client services where as performance obligation is delivery of the medical treatment for the client. Fees are recorded at standard rates or net realizable value per contractual agreements that are reduced based upon the client's financial capabilities and by amounts estimated by management to be non-reimbursable by third-party payers or state programs under the provisions of applicable program payment arrangements. Fees for service are separately priced, no allocation of the transaction price is necessary. The Organization recognizes revenue as the client receives the medical services or receives medication. Final determination of amounts earned is subject to third party payer audit. Management believes that adequate reserves have been established for potential losses resulting from such audits.

Accounts Receivable

Grants, contracts and accounts receivable are stated at the amounts management expects to collect from outstanding balances. If amounts become uncollectible, they will be charged to the program when the determination is made. At June 30, 2020 and 2019, the allowance for doubtful accounts was \$3,427,521 and \$3,406,853, respectively.

Contributions

Mental Health Resource Center, Inc. reports contributions as with donor restriction or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Center has no net assets with donor-restricted support.

Donated Materials, Long-lived Assets, Facilities & Services

Donated materials are recorded as contributions at their estimated fair value at the date of donation. Long-lived assets for the use of facilities are recorded as contributions in the period received at fair value. Contributions of services are recorded in the financial statements if the services enhance or create non-financial assets or require specialized skills and are provided by individuals possessing those skills.

Charity Care

The Center follows the provisions of FASB Accounting Standards Codification 954. Accordingly, the Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Grants are received from state and local governmental agencies to assist in providing charity care.

The amount of costs for services and supplies under the Center's charity care policy aggregated approximately \$6,804,000 and \$7,257,000 in 2020 and 2019, respectively.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

Tax Status

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income taxes. The Center currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Center is no longer subject to U.S. federal income tax examinations by the tax authorities for the years before June 30, 2017.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all unrestricted highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

The Center invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government obligations.

Property and Equipment

Property and equipment are recorded at historical cost or in the case of contributed property and equipment, at estimated fair value at the date of donation. Equipment expenditures of less than \$1,000 are expensed. Ordinary repairs and maintenance are charged to expense when incurred. Depreciation is computed using the straight-line method over the useful lives of the various assets. The State of Florida is entitled to the proceeds from the disposal of certain equipment, if such equipment is acquired with state contract funds.

Long-lived assets held and used by the Center are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived asset may be impaired, an evaluation of recoverability would be performed following generally accepted accounting principles.

Allocation of Expenses

The costs of providing comprehensive community mental health services and supporting services have been summarized on the Statement of Activities on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include operating supplies and expenses, professional services, building occupancy, travel, insurance, food services, salaries and wages, fringe benefits, and payroll taxes. The basis of allocation of these expenses is based on a percentage of actual expense. Other support is allocated primarily based on utilization. The financial statements report expenses by function in the Statement of Functional Expenses.

Accounting Pronouncements Adopted

As of July 1, 2019, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the years ending June 30, 2020 and 2019 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

In 2020, the Organization adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows* (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Organization has applied the provisions of ASU 2016-18 retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

Recent Accounting Pronouncements

The following accounting pronouncement was recently issued by the FASB:

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Center is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

3. Liquidity

The Center's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	2020	2019
Cash	\$ 4,464,873	\$ 3,009,234
Grants receivable	2,310,035	2,445,055
Accounts receivable, net allowance for doubtful accounts	<u>774,193</u>	<u>777,747</u>
Total financial assets as of year end	<u>\$ 7,549,101</u>	<u>\$ 6,232,036</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 7,549,101</u>	<u>\$ 6,232,036</u>

As part of the Center's liquidity management, it has a policy to structure financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

4. Property and Equipment

	Estimated Useful Life <u>in Years</u>	<u>2020</u>	<u>2019</u>
Land		\$ 389,329	\$ 389,329
Buildings and leasehold improvements	5 -40	12,392,064	11,931,304
Furniture and equipment	3-15	2,455,186	2,156,978
		<u>15,236,579</u>	<u>14,477,611</u>
Accumulated depreciation and amortization		<u>(7,593,564)</u>	<u>(7,060,152)</u>
		7,643,015	7,417,459
Construction in progress		-	257,777
Net property and equipment		<u>\$ 7,643,015</u>	<u>\$ 7,675,236</u>

Depreciation expense was \$555,569 and \$554,457 for the years ended June 30, 2020 and 2019, respectively.

5. Notes Payable

The Center's mortgage loan payable liability is as follows:

	<u>2020</u>	<u>2019</u>
Bond issued by the City of Jacksonville of which the proceeds constituted an identical and contemporaneous loan to the Center, used in connection with the refinance of the Health Facilities Revenue Bonds 1999A and 1999B, and to provide additional funds for construction, total amount of \$6,451,500, bearing interest at fixed rate of 3.9925% with a swap rate agreement of 65.10% of one month LIBOR plus 2.4%, interest currently at 2.51%, secured through a security interest in the net revenues of the Center as well as substantially all of the assets of the Center, payable in monthly installments of principal plus interest, fixed principal portion of payment beginning in December 2014 at \$18,938 and increasing annually at 4.26% through November 2020.	\$ 3,834,472	\$ 4,109,404
Current portion	<u>(3,834,472)</u>	<u>(274,932)</u>
	<u>\$ -</u>	<u>\$ 3,834,472</u>

Interest expense for the year ended June 30, 2020 and 2019 was \$172,708 and \$244,043, respectively.

Mental Health Resource Center, Inc.
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Notes to the Financial Statements
June 30, 2020 and 2019

The scheduled maturities of notes payable for the next five years and in aggregate are as follows:

2021	\$ 3,834,472
2022	-
2023	-
2024	-
2025	-
	\$ 3,834,472

The Center entered the Health Facilities Revenue Bonds on October 31, 2013 as an Obligated Group with Mental Health Center of Jacksonville, Inc. and Renaissance Behavioral Health Systems, Inc.

For the twelve-month period ending December 31, 2018, the Obligated Group did not satisfy the required Debt Service Coverage Ratio set forth in the loan agreement, and was required to reduce the outstanding combined principal balance in the aggregate amount of \$1,957,210 as a consequence. On March 4, 2019, a payment in the amount of \$876,919 paid off the 2013B bond, and on April 8, 2019, a payment in the amount of \$1,080,291 reduced the balance of the 2013A bond. Additionally, the Debt Service Coverage Ratio covenant and the Minimum Required Balance of cash on hand going forward were adjusted.

The covenants, as amended April 1, 2019, on the bond include, but are not limited to the following:

	<u>Required Coverage</u>
Debt Service Coverage Ratio	≥ 1.15
Debt to Capitalization Ratio	≤ 55%
Days Cash on Hand	≥ 30 days

As of June 30, 2020, the Obligated Group was in compliance with the covenants.

6. Operating Leases

The Center leases equipment under operating leases expiring through 2025. The Center's future minimum lease payments, by year, for ten (10) buildings, fifty-eight (58) vehicles and equipment, consist of the following at June 30, 2020:

2021	\$ 685,138
2022	406,648
2023	365,668
2024	356,885
2025	167,585
	\$ 1,981,926

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

The Center incurred total building lease expense of \$555,168 and \$590,696 during the years ended June 30, 2020 and 2019, respectively, which is included in building occupancy expenses in accompanying statement of functional expenses. Vehicle and equipment lease expense for the years ended June 30, 2020 and 2019, was \$401,303 and \$367,902, respectively.

7. Retirement Plan

The Center adopted a Discretionary Profit Sharing-Thrift Plan (Plan) effective August 1, 1989. The Plan covers full-time and part-time employees who have completed one year of service with at least 1,000 hours of service during the year as of the Plan's effective date. Both basic and matching Center contributions to the Plan are discretionary and are determined on an annual basis by the Center's Board of Directors. Employee contributions to the Plan are voluntary. The Center's retirement expense was \$0 and \$221,804 for the years ended June 30, 2020 and 2019, respectively, and is included in fringe benefits expense in the statement of functional expenses.

8. Transactions with Affiliated Organizations

Management fee expense is incurred to RBHS for services rendered for management, accounting, data processing and support. Amounts due to related organizations primarily related to unpaid amounts related to these services. Management fees paid to RBHS for the years ended June 30, 2020 and 2019 were \$4,550,728 and \$4,608,127, respectively.

Due to RBHS was \$417,849 and \$410,492 at June 30, 2020 and 2019, respectively.

The Center serves as a sponsor for two organizations. Balances due from these organizations was \$262,786 and \$256,121 at June 30, 2020 and 2019, respectively.

9. Support from the State of Florida

The Center received a substantial portion of its support in 2020 and 2019 from the State of Florida, through the Department of Children and Families. A significant reduction in the level of future support would have a substantial effect on the Center's programs and activities. The contracts are renegotiated periodically. Certain contract funds require a rate of twenty-five percent (25%) or fifty percent (50%) of local match for community mental health services. The Center required approximately \$4,295,000 and \$3,598,000 in local matching funds in order to be in compliance with the aforementioned contract provisions for the years ended June 30, 2020 and 2019, respectively. The Center exceeded its local match requirements for the years ended June 30, 2020 and 2019.

10. Concentration of Credit Risk

The Center grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payer agreements including Medicaid, Medicare, and other third party payers.

The Center maintains cash balance in two financial institutions. The balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2020, the Center's uninsured cash balance totaled \$4,222,640. It is the opinion of management that the solvency of the financial institutions are not of particular concern at this time.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2020 and 2019

The Center has one Treasury Money Market Fund of \$1,238 and \$965,959 at June 30, 2020 and 2019, respectively. Money markets are uninsured. However, the funds are invested in conservative and stable Institutional 100% Treasury Money Market Funds.

11. Commitments and Contingencies

The Center is periodically involved in litigation and routine monitoring by regulatory agencies arising from the ordinary course of business. In the opinion of the Center's management, after consultation with legal counsel, such matters will be resolved without a material adverse effect on the financial position or results of operations of the Center. The Center has professional liability insurance through RBHS, the parent company, which effectively covers \$4,000,000 in aggregate and \$2,000,000 per occurrence, to insure against potential malpractice claims.

The Center receives a substantial portion of its client revenues from Medicaid HMO, Medicaid, and Medicare. The Center bills Medicaid HMO, Medicaid, and Medicare for eligible services it renders. Medicaid HMO, Medicaid, and Medicare have oversight agencies that periodically audit claims submitted to these programs. To the extent services are billed to Medicaid HMO, Medicaid, or Medicare and are not properly documented by the Center, the claims may be denied and reimbursement from the Center may be requested. Accordingly, the Center has established a liability for estimated denied claims based on historical experience.

12. Subsequent Events

The Health Facilities Revenue Bonds the Center entered into as an Obligated Group with Mental Health Center of Jacksonville, Inc. and Renaissance Behavioral Health Systems, Inc. matures in November 2020. As of October 23, 2020 the Obligation Group has not refinanced the bonds. Not refinancing the bonds could have significant financial impact. However, the Obligated Group expects to refinance the bond before maturity.

Management has assessed subsequent events through October 23, 2020, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Mental Health Resource Center, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2020

<u>Grantor/Program Title</u>	CFDA CSFA No	Contract Grant Number	Total Expenditures	Transfer to Subrecipients
<u><i>U.S. Department of Health and Human Services</i></u>				
<u>Dept of Children & Families SAMH Program</u>				
<u><i>Pass through funds from Lutheran Service Florida, Inc.</i></u>				
Block Grants for Community Mental Health Services	93.958	LS024	\$ 654,167	\$ -
Projects for Assistance in the Transition from Homelessness (PATH)	93.150	LS024	242,376	-
Medical Assistance Program	93.778	LS024	808,301	-
<u><i>Pass through funds from Central Florida Behavioral Health Network, Inc.</i></u>				
Block Grants for Community Mental Health Services	93.958	QB030	425,026	-
Medical Assistance Program	93.778	QB030	803,890	-
<u><i>Pass through funds from Central Florida Cares Health System, Inc.</i></u>				
Block Grants for Community Mental Health Services	93.958	MHR21	284,089	-
Medical Assistance Program	93.778	MHR21	522,455	-
			<u>3,740,304</u>	<u>-</u>
<u><i>U.S. Department of Housing and Urban Development</i></u>				
Continuum of Care Program 2019	14.267	FL0135L4H101912	41,015	-
Continuum of Care Program 2018	14.267	FL0573L4H101803	54,030	-
Continuum of Care Program 2017	14.267	FL0573L4H101702	42,542	-
Continuum of Care Program 2018	14.267	FL0135L4H101811	199,000	-
			<u>336,587</u>	<u>-</u>
<u><i>U. S. Department of Agriculture</i></u>				
<u>FL Dept of Elder Affairs</u>				
National School Lunch Program 19/20	10.555	Y4039	27,646	-
Child and Adult Care Food Program 19/20	10.558	Y4039	1,475	-
National School Lunch Program 18/19	10.555	Y4039	15,830	-
Child and Adult Care Food Program 18/19	10.558	Y4039	854	-
			<u>45,805</u>	<u>-</u>
Total Federal Awards			<u>4,122,696</u>	<u>-</u>

Mental Health Resource Center, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2020

<u>Grantor/Program Title</u>	<u>CFDA CSFA No</u>	<u>Contract Grant Number</u>	<u>Total Expenditures</u>	<u>Transfer to Subrecipients</u>
<i>State Financial Assistance</i>				
<i>Dept of Children & Families SAMH Program</i>				
<i>Pass through funds from Lutheran Service Florida, Inc.</i>				
Community Forensic Beds Comp Rest Tng	60.114	LS024	652,000	-
Centralized Receiving System	60.163	LS024	3,383,946	201,918
Total State Financial Assistance			<u>\$ 4,035,946</u>	<u>\$ 201,918</u>
Total Federal Awards and State Financial Assistance			<u>\$ 8,158,642</u>	<u>\$ 201,918</u>

Mental Health Resource Center, Inc.

(a non-profit organization)

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year ended June 30, 2020

Note A - Basis of Accounting

The accompanying schedule of expenditures of financial awards and state financial assistance (the Schedule) includes the federal award activity and state project activity of Mental Health Resource Center, Inc. under programs of the federal and state government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as described in Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Mental Health Resource Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mental Health Resource Center, Inc.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Mental Health Resource Center, Inc. has elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

**AUDIT SCHEDULE
ACTUAL EXPENSES AND REVENUES SCHEDULE**



DATE PREPARED: 11/16/2020
BUDGET PERIOD: FROM 07/01/2019 TO 06/30/2020

AGENCY: Mental Health Resource Center, Inc.
CONTRACT #: LS024 (subcontract with Lutheran Services Florida (LSF)), QB030 (subcontract with Central Florida Behavioral Health Network (CFBHN)) and MHR21 (subcontract with Central Florida Cares Health System (CFCHS))

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS														
	STATE SAMH-FUNDED COST CENTERS														
	Mental Health														
	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention - Individual	Intervention - Group	Day Treatment	Medical Services	Outpatient - Individual	Outreach	Residential Level IV	Incidental Expenses LS024	Incidental Expenses MHR21	Incidental Expenses QB030	Central Receiving System
A	B _{1-a}	B _{1-b}	B _{1-c}	B _{1-d}	B _{1-e}	B _{1-f}	B _{1-g}	B _{1-h}	B _{1-i}	B _{1-j}	B _{1-k}	B _{1-l}	B _{1-m}	B _{1-n}	B _{1-p}
IA. STATE SAMH FUNDING															
(1) LS024 (MH001)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,190.53	\$ -	\$ -	\$ -	\$ -
(2) LS024 (MH009)	\$ -	\$ 601,451.91	\$ -	\$ -	\$ -	\$ -	\$ 38,626.54	\$ 50,101.71	\$ 20,348.67	\$ -	\$ 201,505.31	\$ -	\$ 190,737.12	\$ -	\$ -
(3) LS024 (MH018)	\$ -	\$ -	\$ 4,869,287.89	\$ 1,244,948.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) LS024 (MH072)	\$ -	\$ 131,077.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) LS024 (MH073)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,884.13	\$ -	\$ -	\$ -
(6) LS024 (MH076)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,093	\$ -	\$ -	\$ -
(7) LS024 (MHOCN)	\$ -	\$ 48,258.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,498.38	\$ -	\$ -	\$ -	\$ -	\$ -
(8) LS024 (MHOFH)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(9) LS024 (MHOPG)	\$ -	\$ 136,398.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,368.91	\$ -	\$ 103,608.61	\$ -	\$ -	\$ -	\$ -	\$ -
(10) LS024 (MHCME)	\$ -	\$ -	\$ -	\$ 1,819.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(11) LS024 (MHDRF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,570	\$ -	\$ -	\$ -
(12) LS024 (MHSCR)	\$ 57,858.66	\$ 103,660.73	\$ -	\$ -	\$ 35.64	\$ -	\$ -	\$ 118,946.17	\$ 95,484.54	\$ 83.63	\$ -	\$ -	\$ -	\$ -	\$ 2,003,512.34
(13) LS024 (MHTRV)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,539	\$ -	\$ -	\$ -
(14) LS024 (MS919)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,674	\$ -	\$ -	\$ -
(15) LS024 (MH073 - Carry forward)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108.55	\$ -	\$ -	\$ -
(16) LS024 (MHSCR - Carry Forward)	\$ 52,565.33	\$ 80,514.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 612,752.39	\$ 81,266.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(17) LS024 (MHSHG - Carry Forward)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,891	\$ -	\$ -	\$ -
(18) MHR21 (MH073)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(19) MHR21 (MHA09)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -
(20) QB030 (MH073)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 616,442	\$ -
(21) QB030 (MHDRF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,121	\$ -
TOTAL STATE SAMH FUNDING =	\$ 110,424	\$ 1,101,362	\$ 4,869,288	\$ 1,246,769	\$ 36	\$ 38,627	\$ 50,102	\$ 754,416	\$ 176,751	\$ 355,696	\$ 200,191	\$ 918,497	\$ 50,000	\$ 635,563	\$ 2,003,512
IB. OTHER GOVT. FUNDING															
(1) Other State Agency Funding	\$ -	\$ 11,194	\$ 110,549	\$ -	\$ -	\$ -	\$ 521	\$ -	\$ 240,703	\$ -	\$ 453	\$ -	\$ -	\$ -	\$ -
(2) Medicaid	\$ 32,162	\$ 51,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,816	\$ 184,911	\$ 38,210	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Local Government	\$ 65,966	\$ 208,349	\$ 947,826	\$ 461,234	\$ -	\$ -	\$ -	\$ 407,043	\$ 58,707	\$ 4,823	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Federal Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,804	\$ -	\$ 347,487	\$ -	\$ -	\$ -	\$ -	\$ -
(5) In-kind from local govt. only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOT. OTHER GOVT. FUNDING =	\$ 98,128	\$ 271,179	\$ 1,058,375	\$ 461,234	\$ -	\$ 521	\$ 220,620	\$ 832,657	\$ 96,918	\$ 352,763	\$ -	\$ -	\$ -	\$ -	\$ -
IC. ALL OTHER REVENUES															
(1) 1st & 2nd Party Payments	\$ 4,104	\$ 40	\$ 103,937	\$ -	\$ -	\$ -	\$ -	\$ 27,334	\$ 6,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) 3rd Party Payments (except Medicare)	\$ 63,126	\$ 98,016	\$ 7,574,456	\$ -	\$ -	\$ -	\$ 715,981	\$ 621,152	\$ 110,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medicare	\$ 250	\$ -	\$ 26,188	\$ -	\$ -	\$ -	\$ -	\$ 22,473	\$ 1,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Contributions and Donations	\$ -	\$ 212	\$ 1,141	\$ -	\$ -	\$ -	\$ 6	\$ 503	\$ 5	\$ 41	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Other (Includes Overhead Revenue)	\$ 890	\$ 15,101	\$ 34,919	\$ 2,894	\$ -	\$ -	\$ 49	\$ 1,289	\$ 7,776	\$ 856	\$ 22,848	\$ 171	\$ -	\$ -	\$ -
(6) In-kind	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOT. ALL OTHER REVENUES =	\$ 68,370	\$ 113,369	\$ 7,740,641	\$ 2,894	\$ -	\$ 55	\$ 717,773	\$ 678,741	\$ 119,086	\$ 22,889	\$ 171	\$ -	\$ -	\$ -	\$ -
TOTAL FUNDING =	\$ 278,921	\$ 1,485,910	\$ 13,668,304	\$ 1,710,897	\$ 36	\$ 39,203	\$ 988,495	\$ 2,265,814	\$ 392,756	\$ 731,348	\$ 200,362	\$ 918,497	\$ 50,000	\$ 635,563	\$ 2,003,512



DATE PREPARED: 11/16/2020
 BUDGET PERIOD: FROM 07/01/2019 TO 06/30/2020

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: Mental Health Resource Center, Inc.
 CONTRACT #: LS024 (subcontract with Lutheran Services Florida (LSE)), OB030 (subcontract with Central Florida Behavioral Health Network (CFBHN)) and MHR21 (subcontract with Central Florida Cares Health System (CFCHS)).

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS											Total for All State-Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Total Funding (F+G) H
	STATE SAMH-FUNDED COST CENTERS													
	Mental Health													
	FACT LS024 B _{1,q}	FACT QB030 B _{1,r}	FACT MHR21 B _{1,s}	Community Forensic Multidisciplinary Team B _{1,u}	Recovery Support - Individual B _{1,v}	Recovery Support - Group B _{1,w}	Information and Referral B _{1,x}	Sustainability Payment	Total for Adult Mental Health (B _{1,q} +...+B _{1,x}) C ₁	Total for State SAMH-Funded Cost Centers (C ₁ +...+C _n) D				
IA. STATE SAMH FUNDING														
(1) LS024 (MH001)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,190.53	\$ 200,191	\$ 200,191	xxxxxxx	\$ 200,191	
(2) LS024 (MH009)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255.45	\$ 127,902.90	\$ 1,230,929.81	\$ 1,230,930	\$ 1,230,930	xxxxxxx	\$ 1,230,930	
(3) LS024 (MH018)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,114,236.53	\$ 6,114,237	\$ 6,114,237	xxxxxxx	\$ 6,114,237	
(4) LS024 (MH072)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,077.00	\$ 131,077	\$ 131,077	xxxxxxx	\$ 131,077	
(5) LS024 (MH073)	\$ 3,222,868.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,669,752.52	\$ 3,669,753	\$ 3,669,753	xxxxxxx	\$ 3,669,753	
(6) LS024 (MH076)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,093.00	\$ 23,093	\$ 23,093	xxxxxxx	\$ 23,093	
(7) LS024 (MH0CN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670.23	\$ 99,426.77	\$ 99,427	\$ 99,427	xxxxxxx	\$ 99,427	
(8) LS024 (MH0FH)	\$ -	\$ -	\$ -	\$ 652,000	\$ -	\$ -	\$ -	\$ -	\$ 652,000.00	\$ 652,000	\$ 652,000	xxxxxxx	\$ 652,000	
(9) LS024 (MH0PG)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,376.33	\$ 242,376	\$ 242,376	xxxxxxx	\$ 242,376	
(10) LS024 (MHGME)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,819.93	\$ 1,820	\$ 1,820	xxxxxxx	\$ 1,820	
(11) LS024 (MHDRF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,570.00	\$ 23,570	\$ 23,570	xxxxxxx	\$ 23,570	
(12) LS024 (MHSCR)	\$ -	\$ -	\$ -	\$ -	\$ 4,446.37	\$ 5,445.43	\$ 22,397.24	\$ -	\$ 2,411,870.75	\$ 2,411,871	\$ 2,411,871	xxxxxxx	\$ 2,411,871	
(13) LS024 (MHRV)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,539	\$ 50,539	\$ 50,539	xxxxxxx	\$ 50,539	
(14) LS024 (MS919)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,674	\$ 144,674	\$ 144,674	xxxxxxx	\$ 144,674	
(15) LS024 (MH073 - Carry forward)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108.55	\$ 109	\$ 109	xxxxxxx	\$ 109	
(16) LS024 (MHSCR - Carry Forward)	\$ -	\$ -	\$ -	\$ -	\$ 3,991.31	\$ 2,486.51	\$ 138,497.54	\$ -	\$ 972,074.80	\$ 972,075	\$ 972,075	xxxxxxx	\$ 972,075	
(17) LS024 (MHSHG - Carry Forward)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,891	\$ 38,891	\$ 38,891	xxxxxxx	\$ 38,891	
(18) MHR21 (MH073)	\$ -	\$ -	\$ 2,372,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,372,061	\$ 2,372,061	\$ 2,372,061	xxxxxxx	\$ 2,372,061	
(19) MHR21 (MHA09)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	xxxxxxx	\$ 50,000	
(20) OB030 (MH073)	\$ -	\$ 3,033,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,649,836	\$ 3,649,836	\$ 3,649,836	xxxxxxx	\$ 3,649,836	
(21) OB030 (MHDRF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,121	\$ 19,121	\$ 19,121	xxxxxxx	\$ 19,121	
TOTAL STATE SAMH FUNDING	\$ 3,222,868	\$ 3,033,394	\$ 2,372,061	\$ 652,000	\$ 8,438	\$ 7,932	\$ 161,150	\$ 128,573	\$ 22,097,649	\$ 22,097,649	\$ 22,097,649	xxxxxxx	\$ 22,097,649	
IB. OTHER GOVT. FUNDING														
(1) Other State Agency Funding	\$ -	\$ 235,436	\$ 59,894	\$ 33,392	\$ -	\$ -	\$ -	\$ -	\$ 692,142	\$ 692,142	\$ 692,142	\$ -	\$ 692,142	
(2) Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 481,735	\$ 481,735	\$ 481,735	\$ 16,942	\$ 498,678	
(3) Local Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,622	\$ 2,276	\$ 50,333	\$ 2,209,179	\$ 2,209,179	\$ 2,209,179	\$ -	\$ 2,209,179	
(4) Federal Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,291	\$ 393,291	\$ 393,291	\$ -	\$ 393,291	
(5) In-kind from local gov. only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOT. OTHER GOVT. FUNDING	\$ -	\$ 235,436	\$ 59,894	\$ 33,392	\$ 2,622	\$ 2,276	\$ 50,333	\$ -	\$ 3,776,348	\$ 3,776,348	\$ 3,776,348	\$ 16,942	\$ 3,793,290	
IC. ALL OTHER REVENUES														
(1) 1st & 2nd Party Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,866	\$ 141,866.21	\$ 141,866.21	\$ 2,496.19	\$ 144,362	
(2) 3rd Party Payments (except Medicare)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,182,940	\$ 9,182,940.00	\$ 9,182,940.00	\$ 185,454.00	\$ 9,368,394	
(3) Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,481	\$ 50,481.40	\$ 50,481.40	\$ 59,480.00	\$ 109,961	
(4) Contributions and Donations	\$ 1,429	\$ 300	\$ 1,000	\$ 87	\$ -	\$ -	\$ -	\$ -	\$ 4,724	\$ 4,724.00	\$ 4,724.00	\$ -	\$ 4,724	
(5) Other (Includes Overhead Revenue)	\$ 8,462	\$ 618	\$ 6,359	\$ 959	\$ 29	\$ 25	\$ 545	\$ -	\$ 103,792	\$ 103,792.22	\$ 103,792.22	\$ 1,267,532.49	\$ 1,371,325	
(6) In-kind	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOT. ALL OTHER REVENUES	\$ 9,891	\$ 918	\$ 7,359	\$ 1,046	\$ 29	\$ 25	\$ 545	\$ -	\$ 9,483,804	\$ 9,483,803.83	\$ 9,483,803.83	\$ 1,514,962.68	\$ 10,998,767	
TOTAL FUNDING	\$ 3,232,759	\$ 3,269,748	\$ 2,439,314	\$ 686,438	\$ 11,089	\$ 10,233	\$ 212,028	\$ 128,573	\$ 35,357,801	\$ 35,357,801	\$ 35,357,801	\$ 1,531,905	\$ 36,889,706	



**AUDIT SCHEDULE
ACTUAL EXPENSES AND REVENUES SCHEDULE**

DATE PREPARED: 11/16/2020

AGENCY: Mental Health Resource Center, Inc.

BUDGET PERIOD: FROM 07/01/2019 TO 06/30/2020

CONTRACT #: LS024 (subcontract with Lutheran Services Florida (LSF)), QB030 (subcontract with Central Florida Behavioral Health Network (CFBHN)) and MHR21 (subcontract with Central Florida Cares Health System (CFCHS))

PART II: ACTUAL EXPENSES																
STATE-DESIGNATED SAMH COST CENTERS																
STATE SAMH-FUNDED COST CENTERS																
Mental Health																
EXPENSE CATEGORIES	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention - Individual	Intervention - Group	Day Treatment	Medical Services	Outpatient - Individual	Outreach	Residential Level IV	Incidental Expenses LS024	Incidental Expenses MHR21	Incidental Expenses QB030	CFBHN Behavioral Health Fee	
A	B_{1-a}	B_{1-b}	B_{1-c}	B_{1-d}	B_{1-e}	B_{1-f}	B_{1-g}	B_{1-h}	B_{1-i}	B_{1-j}	B_{1-k}	B_{1-l}	B_{1-m}	B_{1-n}	B_{1-p}	
IIA. PERSONNEL EXPENSES	0															
(1) Salaries	\$ 158,503	\$ 809,601	\$ 5,790,446	\$ 696,808	\$ 36	\$ 21,291.67	\$ 359,785	\$ 979,932	\$ 180,387	\$ 414,545	\$ 21,680	\$ -	\$ -	\$ -	\$ 660,806	
(2) Fringe Benefits	\$ 14,212	\$ 212,405	\$ 1,259,350	\$ 134,202	\$ -	\$ 5,204	\$ 132,938	\$ 105,343	\$ 43,142	\$ 124,388	\$ 4,969	\$ -	\$ -	\$ -	\$ 375,584	
TOTAL PERSONNEL EXPENSES =	\$ 172,714	\$ 1,022,006	\$ 7,049,795	\$ 831,010	\$ 36	\$ 26,496	\$ 492,723	\$ 1,085,276	\$ 223,529	\$ 538,933	\$ 26,649	\$ -	\$ -	\$ -	\$ 1,036,389	
IIB. OTHER EXPENSES	0															
(1) Building Occupancy	\$ 15,483	\$ 55,107	\$ 670,779	\$ 70,761	\$ -	\$ 726	\$ 149,023	\$ 65,239	\$ 14,384	\$ 50,505	\$ 1,958	\$ -	\$ -	\$ -	\$ 6,910	
(2) Professional Services	\$ 5,160	\$ 7,465	\$ 862,734	\$ 4,675	\$ -	\$ 0	\$ 599	\$ 210,152	\$ 8,202	\$ 2,936	\$ 1	\$ -	\$ -	\$ -	\$ 583,729	
(3) Travel	\$ 250	\$ 59,903	\$ 60,160	\$ 176,786	\$ -	\$ -	\$ 107,658	\$ 16,849	\$ 397	\$ 23,448	\$ -	\$ -	\$ -	\$ -	\$ 6,776	
(4) Equipment	\$ 5,279	\$ 7,209	\$ 92,532	\$ 16,422	\$ -	\$ 118	\$ 7,431	\$ 30,698	\$ 4,402	\$ 4,657	\$ 62	\$ -	\$ -	\$ -	\$ 104	
(5) Food Services	\$ 11	\$ 363	\$ 248,220	\$ 35,174	\$ -	\$ 13	\$ 66,765	\$ 10,700	\$ 9	\$ 51	\$ -	\$ -	\$ -	\$ -	\$ -	
(6) Medical and Pharmacy	\$ 249	\$ 2,549	\$ 428,288	\$ 1,070	\$ -	\$ 26	\$ 1,625	\$ 307,335	\$ 201	\$ 693	\$ 8	\$ 100,636	\$ -	\$ 90,604	\$ -	
(7) Subcontracted Services	\$ 2,174.46	\$ 326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,022	
(8) Insurance	\$ 4,367	\$ 23,828	\$ 190,352	\$ 23,685	\$ -	\$ 382	\$ 38,265	\$ 23,676	\$ 4,711	\$ 21,057	\$ 732	\$ -	\$ -	\$ -	\$ 4,682	
(9) Interest Paid	\$ 2,213	\$ 1,612	\$ 128,300	\$ 3,872	\$ -	\$ -	\$ -	\$ 4,528	\$ 2,213	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ -	
(10) Operating Supplies & Expenses	\$ 60,864	\$ 177,335	\$ 2,685,049	\$ 403,200	\$ -	\$ 2,630	\$ 149,042	\$ 297,133	\$ 56,580	\$ 33,275	\$ 88,388	\$ 643,182	\$ 50,000	\$ 544,959	\$ 9,761	
(11) Other - Bad Debts	\$ 4,772	\$ 6,366	\$ 157,770	\$ -	\$ -	\$ -	\$ 28,485	\$ 40,558	\$ 7,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(12) Donated Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL OTHER EXPENSES =	\$ 100,823	\$ 342,062	\$ 5,524,184	\$ 735,645	\$ -	\$ 3,896	\$ 548,893	\$ 1,008,868	\$ 119,079	\$ 136,668	\$ 91,149	\$ 743,817	\$ 50,000	\$ 635,563	\$ 784,985	
TOT. PERSONNEL & OTH. EXP. =	\$ 273,537	\$ 1,364,068	\$ 12,573,979	\$ 1,566,655	\$ 36	\$ 30,391	\$ 1,041,615	\$ 2,092,144	\$ 342,608	\$ 675,601	\$ 117,798	\$ 743,817	\$ 50,000	\$ 635,563	\$ 1,821,375	
IIC. DISTRIBUTED INDIRECT COSTS	0															
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(b) Administration	\$ 21,621	\$ 140,556	\$ 1,130,926	\$ 140,746	\$ -	\$ 3,153	\$ 85,792	\$ 181,461	\$ 28,846	\$ 63,869	\$ 10,823	\$ -	\$ -	\$ -	\$ 182,137	
TOT. DISTR'D INDIRECT COSTS =	\$ 21,621	\$ 140,556	\$ 1,130,926	\$ 140,746	\$ -	\$ 3,153	\$ 85,792	\$ 181,461	\$ 28,846	\$ 63,869	\$ 10,823	\$ -	\$ -	\$ -	\$ 182,137	
TOTAL ACTUAL OPER. EXPENSES =	\$ 295,158	\$ 1,504,624	\$ 13,704,905	\$ 1,707,401	\$ 36	\$ 33,544	\$ 1,127,407	\$ 2,273,604	\$ 371,454	\$ 739,470	\$ 128,621	\$ 743,817	\$ 50,000	\$ 635,563	\$ 2,003,512	
IIID. UNALLOWABLE COSTS	\$ 5,009	\$ 6,632	\$ 160,787	\$ 143	\$ -	\$ 4	\$ 29,078	\$ 41,625	\$ 7,523	\$ 475	\$ -	\$ -	\$ -	\$ -	\$ -	
TOT. ALLOWABLE OPER. EXP. =	\$ 290,149	\$ 1,497,991	\$ 13,544,118	\$ 1,707,258	\$ 36	\$ 33,540	\$ 1,098,330	\$ 2,231,979	\$ 363,931	\$ 738,994	\$ 128,621	\$ 743,817	\$ 50,000	\$ 635,563	\$ 2,003,512	
IIIE. CAPITAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

AUDIT SCHEDULE ACTUAL EXPENSES AND REVENUES SCHEDULE

DATE PREPARED: 11/16/2020

AGENCY: Mental Health Resource Center, Inc.

BUDGET PERIOD: FROM 07/01/2019 TO 06/30/2020

CONTRACT #: LS024 (subcontract with Lutheran Services Florida (LSF)), QB030 (subcontract with Central Florida Behavioral Health Network (CFBHN)) and MHR21 (subcontract with Central Florida Cares Health System (CFCHS))

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	STATE-DESIGNATED SAMH COST CENTERS										Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₆) D	Tot. for All State-Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Other Support Costs (optional) H	Administration I	Total Expenses (F+G+H+I+J) J
	STATE SAMH-FUNDED COST CENTERS															
	FACT LS024 B _{1-q}	FACT QB030 B _{1-r}	FACT MHR21 B _{1-s}	Community Forensic Multidisciplinary Team B _{1-u}	Recovery Support - Individual B _{1-v}	Recovery Support - Group B _{1-w}	Information and Referral B _{1-x}	Sustainability Payment B _{1-y}	Total for Adult Mental Health (B _{1-q} +...+B _{1-x}) C ₁	*except IIC & IID						
IA. PERSONNEL EXPENSES	0 \$															
(1) Salaries	\$ 1,649,109	\$ 1,787,902	\$ 950,951	\$ 280,056	\$ 5,376	\$ 4,730	\$ 106,087	\$ 74,105	\$ 14,952,136	\$ 14,952,136	14,952,136	612,293	1,338,144	69,620	16,972,193	
(2) Fringe Benefits	\$ 398,545	\$ 447,858	\$ 273,023	\$ 79,783	\$ 934	\$ 791	\$ 20,459	\$ 17,531	\$ 3,650,660	\$ 3,650,660	3,650,660	88,795	371,371	20,534	4,131,360	
TOTAL PERSONNEL EXPENSES =	\$ 2,047,654	\$ 2,235,760	\$ 1,223,974	\$ 359,839	\$ 6,310	\$ 5,521	\$ 126,546	\$ 91,637	\$ 18,602,796	\$ 18,602,796	18,602,796	701,088	1,709,515	90,154	21,103,553	
II. OTHER EXPENSES																
(1) Building Occupancy	\$ 165,428	\$ 190,229	\$ 130,766	\$ 27,323	\$ 572.22	\$ 493.53	\$ 11,381	\$ 13,507	\$ 1,640,573	\$ 1,640,573	1,640,573	58,160	147,593	404	1,846,730	
(2) Professional Services	\$ 118,620	\$ 101,833	\$ 318,870	\$ 6,932	\$ 17.08	\$ 14.55	\$ 364	\$ 8,294	\$ 2,240,600	\$ 2,240,600	2,240,600	187,454	46,781	25,917	2,500,752	
(3) Travel	\$ 126,075	\$ 114,215	\$ 73,651	\$ 27,767	\$ 321.78	\$ 284.50	\$ 5,505	\$ 800.047	\$ 800.047	\$ 800.047	800.047	2,799	14,530	2,968	820,344	
(4) Equipment	\$ 7,469	\$ 14,493	\$ 9,320	\$ 5,470	\$ 186.39	\$ 160.25	\$ 3,772	\$ 209,786	\$ 209,786	\$ 209,786	17,347	15,385	4,998	247,515		
(5) Food Services	\$ 4,473	\$ 3,182	\$ 1,653	\$ 1,368	\$ 0.35	\$ 0.30	\$ 8	\$ 371,988	\$ 371,988	\$ 371,988	-	2,314	-	374,302		
(6) Medical and Pharmacy	\$ 24,673	\$ -	\$ 41,945	\$ 39,520	\$ 9.09	\$ 7.83	\$ 181	\$ 1,039,620	\$ 1,039,620	\$ 1,039,620	52	3,159	975	1,043,805		
(7) Subcontracted Services	\$ -	\$ -	\$ -	\$ -	\$ 171.91	\$ 133.06	\$ 5,396	\$ 201,918	\$ 201,918	\$ 201,918	-	-	-	201,918		
(8) Insurance	\$ 101,026	\$ 106,282	\$ 66,414	\$ 22,670	\$ 233.99	\$ 205.17	\$ 4,223	\$ 636,791	\$ 636,791	\$ 636,791	9,707	78,300	34,529	759,326		
(9) Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ 52.52	\$ 46.69	\$ 865	\$ 143,748	\$ 143,748	\$ 143,748	28,960	-	-	172,708		
(10) Operating Supplies & Expenses	\$ 319,056	\$ 177,679	\$ 361,013	\$ 153,513	\$ 2,284.03	\$ 1,993.97	\$ 43,644	\$ 3,723	\$ 6,264,315	\$ 6,264,315	6,264,315	(79,960)	(2,017,083)	2,856,066	7,023,336	
(11) Other - Bad Debts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,237	\$ 245,237	245,237	9,932	-	-	255,169	
(12) Donated Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	
TOTAL OTHER EXPENSES =	\$ 866,820	\$ 707,913	\$ 1,003,632	\$ 284,563	\$ 3,859	\$ 3,340	\$ 75,340	\$ 25,524	\$ 13,794,623	\$ 13,794,623	13,794,623	234,451	(1,709,023)	2,925,856	15,245,905	
TOT. PERSONNEL & OTH. EXP. =	\$ 2,914,474	\$ 2,943,673	\$ 2,227,606	\$ 644,402	\$ 10,169	\$ 8,861	\$ 201,886	\$ 117,160	\$ 32,397,419	\$ 32,397,419	32,397,419	935,539	492	3,016,010	36,349,458	
III. DISTRIBUTED INDIRECT COSTS																
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	(492)	-	(492)	
(b) Administration	\$ 310,547	\$ 328,695	\$ 211,707	\$ 59,887	\$ 1,116	\$ 969	\$ 21,366	\$ 11,413	\$ 2,935,628	\$ 2,935,628	2,935,628	77,142	0.00	(3,016,010)	(3,240)	
TOT. DISTR'D INDIRECT COSTS =	\$ 310,547	\$ 328,695	\$ 211,707	\$ 59,887	\$ 1,116	\$ 969	\$ 21,366	\$ 11,413	\$ 2,935,628	\$ 2,935,628	2,935,628	77,142	0.00	(3,016,010)	(3,240)	
TOTAL ACTUAL OPER. EXPENSES =	\$ 3,225,021	\$ 3,272,368	\$ 2,439,313	\$ 704,288	\$ 11,285	\$ 9,830	\$ 223,252	\$ 128,573	\$ 35,333,047	\$ 35,333,047	35,333,047	1,012,680	\$ 0.00	\$ 0.00	36,345,725	
III. UNALLOWABLE COSTS	\$ 2,153	\$ 2,618	\$ 1,775	\$ 44	\$ 8	\$ 6	\$ 213	\$ -	\$ 258,091	\$ 258,091	258,091	1,012,680	XXXXXXXXXX	XXXXXXXXXX	1,270,771	
TOT. ALLOWABLE OPER. EXP. =	\$ 3,222,868	\$ 3,269,750	\$ 2,437,538	\$ 704,245	\$ 11,277	\$ 9,824	\$ 223,039	\$ 128,573	\$ 35,074,956	\$ 35,074,956	35,074,956	\$ -	XXXXXXXXXX	XXXXXXXXXX	\$ 35,074,955	
III. CAPITAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	



AUDIT SCHEDULE
Mental Health Resource Center, Inc.
Schedule of State Earnings for
Fiscal year 06/30/2020

1	Total Expenditures	\$	36,345,725
2	Less Other State and Federal Funds	\$	(1,584,111)
3	Less Non-Match SAMH Funds	\$	(10,878,256)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$	(1,270,771)
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$	22,612,587
6	Maximum Available Earnings (see note below)	\$	16,677,446
7	Amount of State Funds Requiring Match	\$	11,168,854
8	Amount Due to Department (Subtract line 7 from line 6)	\$	5,508,592

Note: ((Total Allowable Expenditures - Allowable Costs from CRS Grant Funded Departments).75) + (Allowable Costs from CRS Grant Funded Departments * 0.66)*

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of Revenues
For the Year Ended June 30, 2020

State and Federal Grants:	
LSF - Adult Mental Health Services	\$ 10,816,322
LSF - Children's Mental Health Services	305,996
LSF - Comprehensive Services Center	972,075
LSF - Path Grant	242,376
LSF - FACT Program	3,669,862
CFBHN - FACT Program	3,033,394
CFBHN - FACT Incidental Expenditures	616,442
CFBHN - MHDRF	19,121
SAMH - IDP Line of Credit	381,167
CFCBS - FACT Program	2,422,061
Adult care food program	45,804
HUD	347,487
Total State and Federal Grants	<u>22,872,107</u>
Other government funding:	
MHC - Problem-solving Courts (Fourth Judicial Court - State of Florida)	6,820
Low Income Pool (Agency for Healthcare Administration)	304,155
City of Jacksonville (Professional Contract and PSG)	2,209,179
Total other government funding	<u>2,520,154</u>
All other funding and revenues:	
Medicaid	498,678
Medicare	109,961
First and third-party fees	9,512,757
Contributions	7,585
Other	1,368,463
Total other funding and revenues	<u>11,497,444</u>
Total all funding and revenues	<u>\$ 36,889,705</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of the Source and Status of Funds
Received from the City of Jacksonville, Florida
For the year ended June 30, 2020

City of Jacksonville Public Service Contract (Baker Act)

Contract Number: 7694-43
 Contract Period: 10/1/2018 - 09/30/2018
 Award Amount: \$1,717,694

	<u>Budgeted</u>	Actual 10/1/2018 <u>6/30/2019</u>	Actual 7/1/2019 <u>9/30/2019</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 1,717,694	\$1,089,574	\$ 628,120	\$ -
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 1,455,443	\$ 1,046,580	\$ 408,863	\$ -
Building occupancy	39,633	30,159	9,474	-
Professional services	20,592	16,476	4,116	-
Activities and medical	28,364	20,897	7,467	-
Food services	15,146	11,144	4,002	-
Laundry and linen	5,652	4,517	1,135	-
Travel and transportation	43,222	34,599	8,623	-
Administrative overhead	109,642	82,232	27,410	-
Total	\$ 1,717,694	\$ 1,246,604	\$ 471,090	\$ -

City of Jacksonville Public Service Contract (Outpatient)

Contract Number: 7694-43
 Contract Period: 10/1/2018 - 09/30/2018
 Award Amount: \$510,938

	<u>Budgeted</u>	Actual 10/1/2018 <u>6/30/2019</u>	Actual 7/1/2019 <u>9/30/2019</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 510,938	\$ 397,190	\$ 113,748	\$ -
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 428,191	\$ 367,466	\$ 60,725	\$ -
Beds and respite care	36,325	19,246	17,079	-
Administrative overhead	46,422	38,808	7,614	-
Total	\$ 510,938	\$ 425,520	\$ 85,418	\$ -

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of the Source and Status of Funds
Received from the City of Jacksonville, Florida
For the year ended June 30, 2020

City of Jacksonville Public Service Grant

Contract Number: 7694-44
 Contract Period: 10/1/2019 - 09/30/2020
 Award Amount: \$400,000

	<u>Budgeted</u>	Actual 10/1/2019 <u>6/30/2020</u>	Actual 7/1/2020 <u>9/30/2020</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 400,000	\$ 288,577	\$ -	\$ 111,423
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 400,000	\$ 325,718	\$ -	\$ 74,282

City of Jacksonville Public Service Contract (Baker Act)

Contract Number: 7694-45
 Contract Period: 10/1/2019 - 09/30/2020
 Award Amount: \$1,250,627

	<u>Budgeted</u>	Actual 10/1/2019 <u>6/30/2020</u>	Actual 7/1/2020 <u>9/30/2020</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 1,250,627	\$ 729,532	\$ -	\$ 521,095
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 1,087,017	\$ 818,616	\$ -	\$ 268,401
Food services	7,085	6,145	-	940
Travel and transportation	39,343	25,323	-	14,020
Administrative overhead	117,182	87,887	-	29,295
Total	\$ 1,250,627	\$ 937,971	\$ -	\$ 312,656

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of the Source and Status of Funds
Received from the City of Jacksonville, Florida
For the year ended June 30, 2020

City of Jacksonville Public Service Contract (Outpatient)

Contract Number: 7694-45

Contract Period: 10/1/2019 - 09/30/2020

Award Amount: \$544,759

	<u>Budgeted</u>	Actual 10/1/2019 6/30/2020	Actual 7/1/2020 9/30/2020	Remaining Balance
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 544,759	\$ 300,187	\$ -	\$ 244,572
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 458,911	\$ 343,213	\$ -	\$ 115,698
Beds and respite care	36,325	11,316	-	25,009
Administrative overhead	49,523	34,455	-	15,068
Total	\$ 544,759	\$ 388,984	\$ -	\$ 155,775



AUDIT SCHEDULE
Mental Health Resource Center, Inc.
Schedule of Bed-Day Availability Payments
For Fiscal Year Ending 06/30/2020

Program	Covered Service	Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
A	B	C	D	E	F	G	H	I
					(D-E)		(F x C)	(G-H or \$0, whichever is greater)
Children's MH	Crisis Stabilization Unit	\$377.27	10,995	5,623.42007	5,371.57993	\$403,310.25	\$2,026,535.96	\$0.00
Adult MH	Crisis Stabilization Unit	\$377.27	20,759	8,528.15962	12,230.84038	\$4,593,880.83	\$4,614,329.15	\$0.00
Children's SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult SA	Substance Abuse Detox				0		\$0.00	\$0.00
Adult MH	Short-term Residential Treatment				0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					Total Amount Owed to Department =			\$0.00

AUDIT SCHEDULE
Mental Health Resource Center, Inc.
Schedule of Related Party Transaction Adjustments
for the Fiscal year ended 06/30/2020

Allocation of Related Party Transactions Adjustment

State-Designated Cost Centers

	Related Party	State-Designated Cost Centers															Total
		Case Management	Assessment	Adult Crisis Stabilization	Adult Crisis Support/ Emergency	Intensive Case Management	Medical Services	Community Forensic Multidisciplinary	Residential Level IV	LSF FACT	Information and Referral	Outpatient Individual	Children Crisis Stabilization	Children Crisis Support/ Emergency	Other Support Costs	Administration Costs	
Revenues From Grantee																	
Rent		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue From Grantee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Associated with Grantee Transactions																	
Personal Services	RBHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	RBHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	RBHS	-	186	9,034	326	-	381	-	-	-	407	4,210	-	-	-	-	14,544
Other	RBHS	4	8	10,103	367	-	4,268	402	-	639	4	294	1,618	14	1,789	386,664	406,174
Total Associated Expenses		4	194	19,137	693	-	4,649	402	-	639	4	701	5,828	14	1,789	386,664	420,718
Related Party Transaction Adjustment		4	194	19,137	693	-	4,649	402	-	639	4	701	5,828	14	1,789	386,664	420,718

RBHS - Renaissance Behavioral Health Systems, Inc.

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of Findings and Questioned Costs – Federal Programs
and State Projects
For the year ended June 30, 2020

Section I - Summary of Independent Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards and State Projects

Internal control over the major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are Not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for the major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) or Chapter 10.656? Yes No

Identification of federal major programs:

CFDA Number	Name of Federal Program or Cluster
93.958	Block Grants for Community Mental Health Services
93.778	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of Findings and Questioned Costs – Federal Programs
and State Projects
For the year ended June 30, 2020

Identification of state major programs:

<u>CSFA Number</u>	<u>Name of State Project</u>
60.114	Forensic Services and Competency Restoration Training
60.163	Centralized Receiving Systems

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Section II – Financial Statement Findings

There were no financial statement findings reported during the 2020 audit.

Section III – Federal Award and State Projects Findings and Questioned Costs

There were no federal award or state project findings or questioned costs reported during the 2020 audit.

Section IV – Other items

No management letter is required because there were no findings required to be reported in the management letter.

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or State projects.



R. BRUCE SHEALY
KEVIN M. FRITZ
JON E. CORNAIRE
MICHAEL R. RITCHI
GREGORY S. LACINA

ROBERT E. HALSTON
(1921 - 1986)

BERNARD J. MILLMAN, JR.
(1941 - 2019)

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

To the Board of Directors
Mental Health Resource Center, Inc.
Jacksonville, Florida

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 financial statements of Mental Health Resource Center, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 Mental Health Resource Center, Inc.'s 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ralston : Company

October 23, 2020



R. BRUCE SHEALY
KEVIN W. FRITZ
JON E. COFFNAIRE
MICHAEL R. RITCHIE
GREGORY S. LACINA

ROBERT L. HALSTON
(1921 - 1986)

BERT J. PITTMAN JR.
(1914 - 2019)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors
Mental Health Resource Center, Inc.
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Mental Health Resource Center, Inc.'s (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of Mental Health Resource Center, Inc.'s major Federal programs and state projects for the year ended June 30, 2020. Mental Health Resource Center, Inc.'s major Federal programs and major 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 Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State Projects applicable to its Federal programs and State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mental Health Resource Center, Inc.'s major federal programs and major 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650 *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and major state project occurred. An audit includes examining, on a test basis, evidence about Mental Health Resource Center, Inc.'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 on Mental Health Resource Center, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Mental Health Resource Center, Inc. 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 June 30, 2020.

Report on Internal Control over Compliance

Management of Mental Health Resource Center, Inc. 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 Mental Health Resource Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program and 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 the internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mental Health Resource Center, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program and State 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 major Federal program and 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 major Federal program and 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 the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Ralston : Company

October 23, 2020