

CONSOLIDATED FINANCIAL STATEMENTS,
OTHER INFORMATION, SUPPLEMENTARY
INFORMATION, OTHER REPORTS AND SCHEDULE

Lakeview Center, Inc. and Subsidiaries
Years Ended September 30, 2021 and 2020
With Report of Independent Auditors

Ernst & Young LLP



Lakeview Center, Inc. and Subsidiaries

Consolidated Financial Statements, Other Information,
Supplementary Information, Other Reports and Schedule

Years Ended September 30, 2021 and 2020

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Lakeview Center, Inc. and Subsidiaries

Consolidated Financial Statements, Other Information,
Supplementary Information, Other Reports and Schedule

Years Ended September 30, 2021 and 2020

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Report of Independent Auditors

Management and the Board of Directors
Lakeview Center, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Lakeview Center, Inc. and Subsidiaries (the Center), which comprise the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of operations and changes in net assets and 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 conformity 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Lakeview Center, Inc. and Subsidiaries as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information relating to Access Behavioral Health (Regulatory Basis) and DUI School are presented on pages 54 through 61 for purposes of additional analysis and are 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. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The accompanying schedule of expenditures of federal awards and state financial assistance as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and by Chapter 10.650, *Rules of the Auditor General*, presented on pages 62 through 71 is presented for purposes of additional analysis as required for Uniform Guidance 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. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The accompanying Schedule of Functional Revenues and Expenses (Regulatory Basis), the Schedule of State Earnings (Regular Basis), Schedule of Related-Party Transaction Adjustments (Regulatory Basis) 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 is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated January 6, 2022 on our consideration of the Center'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's 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 Center's internal control over financial reporting and compliance.

Ernst + Young LLP

January 6, 2022

Lakeview Center, Inc. and Subsidiaries

Consolidated Balance Sheets

	September 30	
	2021	2020
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,678	\$ 53,907
Investments	277	126,578
Accounts receivable:		
Client accounts receivable, net	1,268	1,307
Governmental funding sources receivable	6,355	10,973
Vocational service contracts receivable	15,929	26,100
Other accounts receivable	2,390	1,789
Inventories	874	1,017
Prepaid expenses	1,467	1,624
Total current assets	<u>53,238</u>	<u>223,295</u>
Investments limited as to use, designated for:		
Capital improvements	–	35,375
Statutorily required cash designation	–	11,649
Regulatory requirements	–	5,661
Other	–	3,530
	<u>–</u>	<u>56,215</u>
Property and equipment, net	25,384	25,768
Interest in net assets of related organization	–	2,252
Intercompany receivable	–	11,874
Operating leases right-of-use asset	9,170	9,816
Other assets	201	268
Total assets	<u>\$ 87,993</u>	<u>\$ 329,488</u>

	September 30	
	2021	2020
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 7,511	\$ 18,360
Accrued liabilities	17,181	12,457
Intercompany payable	6,621	–
Current portion of long-term debt	35	170
Current portion of operating lease obligation	1,971	2,271
Compensated absences	4,911	5,661
Total current liabilities	<u>38,230</u>	<u>38,919</u>
Long-term debt, less current portion	548	1,179
Operating lease obligation, less current portion	7,684	8,012
Total liabilities	<u>46,462</u>	<u>48,110</u>
Net assets:		
Without donor restrictions		
Undesignated	40,573	224,548
Designated	–	56,215
Total without donor restrictions	<u>40,573</u>	<u>280,763</u>
With donor restrictions	958	615
Total net assets	<u>41,531</u>	<u>281,378</u>
Total liabilities and net assets	<u>\$ 87,993</u>	<u>\$ 329,488</u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2021	2020
	<i>(In Thousands)</i>	
Revenue and other support without donor restrictions:		
Federal, state, and local financial awards	\$ 86,480	\$ 82,527
Net client service fees	20,590	17,850
Vocational service contracts	192,130	188,605
Contract revenue	30,415	30,216
Other fees and support	497	489
In-kind services	1,152	1,133
Management fees	134	542
Contributions	670	474
Other	245	340
Total revenues and other support without donor restrictions	332,313	322,176
Expenses:		
Salaries and wages	125,849	120,613
Fringe benefits	40,604	34,170
Building occupancy	6,629	7,287
Professional fees	12,590	12,096
Contract medical services	17,281	16,520
Travel	2,189	2,209
Equipment costs	4,177	3,859
Food services	2,498	2,895
Medical/pharmacy services	11,093	8,937
Subcontracted services	63,257	72,954
Subsidy payments	29,427	26,552
Personal welfare	2,626	2,376
Insurance	1,124	864
Interest	70	106
Donated items	1,032	1,014
Depreciation	2,889	3,037
Other operating expenses	5,858	5,285
Total expenses	329,193	320,774
Income from operations	3,120	1,402
Nonoperating gains:		
Investment income	7,756	5,571
Weather event income (expenses)	137	(391)
Allocated share of Pool's net unrealized gains on trading securities	12,634	2,900
Total nonoperating gains	20,527	8,080
Excess of revenues, other support, and gains over expenses and losses	23,647	9,482

Lakeview Center, Inc. and Subsidiaries

Consolidated Statements of Operations
and Changes in Net Assets (continued)

	Year Ended September 30	
	2021	2020
	<i>(In Thousands)</i>	
Net assets without donor restrictions		
Excess of revenues, support, and gains over expenses and losses	\$ 23,647	\$ 9,482
Other changes in unrestricted net assets	(262,200)	-
Change in interest in net assets of recipient organization	(1,637)	(419)
Change in net assets without donor restrictions	<u>(240,190)</u>	9,063
Net assets with donor restrictions		
Change in restricted foundation fund	958	-
Change in interest in net assets of recipient organization	(615)	(16)
Change in net assets with donor restrictions	<u>343</u>	(16)
Change in net assets	(239,847)	9,047
Net assets at beginning of year	<u>281,378</u>	272,331
Net assets at end of year	<u>\$ 41,531</u>	<u>\$ 281,378</u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2021	2020
	<i>(In Thousands)</i>	
Operating activities		
Change in net assets	\$ (239,847)	\$ 9,047
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,886	2,995
Gain on sale and retirement of property and equipment	3	42
Allocated share of Pool's net unrealized (gains) losses on trading securities	(12,634)	(2,900)
Change in interest in net assets of related organization	2,252	435
Changes in operating assets and liabilities:		
Change in investments	210,207	—
Client accounts receivable	39	19
Governmental funding sources receivable	4,618	(6,693)
Vocational service contracts receivable	10,171	334
Other accounts receivable	(601)	2,366
Inventories	143	(170)
Prepaid expenses	157	146
Other assets	85	470
Accounts payable	(10,849)	5,768
Accrued liabilities	4,724	2,163
Compensated absences	(750)	1,068
Net cash (used in) provided by operating activities	<u>(29,396)</u>	<u>15,090</u>
Investing activities		
Purchases of property and equipment	(2,505)	(2,818)
Purchases of investments	(38,495)	(50,949)
Sales of investments	20,080	43,654
Net cash used in investing activities	<u>(20,920)</u>	<u>(10,113)</u>

Continued on next page

Lakeview Center, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

	Year Ended September 30	
	2021	2020
	<i>(In Thousands)</i>	
Financing activities		
Repayments of long-term debt	\$ (766)	\$ (160)
Net repayments from (to) affiliated organization	18,495	(2,736)
Net cash provided by (used in) financing activities	17,729	(2,896)
Net change in cash, restricted cash and cash equivalents	(32,587)	2,081
Cash, restricted cash and cash equivalents at beginning of year	57,265	55,184
Cash, restricted cash and cash equivalents at end of year	\$ 24,678	\$ 57,265
Supplemental disclosure of cash flow information		
Interest paid	\$ 70	\$ 106

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Dollars in Thousands)

September 30, 2021

1. Organization and Summary of Significant Accounting Policies

Organization

Lakeview Center, Inc. (the Center), a nonprofit organization, was incorporated in 1954, as Community Mental Health Center of Escambia County, Inc. The mission of the Center, including all of its subsidiaries, is to help people through life's journey by providing behavioral health services, vocational services, and child protective services. The Center was an affiliate of Baptist Health Care Corporation (BHCC) under an affiliation agreement in which BHCC was the sole member of the Center. This arrangement terminated on September 30, 2021 when the Center was purchased by LCI II, Inc., now the sole member of the Center.

Lakeview Place, Inc. and CMHC Hernandez House, Inc. are U.S. Department of Housing and Urban Development (HUD) multi-unit dwellings owned by the Center, that provide housing facilities and services to people diagnosed with mental illness. The contract for CMHC Hernandez House, Inc. ended September 30, 2021. Subsequent to September 30, 2021, operations will be included in the Center operations. Lakeview Villa, Inc. is a HUD apartment complex owned by the Center that provides low-cost housing facilities and services to persons with chronic mental illness.

The Center acquired Chautauqua Healthcare Services, Inc., a small regional behavioral health agency in Walton County, FL on March 31, 2019. This allowed the Center to expand throughout the four county Region.

On September 30, 2021 the Center was acquired by LCI II, Inc. pursuant to the Member Substitution Agreement. LCI II, Inc. purchased the sole corporate membership in the Center from BHCC for \$28,327.

In connection with the acquisition of the Center on September 30, 2021, the Center considered the guidance outlined in Financial Accounting Standards Board Accounting Standards Update No. 2014-17 (ASU 2014-17), *Business Combinations (Topic 805): Pushdown Accounting*. ASU 2014-17 permits an acquired entity to elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. An acquired entity should determine whether to elect to apply pushdown accounting for each individual change-in-control event in which an acquirer obtains control of the acquired entity. An election to apply pushdown accounting in a reporting period after the reporting period in which the change-in-control event occurred

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

should be considered a change in accounting principle in accordance with Topic 250, *Accounting Changes and Error Corrections*. If pushdown accounting is applied to an individual change-in-control event, that election is irrevocable.

The Company elected not to apply pushdown accounting relating to the September 30, 2021 acquisition of the Center. As a result, the Center did not establish a new basis of accounting for the individual assets and liabilities of the acquiree by applying the guidance in other Subtopics of Topic 805 and did not recognize goodwill that arises because of the application of pushdown accounting in these separate consolidated financial statements.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Lakeview Center, Inc. and its related entities: Global Connections to Employment, Inc.; Chautauqua Healthcare Services, Inc.; Lakeview Villa, Inc.; Lakeview Place, Inc.; and CMHC Hernandez House, Inc., as those entities are controlled by the same management and share economic interests. All inter-entity transactions have been eliminated in consolidation. See Note 16 for summary financial data for these related entities.

Operating and Nonoperating Activities

The Center's primary mission is to provide a broad range of behavioral health services, vocational services, and child protective services to citizens of the region and nationally, across 12 states and the District of Columbia. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses unrelated to the Center's primary mission are considered nonoperating. Nonoperating gains and losses include income and losses from investments and earnings on investments.

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions. These estimates and assumptions affect certain reported amounts of assets and liabilities at the date of the consolidated financial statements and revenues and expenses recognized during the reporting period. Accordingly, actual results may differ from those estimates.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Net Assets

The Center reports information regarding financial position and activities according to two classes of net assets: with and without donor restriction. Net assets are classified based on the existence or absence of donor-imposed restrictions, if any, that may or may not be met by actions of management or by the passage of time.

The net asset categories reflected in the accompanying consolidated financial statements are as follows:

- *Without donor restriction*– Net assets that are free of donor-imposed restrictions, including all revenues, expenses, gains, and losses that are not changes in net assets with donor restrictions
- *With donor restriction* – Net assets whose use by the Center is limited by donor-imposed stipulations that may or may not expire by passage of time or that can or cannot be fulfilled or removed by action of the Center pursuant to those stipulations.

Contributions

In fiscal year ended September 30, 2020, the Center recorded contributions received on its behalf by Baptist Health Care Foundation, an affiliated fundraising foundation, as being with or without donor restriction depending on the existence and/or nature of any donor restrictions. Those funds were transferred to the Center in fiscal year 2021 and contributions are now received directly.

Cash Equivalents

The Center considers all highly liquid investment instruments with maturities of three months or less when purchased to be cash equivalents. Highly liquid debt instruments with original maturities of three months or less that are included as part of the investment portfolio are excluded from cash equivalents as they are commingled with longer-term investments. Cash deposits are federally insured in limited amounts.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	September 30	
	2021	2020
Cash and cash equivalents	\$ 24,678	\$ 53,907
Restricted cash included in investments limited as to use	—	3,358
Cash, cash equivalents, restricted cash, and restricted cash equivalents shown in the statement of cash flows	<u>\$ 24,678</u>	<u>\$ 57,265</u>

Investments and Investment Income

Investments consisted primarily of the Center's participation in the BHCC investment pool (the Pool), participants in which include certain subsidiaries of BHCC. The Pool's investments in equity securities with readily determinable values and debt securities are stated at fair value. The Center's allocated investment income or loss (including realized and unrealized gains and losses over expenses unless the income is restricted by donor or law. The Center accounts for investment transactions on a settlement-date basis.

The Pool invests in alternative investments (primarily hedge funds and a real estate investment fund) through partnership investment trusts. These alternative investments provide the Pool with a proportionate share of investment gains and losses. The partnership investment trusts generally contract with a manager who has full discretionary authority over investment decisions. The Pool accounts for its ownership interests in these alternative investments under the equity method. Upon the disaffiliation with BHCC, all pool investments remained with BHCC.

Net Client Service Revenue and Accounts Receivable

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per service, reimbursed costs, discounted charges, and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Allowance for Uncollectible Accounts

Accounts receivable are written off after collection effort has been followed in accordance with the Center's policies. Accounts written off as uncollectible are deducted from the allowance for uncollectible accounts and subsequent recoveries are added. Periodically, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible receivables.

Contract and Other Receivables

Receivables for contracted services are typically deemed wholly collectible as they are due from governmental units, grantors, and third-party paying agencies.

Inventories

Inventories (primarily pharmaceutical and food) are stated at the lower of cost (average cost method) or net realizable value using the first-in, first-out method.

Investments Limited as to Use

Investments limited as to use included assets designated by the Board of Directors (the Board) for future capital improvements, including amounts required to be set aside for capital improvements under contracts between the Center's related entities and HUD; amounts as indicated by regulatory requirements, including DUI state-licensed programs, Agency for Health Care Administration (AHCA), Office of Insurance Regulation, and HUD; and amounts for other uses as specified by the Board. With the exception of investments designated due to regulatory requirements, the Board retains control and may, at its discretion, subsequently use these assets for other purposes. The Board lifted this requirement in fiscal year 2021.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions are recorded at historical cost. Property and equipment donated to the Center are recorded at fair value at the date of receipt. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Estimated useful lives of depreciable assets are as follows:

Buildings	40 years
Furniture and equipment	3–7 years
Building and land improvements	10–20 years

Compensated Absences

Employees are entitled to accumulate a limited amount of earned but unused annual leave. Accordingly, the Center records an accrual for earned, unused, vested annual leave in accordance with the Center's policy. Upon separation from the Center, employees are entitled to this amount of unused vested leave.

Net Client Service Fees

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per completion of service, reimbursed costs, and discounted charges. Net client service fees are reported at the estimated net realizable amounts from clients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

The Center accepts clients in immediate need of care, regardless of their ability to pay, and serves certain clients whose care costs are not paid at established rates, including those sponsored under government programs such as Medicare and Medicaid, those sponsored under private contractual agreements, charity clients, and other uninsured clients who have limited ability to pay. The Center recognizes client service fee revenue associated with clients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured clients who do not qualify for charity care, revenue is recognized on the basis of discounted rates in accordance with the Center's policy.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

A summary of the payment arrangements with major third-party payors follows:

Medicare – Client services rendered to Medicare program beneficiaries are reimbursed under a fee-for-service methodology.

Medicaid – Client mental health and substance abuse services rendered to Medicaid program beneficiaries are reimbursed under a capitated arrangement.

Other – The Center has also entered into payment agreements with certain insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates and discounts from established charges.

Charity Care

Quality care is provided to all persons requiring immediate treatment regardless of their ability to pay. An individual is classified as a charity client by reference to certain established policies of the Center. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a client's ability to pay, the Center utilizes the most recently published federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to income. These charges are subtracted in the net client service fees calculation.

The Center estimates the direct and indirect costs of providing charity care by applying a cost to gross charges ratio to the gross uncompensated charges associated with providing charity care to clients. The cost of providing charity care was \$5,206 and \$5,149 for the years ended September 30, 2021 and 2020, respectively.

Medicaid Managed Medical Assistance Contract Revenue

The Center is licensed as a prepaid limited health services organization pursuant to Chapter 636, *Florida Statutes*. Effective August 1, 2014, the Center, doing business as Access Behavioral Health, was awarded contracts with the Medicaid Managed Medical Assistance Plan (the MMA Plan). The Center receives a per-member per-month rate to provide mental health and substance

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

abuse services to an annual average of 110,000 Medicaid beneficiaries in Florida's Regions 1 and 2. Amounts received are recognized as contract revenue during the period in which the Center is obligated to provide services to beneficiaries. Approximately \$30,415 and \$30,216 was recognized as revenue under the MMA Plan during the years ended September 30, 2021 and 2020, respectively.

Medicaid Managed Medical Assistance Plan Costs

The Center is directly responsible for providing mental health and substance abuse services to beneficiaries residing in Escambia, Santa Rosa, and Walton counties, representing approximately 62% of the covered lives under the MMA Plan. The Center has entered into subcontracts with three comprehensive community mental health centers to provide mental health services to the MMA Plan beneficiaries residing in the other counties in these Regions. These subcontracts are typically on a full-risk capitated basis. However, one sub provider was under a fee-for-service contract for the majority of FY20. The mental health services covered under the MMA Plan are generally the same as those covered under the Medicaid fee-for-service program. Covered services include inpatient psychiatric care, outpatient care, substance abuse, and physician services. The majority of services for which the Center is directly responsible is provided within its own service delivery system; however, some services are contracted for on a fee-for-service basis with local area hospitals and providers. A provision has been made for these services rendered but not reported as of September 30, 2021 and 2020.

Interest in Net Assets of Recipient Organization

Interest in net assets of recipient organization represents contributions received on behalf of the Center by Baptist Health Care Foundation, as well as any gains or losses experienced on the investment of those contributions. These funds held by the Foundation were transferred to the Center prior to the disaffiliation.

Income Taxes

The Center and its related entities are exempt from federal income taxes under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and are also exempt from state income taxes.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, prescribes the accounting for uncertainty in income tax positions recognized in financial statements. ASC Topic 740 provides guidance for recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There were no material uncertain tax positions as of September 30, 2021 or 2020.

Cost Allocation

The Center uses several methods to allocate organization and overhead costs among program and support areas. Workers' compensation is allocated based on industry standard rates and salary expense. Unemployment, and administrative costs have personnel expense as their basis. Health plans are allocated based on plan participation. Property and auto insurances are allocated proportionately among those who benefit from the asset covered. General liability uses a staff-based allocation.

Recent Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). The amendments in ASU 2020-07 require contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, as well as disclosures to provide greater transparency on the contributed nonfinancial assets. ASU 2020-07 should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Management is currently evaluating the impact of ASU 2020-07 on the Center's consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (ASU 2020-04). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of ASU 2020-04 on the Center's consolidated financial statements.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

In January 2020, the FASB issued ASU No. 2020-01, *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)* (ASU 2020-01). The amendments in ASU 2020-01 clarify certain interactions between the guidance to account for certain equity securities under Topic 321, the guidance to account for investments under the equity method of accounting in Topic 323, and the guidance in Topic 815, which could change how an entity accounts for an equity security under the measurement alternative. ASU 2020-01 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Management is currently evaluating the impact of ASU 2020-01 on the Center's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes* (ASU 2019-12). The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740, and also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Management is currently evaluating the impact of ASU 2019-12 on the Center's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans* (ASU 2018-14). The amendments in ASU 2018-14 modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020. Management is currently evaluating the impact of ASU 2018-14 on the Center's consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation-Retirement Benefits* (ASU 2017-07). The amendments in ASU 2017-07 require that an employer report the service cost component of the net periodic benefit cost in the same line item as other employee compensation costs. The other components of net benefit cost will be required to be presented in the income statement separately from the service cost component and outside of any subtotal of operating income (i.e., in non-operating income). ASU 2017-07 is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The adoption of ASU No. 2017-07 did not have a material impact to the Center's consolidated financial statements.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*, which changes how entities will account for credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The new standard replaces today’s ‘incurred loss’ model with an ‘expected credit loss’ model that requires consideration of a broader range of information to estimate expected credit losses over the lifetime of the asset. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. In April 2019, the FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments (ASU 2019-04)*, which updates, clarifies, and improves various aspects of ASU 2016-13. In November 2019, the FASB issued ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses*, which clarifies and addresses specific issues about certain aspects of the amendments in ASU 2016-13. Management is currently evaluating the impact that adoption may have on the Center’s consolidated financial statements.

2. Cash and Investments

The composition of cash, investments, and investments limited to use is as follows:

	September 30	
	2021	2020
Interest in the Pool	\$ –	\$ 141,844
Cash and cash equivalents	24,678	53,907
U.S. corporate obligations	–	18,163
U.S. treasury and government agencies obligations	–	18,057
Other	277	4,729
	\$ 24,955	\$ 236,700

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Cash and Investments (continued)

The investments included in the Pool comprised the following:

	September 30	
	2021	2020
Equity securities and mutual funds that invest in equity securities	–%	14%
Mutual funds that invest in fixed-income securities	–	13
Alternative investments	–	25
Cash and cash equivalents	–	7
U.S. treasury and government agencies obligations	–	4
U.S. corporate obligations	–	34
Mortgages and other asset-backed securities	–	3
	–%	100%

Investment income comprised the following:

	Year Ended September 30	
	2021	2020
Excess of revenue, support, and gains over expenses and losses:		
Investment return included in nonoperating gains:		
Interest and dividend income	\$ 322	\$ 2,173
Allocated share of Pool's:		
Investment income	2,125	2,557
Realized gains on sales of securities	5,309	841
Net unrealized gains on trading securities	12,634	2,900
	\$ 20,390	\$ 8,471

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

3. Concentrations of Credit Risk

The Center receives client service fees revenue from three primary sources: Medicaid and Medicare, other third-party payors, and client payments. The following indicates the applicable percentages of accounts receivable from those sources:

	September 30	
	2021	2020
Medicaid and Medicare	28%	32%
Other third-party payors	65	59
Client payments	7	9
	100%	100%

4. Property and Equipment

Major classifications of property and equipment are summarized as follows:

	September 30	
	2021	2020
Buildings and improvements	\$ 35,995	\$ 34,917
Furniture and equipment	18,997	23,827
Land	3,863	3,327
Construction-in-progress	216	347
	59,071	62,418
Less accumulated depreciation	(33,687)	(36,650)
	\$ 25,384	\$ 25,768

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

5. Long-Term Debt

Long-term debt consists of the following:

	September 30	
	2021	2020
Note payable to Bank of America, interest at 4.68%, monthly payments of \$12,921 including interest, secured by real property and assignments of leases and rents, maturing December 2025. This debt was paid in full in 2021.	\$ —	\$ 720
Note payable to HUD, interest at 9.0%, monthly payments of \$5,000 including interest, secured by real property, maturing May 2032	422	444
Note payable to HUD, interest at 8.375%, monthly payments of \$2,000 including interest, secured by real property, maturing March 2032	161	170
Note payable to HUD, interest at 9.25%, monthly payments of \$1,000 including interest, secured by real property, maturing October 2021	—	15
	583	1,349
Less current portion	(35)	(170)
	\$ 548	\$ 1,179

Following are maturities of long-term debt for each of the next five years and thereafter:

	Amount
Year ending September 30:	
2022	\$ 35
2023	38
2024	41
2025	45
2026	49
Thereafter	375
	\$ 583

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Long-Term Debt (continued)

The Center added debt in fiscal year 2019 as part of the Chautauqua Healthcare Services (CHCS) acquisition. The note payable to Bank of America was \$720 at September 30, 2020. Bank of America made no changes to the loan as a result of the acquisition. This note was paid in full during fiscal year 2021.

During fiscal year 2010, Baptist Hospital, Inc. (Baptist), an affiliate of BHCC, issued \$194,000 in bonds (the Bonds) through the Escambia County Health Facilities Authority (the Authority) to extinguish previously issued bonds; to pay or reimburse Baptist for the cost of acquiring, constructing, and equipping certain capital projects; to pay the related cost of issuance; and to fund a debt service reserve and capitalized interest fund. The Bonds are limited obligations of the Authority, payable principally from the receipts of loan agreements between the Authority and Baptist. The Bonds are secured by a gross revenue pledge of Baptist and a mortgage on the Gulf Breeze Hospital (an affiliate of BHCC) campus. Baptist and the Center comprise the Combined Group under a Master Trust Indenture, and the Center, as a restricted affiliate under the Master Trust Indenture, agrees to be bound by its terms but is not directly liable for obligations issued under the Master Trust Indenture. The Master Trust Indenture requires certain covenants and reporting requirements to be met by the Combined Group. The total amount of the Bonds outstanding, net of unamortized issue costs and unamortized bond discount, is \$118,402 at September 30, 2021. The investments the Center held as an affiliate and as part of the Obligated Group were transferred to BHCC as part of the disaffiliation. The Center is no longer part of the Obligated Group.

2020 Health Facilities Revenue Bonds

In February 2020, \$542,660 of Health Facilities Revenue Bonds, Series 2020A (the 2020A Bonds) and \$67,645 of Health Facilities Taxable Revenue Bonds, Series 2020B (the 2020B Bonds), were issued by the Escambia County Health Facilities Authority (the Authority) on behalf of BHCC at fixed rates ranging from 3.0% to 5.0% for the 2020A Bonds, and 3.6% for the 2020B Bonds. The proceeds are primarily to pay or reimburse BHCC for costs incurred in the construction of a new flagship hospital, to refund certain other debt, to pay a portion of interest on the 2020A Bonds, and to pay certain expenses in connection with issuance.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Long-Term Debt (continued)

The 2020A and 2020B Bonds are limited obligations of the Authority payable from payments received by the Bond Trustee under loan agreements between the Authority and the Obligated Group. Under a Master Trust Indenture, the Obligated Group consists of substantially all of BHCC, excluding Ventures and certain joint ventures and subsidiaries of Baptist. The 2020A and 2020B Bonds are secured by a pledge of the unrestricted receivables of each member of the Obligated Group. The Master Trust Indenture requires certain covenants and reporting requirements to be met by the Obligated Group. All covenants were complied with for the year ended September 30, 2021. The investments the Center held as an affiliate and part of the Obligated Group were transferred to BHCC as part of the disaffiliation. The Center is no longer part of the Obligated Group.

6. Leases

On October 1, 2019, the Center adopted FASB's ASU 2016-02, *Leases*, electing to apply the optional transition method, which allows entities to forgo comparative reporting requirements. For leases that commenced before the effective date of ASU 2016-02, the Center elected the package of transition provisions available that allowed carryforward of the historical assessment of (1) whether contracts are or contain leases, (2) lease classification for any expired leases and (3) initial direct costs. In addition, the Center does not separate lease and non-lease components.

The Center's leases are primarily for real estate. The Center determines if an arrangement is a lease at contract inception. Lease assets and lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the leases do not provide an implicit rate of return, the Center used a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from months to years. The exercise of such lease renewal options is generally at the Center's sole discretion. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that option will be utilized.

Leases with a lease term of 12 months or less at commencement are not recorded on the consolidated balance sheets. Lease expense for these arrangements is recognized on a straight-line basis over the lease term.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

6. Leases (continued)

Operating leases consist of the following:

	September 30	
	2021	2020
Operating leases		
Operating lease assets	\$ 9,170	\$ 9,816
Current portion of operating lease obligation	\$ 1,971	\$ 2,271
Operating lease obligation, less current portion	7,684	8,012
Total operating lease liabilities	\$ 9,655	\$ 10,283

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense are as follows:

	September 30	
	2021	2020
Operating lease expense	\$ 2,341	\$ 3,016
Short-term lease expense	316	170
Total lease expense	\$ 2,657	\$ 3,186

Lease term and discount rate are as follows:

	September 30	
	2021	2020
Weighted-average remaining lease terms:		
Operating leases	10.35 years	6.1 years
Weighted-average remaining lease terms:		
Operating leases	3.76%	1.6%

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

6. Leases (continued)

The following table summarizes the maturity of lease liabilities under operating leases for the next five years and the years thereafter, as of September 30, 2021:

	Operating Leases
	<u> </u>
2022	\$ 2,111
2023	1,885
2024	1,756
2025	1,423
2026	1,081
Thereafter	<u>1,873</u>
Total lease payments	10,129
Less: imputed interest	<u>474</u>
Total lease liabilities	<u><u>\$ 9,655</u></u>

Supplemental cash flow information related to leases are as follows:

	September 30	
	<u>2021</u>	<u>2020</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 2,341	\$ 2,950
Lease assets obtained in exchange for new operating lease liabilities	—	—

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Leases (continued)

The estimated future minimum lease payments under noncancellable operating leases at September 30, 2021 consisted of the following:

2022	\$	2,111
2023		1,885
2024		1,756
Thereafter		4,377
	\$	<u>10,129</u>

Rent expense for the years ended September 30, 2021 and 2020, amounted to \$2,657 and \$3,180, respectively.

7. Sources of Revenue

Federal, State, and Local Financial Awards

The Center receives funding from several Government and other agencies to provide behavioral health and child protective services to clients in our four-county region. This revenue is predominantly deemed to be unconditional contribution revenue and not governed under the ASC 606 guidance. The contractual obligations with these payors are met as services are provided. These contracts are billed monthly. The Center expects to be paid for all services provided. Adjustments are made as they arise for any services that will not be reimbursed.

Net Client Service Revenue

The Center's client service revenues generally relate to contracts with clients in which the performance obligation is to provide behavioral health care services. Revenues are recorded during the period the obligations are satisfied. The obligations are generally satisfied over a day or more for residential or inpatient programs or less for outpatient services. The contractual relationships with clients often involve a third-party payor and the transaction prices for the services provided are dependent upon the terms provided by or negotiated with the third-party payors. The payment arrangements with third party payers for services provided to clients are typically for rates lower than the customary and standard fees. The differences in these rates are considered to be explicit price concessions.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Sources of Revenue (continued)

Client service revenue is based upon the estimated amounts expected to be received from the clients and any third-party payors. Explicit price concessions are estimated at the time revenue is recorded and may be adjusted in future periods, as final settlements are determined. The Center elected to use the portfolio approach to assess collectability due to the large volume of similar contracts with similar classes of customers. The effect of applying the portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, aggregating all contracts (which are at the patient level) by the particular payor or group of payors will result in the recognition of the same amount of patient service revenue as applying the analysis at the individual patient level.

Net client service fee revenue is not recognized for those clients that qualify for charity under the Center's charity care policies. For all others, service fee revenue, net of explicit price concessions and other deductions recognized from major payor sources is as follows:

	Year Ended September 30	
	2021	2020
Third-party payors, net of deductions	\$ 15,778	\$ 14,923
Self-pay clients, net of deductions	4,812	2,927
	<u>\$ 20,590</u>	<u>\$ 17,850</u>

Revenues from the Medicare and Medicaid programs accounted for approximately 43% and 38% of the Center's net client service fees for the years ended September 30, 2021 and 2020, respectively. 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 will change by a material amount. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Center.

Vocational Service Contracts

The Center's vocational service revenues generally relate to contracts with federal, state or local customers in which the performance obligation is to provide various "bundled" type services to our customers. The Center has contractual obligations to provide services as outlined in the statement of work within each formal contract. Although the services within each business line are

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

7. Sources of Revenue (continued)

distinct, they are bundled services transferred consecutively on a monthly basis as a line of business. The lines of business consist of business services, custodial services, food services, facilities maintenance, health care environmental services, information technology, as well as employment support services. The performance obligations for vocational contracts are spelled out in the contract either in the performance work statement or other applicable section of the contract. These bundled services are invoiced each month at the contract price over the life of the contract period. Revenues for these services are recognized on a monthly basis as the services are performed. A summary for the years ended September 30, 2021 and 2020 is presented below:

	<u>2021</u>	<u>2020</u>
Federal	\$ 185,059	\$ 180,541
State	1,089	1,220
Local	6,021	6,784
Other	(31)	60
	<u>\$ 192,138</u>	<u>\$ 188,605</u>

Each distinct service is satisfied over time and the measurement of progress toward satisfaction of the performance obligation is the same for each of the services in the series (monthly services) in accordance with the contracts in place. Each contract for the above series of services (business line) delivers the services over an annual or multi-year period and is measured monthly, consistent with the billing for these services. Each line of business is considered a series of distinct services performed and treated as a single performance obligation that is set each month as services are provided.

The monthly payment and methodology are fixed in each contract. All business lines and other services in each contract are valued at their standalone value of the service in the contract. There are no instances where a service or product is provided at no value or a value below its standalone value (discounted) as stated in a contract. Each business line has a fixed price that is recognized over the period the performance obligation is met. Contracts with time and materials (T&M) provisions have the hourly rate and materials recorded at their standalone value and are not discounted as a part of the overall contract. As nearly all contracts are with government/state organizations, collectability is assured as we have nearly no history of uncollectable amounts for services rendered. As such, no variable consideration is included in the determination of the transaction price for each contract.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Sources of Revenue (continued)

Contract Revenue

The Center as a managed care provider receives payments under an agreement with Medicaid Managed Healthcare prepaid health plans (MMA plans), which obligates the Center to stand ready to provide or obtain services for qualified beneficiaries (individuals who enroll with an MMA plan). The qualified beneficiaries sign up with the MMA plans to participate in such a health plan. These payments are referred to as capitation fees. The payment is calculated using a per member per month rate (PMPM rate) for each qualified beneficiary.

The Center has two performance obligations related to Managed Care contract revenue that are both paid through capitation revenues – administrative services and behavioral healthcare services.

The first is the administrative services component of the MMA Plan in the amount of 12.5% of the capitation revenue which is for the administrative, recordkeeping and other services of the plan activities. All these services are not considered distinct individually but are a series of services delivered simultaneously each month as a single performance obligation. Like the capitation revenue described above and below for providing healthcare services, the administrative services are also stand ready obligations recognized over time.

The second performance obligation is for healthcare services as detailed above. These are stand ready performance obligations and although may incorporate several different lines of services are deemed a single performance obligation delivered over time as measured each month.

Transaction price considerations include monthly capitation payment, retroactive adjustments, incentive payments and other risk pool adjustments.

The capitation fees do not vary with of the volume of behavioral health services provided and are exclusive of any client copayments or deductibles under their respective plans. Therefore, the Center bears the risk of providing goods and services or contracting for services that the beneficiary is entitled to receive.

In addition to the capitation fees, the amount of contract revenue may be affected by factors such as reinsurance recoveries, retroactive adjustments for member eligibility, risk pools adjustments such as financial incentives and quality targets, and other adjustments. The Company has concluded that based on the immaterial nature of the adjustments no variable consideration need be included in the transaction price related to the capitation fees.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Sources of Revenue (continued)

The contracts specify that 12.5% of the capitation fees are related to administrative services and 87.5% of the fees are related to the remaining healthcare services therefore the Center has allocated the transaction price to the two performance obligations based on the terms of the contract.

Capitation arrangements represent a stand-ready obligation to provide services to qualified beneficiaries. The Center recognizes monthly capitation fees as Managed Care contract revenue over time when the periods for which the qualified beneficiary is entitled to services are completed.

8. In-Kind Contributions

In-kind contributions and expenses represent the value assigned to instructional services provided by Escambia County School Board educators, as well as donated prescription drugs from the State of Florida. In-kind contributions are recognized if the services or goods received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions for the years ended September 30, 2021 and 2020, amounted to \$1,152 and \$1,133, respectively.

9. Retirement Plan

The Center provides a tax deferred annuity 403(b) retirement plan (Plan) to all eligible employees. Employees who work a minimum of 20 hours per week are eligible to participate in the Plan after completing one year of employment. Voluntary employee contributions are allowed to the extent permitted by law. The Center matched each eligible participant's pay period contribution to the Plan up to 3% of each eligible participant's compensation. In compliance with Internal Revenue Service regulations, employer contributions for eligible participants vest under a six-year graduated vesting schedule. Plan expense for the years ended September 30, 2021 and 2020, amounted to \$1,632 and \$1,968, respectively.

10. Support from the State of Florida Requiring Match

The Center received a substantial portion of its support from the state of Florida under grant contract number AO110 with the Florida Department of Children and Families (DCF) Substance Abuse and Mental Health Program. This contract must be renegotiated annually. The contract requires a 18.8% local match for certain community mental health services. This local match requirement has been met for both 2021 and 2020.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Related-Party Transactions

The Center managed West Florida Community Care Center pursuant to a contract with DCF which ended in fiscal year 2021. For the years ended September 30, 2021 and 2020, the Center received \$60 and \$467, respectively, for the management of that institution.

The Center had several transactions with BHCC and its affiliated entities and had a net receivable from BHCC in the amount of \$627 and \$11,874 at September 30, 2021 and 2020, respectively. These are included in other receivables and intercompany receivables, respectively. Although no longer affiliated, some transactions will continue for up to eighteen months post-disaffiliation as shared services are transitioned.

Additionally, the Center received \$75 in management fees from BHCC for the years ended September 30, 2021 and 2020, \$5,673 and \$5,474 for services rendered and \$39 and \$433 in interest payments for the years ended September 30, 2021 and 2020, respectively, and paid \$1,307 and \$1,504 in management fees and other support services provided by BHCC for the years ended September 30, 2021 and 2020, respectively.

12. Net Assets

The Center's recorded other changes in net assets in fiscal year 2021 related to the disaffiliation with BHCC. Notably, \$210,770 reduction in investments, \$47,286 reduction in cash offset by the receipt of foundation funds and \$5,209 in other intercompany transactions.

Net assets with donor restrictions as of September 30, 2021 and 2020, were \$958 and \$615 respectively, the majority of which relate to children's services.

13. Commitments and Contingencies

The Center carries general and professional liability insurance from an unrelated commercial insurance carrier with coverage up to \$2,000 per occurrence and \$4,000 in the aggregate, on a claims-made basis, and employee benefits liability insurance with coverage up to \$1,000 per occurrence and \$1,000 in the aggregate. In addition, the Center has an excess coverage policy.

The Center is involved in various lawsuits and claims incidental to the normal course of its operations. The Center may be liable for losses in excess of the amounts recorded at September 30, 2021; however, in the opinion of management, such potential losses would not be material to the consolidated financial statements.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

13. Commitments and Contingencies (continued)

In June 2021, Global Connections to Employment (GCE), a subsidiary of LCI, was served a Civil Investigative Demand (CID) by a U.S. Attorney's Office related to potential violations of the federal civil False Claims Act connected to GCE's contracts with the Department of Defense Manpower Data Center. GCE has produced certain documents and interrogatory answers responsive to the CID.

In September 2021, GCE received a criminal matter grand jury subpoena related to the Department of Defense Manpower Data Center contract. GCE is responding and cooperating, but is not aware of details of the investigation, including how GCE is connected to the matter.

In addition to the expense of responding, government investigations can also result in monetary penalties and damages, as well as administrative sanctions such as suspension, exclusion or debarment. Due to the early nature of the investigations, it is not possible to predict the outcomes to GCE. Although GCE was part of the sale of the membership interest in LCI, BHCC has retained certain liabilities related to the investigation to the extent they arose prior to LCI sale, or arose from activity prior to the sale.

Lakeview Center, Inc. is self-insured for employees' medical insurance claims. The Center carries stop-loss insurance coverage with annual limits of \$300 per participant and \$13,678 in the aggregate. Global Connections to Employment, Inc. is fully insured for full time employees and self-insured for part time employees. It is the opinion of management that recorded reserves are adequate for existing and unreported claims.

The Center has established multiple irrevocable standby letters of credit: three in amounts of \$250, \$140, and \$115 with the Center's three previous administrators for workers' compensation claims as the named beneficiaries; one each for \$298, \$154 and \$150 with the insurance providers for the Access Behavioral Health (ABH) managed medical advantage plan; and one for \$1,375 with the Center's current administrator for workers' compensation claims as the named beneficiary. The Center, under its workers' compensation policies, is responsible to pay all individual claims up to \$273 each, as well as certain administration costs to its claims administrators. Should the Center default on any of these payments, the letter of credit guarantees the claims administrators' payment of any outstanding amounts.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

13. Commitments and Contingencies (continued)

Line of Credit Agreements

Contingencies

Federal and State Financial Awards – The Center has received numerous federal and state grants. The disbursement of funds received under these programs is subject to review and audit by grantor agencies. Any disbursements disallowed by these agencies could become a liability of the Center. In the opinion of management, such claims, if any, should not have a material adverse effect on the consolidated financial position, results of operations, or cash flows of the Center.

Unemployment Compensation – The Center reports its wages to various states for unemployment compensation purposes, as a reimbursable employer. Reimbursable employers compensate prior employees only when a claim has been made with these states. In the opinion of management, no material claims were outstanding that had not been reserved for at September 30, 2021 and 2020.

14. Fair Value Measurements

As defined in ASC Topic 820, *Fair Value Measurement*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of the Center's financial assets are measured at fair value on a recurring basis, including money market and fixed income securities. The three levels of the fair value hierarchy defined by ASC Topic 820 and a description of the valuation methodologies used for instruments measured at fair value are as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Center has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value. The Center has no financial assets with Level 3 inputs.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value of the Center’s financial assets measured at fair value on a recurring basis at September 30, 2021, was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 24,678	\$ –	\$ –	\$ 24,678
	<u>\$ 24,678</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 24,678</u>

The fair value of the Center’s financial assets measured at fair value on a recurring basis at September 30, 2020, was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 53,907	\$ –	\$ –	\$ 53,907
Investments limited as to use:				
U.S. corporate obligations	–	18,163	–	18,163
U.S. treasury obligations	8,115	–	–	8,115
U.S. government agencies and sponsored entities	–	9,942	–	9,942
Other	157	4,572	–	4,729
Total investments limited as to use	<u>8,272</u>	<u>32,677</u>	<u>–</u>	<u>40,949</u>
	<u>\$ 62,179</u>	<u>\$ 32,677</u>	<u>\$ –</u>	<u>\$ 94,856</u>

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

As of September 30, 2021, the Center no longer had any investments in the Pool as a result of the disaffiliation with BHCC.

The fair value of the financial assets of the Pool measured at fair value on a recurring basis comprised the following at September 30, 2020:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	7%	–%	–%	7%
U.S. corporate obligations	–	34	–	34
U.S. government agencies and sponsored entities	–	4	–	4
Collateralized debt obligations	–	3	–	3
Domestic equities	14	–	–	14
Foreign equities	13	–	–	13
Other	–	25	–	25
	34%	66%	–%	100%

Financial assets are reflected in the accompanying consolidated balance sheets as follows:

	September 30	
	2021	2020
Interest in the Pool	\$ –	\$ 126,578
Investments limited as to use, at fair value	\$ –	\$ 40,949
Interest in the Pool	–	15,266
Total investments limited as to use	\$ –	\$ 56,215

The fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 financial assets consisting of U.S. government agencies and sponsored entities were determined through evaluated bid prices provided by third-party pricing services where quoted market values were not available.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

The carrying values of accounts receivable, accounts payable, and accrued liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments. The fair value of the intercompany receivable is not practicable to estimate due to the uncertainty regarding the timing of future repayments.

15. Summary Information Relating to Financially Interrelated Entities

Summary financial information of the wholly owned subsidiaries, which are included in these consolidated financial statements, is shown below. Inter-entity transactions have not been eliminated from this summary data.

	As of and for the Year Ended September 30, 2021		
	CMHC		
	Hernandez House, Inc.	Lakeview Villa, Inc.	Lakeview Place, Inc.
Total assets	<u>\$ 105</u>	<u>\$ 286</u>	<u>\$ 201</u>
Total liabilities	<u>\$ 18</u>	<u>\$ 450</u>	<u>\$ 312</u>
Net assets (deficit) without donor restrictions	<u>87</u>	<u>(164)</u>	<u>(111)</u>
Total net assets (deficit)	<u>87</u>	<u>(164)</u>	<u>(111)</u>
Total liabilities and net assets without donor restrictions	<u>\$ 105</u>	<u>\$ 286</u>	<u>\$ 201</u>
Total revenue and support	<u>\$ 40</u>	<u>\$ 143</u>	<u>\$ 86</u>
Total expenses	<u>27</u>	<u>141</u>	<u>99</u>
Change in net assets without donor restrictions	<u>\$ 13</u>	<u>\$ 2</u>	<u>\$ (13)</u>

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

15. Summary Information Relating to Financially Interrelated Entities (continued)

	As of and for the Year Ended September 30, 2020		
	CMHC		
	Hernandez House, Inc.	Lakeview Villa, Inc.	Lakeview Place, Inc.
Total assets	\$ 140	\$ 307	\$ 219
Total liabilities	\$ 66	\$ 474	\$ 317
Net assets (deficit) without donor restrictions	74	(167)	(98)
Total net assets (deficit)	74	(167)	(98)
Total liabilities and net assets without donor restrictions	\$ 140	\$ 307	\$ 219
Total revenue and support	\$ 43	\$ 145	\$ 85
Total expenses	37	142	83
Change in net assets without donor restrictions	\$ 6	\$ 3	\$ 2

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

16. Financial Assets and Liquidity Resources

As of September 30, 2021 financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital expenditures were as follows:

	September 30	
	2021	2020
Cash and cash equivalents	\$ 24,678	\$ 53,907
Short-term investments	277	277
Accounts receivable	25,942	40,169
Total financial assets	<u>\$ 50,897</u>	<u>\$ 94,353</u>

17. Coronavirus Disease 2019

Due to the global viral outbreak caused by Coronavirus Disease 2019 (COVID-19) in 2020, the Center received \$68, recorded as other revenue in the accompanying consolidated statements of operations and changes in net assets, from the CARES Act Provider Relief Fund, administered by the U.S. Department of Health and Human Services (HHS). The relief fund payment terms and conditions state that the payment is only to be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus. The Center received \$897 and \$400 from the U.S. Department of Health and Human Services and U.S. Department of Treasury, respectively in CARES funding in fiscal year 2021. The Center has largely recovered from the impact experienced in 2020.

18. Functional Classification of Expenses

The Center provides human services, including inpatient, outpatient, long term and community-based behavioral health services, child protective services, and employment for people with disabilities within its region and nationally. Administrative services include administration, finance and accounting, information technology, human resources, and other functions. Organizational expenses are allocated to program and administrative services based on the benefit received in those areas while administrative services costs are allocated to program areas based on personnel costs.

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

18. Functional Classification of Expenses (continued)

Expenses by functional classification for the years ended September 30, 2021 and 2020 consist of the following:

	Year Ended September 30, 2021		
	Program Services	Administrative Services	Total
Salaries and benefits	\$ 158,797	\$ 7,656	\$ 166,453
Subcontracted services	63,257	–	63,257
Subsidy payments	29,427	–	29,427
Contract medical services	17,281	–	17,281
Professional fees	10,874	1,716	12,590
Medical, pharmacy and other supplies	10,326	767	11,093
Building occupancy	6,187	442	6,629
Other general, administrative and other	20,034	2,429	22,463
	\$ 316,183	\$ 13,010	\$ 329,193

	Year Ended September 30, 2020		
	Program Services	Administrative Services	Total
Salaries and benefits	\$ 147,675	\$ 7,109	\$ 154,783
Subcontracted services	72,954	–	72,954
Subsidy payments	26,552	–	26,552
Contract medical services	16,520	–	16,520
Professional fees	10,888	1,207	12,096
Medical, pharmacy and other supplies	8,883	54	8,937
Building occupancy	7,042	245	7,287
Other general, administrative and other	19,479	2,166	21,645
	\$ 309,993	\$ 10,781	\$ 320,774

Lakeview Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

19. Subsequent Events

The Center evaluated events and transactions occurring subsequent to September 30, 2021, and through, January 6, 2022, the date the accompanying consolidated financial statements were available to be issued. During this period, there were no subsequent events that required recognition or disclosure in the accompanying consolidated financial statements with the exception of the item noted below.

Other Information

Lakeview Center, Inc. and Subsidiaries

Schedule of Functional Revenues and Expenses (Regulatory Basis) (Unaudited)

June 30, 2021

SAMH COVERED SERVICES OF PROJECTS																						
Mental Health																		STATE-FUNDED				
FUNDING SOURCES & REVENUES	A	Case Management 02	Crisis Stabilization 03	Crisis Support/ Emergency 04	Day Treatment 06	In-home & Onsite 08	Medical Services 12	Outpatient (Indiv.) 14	Outreach 15	Residential II 19	Residential III 20	Incidental Expenses 28	Outpatient Group 35	BNET A1	CAT Team B4	FACT Team B5	Mental Health Total B	Case Management 02	Crisis Support/ Emergency 04	Day Treatment 06	In-home & Onsite 08	
IA. STATE SAMH FUNDING																						
Current Year Funding																						
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State																				
MH001	A0110	F/S										\$ 346,500					\$ 346,500					
MH009	A0110	F/S	\$ 359,859			\$ 25,726	\$ 27,489	\$ 2,390,903	\$ 612,927				\$ 58,821				\$ 3,475,726					
MH018	A0110	F/S		\$ 1,496,558	\$ 1,090,698												\$ 2,587,256					
MH073	A0170	F/S														\$ 1,206,677	\$ 1,206,677					
MH076	A0110	S										\$ 37,657					\$ 37,657					
MH0BN	A0160	F/S											\$ 227,998				\$ 227,998					
MH0PG	A0210	F	\$ 16,251						\$ 7,225								\$ 23,477					
MH0TB	A0110	F								\$ 165,499							\$ 165,499					
MHCA2	A0240	S													\$ 62,500		\$ 62,500					
MHCA1	A0220	S													\$ 750,000		\$ 750,000					
MHCA1	A0240	S													\$ 1,500,000		\$ 1,500,000					
MHMCT	A0250	S			\$ 1,580,846												\$ 1,580,846					
MHTRV	A0110	S										\$ 11,874					\$ 11,874					
MS003	A0110	F/S															\$ -					
MS011	A0110	F/S															\$ -	\$ 2,552	\$ 29	\$ 214,165	\$ 71	
hau	A0110	F/S															\$ -					
MS025	A0110	F															\$ -					
MS091	A0190	F/S															\$ -					
MS0F4	A0200	F															\$ -					
MS0F5	A0200	F															\$ -					
MS0TB	A0110	F															\$ -					
MS0W4	A0200	F															\$ -					
MS0W5	A0200	F															\$ -					
MSCAF	A0190	S															\$ -					
MSSM2	A0110	F															\$ -	\$ 97		\$ 18,439		
MSSM3	A0110	F															\$ -					
MSSOW	A0110	F															\$ -					
Total Current Year Funding			\$ 376,111	\$ 1,496,558	\$ 2,671,544	\$ 25,726	\$ 27,489	\$ 2,390,903	\$ 612,927	\$ 7,225	\$ 165,499	\$ 346,500	\$ 49,531	\$ 58,821	\$ 227,998	\$ 2,312,500	\$ 1,206,677	\$ 11,976,010	\$ 2,649	\$ 29	\$ 232,603	\$ 71
Carry Forward Funding																						
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State																				
MH009	A0110	S							\$ 122,687								\$ 122,687					
MH0CN	A0110	S	\$ 24,884														\$ 24,884					
MHTRV	A0110	S										\$ 22,913					\$ 22,913					
MS003	A0110	S															\$ -					
MS011	A0110	S															\$ -	\$ 370				
Total Carry Forward Funding			\$ 24,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,687	\$ -	\$ -	\$ -	\$ 22,913	\$ -	\$ -	\$ -	\$ 170,483	\$ 370	\$ -	\$ -	\$ -	
TOTAL STATE SAMH FUNDING =			\$ 400,995	\$ 1,496,558	\$ 2,671,544	\$ 25,726	\$ 27,489	\$ 2,390,903	\$ 735,614	\$ 7,225	\$ 165,499	\$ 346,500	\$ 72,444	\$ 58,821	\$ 227,998	\$ 2,312,500	\$ 1,206,677	\$ 12,146,493	\$ 3,020	\$ 29	\$ 232,603	\$ 71
IB. OTHER GOVERNMENT FUNDING																						
(1) Other State Agency Funding			\$ 251,245	\$ -	\$ -	\$ -	\$ 14,178	\$ 9,089	\$ 507,014	\$ 4,287	\$ -	\$ -	\$ -	\$ 3,693	\$ -	\$ -	\$ 789,505	\$ 49,184	\$ -	\$ 8,680	\$ -	
(2) Medicaid			\$ 158,330	\$ 1,769,631	\$ 1,567,967	\$ 629,901	\$ 583,544	\$ 1,281,889	\$ 394,299	\$ -	\$ 264	\$ 6,887	\$ -	\$ 25,367	\$ 871	\$ 8,511	\$ 6,427,462	\$ -	\$ 2,177	\$ 45,113	\$ 1,667	
(3) Local Government			\$ (9,609)	\$ 147,763	\$ 174,661	\$ 220,540	\$ 1,244,787	\$ 180,297	\$ 125,338	\$ -	\$ 3,590	\$ 12,902	\$ -	\$ 6,914	\$ -	\$ -	\$ 2,107,185	\$ -	\$ 436	\$ 301,372	\$ 1,374	
(4) Federal Grants and Contracts			\$ 57,441	\$ -	\$ 60,052	\$ -	\$ -	\$ -	\$ 19,794	\$ -	\$ -	\$ -	\$ -	\$ 1,025	\$ -	\$ -	\$ 138,311	\$ -	\$ -	\$ 12,744	\$ -	
(5) In-kind from local govt. only			\$ -	\$ -	\$ -	\$ -	\$ 791,285	\$ -	\$ 4,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795,998	\$ -	\$ -	\$ -	\$ -	
TOTAL OTHER GOVERNMENT FUNDING =			\$ 457,408	\$ 1,917,394	\$ 1,742,627	\$ 910,493	\$ 2,633,795	\$ 1,471,274	\$ 1,051,158	\$ 4,287	\$ 3,855	\$ 19,789	\$ -	\$ 37,000	\$ 871	\$ 8,511	\$ 10,258,461	\$ 49,184	\$ 2,613	\$ 368,108	\$ 3,041	
IC. ALL OTHER REVENUES																						
(1) 1st & 2nd Party Payments			\$ 37,332	\$ (40,748)	\$ (26,175)	\$ 305,460	\$ 155,775	\$ 1,971,948	\$ 167,513	\$ (6)	\$ 197,886	\$ 73,024	\$ -	\$ 17,777	\$ (193)	\$ 2,805	\$ (14)	\$ 2,862,385	\$ 43	\$ 141	\$ 52,156	\$ (3)
(2) 3rd Party Payments (except Medicare)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medicare			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Contributions and Donations			\$ 137	\$ -	\$ -	\$ 143	\$ 4,742	\$ -	\$ 13,792	\$ -	\$ 414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,227	\$ 14	\$ -	\$ 257	\$ -	
(5) Other			\$ 278	\$ 73	\$ 70	\$ 31,025	\$ 18	\$ 5,885	\$ 41,457	\$ -	\$ 100	\$ -	\$ 26	\$ (20,514)	\$ -	\$ -	\$ 58,418	\$ 32	\$ (0)	\$ 62	\$ -	
(6) In-kind			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL OTHER REVENUES =			\$ 37,746	\$ (40,675)	\$ (26,105)	\$ 336,628	\$ 160,535	\$ 1,977,833	\$ 222,761	\$ (6)	\$ 197,886	\$ 73,539	\$ -	\$ 17,803	\$ (20,707)	\$ 2,805	\$ (14)	\$ 2,940,029	\$ 89	\$ 141	\$ 52,476	\$ (3)
TOTAL FUNDING =			\$ 896,148	\$ 3,373,277	\$ 4,388,066	\$ 1,272,847	\$ 2,821,818	\$ 5,840,011	\$ 2,009,533	\$ 11,506	\$ 367,240	\$ 439,828	\$ 72,444	\$ 113,623	\$ 208,162	\$ 2,323,816	\$ 1,206,663	\$ 25,344,983	\$ 52,293	\$ 2,782	\$ 653,187	\$ 3,110

Substance Abuse														Total for State SAMH-Funded Covered Services or Projects (B+C) D	Total for Non-State-Funded Covered Services or Projects E	Total for All Covered Services or Projects (D+E) F	Non-SAMH Covered Services or Projects G	Total Funding (F+G) H
Intervention (Indiv.) 11	Medical Services 12	Medication-Assisted Tx 13	Outpatient (Indiv.) 14	Residential II 19	Residential III 20	Inpatient Detoxification 24	TASC 27	Incidental Expenses 28	Outpatient Group 35	Prevention - Universal Direct 50	Prevention - Universal Indirect 51	FTT Team A2	Substance Abuse Total C					

														\$ -	\$ 346,500	\$ 346,500	\$ 346,500	\$ 346,500
														\$ -	\$ 3,475,726	\$ 3,475,726	\$ 3,475,726	\$ 3,475,726
														\$ -	\$ 2,587,256	\$ 2,587,256	\$ 2,587,256	\$ 2,587,256
														\$ -	\$ 1,206,677	\$ 1,206,677	\$ 1,206,677	\$ 1,206,677
														\$ -	\$ 37,657	\$ 37,657	\$ 37,657	\$ 37,657
														\$ -	\$ 227,998	\$ 227,998	\$ 227,998	\$ 227,998
														\$ -	\$ 23,477	\$ 23,477	\$ 23,477	\$ 23,477
														\$ -	\$ 165,499	\$ 165,499	\$ 165,499	\$ 165,499
														\$ -	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500
														\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
														\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
														\$ -	\$ 1,580,846	\$ 1,580,846	\$ 1,580,846	\$ 1,580,846
														\$ -	\$ 11,874	\$ 11,874	\$ 11,874	\$ 11,874
				\$ 1,032,500	\$ 445,000									\$ 1,477,500	\$ 1,477,500	\$ 1,477,500	\$ 1,477,500	\$ 1,477,500
\$ 53,413	\$ 598,015		\$ 681,951				\$ 117,013		\$ 55,835					\$ 1,723,045	\$ 1,723,045	\$ 1,723,045	\$ 1,723,045	\$ 1,723,045
						\$ 921,500								\$ 921,500	\$ 921,500	\$ 921,500	\$ 921,500	\$ 921,500
										\$ 238,151				\$ 238,151	\$ 238,151	\$ 238,151	\$ 238,151	\$ 238,151
											\$ 685,000			\$ 685,000	\$ 685,000	\$ 685,000	\$ 685,000	\$ 685,000
										\$ 11,666				\$ 11,666	\$ 11,666	\$ 11,666	\$ 11,666	\$ 11,666
										\$ 46,664				\$ 46,664	\$ 46,664	\$ 46,664	\$ 46,664	\$ 46,664
				\$ 104,469										\$ 104,469	\$ 104,469	\$ 104,469	\$ 104,469	\$ 104,469
										\$ 3,800				\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800
										\$ 11,402				\$ 11,402	\$ 11,402	\$ 11,402	\$ 11,402	\$ 11,402
											\$ 14,891			\$ 14,891	\$ 14,891	\$ 14,891	\$ 14,891	\$ 14,891
	\$ 247,635	\$ 11,565	\$ 87,851					\$ 380,155	\$ 17,573					\$ 763,315	\$ 763,315	\$ 763,315	\$ 763,315	\$ 763,315
	\$ 42,555	\$ 480	\$ 12,973					\$ 20,890	\$ 919					\$ 77,816	\$ 77,816	\$ 77,816	\$ 77,816	\$ 77,816
	\$ 9,025		\$ 3,383						\$ 777					\$ 13,184	\$ 13,184	\$ 13,184	\$ 13,184	\$ 13,184
\$ 53,413	\$ 897,230	\$ 12,045	\$ 786,158	\$ 1,136,969	\$ 445,000	\$ 921,500	\$ 117,013	\$ 401,045	\$ 75,103	\$ 296,481	\$ 15,202	\$ 699,891	\$ 6,092,403	\$ 18,068,413	\$ 18,068,413	\$ 18,068,413	\$ 18,068,413	\$ 18,068,413

														\$ -	\$ 122,687	\$ 122,687	\$ 122,687	\$ 122,687
														\$ -	\$ 24,884	\$ 24,884	\$ 24,884	\$ 24,884
														\$ -	\$ 22,913	\$ 22,913	\$ 22,913	\$ 22,913
				\$ 29,961	\$ 11,855									\$ 41,816	\$ 41,816	\$ 41,816	\$ 41,816	\$ 41,816
	\$ 5,272		\$ 73,977				\$ 9,213		\$ 17,400					\$ 106,232	\$ 106,232	\$ 106,232	\$ 106,232	\$ 106,232
\$ -	\$ 5,272	\$ -	\$ 73,977	\$ 29,961	\$ 11,855	\$ -	\$ 9,213	\$ -	\$ 17,400	\$ -	\$ -	\$ -	\$ 148,048	\$ 318,532	\$ 318,532	\$ 318,532	\$ 318,532	\$ 318,532
\$ 53,413	\$ 902,502	\$ 12,045	\$ 860,134	\$ 1,166,930	\$ 456,855	\$ 921,500	\$ 126,226	\$ 401,045	\$ 92,503	\$ 296,481	\$ 15,202	\$ 699,891	\$ 6,240,451	\$ 18,386,944	\$ 18,386,944	\$ 18,386,944	\$ 18,386,944	\$ 18,386,944

\$ -	\$ 268,491	\$ 125	\$ 17,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,127	\$ 75,149	\$ 222	\$ -	\$ 423,390	\$ 1,212,895	\$ 4,068,827	\$ 5,281,722	\$ 61,952,372	\$ 67,234,094
\$ 14,262	\$ 797,006	\$ 17,361	\$ 351,366	\$ 754,038	\$ 10,155	\$ 1,209,209	\$ 11,669	\$ -	\$ 27,837	\$ 10,155	\$ -	\$ -	\$ 54,963	\$ 3,296,821	\$ 9,724,283	\$ 7,957,355	\$ 17,681,638	\$ 13,869,141	\$ 31,550,779
\$ -	\$ 64,215	\$ 2,470	\$ 197,822	\$ 56,168	\$ 18,359	\$ 86,479	\$ -	\$ -	\$ 7,282	\$ 35,416	\$ 3,125	\$ -	\$ -	\$ 774,718	\$ 2,881,903	\$ -	\$ 2,881,903	\$ 6,169,039	\$ 9,050,942
\$ -	\$ -	\$ -	\$ 11,291	\$ 82,575	\$ -	\$ -	\$ -	\$ -	\$ 1,129	\$ -	\$ -	\$ -	\$ -	\$ 107,739	\$ 246,050	\$ 1,811,210	\$ 2,057,260	\$ 198,992,728	\$ 201,049,988
\$ -	\$ -	\$ -	\$ 14,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,140	\$ 810,139	\$ 179,154	\$ 989,293	\$ 189,979	\$ 1,179,273
\$ 14,262	\$ 1,129,712	\$ 19,956	\$ 592,032	\$ 892,781	\$ 28,514	\$ 1,295,688	\$ 11,669	\$ -	\$ 40,376	\$ 110,565	\$ 3,346	\$ 54,963	\$ 4,616,809	\$ 14,875,270	\$ 14,016,547	\$ 28,891,817	\$ 281,173,259	\$ 310,065,076	\$ 310,065,076

\$ 2,839	\$ 1,118,003	\$ 26,822	\$ 380,572	\$ 94,918	\$ 65,723	\$ (20,374)	\$ 2,323	\$ -	\$ 19,444	\$ 85	\$ 12	\$ 11,195	\$ 1,753,900	\$ 4,616,285	\$ 16,640,655	\$ 21,256,940	\$ 309,813	\$ 21,566,752	\$ 21,566,752	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ 3,050	\$ -	\$ 614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,935	\$ 23,162	\$ 453,335	\$ 476,497	\$ 60,989	\$ 537,486	\$ 537,486	\$ 537,486
\$ -	\$ 2,096	\$ 81	\$ 15,443	\$ 174	\$ 149	\$ 37	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ -	\$ 18,101	\$ 76,519	\$ 186,520	\$ 263,038	\$ 28,152,594	\$ 28,415,632	\$ 28,415,632	\$ 28,415,632
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,839	\$ 1,120,099	\$ 26,903	\$ 399,065	\$ 95,091	\$ 66,486	\$ (20,337)	\$ 2,323	\$ -	\$ 19,473	\$ 85	\$ 12	\$ 11,195	\$ 1,775,936	\$ 4,715,965	\$ 17,280,509	\$ 21,996,475	\$ 28,523,395	\$ 50,519,870	\$ 50,519,870	\$ 50,519,870
\$ 70,514	\$ 3,152,313	\$ 58,903	\$ 1,851,231	\$ 2,154,802	\$ 551,855	\$ 2,196,851	\$ 140,218	\$ 401,045	\$ 152,351	\$ 407,131	\$ 18,560	\$ 766,049	\$ 12,633,196	\$ 37,978,179	\$ 31,297,056	\$ 69,275,236	\$ 309,696,655	\$ 378,971,891	\$ 378,971,891	\$ 378,971,891

Schedule of Functional Revenues and Expenses (Regulatory Basis) (Unaudited) (continued)

EXPENSE CATEGORIES	Case Management 02	Crisis Stabilization 03	Crisis Support/ Emergency 04	Day Treatment 06	In-home & Onsite 08	Medical Services 12	Outpatient (Indiv.) 14	Outreach 15	Residential II 19	Residential III 20	Incidental Expenses 28	Outpatient Group 35	BNET A1	CAT Team B4	FACT Team B5	Mental Health Total	Case Management 02	Crisis Support/ Emergency 04	Day Treatment 06	In-home & Onsite 08	
A	B																				
IIA. PERSONNEL EXPENSES																					
(1) Salaries	\$ 716,349	\$ 791,674	\$ 1,987,447	\$ 483,440	\$ 1,476,641	\$ 4,761,774	\$ 1,184,072	\$ 6,789	\$ 172,054	\$ 184,216	\$ -	\$ 67,316	\$ 82,959	\$ 1,082,116	\$ 612,797	\$ 13,609,645	\$ 44,426	\$ 3,052	\$ 405,788	\$ 19,641	
(2) Fringe Benefits	\$ 241,364	\$ 205,216	\$ 539,787	\$ 197,150	\$ 463,907	\$ 605,426	\$ 349,371	\$ 1,099	\$ 78,928	\$ 70,056	\$ -	\$ 13,083	\$ 20,270	\$ 383,907	\$ 168,550	\$ 3,338,114	\$ 12,790	\$ 877	\$ 125,471	\$ 7,969	
TOTAL PERSONNEL EXPENSES =	\$ 957,714	\$ 996,890	\$ 2,527,235	\$ 680,590	\$ 1,940,548	\$ 5,367,199	\$ 1,533,443	\$ 7,888	\$ 250,981	\$ 254,272	\$ -	\$ 80,399	\$ 103,229	\$ 1,466,024	\$ 781,347	\$ 16,947,759	\$ 57,217	\$ 3,929	\$ 531,259	\$ 27,610	
IIIB. OTHER EXPENSES																					
(1) Building Occupancy	\$ 96,235	\$ 101,304	\$ 139,720	\$ 334,732	\$ 374,107	\$ 97,697	\$ 116,550	\$ -	\$ 30,579	\$ 56,325	\$ -	\$ 5,126	\$ 940	\$ 60,674	\$ 27,348	\$ 1,441,337	\$ 1,467	\$ 220	\$ 145,119	\$ 1,921	
(2) Professional Services	\$ 231	\$ 981,339	\$ 718,053	\$ 1,992	\$ 300	\$ 388	\$ 648	\$ -	\$ 1,849	\$ 336	\$ -	\$ 131	\$ -	\$ 1,849	\$ 949	\$ -	\$ 1,706,216	\$ 37	\$ -	\$ -	
(3) Travel	\$ 8,333	\$ 7,125	\$ 25,862	\$ 35,850	\$ 6,820	\$ 4,738	\$ 631	\$ 428	\$ 2,380	\$ 3,990	\$ -	\$ 126	\$ -	\$ 55,546	\$ 15,126	\$ 166,955	\$ 22	\$ 38	\$ 2,226	\$ 251	
(4) Equipment	\$ 10,054	\$ 2,569	\$ 4,559	\$ 2,420	\$ 24,381	\$ 82,305	\$ 14,832	\$ 12	\$ 285	\$ 520	\$ -	\$ 1,002	\$ 79	\$ 19,401	\$ 2,323	\$ 164,741	\$ 1,093	\$ (7)	\$ 2,217	\$ 819	
(5) Food Services	\$ 464	\$ 70,347	\$ 70,347	\$ 29,608	\$ 2,193	\$ 317	\$ 569	\$ 58	\$ 33,746	\$ 54,673	\$ -	\$ 44	\$ 2	\$ 919	\$ 888	\$ 264,176	\$ (18)	\$ -	\$ 30,488	\$ 9	
(6) Medical and Pharmacy	\$ 369	\$ 31,565	\$ 31,703	\$ 2,418	\$ 1,629	\$ 4,003	\$ 22,758	\$ 33	\$ 4,199	\$ 2,692	\$ -	\$ 4,144	\$ 5,313	\$ 1,125	\$ 274	\$ 112,227	\$ -	\$ -	\$ 38,160	\$ 181	
(7) Subcontracted Services	\$ 11	\$ 1,566,741	\$ 1,147,066	\$ 475	\$ (100)	\$ 2,413	\$ 2,612	\$ -	\$ 812	\$ 148	\$ -	\$ 129	\$ 15,580	\$ -	\$ -	\$ 2,735,887	\$ 4	\$ 1	\$ -	\$ -	
(8) Insurance	\$ 13,559	\$ 11,834	\$ 28,706	\$ 14,510	\$ 29,152	\$ 19,375	\$ 22,706	\$ -	\$ 3,540	\$ 5,693	\$ -	\$ 469	\$ 601	\$ 19,145	\$ 8,454	\$ 177,742	\$ 474	\$ 70	\$ 9,523	\$ 297	
(9) Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(10) Operating Supplies & Expenses	\$ 79,592	\$ 53,515	\$ 87,451	\$ 76,161	\$ 57,746	\$ 39,148	\$ 61,597	\$ 37	\$ 8,781	\$ 8,241	\$ 72,444	\$ 5,518	\$ 2,960	\$ 299,706	\$ 203,811	\$ 1,056,708	\$ 2,354	\$ 74	\$ 22,733	\$ 1,230	
(11) Other-Bad Debt	\$ 0	\$ 3,087	\$ 3,116	\$ 896	\$ 824	\$ 56,990	\$ 5,496	\$ -	\$ (1,038)	\$ (175)	\$ -	\$ 451	\$ -	\$ 28	\$ -	\$ 69,675	\$ -	\$ 0	\$ 1,395	\$ -	
(12) Donated Items	\$ -	\$ -	\$ -	\$ -	\$ 791,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,285	\$ -	\$ -	\$ -	\$ -	
TOTAL OTHER EXPENSES =	\$ 208,848	\$ 2,829,427	\$ 2,256,584	\$ 499,063	\$ 1,288,336	\$ 307,375	\$ 248,399	\$ 568	\$ 85,131	\$ 132,443	\$ 72,444	\$ 17,140	\$ 25,475	\$ 457,493	\$ 258,224	\$ 8,686,949	\$ 5,433	\$ 396	\$ 251,860	\$ 4,706	
TOT. PERSONNEL & OTH. EXP. =	\$ 1,166,561	\$ 3,826,317	\$ 4,783,818	\$ 1,179,653	\$ 3,228,884	\$ 5,674,574	\$ 1,781,842	\$ 8,457	\$ 336,112	\$ 386,714	\$ 72,444	\$ 97,539	\$ 128,704	\$ 1,923,517	\$ 1,039,571	\$ 25,634,708	\$ 62,649	\$ 4,325	\$ 783,120	\$ 32,316	
IIIC. DISTRIBUTED INDIRECT COSTS																					
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(b) Administration	\$ 225,541	\$ 153,428	\$ 454,847	\$ 191,428	\$ 320,707	\$ 798,012	\$ 288,201	\$ 3,706	\$ 45,909	\$ 55,464	\$ -	\$ 16,122	\$ 21,999	\$ 421,671	\$ 164,345	\$ 3,161,380	\$ 26,922	\$ 598	\$ 89,187	\$ 4,142	
TOT. DISTR'D INDIRECT COSTS =	\$ 225,541	\$ 153,428	\$ 454,847	\$ 191,428	\$ 320,707	\$ 798,012	\$ 288,201	\$ 3,706	\$ 45,909	\$ 55,464	\$ -	\$ 16,122	\$ 21,999	\$ 421,671	\$ 164,345	\$ 3,161,380	\$ 26,922	\$ 598	\$ 89,187	\$ 4,142	
TOTAL ACTUAL OPER. EXPENSES =	\$ 1,392,102	\$ 3,979,745	\$ 5,238,666	\$ 1,371,081	\$ 3,549,592	\$ 6,472,587	\$ 2,070,042	\$ 12,162	\$ 382,021	\$ 442,179	\$ 72,444	\$ 113,661	\$ 150,704	\$ 2,345,188	\$ 1,203,915	\$ 28,796,088	\$ 89,571	\$ 4,923	\$ 872,307	\$ 36,458	
IIID. UNALLOWABLE COSTS	\$ (1,712)	\$ (1,824)	\$ (3,878)	\$ (1,364)	\$ (4,263)	\$ (7,682)	\$ (2,313)	\$ (10)	\$ (349)	\$ (546)	\$ -	\$ (151)	\$ (142)	\$ (2,270)	\$ (1,611)	\$ (28,114)	\$ (77)	\$ (5)	\$ (1,172)	\$ (39)	
TOT. ALLOWABLE OPER. EXP. =	\$ 1,393,814	\$ 3,981,569	\$ 5,242,544	\$ 1,372,445	\$ 3,553,854	\$ 6,480,269	\$ 2,072,355	\$ 12,172	\$ 382,370	\$ 442,725	\$ 72,444	\$ 113,811	\$ 150,846	\$ 2,347,458	\$ 1,205,526	\$ 28,824,202	\$ 89,648	\$ 4,928	\$ 873,479	\$ 36,497	
IIIE. CAPITAL EXPENDITURES																\$ -					
III. UNEARNED FUNDS, FUNDING ALLOCATIONS, AND EXCESS FUNDS																					
IIIA. Unearned Funds	\$ (992,820)	\$ (2,485,011)	\$ (2,571,000)	\$ (1,346,719)	\$ (3,526,365)	\$ (4,089,365)	\$ (1,336,741)	\$ (4,947)	\$ (216,871)	\$ (96,225)	\$ -	\$ (54,991)	\$ 77,153	\$ (34,958)	\$ 1,151	\$ (16,677,709)	\$ (86,628)	\$ (4,899)	\$ (640,876)	\$ (36,426)	

*except IIC & IID

Intervention (Indiv.) 11	Medical Services 12	Medication-Assisted Tx 13	Outpatient (Indiv.) 14	Residential II 19	Residential III 20	Inpatient Detoxification 24	TASC 27	Incidental Expenses 28	Outpatient Group 35	Prevention - Universal Direct 50	Prevention - Universal Indirect 51	FIT Team A2	Substance Abuse Total C	Total for State SAMH-Funded Covered Services (B+C) D	Total for Non-State-Funded Covered Services E	Total for All Covered Services (D+E) F	Non-SAMH Covered Services G	Other Support Costs (optional) H	Administration I	Total Expenses (F+G+H+I*) J
\$ 106,224	\$ 2,151,152	\$ 63,310	\$ 1,016,351	\$ 956,877	\$ 236,148	\$ 395,837	\$ 86,910	\$ -	\$ 88,687	\$ 262,446	\$ 16,177	\$ 322,153	\$ 6,175,179	\$ 19,784,824	\$ 9,754,349	\$ 29,539,173	\$ 91,778,754	\$ -	\$ 7,568,826	\$ 128,886,753
\$ 33,941	\$ 353,344	\$ 7,397	\$ 308,507	\$ 333,079	\$ 86,903	\$ 102,608	\$ 27,770	\$ -	\$ 20,590	\$ 45,000	\$ 2,365	\$ 109,523	\$ 1,578,134	\$ 4,916,248	\$ 2,378,181	\$ 7,294,429	\$ 30,152,474	\$ -	\$ 1,996,644	\$ 39,443,547
\$ 140,165	\$ 2,504,496	\$ 70,708	\$ 1,324,857	\$ 1,289,956	\$ 323,051	\$ 498,445	\$ 114,681	\$ -	\$ 109,277	\$ 307,446	\$ 18,542	\$ 431,676	\$ 7,753,313	\$ 24,701,072	\$ 12,132,530	\$ 36,833,602	\$ 121,931,229	\$ -	\$ 9,565,470	\$ 168,330,301
\$ 9,385	\$ 135,643	\$ 1,027	\$ 120,669	\$ 266,523	\$ 76,940	\$ 50,652	\$ 7,679	\$ -	\$ 8,262	\$ 1,807	\$ 244	\$ 49,045	\$ 876,602	\$ 2,317,940	\$ 2,023,667	\$ 4,341,607	\$ 6,028,307	\$ -	\$ 956,352	\$ 11,326,266
\$ -	\$ 138	\$ 5	\$ 6,530	\$ 2,524	\$ 101	\$ 694,118	\$ -	\$ -	\$ 143	\$ 43	\$ 6	\$ 819	\$ 704,465	\$ 2,410,681	\$ 46,567	\$ 2,457,248	\$ 6,533,822	\$ -	\$ 917,008	\$ 9,908,078
\$ -	\$ 3,527	\$ 61	\$ 14,688	\$ 9,516	\$ 5,405	\$ 3,563	\$ -	\$ -	\$ 1,094	\$ 92	\$ -	\$ 20,921	\$ 61,405	\$ 228,360	\$ 166,546	\$ 394,906	\$ 1,571,702	\$ -	\$ 34,713	\$ 2,001,321
\$ 1,225	\$ 40,149	\$ 1,106	\$ 21,496	\$ 5,587	\$ 709	\$ 1,284	\$ 1,002	\$ -	\$ 1,069	\$ 10,438	\$ 1,380	\$ 633	\$ 90,200	\$ 254,941	\$ 571,367	\$ 826,308	\$ 1,232,847	\$ -	\$ 2,250,775	\$ 4,309,929
\$ 14	\$ 1,541	\$ 4	\$ 2,805	\$ 224,809	\$ 73,810	\$ 35,173	\$ 12	\$ -	\$ 349	\$ -	\$ -	\$ 11	\$ 369,007	\$ 633,183	\$ 272,543	\$ 905,726	\$ 1,873,367	\$ -	\$ 4,707	\$ 2,783,800
\$ -	\$ 304,313	\$ 51	\$ 49,836	\$ 10,287	\$ 3,088	\$ 15,783	\$ -	\$ 401,045	\$ 4,612	\$ -	\$ -	\$ -	\$ 827,356	\$ 939,583	\$ 9,359,428	\$ 10,299,011	\$ 452,307	\$ -	\$ 42,012	\$ 10,793,330
\$ -	\$ 7,003	\$ 32	\$ 11,699	\$ 472	\$ 44	\$ 1,107,764	\$ -	\$ -	\$ 141	\$ 478	\$ 65	\$ -	\$ 1,127,703	\$ 3,863,591	\$ 945,880	\$ 4,809,470	\$ 117,543,913	\$ -	\$ -	\$ 122,353,383
\$ 1,611	\$ 13,384	\$ 213	\$ 15,201	\$ 19,473	\$ 7,680	\$ 5,917	\$ 1,318	\$ -	\$ 866	\$ 1,755	\$ -	\$ 3,843	\$ 81,624	\$ 259,367	\$ 175,992	\$ 435,359	\$ 692,622	\$ -	\$ 29,382	\$ 1,157,363
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,512	\$ -	\$ -	\$ 304,512
\$ 559	\$ 34,088	\$ 454	\$ 61,273	\$ 34,223	\$ 10,331	\$ 26,758	\$ 458	\$ -	\$ 6,302	\$ 17,831	\$ 2,241	\$ 44,056	\$ 264,964	\$ 1,321,671	\$ 754,218	\$ 2,075,890	\$ 4,604,026	\$ -	\$ 1,022,902	\$ 7,702,818
\$ 30	\$ 30,493	\$ 770	\$ 13,878	\$ (454)	\$ (36)	\$ 1,544	\$ 25	\$ -	\$ 486	\$ -	\$ -	\$ 124	\$ 48,255	\$ 117,929	\$ 1,077,930	\$ 1,195,859	\$ 9,512	\$ -	\$ -	\$ 1,205,371
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,285	\$ 79,158	\$ 870,443	\$ 189,979	\$ -	\$ -	\$ 1,060,423
\$ 12,825	\$ 570,280	\$ 3,723	\$ 318,076	\$ 572,959	\$ 178,073	\$ 1,942,555	\$ 10,493	\$ 401,045	\$ 23,322	\$ 32,444	\$ 3,937	\$ 119,453	\$ 4,451,581	\$ 13,138,530	\$ 15,473,297	\$ 28,611,827	\$ 141,036,917	\$ -	\$ 5,257,851	\$ 174,906,595
\$ 152,990	\$ 3,074,776	\$ 74,430	\$ 1,642,933	\$ 1,862,915	\$ 501,124	\$ 2,441,000	\$ 125,174	\$ 401,045	\$ 132,600	\$ 339,890	\$ 22,478	\$ 551,129	\$ 12,204,894	\$ 37,839,602	\$ 27,605,827	\$ 65,445,429	\$ 262,968,146	\$ -	\$ 14,823,321	\$ 343,236,896
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 20,805	\$ 372,848	\$ 10,519	\$ 217,331	\$ 290,984	\$ 72,368	\$ 76,714	\$ 17,022	\$ -	\$ 20,246	\$ 108,293	\$ 4,090	\$ 92,126	\$ 1,424,193	\$ 4,585,573	\$ 1,185,339	\$ 5,770,912	\$ 9,052,409	\$ (14,823,321)	\$ -	\$ -
\$ 20,805	\$ 372,848	\$ 10,519	\$ 217,331	\$ 290,984	\$ 72,368	\$ 76,714	\$ 17,022	\$ -	\$ 20,246	\$ 108,293	\$ 4,090	\$ 92,126	\$ 1,424,193	\$ 4,585,573	\$ 1,185,339	\$ 5,770,912	\$ 9,052,409	XXXXXXXXXXXX	XXXXXXXXXXXX	\$ -
\$ 173,795	\$ 3,447,625	\$ 84,949	\$ 1,860,264	\$ 2,153,900	\$ 573,492	\$ 2,517,714	\$ 142,196	\$ 401,045	\$ 152,846	\$ 448,183	\$ 26,568	\$ 643,255	\$ 13,629,088	\$ 42,425,175	\$ 28,791,166	\$ 71,216,341	\$ 272,020,555	\$ 0.00	\$ 0.00	\$ 343,236,896
\$ (204)	\$ (5,237)	\$ (101)	\$ (2,691)	\$ (2,083)	\$ (735)	\$ (912)	\$ (167)	\$ -	\$ (192)	\$ (1,122)	\$ (121)	\$ (595)	\$ (15,454)	\$ (43,569)	\$ (58,672)	\$ (102,241)	\$ (334,782)	XXXXXXXXXXXX	XXXXXXXXXXXX	\$ (437,023)
\$ 173,999	\$ 3,452,861	\$ 85,050	\$ 1,862,955	\$ 2,155,983	\$ 574,227	\$ 2,518,626	\$ 142,363	\$ 401,045	\$ 153,038	\$ 449,305	\$ 26,689	\$ 643,849	\$ 13,644,542	\$ 42,468,744	\$ 28,849,838	\$ 71,318,582	\$ 272,355,336	XXXXXXXXXXXX	XXXXXXXXXXXX	\$ 343,673,919
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ (120,585)	\$ (2,550,359)	\$ (73,005)	\$ (1,002,821)	\$ (989,053)	\$ (117,372)	\$ (1,597,126)	\$ (16,136)	\$ -	\$ (60,535)	\$ (152,824)	\$ (11,487)	\$ 56,042	\$ (7,404,091)	\$ (24,081,800)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Lakeview Center, Inc. and Subsidiaries

Note to Schedule of Functional Revenues and Expenses
(Regulatory Basis) (Unaudited)

June 30, 2021

1. Summary of Significant Accounting Policies

The accompanying schedule was prepared on the accrual basis of accounting for the contract period in accordance with guidelines established by the State of Florida Department of Children and Families.

Lakeview Center, Inc. and Subsidiaries

Schedule of State Earnings
(Regulatory Basis) (Unaudited)
(Dollars in Thousands)

Year Ended June 30, 2021

1. Total expenditures	\$ 343,236
2. Less other state and federal funds	(299,834)
3. Less non-match SAMH funds	(5,621)
4. Less unallowable costs per 65E-14, F.A.C.	<u>(437)</u>
5. Total allowable expenditures (sum lines 1, 2, 3 and 4)	37,344
6. Maximum available earnings (line 5 times 75%)	28,008
7. Amount of state funds requiring match	<u>4,874</u>
8. Amount due to department (subtract line 7 from line 6)	<u><u>\$ -</u></u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Note to Schedule of State Earnings
(Regulatory Basis) (Unaudited)

June 30, 2021

1. Summary of Significant Accounting Policies

The accompanying schedule was prepared on the accrual basis of accounting for the contract period. Calculations in the schedule were prepared in accordance with guidelines established by the State of Florida Department of Children and Families. Per guidance Rule 65E-14.003(1)(b), F.A.C., if the amount calculated as due to department is positive, then no amounts are due to department.

Lakeview Center, Inc. and Subsidiaries

Schedule of Related-Party Transaction Adjustments (Regulatory Basis)
(Unaudited)

Year Ended June 30, 2021

	Related Passed Through to Subrecipient
Revenues from grantee:	
Services	\$ 2,205,144
Rent	—
Interest	—
Other	—
Total revenue from grantee	<u>2,205,144</u>
Expenses associated with grantee transactions:	
Personnel services	—
Depreciation	—
Interest	—
Other	—
Total associated expenses	<u>—</u>
Related-party transaction adjustment	\$ 2,205,144
Allocation of related-party transaction adjustment:	
SAMH covered services:	
3	\$ 1,792,073
24	413,071
Total	<u><u>\$ 2,205,144</u></u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Note to Schedule of Related-Party Transaction Adjustments
(Regulatory Basis) (Unaudited)

June 30, 2021

1. Summary of Significant Accounting Policies

The accompanying schedule was prepared on the accrual basis of accounting for the contract period. Calculations in the schedule were prepared in accordance with guidelines established by the State of Florida Department of Children and Families.

Lakeview Center, Inc. and Subsidiaries

Schedule of Bed-Day Availability Payments (Unaudited)

Year Ended June 30, 2021

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	Passed	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column	Amount Owed to Department
A	B	C	D	E	F	G	H=FxC	> of G-H or \$0
Children's MH	Crisis stabilization unit	\$ 328.47	2,942	–	2,942	\$ 101,223	\$ 966,359	\$ –
Adult MH	Crisis stabilization unit	328.47	11,208	891	10,317	1,395,335	3,388,825	–
Children's SA	Substance abuse detox	n/a	n/a	n/a	n/a	n/a	n/a	–
Adult SA	Substance abuse detox	376.89	1,178	184	994	921,500	374,629	–
Adult MH	Short-term residential treatment	n/a	n/a	n/a	n/a	n/a	n/a	–
Total amount owed to department								<u>\$ –</u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Note to Schedule of Bed-Day Availability Payments
(Unaudited)

June 30, 2021

1. Summary of Significant Accounting Policies

The accompanying schedule was prepared on the accrual basis of accounting for the contract period. Calculations in the schedule were prepared in accordance with guidelines established by the State of Florida Department of Children and Families.

Supplementary Information

Lakeview Center, Inc. and Subsidiaries

DUI School

Balance Sheets

	September 30	
	2021	2020
Assets		
Current assets:		
Cash	\$ –	\$ –
Other accounts receivable	–	–
Property and equipment, less accumulated depreciation of \$7,372 and \$6,980 in 2020 and 2019, respectively	48,034	49,348
Total assets	\$ 48,034	\$ 49,348
Liabilities and net deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,010	\$ 4,521
Due to Lakeview Center, Inc.	242,287	135,473
Compensated absences	16,467	10,262
Total current liabilities	264,764	150,256
Net deficit without donor restrictions:		
Without donor restrictions, designated	(216,730)	(100,908)
Total liabilities and net deficit	\$ 48,034	\$ 49,348

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

DUI School

Statements of Operations and Changes in Net Deficit
With Special Supervision Services (SSS) (Unaudited)

	Year Ended September 30	
	2021	2020
Changes in net deficit without donor restrictions		
Revenue:		
Net client fees	\$ 407,259	\$ 397,871
Net client fees – SSS	<u>80,470</u>	<u>87,213</u>
	487,729	485,084
Fees remitted to State of Florida	(12,838)	(20,525)
Fees remitted to State of Florida – SSS	<u>(2,537)</u>	<u>(4,499)</u>
	(15,375)	(25,024)
Total client fees	<u>472,354</u>	460,060
Total revenue	472,354	460,060
Expenses:		
DUI – other:		
Salaries	228,356	230,887
Fringe benefits	54,121	47,383
Building maintenance and operations	38,953	30,536
Conference and conventions	10,778	7,347
Other program costs	91,875	57,974
Testing and assessment	4,715	4,510
Printing and production	377	2,121
Promotion and publicity	–	–
Professional fees	–	–
Data processing	5,457	4,354
Administrative	<u>50,791</u>	<u>14,622</u>
	485,423	399,734

Lakeview Center, Inc. and Subsidiaries

DUI School

Statements of Operations and Changes in Net Deficit
With Special Supervision Services (SSS) (Unaudited) (continued)

	Year Ended September 30	
	2021	2020
Expenses (continued):		
DUI – SSS:		
Salaries	\$ 45,121	\$ 50,610
Fringe benefits	10,694	10,386
Building maintenance and operations	9,009	11,714
Conference and conventions	2,493	2,819
Other program costs	21,249	–
Testing and assessment	1,091	1,730
Printing and production	87	814
Promotion and publicity	–	–
Professional fees	–	–
Data processing	1,262	1,670
Administrative	11,747	5,609
	102,753	85,352
Total expenses	588,176	485,086
Change in net deficit without donor restrictions	(115,822)	(25,026)
Net deficit without donor restrictions at beginning of year	(100,908)	(75,882)
Net deficit without donor restrictions at end of year	\$ (216,730)	\$ (100,908)

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

DUI School

Notes to Financial Statements

September 30, 2021

1. Summary of Significant Accounting Policies

The DUI School financial statements are prepared on the accrual basis of accounting. Significant accounting policies for the DUI School are the same as those described in Note 1 to the accompanying consolidated financial statements of Lakeview Center, Inc. and Subsidiaries.

2. State Assessment Fee

As required by Section 322.293, *Florida Statutes*, each DUI program collects a \$15 assessment fee on every client enrolling in its DUI program and remits the fee to the State of Florida. These and other fees collected and distributed to the State are summarized as follows:

	Year Ended September 30	
	2021	2020
Fees due from prior year	\$ —	\$ —
Fees collected during current year	15,375	25,024
Fees remitted during current year	15,375	25,024
Fees due to the state of Florida	<u>\$ —</u>	<u>\$ —</u>

Procedures have been established and maintained that adequately account for all fees received for the DUI program and for all receipts created and/or issued by the DUI program.

Lakeview Center, Inc. and Subsidiaries

DUI School

Notes to Financial Statements (continued)

3. Other Program Costs for DUI (Non-Special Supervision Services (SSS) Expenses)

Other program costs for the DUI program, not including SSS, consist of the following:

	Year Ended September 30	
	2021	2020
Drug screen testing	\$ —	\$ 499
Copier costs	1,901	2,717
Florida association of DUI program membership dues	8,840	173
Office supplies	5,742	5,930
Telephone	4,792	5,553
Other	70,600	43,102
Total other program costs	\$ 91,875	\$ 57,974

4. Indirect Cost Allocations

Lakeview Center, Inc. allocates administrative costs to its programs using a step-down allocation methodology. The allocation basis varies depending upon the nature of the indirect cost pool being allocated. The following are examples of the allocation processes employed (this list is not intended to be all-inclusive): the human resources allocation is based on adjusted active staff and maintenance service costs are allocated based on the square footage maintained. The methodologies used allow for the allocation of indirect costs across all appropriate components of operations, and are in accordance with Florida Administrative Code 15A-10.014.

Lakeview Center, Inc. and Subsidiaries

Access Behavioral Health

Balance Sheets (Regulatory Basis)

	September 30	
	2021	2020
	<i>(In Thousands)</i>	
Assets		
Cash and invested assets:		
Cash and cash equivalents	\$ 24,671	\$ 37,798
Real estate	19,868	16,066
Other invested assets	279	143,073
Internally designated investments	–	53,434
Total cash and invested assets	<u>44,818</u>	<u>250,371</u>
Electronic data processing equipment and software	41	55
Health care and other amounts receivable	6,355	10,973
Accounts receivable on service industry contracts (non-health)	14,850	26,100
Accounts receivable – other (non-health)	(3,797)	7,512
Amounts due from parent, subsidiaries, and affiliates	627	725
Inventories	648	531
Total assets	<u>\$ 63,542</u>	<u>\$ 296,267</u>
Liabilities and net assets		
Liabilities:		
Claims unpaid	\$ 620	\$ 600
General expenses due or accrued	19,326	31,495
Amounts withheld or retained for the account of others	4,242	1,890
Deferred revenue	3,981	2,141
Accrued wages	6,194	4,963
Accrued compensated absences	4,912	5,661
Total liabilities	<u>39,275</u>	<u>46,750</u>
Net assets:		
Net assets without donor restrictions	41,531	276,268
Less non-admitted assets	(17,264)	(26,751)
Total net assets	<u>24,267</u>	<u>249,517</u>
Total liabilities and net assets	<u>\$ 63,542</u>	<u>\$ 296,267</u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

Access Behavioral Health

Statements of Operations (Regulatory Basis)

	Year Ended September 30	
	2021	2020
	<i>(In Thousands)</i>	
Revenue:		
Capitation revenue	\$ 30,130	\$ 29,233
Total revenue	30,130	29,233
Expenses:		
Sub-capitation expense	27,248	25,670
Taxes and insurance	23	34
Personnel	1,739	1,741
Printing/production and shipping	2	5
Other	135	239
Total expenses	29,147	27,689
Excess of revenue over expenses	\$ 983	\$ 1,544

See accompanying note.

Lakeview Center, Inc. and Subsidiaries

Access Behavioral Health

Note to Financial Statements (Regulatory Basis)

September 30, 2021

1. Summary of Significant Accounting Policies

The Access Behavioral Health (ABH) financial statements are prepared on a regulatory basis of accounting in accordance with guidelines established by the State of Florida Office of Insurance Regulation. Significant accounting policies for ABH are the same as those described in Note 1 to the accompanying consolidated financial statements of Lakeview Center, Inc. and Subsidiaries. Capitation revenue is based on a per-member per-month rate to provide services as a managed behavioral health organization. ABH provides these services for the Center and three comprehensive community mental health centers to provide mental health services to the MMA Plan beneficiaries residing in Regions 1 and 2 in Florida. Subcontracts with the Center are on a full-risk capitated basis and is reported as sub-capitation expense within the statements of operations for ABH.

Other Reports and Schedules

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards						
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Direct from Substance Abuse and Mental Health Services Administration						
P.H.A.S.E. II:						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	9/30/17–9/29/22	93.243	3H79TI080665-02S1	\$ 521,965	\$ 521,965	\$ –
T.R.A.C.E.:						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	9/30/18–9/29/23	93.243	1H79TI081267-01	541,350	549,629	–
Passed through from Big Bend Community Based Care (BB)						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	7/1/20–6/30/21	93.243	A0200	85,200	63,892	–
Total CFDA No. 93.243					<u>1,135,486</u>	–
Direct from Substance Abuse and Mental Health Services Administration						
Drug Free Communities:						
Drug-Free Communities Support Program Grants	10/31/19-10/30/24	93.276	5H79SP020364-5	125,000	117,130	–
Total CFDA No. 93.276					<u>117,130</u>	–

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards (continued)						
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)						
Passed through from the State of Florida Department of Children and Families (DCF)						
Community Based Care – Child Welfare:						
Promoting Safe and Stable Families	7/1/20-6/30/21	93.556	DCF – AJ495	\$ 59,917,314	\$ 1,663,914	\$ 1,317,036
Guardianship Assistance	7/1/20-6/30/21	93.090	DCF – AJ495		9,211	–
Grants to States for Access and Visitation Programs	7/1/20-6/30/21	93.597	DCF – AJ495		33,327	33,327
Chafee Education and Training Vouchers Program (ETV)	7/1/20-6/30/21	93.599	DCF – AJ495		72,620	
Adoption and Legal Guardianship Incentive Payments	7/1/20-6/30/21	93.603	DCF – AJ495		443,261	
Stephanie Tubbs Jones Child Welfare Services Program	7/1/20-6/30/21	93.645	DCF – AJ495		532,418	
Foster Care – Title IV-E	7/1/20-6/30/21	93.658	DCF – AJ495		9,357,634	
Adoption Assistance	7/1/20-6/30/21	93.659	DCF – AJ495		11,103,459	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	7/1/20-6/30/21	93.674	DCF – AJ495		196,033	
Social Services Block Grant	7/1/20-6/30/21	93.667	DCF – AJ495		3,776,356	15,411
Child Abuse and Neglect State Grants	7/1/20-6/30/21	93.669	DCF – AJ495		145,225	88,176
Community Based Care – Child Welfare (CAPE):						
Child Abuse and Neglect State Grants	8/5/20-12/31/21	93.669	LJ004		97,597	–
Total CFDA No. 93669					242,822	88,176
Community Based Care – Child Welfare (CAPE):						
Community Based Child Abuse Prevention Grants	8/5/20-12/31/21	93.590	LJ004	740,259	300,047	–

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards (continued)						
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)						
Passed through from Big Bend Community Based Care (BB)						
Substance Abuse and Mental Health Managing Entity:						
Temporary Assistance for Needy Families	7/1/20-6/30/21	93.558	BB – A0110	\$ 12,996,691	\$ 234,778	\$ –
Passed through from The State of Florida Department of Children and Families (DCF)						
Community Based Care – Child Welfare:						
Temporary Assistance for Needy Families	7/1/20-6/30/21	93.558	DCF – AJ495		3,976,915	1,361,369
Total CFDA No. 93.558					4,211,693	1,361,369
Passed through from Big Bend Community Based Care (BB)						
Substance Abuse and Mental Health Managing Entity:						
Block Grants for Community Health Mental Services	7/1/20-6/30/21	93.958	BB – A0110		1,019,570	–
Florida Assertive Community Treatment (FACT):						
Block Grants for Community Health Mental Services	7/1/20-6/30/21	93.958	BB – A0170	1,196,552	123,427	–
Total CFDA No. 93.958					1,142,997	–
Substance Abuse and Mental Health Managing Entity:						
Coronavirus Relief Fund		21.019		400,000	400,000	
Coronavirus Relief Fund	7/1/20-6/30/21	21.019	A0240		48,670	–
Coronavirus Relief Fund	7/1/20-6/30/21	21.019	A0190		11,144	–
Total CFDA No. 21.019					459,814	–

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards (continued)						
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)						
Passed through from Big Bend Community Based Care (BB)						
Substance Abuse and Mental Health Managing Entity:						
Projects for Assistance in Transition from Homelessness (PATH)	7/1/20-6/30/21	93.150	BB – A0210	\$ 120,044	\$ 26,790	\$ –
Passed through from Big Bend Community Based Care (BB)						
Substance Abuse and Mental Health Managing Entity:						
Block Grants for Prevention and Treatment of Substance Abuse	7/1/20-6/30/21	93.959	BB – A0110	–	2,188,886	–
Family Intensive Treatment (FIT):						
Block Grants for Prevention and Treatment of Substance Abuse	7/1/20-6/30/21	93.959	BB – A0190	701,668	353,431	–
Community Drug and Alcohol Council, Inc. (CDAC):						
Block Grants for Prevention and Treatment of Substance Abuse	7/1/20-6/30/21	93.959	LCI20-21	120,000	4,521	–
Total CFDA No. 93.959					<u>2,546,838</u>	–
Passed through from Healthy Start Community Coalition of Okaloosa and Walton Counties						
Maternal and Child Health Services Block Grant to the States	7/1/20-6/30/21	93.994	OKA-#01-1920	367,832	243,848	–
Passed through from Big Bend Community Based Care (BB)						
Substance Abuse and Mental Health Managing Entity:						
Opioid STR	7/1/20-6/30/21	93.788	BB-A0110	–	845,905	–
Total U.S. Department of Health and Human Services					<u>38,461,603</u>	<u>2,815,320</u>

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards (continued)						
STATE DEPARTMENT OF AGENCY FOR HEALTH CARE ADMINISTRATION						
Medicaid Cluster						
Passed through from The State of Florida Department of Children and Families (DCF)						
Community Based Care – Child Welfare:						
Medical Assistance Program	7/1/20-6/30/20	93.778	DCF – AJ495	\$	\$ 233,633	\$
Passed through from Big Bend Community Based Care (BB)						
Florida Assertive Community Treatment (FACT):						
Medical Assistance Program	7/1/20-6/30/20	93.778	BB-A0170	1,196,552	239,564	–
Total CFDA No. 93.778 and Medicaid Cluster					473,197	–
Passed through from Big Bend Community Based Care (BB)						
Children's Mental Health Behavioral Services (BNET):						
Children's Health Insurance Program						
Children's Health Insurance Program	7/1/20-6/30/21	93.767	BB – A0160	305,693	217,536	–
Total State Department of Agency for Health Care Administration					690,733	–

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards (continued)						
U.S. DEPARTMENT OF EDUCATION						
Passed through the State of Florida Department of Labor and Employment Security						
Vocational Rehab and Supported Employment:						
Rehabilitation Services Vocational Rehabilitation Grants to States	10/1/20-9/30/21	84.126	VR5231	R/A	\$ 323,800	\$ —
Total U.S. Department of Education					<u>323,800</u>	<u>—</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Housing First:						
Continuum of Care Program	7/1/20-6/30/21	14.267	FL0634L4H111903	130,547	131,072	—
Total CFDA No. 14.267					<u>131,072</u>	<u>—</u>
Total U.S. Department of Housing and Urban Development					<u>131,072</u>	<u>—</u>

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

Federal Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	Federal CFDA Number	Grantor's Number	Program/ Award Amount	Federal Expenditures	Passed Through to Subrecipients
Federal awards (continued)						
U.S. DEPARTMENT OF JUSTICE						
Passed through the State of Florida Office of the Attorney General						
Victims of Crime Act Program Services (VOCA):						
Crime Victim Assistance	10/1/20–9/30/21	16.575	018-Lakeview Center, Ir	\$ 680,727	\$ 341,823	\$
Total U.S. Department of Justice					341,823	–
Total expenditures of federal awards					<u>\$ 39,949,031</u>	<u>\$ 2,815,320</u>

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

State Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	State CSFA Number	Grantor's Number	Program/ Award Amount	State Expenditures	Passed Through to Subrecipients	
State financial assistance							
State of Florida Department of Children and Families (DCF)							
Community Based Care – Child Welfare:							
Out-of-Home Supports	7/1/20-6/30/21	60.074	DCF – AJ495	\$	\$ 1,530,879	\$ 535,018	
The Independent Living and Road-to- Independence Program	7/1/20-6/30/21	60.112	DCF – AJ495	–	63,017	–	
CBC - Extended Foster Care Program	7/1/20-6/30/21	60.141	DCF – AJ495	–	80,436	–	
CBC - Purchase of Therapeutic Services for Children	7/1/20-6/30/21	60.183	DCF – AJ495	–	136,260	–	
Adoption Services	7/1/20-6/30/21	60.076	DCF – AJ495	–	1,251	–	
CBC Sexually Expolited Children	7/1/20-6/30/21	60.138	DCF – AJ495	–	523,413	–	
Total State of Florida Department of Children and Families					–	2,335,257	535,018
State of Florida Department of Health							
State and Community Interventions	7/1/20-6/30/21	64.093	COTHD	139,524	136,485	–	
State of Florida Department of Health					136,485	–	

Lakeview Center, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)

State Grantor/Pass-Through Grantor/Project Title /Program Title	Grant Period	State CSFA Number	Grantor's Number	Program/ Award Amount	State Expenditures	Passed Through to Subrecipients
State financial assistance (continued)						
Florida Council Against Sexual Violence						
Rape Crisis Program Trust Fund – Sexual Battery Victims’ Access to Services Act Total CSFA No. 64.061	7/1/20–6/30/21	64.061	16TFGR03	\$ 37,433	\$ 37,454	\$ –
Rape Crisis Center Total CSFA No. 64.069	7/1/20–6/30/21	64.069	16TFGR03	62,978	62,978	–
Rape Crisis Program: Florida Council Against Sexual Violence Total CSFA No. 41.010	7/1/20–6/30/21	41.010	20OAG03	12,596	12,596	–
Total Florida Council Against Sexual Violence					<u>113,028</u>	<u>–</u>
Office of the State Court Administration						
Post-Adjudicatory Drug Court Program	7/1/20–6/30/21	22.021	01008K4	670,606	390,624	–
Naltrexone	7/1/20–6/30/21	22.022	SC00679	612,083	576,624	–
Total Office of the State Court Administration					<u>967,248</u>	<u>–</u>
Total expenditures of state financial assistance					<u>\$ 3,552,018</u>	<u>\$ 535,018</u>

See accompanying notes.

Lakeview Center, Inc. and Subsidiaries

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

September 30, 2021

1. Presentation and Basis of Accounting

The schedule of expenditures of federal awards and state financial assistance is prepared on the accrual basis in accordance with accounting principles generally accepted in the United States. It includes all the state and federal expenditures of Lakeview Center, Inc. (the Center).

The Center allocates administrative costs to its federal and state programs using a step-down allocation methodology. The methodologies used allow for the allocation of administrative costs across all appropriate components of operations, and are in accordance with Florida Administrative Code 15A-10.014. The Center has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance and instead adheres to an approved federal indirect rate or approved contract indirect rate.

2. Contingencies

The Center has received numerous federal and state grants. The disbursement of funds received under these programs is subject to review and audit by grantor agencies. Any disbursements disallowed by these agencies could become a liability of the Center. In the opinion of management, any such claims will not have a material adverse effect of the financial position of the Center.

3. Subrecipients

In order to fulfill contractual requirements for child protective services, behavioral health services, and vocational services, the Center subcontracts with various community agencies. The Center is responsible for compliance for the funds expended, but all regulatory and contractual obligations are passed to the subrecipients in their contracts.



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Report of Independent Auditors 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*

President/Chief Executive Officer
Chief Financial Officer
The Board of Directors
Lakeview Center, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States 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 Lakeview Center, Inc. and Subsidiaries (the Center), which comprise the consolidated balance sheet as of September 30, 2021, 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 financial statements, and have issued our report thereon dated January 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 Center’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

January 6, 2022



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Report of Independent Auditors on Compliance for Each Major Federal Program and State Financial Assistance Project; Report on Internal Control Over Compliance Required by the Uniform Guidance Section 215.97 *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*

President/Chief Executive Officer
Chief Financial Officer
The Board of Directors
Lakeview Center, Inc. and Subsidiaries

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

We have audited Lakeview Center, Inc. and Subsidiaries' (the Center)'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *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 Center's major federal programs and state financial assistance projects for the year ended September 30, 2021. The Center's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs and state financial assistance 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; 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); Section 215.97,

Florida Statutes; and Chapter 10.650, *Rules of the Auditor General*. Those standards; the Uniform Guidance; Section 215.97, *Florida Statutes*; 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 state financial assistance project occurred. An audit includes examining, on a test basis, evidence about Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of Center's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance 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 financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance 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 financial assistance 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 financial assistance 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; Section 215.97, Florida Statutes; and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Ernst + Young LLP

January 6, 2022

Lakeview Center, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

Section I — Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards and State Projects

Internal control over major federal programs and state projects:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditor’s report issued on compliance for major federal programs and state projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a), section 215.97, Florida Statutes or Chapter 10.650, Rules of the Auditor General?

_____ Yes X No

Lakeview Center, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs (continued)

Section I — Summary of Auditor’s Results (continued)

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program</u>
93.556	Promoting Safe and Stable Families
93.659	Adoption Assistance
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Identification of major state financial assistance projects:

<u>Assistance Listing Numbers</u>	<u>Name of State Program</u>
22.021	Post-Adjudicatory Drug Court Program
60.074	Out-of-Home Supports

Dollar threshold used to distinguish between Type A and Type B programs:

Federal awards:	\$ 1,198,471
State awards:	\$ 750,000

Auditee qualified as low-risk auditee for Federal purposes? X Yes No

Section II — Financial Statement Findings

No matters were identified

Section III — Federal Award and State Project Findings and Questioned Costs

No matters were identified

Section IV — Management Letter and Summary Schedule of Prior Audit Findings

No matters were identified.

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