

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

MENTAL HEALTH CARE, INC.

June 30, 2021

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Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigino
Kevin R. Bass	James K. O'Connor
Jonathan E. Stein	David M. Bohnsack
Cesar J. Rivero, in Memoriam (1942-2017)	

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mental Health Care, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Mental Health Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mental Health Care, Inc. as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, 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 Chapter 10.650, *Rules of the Auditor General* is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of local and other public support is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of Mental Health Care, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mental Health Care, Inc.'s internal control over financial reporting and compliance.

Tampa, Florida
December 21, 2021



Mental Health Care, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

Current assets	
Cash and cash equivalents (notes A4 and A5)	\$ 8,942,752
Accounts receivable (note A6)	
Grants and funding sources	2,677,508
Patients and other	1,508,734
Prepaid expenses and other current assets	1,200,033
Investments (notes A7, B and N)	<u>3,748,385</u>
Total current assets	<u>18,077,412</u>
Receivables from related parties (note E)	<u>344,702</u>
Property and equipment, net (notes A8, C and D)	<u>14,815,765</u>
Total assets	<u>\$ 33,237,879</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 709,522
Accrued expenses	733,083
Current portion of capital lease payable (note I)	36,049
Lines of credit (note F)	<u>-</u>
Total current liabilities	<u>1,478,654</u>
Note payable - paycheck protection program (note H)	<u>-</u>
Long-term debt (note G)	<u>-</u>
Capital lease payable, long-term (note I)	<u>67,786</u>
Total liabilities	<u>1,546,440</u>
Net assets (note A2)	
Without donor restrictions	27,924,751
With donor restrictions (note M)	<u>3,766,688</u>
Total net assets	<u>31,691,439</u>
Total liabilities and net assets	<u>\$ 33,237,879</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Public support (note A10)	\$ 20,766,505	\$ -	\$ 20,766,505
Net patient service revenue (note A11)	18,023,223	-	18,023,223
Paycheck protection program (note H)	3,517,700	-	3,517,700
Donated materials and services (note A9)	108,013	-	108,013
Rental revenue	896,332	-	896,332
Contributions and other revenue	386,848	-	386,848
	<u>43,698,621</u>	<u>-</u>	<u>43,698,621</u>
Net assets released from restrictions	<u>371,661</u>	<u>(371,661)</u>	<u>-</u>
	<u>44,070,282</u>	<u>(371,661)</u>	<u>43,698,621</u>
OPERATING EXPENSES (note A15)			
Program services			
Emergency and acute care	18,370,472	-	18,370,472
Community development division	5,199,837	-	5,199,837
Outpatient	6,585,793	-	6,585,793
Children's community services	2,838,898	-	2,838,898
	<u>32,995,000</u>	<u>-</u>	<u>32,995,000</u>
Supporting services			
Management and general	4,916,319	-	4,916,319
	<u>37,911,319</u>	<u>-</u>	<u>37,911,319</u>
Operating income (loss)	<u>6,158,963</u>	<u>(371,661)</u>	<u>5,787,302</u>
NON-OPERATING REVENUE			
Investment income	153,024	-	153,024
Gain on sale of property and equipment	203,185	-	203,185
	<u>356,209</u>	<u>-</u>	<u>356,209</u>
CHANGE IN NET ASSETS	6,515,172	(371,661)	6,143,511
NET ASSETS AT BEGINNING OF YEAR	<u>21,409,579</u>	<u>4,138,349</u>	<u>25,547,928</u>
NET ASSETS AT END OF YEAR	<u>\$ 27,924,751</u>	<u>\$ 3,766,688</u>	<u>\$ 31,691,439</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Program Services				Total Program Services	Management and General	Total Expenses
	Emergency and Acute Care	Community Development Division	Outpatient	Children's Community Services			
Salaries and wages	\$ 12,346,826	\$ 1,925,677	\$ 4,892,586	\$ 2,029,054	\$ 21,194,143	\$ 2,815,613	\$ 24,009,756
Employee benefits	2,118,497	253,807	1,117,515	501,271	3,991,090	584,510	4,575,600
Professional services	242,157	540,385	124,474	25,138	932,154	589,016	1,521,170
Travel	3,053	60,148	5,908	82,150	151,259	10,067	161,326
Food services	684,952	12,093	10,892	2,002	709,939	15,206	725,145
Building and grounds	939,449	768,660	239,494	73,020	2,020,623	137,928	2,158,551
Equipment and furnishings	87,323	61,672	46,281	3,018	198,294	497,409	695,703
Medical and pharmacy	443,166	-	12,384	34,082	489,632	684	490,316
Insurance	343,226	324,030	58,029	46,045	771,330	70,630	841,960
Interest	43,791	-	7,308	-	51,099	9,839	60,938
Supplies	547,251	893,640	40,279	22,450	1,503,620	47,987	1,551,607
Donated items	-	108,012	-	-	108,012	-	108,012
Total expenses before depreciation and amortization	<u>17,799,691</u>	<u>4,948,124</u>	<u>6,555,150</u>	<u>2,818,230</u>	<u>32,121,195</u>	<u>4,778,889</u>	<u>36,900,084</u>
Depreciation and amortization	<u>570,781</u>	<u>251,713</u>	<u>30,643</u>	<u>20,668</u>	<u>873,805</u>	<u>137,430</u>	<u>1,011,235</u>
Total expenses	<u>\$ 18,370,472</u>	<u>\$ 5,199,837</u>	<u>\$ 6,585,793</u>	<u>\$ 2,838,898</u>	<u>\$ 32,995,000</u>	<u>\$ 4,916,319</u>	<u>\$ 37,911,319</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

Cash flows from operating activities	
Change in net assets	<u>\$ 6,143,511</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	1,011,235
Loan forgiveness income	(3,517,700)
Net realized and unrealized investment gains	(172,016)
Gain on sale of property	(203,185)
Decrease in accounts and related party receivables	(222,507)
Increase in prepaid and other assets	(140,616)
Increase in accounts payable and accrued liabilities	257,417
Total adjustments	<u>(2,987,372)</u>
Net cash provided by operating activities	<u>3,156,139</u>
Cash flows from investing activities	
Purchase of property and equipment	(348,818)
Proceeds from sale of property	253,185
Net cash used by investing activities	<u>(95,633)</u>
Cash flows from financing activities	
Net payments on long-term debt	(1,459,220)
Net payments on capital lease	(36,258)
Net cash used by financing activities	<u>(1,495,478)</u>
Net increase in cash	1,565,028
Cash and cash equivalents at beginning of year	<u>7,377,724</u>
Cash and cash equivalents at end of year	<u>\$ 8,942,752</u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ 60,938</u>
Taxes	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Nature of Organization

Founded in 1949 as the Guidance Center of Hillsborough County, Mental Health Care, Inc. ("Gracepoint") is a Florida not-for-profit corporation which provides comprehensive community health services to the residents of Hillsborough County. Gracepoint offers over 35 programs in accessible locations throughout Hillsborough County, including Emergency and Acute Care Services; Intensive Outpatient Treatment; Services for Children; Adolescents and Families; Residential Treatment & Supported Housing; Adult Outpatient Services; Employment Services; and Homeless Services. In 2014, Mental Health Care, Inc. began operating under the name Gracepoint.

2. Basis of Accounting

Gracepoint follows the provisions of the Financial Accounting Standards Boards *Accounting Standards Codification* ("FASB ASC").

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on Gracepoint as a whole and to present revenue, expenses, and net assets based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of Gracepoint and changes therein are classified and reported as follows:

- Without Donor Restrictions – Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board and/or management for general operating purposes.
- With Donor Restrictions – Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by the actions of Gracepoint, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.

3. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Cash and Cash Equivalents

Gracepoint considers all highly liquid debt instruments and securities purchased with a maturity of three months or less 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.

5. Concentrations of Credit Risk

Financial instruments that potentially subject Gracepoint to concentrations of credit risk are primarily cash and accounts receivable. Gracepoint's cash deposits are placed in financial institutions which at times may exceed the Federal Deposit Insurance Corporation (FDIC) coverage and exceeded insured limits by approximately \$8,685,000 at June 30, 2021. Gracepoint has not experienced any losses in its cash accounts and does not believe it is exposed to any significant credit risks related to uninsured amounts.

6. Accounts Receivable and Allowance of Doubtful Accounts

Accounts receivable are stated at the amounts management expects to collect from outstanding balances, less estimated contractual adjustments related to agreements with third-party payers. Patient accounts receivable are reviewed for write off after 120 days and analysis of collection efforts. Management provides for probable uncollectible amounts through a charge to expense and a credit to an allowance based on prior bad debt experience and a review of existing receivables. Balances that remain outstanding after management has used reasonable collection efforts are written off. An allowance of approximately \$637,000 is included in relation to the patient accounts receivable in the accompanying financial statements at June 30, 2021.

7. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in Gracepoint's statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying financial statements. Investments in debt and equity securities and mutual funds are stated at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over estimated useful lives ranging from 5 to 35 years. Estimated useful lives are in accordance with those established by the American Hospital Association. It is Gracepoint's policy that maintenance and repairs are charged to expense as incurred. Additions/betterments exceeding \$2,500 and with a useful life of over one year are capitalized. Donated property and equipment are recorded at fair value at the date of the gift.

9. Donated Materials and Services

Donations of materials are recorded as support at their estimated fair value at the date of donation. Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets, or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

A number of full and part-time volunteers have made contributions of their time to maintain Gracepoint's programs. The value of this contributed time is not reflected in these financial statements since these services do not meet the requirements for recognition.

10. Public Support

Revenue from federal, state and local grants is recorded as public support grants based upon the terms of the grantor, which generally provide that revenue is earned when the allowable activities or costs of the specific grant provisions have been incurred. Also, included in public support is other state funding. Such revenue is subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses, Gracepoint may be required to refund any deficiencies. Management is of the opinion that none of the amounts recognized as revenue would be disallowed.

11. Net Patient Service Revenue

Revenue under third-party payor agreements is recorded at established billing rates, net of estimated contractual adjustment relating to agreements with third-party payors. Final determination of amounts earned is subject to third-party audits and retroactive adjustments. Provision for estimated third-party payor settlements are made in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicaid and Medicare programs.

12. Charity Care

Gracepoint accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies. Amounts determined to qualify as charity care are not reported as patient service revenue. Gracepoint provided charity care of approximately \$11,400,000 as measured by the amount of charges forgone for services rendered based upon a sliding fee scale during the year ended June 30, 2021.

13. Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. See also note O.

14. Income Taxes

Gracepoint has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Accordingly, no provision for income taxes has been presented in these financial statements. Gracepoint has reported unrelated business income although no income taxes have been owed due to net tax losses through the latest filed return; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities. Gracepoint is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2017 remain subject to examination by federal and state taxing authorities.

15. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain cost has been allocated among the programs and supporting services benefited. A description of the significant programs follows:

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Emergency and Acute Care – This program serves patients in acute psychiatric crisis needing emergency screening/evaluation and crisis intervention/brief counseling. The Crisis Stabilization Unit provides inpatient psychiatric services that focus on the stabilization of the patient's acute crisis as well as integration back into the general community/population. Patient's needs are identified at the time of admission to ensure that an individualized treatment plan/process is developed and implemented to ensure optimum stabilization and recovery are obtained in the shortest possible time-frame with reintegration back into the community.

Community Development Division – This program provides a formal outreach program across Hillsborough County to engage persons into services of the program or other needed services in the community. Outreach services also include a program focused on engaging persons in the community who are homeless with a mental illness and may have a substance use disorder. Outreach staff provide outreach services at campsites, emergency shelters and other known areas where homeless individuals may be utilizing some type of shelter. Additionally, services are provided at sites operated by Gracepoint such as the Shop and other drop-in centers. Staff also work closely with the police department and other local resources to provide outreach and screening services to homeless individuals.

Outpatient – This program provides psychiatric services to adults and children by psychiatrists and nurse practitioners. Individual and group therapy services are also offered by licensed clinicians. Social Rehabilitation that focuses on daily living, budgeting and medication compliance for the severely mentally ill is also provided. In addition, this program includes the provision of primary care services and care coordination to promote increased health outcomes to those patients choosing Gracepoint as their health home.

Children's Community Services – This program provides many services including: family therapy, individual therapy, group therapy, medication management, motivational interviewing, trauma informed care, targeted case management, transportation to appointments, mentoring, legal system advocacy and coordination, parenting skills, behavior modification, and respite services. Patients are assessed prior to admission by a licensed clinician to determine treatment needs.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE B - INVESTMENTS

Investments consist of the following at June 30, 2021:

Cash and money market funds	\$ 874,464
Corporate debt securities	782,588
Corporate equity securities	56,225
Government securities	632,552
Mutual funds	<u>1,402,556</u>
	<u>\$ 3,748,385</u>

Investment income consists of the following at June 30, 2021:

Interest and dividend income, net	\$ 53,556
Realized and unrealized gains on investments	<u>99,468</u>
	<u>\$ 153,024</u>

Professional fees related to the investment account were approximately \$14,000 for the year ended June 30, 2021.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021:

Land	\$ 1,615,620
Buildings and improvements	23,067,929
Furniture and equipment	<u>4,490,748</u>
	29,174,297
Less accumulated depreciation	<u>(14,358,532)</u>
Property and equipment, net	<u>\$ 14,815,765</u>

Depreciation and amortization expense for the year ended June 30, 2021 was approximately \$1,011,000. Included in depreciation expense is approximately \$221,000 related to the depreciation on the building and improvements for the Neighborhood Stabilization Project program.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE D - ASSETS ACQUIRED WITH GOVERNMENT FUNDS

The State of Florida rules governing mental health services for contractors stipulate that the State can recover its proportionate share of State funds used to acquire real property or equipment if the asset is sold prior to expiration of the holding period in which the State has an interest in the asset. The State can also recover its proportionate share of the market value or the asset itself, of any property or equipment no longer used for its original authorized purpose or State-approved alternative use, during the holding period. The holding period is defined as 20 years for real property and the contract approved useful life for equipment. There were no pending transactions requiring return of State funds on property and equipment as of June 30, 2021.

In 2010 Gracepoint acquired land from Hillsborough County, subject to the express condition that land be used solely and exclusively for either charitable, educational, scientific or patriotic uses and purposes that are without profit; otherwise, title to the land shall revert back to Hillsborough County if such premises are not used or cease to be used for such purposes.

NOTE E - RELATED PARTY BALANCES AND TRANSACTIONS

Gracepoint advanced funds through management agreements to five entities that sponsor HUD Section 811 projects and two other entities that provide low cost housing. The directors of these entities are limited to individuals who are either members of Gracepoint, or non-members who have approval of Gracepoint's board of directors. The receivables from related parties were approximately \$345,000 at June 30, 2021.

NOTE F - LINES OF CREDIT

Gracepoint maintains a line of credit with a financial institution with a total amount available of \$400,000 at June 30, 2021. The line of credit is not collateralized. The rate at which amounts drawn down under the line of credit bear interest at the prime rate (3.25% at June 30, 2021) subject to a floor of 4.00%. There was no outstanding balance on this line of credit at June 30, 2021.

Gracepoint maintains a second line of credit with a financial institution with a total amount available of approximately \$1,980,000 at June 30, 2021. The line of credit is collateralized by the securities held in accounts with the lending financial institution and the amount available changes based on the value of these securities. The rate at which amounts drawn under the line of credit bear interest is equal to the one month LIBOR rate (0.07% at June 30, 2021) at time of close of business each Friday plus 1.5%, for an effective rate of 1.57% at June 30, 2021. There was no outstanding balance on this line of credit at June 30, 2021.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE G - LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2021:

Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 30 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2010 - 2040). The note is collateralized by the land and building (Garrison Avenue).	\$ 70,894
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 30 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2010 - 2040). The note is collateralized by the land and building (Pine Street).	96,030
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 20 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2011 - 2031). The note is collateralized by the land and building (Mariposa).	2,891,139
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 20 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2011 - 2031). The note is collateralized by the land and building (Oakview).	<u>4,430,800</u>
Total long-term debt, prior to amounts to be forgiven and current maturities	7,488,863
Less amounts to be forgiven	<u>(7,488,863)</u>
Less current maturities	<u>\$ -</u>
Total long-term debt	<u><u>\$ -</u></u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE G - LONG-TERM DEBT - Continued

In 2010, Gracepoint obtained the \$70,894 (Garrison Avenue) and \$96,030 (Pine Street) loans from the City of Tampa, Florida under the terms of the U.S Department of Housing and Urban Development Neighborhood Stabilization Program 3 (NSP). Under the terms of this agreement, as long as Gracepoint is not in default with any provisions of the related loan documents, the loans bear no stated interest rate or required principal repayments. Repayment of the principal balance is deferred until the mortgage loans mature in 2030, upon which the full balance will be forgiven in accordance with the NSP program. The loans are secured by a mortgage on the underlying property. Gracepoint recognized donor restricted contribution revenue for the face value of these loans, rather than a liability due to the intent of the debt being fully forgiven at maturity. The related net assets with donor restrictions are being released on a straight-line basis over the term of the loan.

In 2011, Gracepoint obtained the \$2,891,139 (Mariposa) and \$4,430,800 (Oakview) loans from the City of Tampa, Florida under the terms of the U.S Department of Housing and Urban Development Neighborhood Stabilization Program 3 (NSP). Under the terms of this agreement, as long as Gracepoint is not in default with any provisions of the related loan documents, the loans bear no stated interest rate or required principal repayments. Repayment of the principal balance is deferred until the mortgage loans mature in 2031, upon which the full balance will be forgiven in accordance with the NSP program. The loans are secured by a mortgage on the underlying property. Gracepoint recognized donor restricted contribution revenue for the face value of these loans, rather than a liability due to the intent of the debt being fully forgiven at maturity. The related net assets with donor restrictions are being released on a straight-line basis over the term of the loan.

The aggregate maturities of long-term debt, before consideration of amounts to be forgiven, for each of the next five years subsequent to June 30, 2021 and thereafter are as follows:

<u>Year ending June 30,</u>	
2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	<u>7,488,863</u>
	<u>\$ 7,488,863</u>

During 2021, Gracepoint paid in full two mortgage notes payable with a combined balance of approximately \$1,459,000 at the beginning of the fiscal year.

Interest expense on long-term debt during the year ended June 30, 2021 approximated \$61,000.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE H - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, Gracepoint received loan proceeds in the amount of \$3,517,700 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

In accordance with the terms of the PPP loan, during 2021 Gracepoint applied for and received forgiveness for the full value of their PPP loan of \$3,517,700. The value of the loan forgiveness was recognized as operating income during the year ended June 30, 2021.

NOTE I - LEASES

1. Operating Leases

Gracepoint leases various buildings and copiers under cancellable operating leases. Total rental expense approximated \$500,000 for the year ended June 30, 2021.

2. Capital Lease

Gracepoint leases equipment under a noncancellable lease that is classified as a capital lease that expires in 2024. The lease agreement contains a bargain purchase option at the end of the lease term. Approximate future minimum lease payments under the capital lease are as follows:

<u>Year ending June 30,</u>	
2022	\$ 46,000
2023	46,000
2024	<u>23,000</u>
Approximate total minimum lease payments	115,000
Less amount representing interest	<u>(11,000)</u>
Approximate present value of minimum lease payments	<u>\$ 104,000</u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE J - EMPLOYEE BENEFIT PLANS

Gracepoint maintains defined contribution plans covering substantially all employees that have attained the age of twenty-one with one year of service. Employee benefit costs under the plans were approximately \$495,000 for the year ended June 30, 2021.

Effective July 1, 2007, Gracepoint has matched, dollar for dollar, employee contributions up to 3% of employee compensation plus half of employee contributions that exceed 3% but do not exceed 5% of compensation. Additionally, Gracepoint may elect to contribute a discretionary amount. No discretionary contributions were made during the year ended June 30, 2021. Employer matching contributions and employer discretionary payments vest over a period of six years at a rate defined in the plan.

NOTE K- MEDICAL MALPRACTICE INSURANCE

Gracepoint is insured with respect to medical malpractice risks up to \$1 million per claim, with a \$3 million annual aggregate claims limit. Gracepoint also maintains a \$3 million limit umbrella insurance policy that can be layered on top of any additional claims. As a provider of health care services, Gracepoint is subject to malpractice claims and legal actions arising in the ordinary course of business.

After taking into consideration legal counsel's evaluation of such actions and claims, management is of the opinion that their outcome will not have a material adverse effect on the financial position of Gracepoint.

NOTE L - CONTINGENCIES

Gracepoint participates in federal and state government grant programs, the expenditures for which are subject to audit from the respective funding agencies. Upon examination, expenditures could be disallowed, and refunds required. Gracepoint has not been notified that any such audits are forthcoming and is not aware of any expenditures for which such allowances or refunds would be required by funding agencies.

NOTE M - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 relate to funds contributed by grantors for a specific purpose and time period. The net assets with donor restrictions are being released ratably over the respective time periods of the restrictions (20 through 30 years). The balance of the net assets with donor restrictions was \$3,766,688 at June 30, 2021. See Note G.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE N- FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques 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 measurements).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets.
- Level 2 Inputs other than quoted prices that are observable for the asset, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2021.

Equities and commodities: Comprised of common stock and securities valued at the closing price reported in the active market in which the individual securities are traded.

Mutual funds and fixed income funds: Valued at the net asset value (NAV) of shares held at year end.

Debt securities: Valued at the present value of the stream of cash flows to be received from the remaining interest and principal.

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE N - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, the fair value hierarchy, of investments at fair value:

June 30, 2021	Assets Measured at Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	\$ 874,464	\$ 874,464	\$ -	\$ -
Corporate debt securities	782,588	782,588	-	-
Corporate equity securities	56,225	56,225	-	-
Government securities	632,552	632,552	-	-
Mutual funds	1,402,556	1,402,556	-	-
	<u>\$ 3,748,385</u>	<u>\$ 3,748,385</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE O - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets, without donor or other restrictions limiting their use, available for general expenditures within one year of the statement of financial position date comprise the following at June 30, 2021:

Cash	\$ 8,942,752
Accounts receivable	4,186,242
Investments	<u>3,748,385</u>
Total financial assets available within one year	<u>\$ 16,877,379</u>

Gracepoint manages its liquidity by developing and adopting annual operating budgets that follow a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Should the need arise, Gracepoint has the ability to draw additional amounts from their lines of credit to help manage its liquidity needs. See Note F.

NOTE P - MATCHING REQUIREMENTS

Gracepoint has met the matching requirements of contract QG028-20 with the Central Florida Behavioral Health Network.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE Q - RISKS AND UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on Gracepoint's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on Gracepoint's clients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact Gracepoint's future financial position, changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE R - SUBSEQUENT EVENTS

Gracepoint has evaluated events and transactions occurring subsequent to June 30, 2021 as of December 21, 2021 which is the date the financial statements were available to be issued.

COMPLIANCE REPORTS

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

MENTAL HEALTH CARE, INC.

June 30, 2021



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

Board of Directors
 Mental Health Care, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mental Health Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.



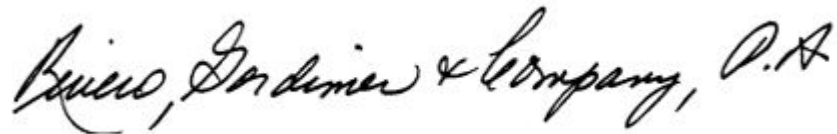
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mental Health Care, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Tampa, Florida
December 21, 2021

A handwritten signature in black ink that reads "Bruce, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

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

MENTAL HEALTH CARE, INC.

June 30, 2021



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

Board of Directors
Mental Health Care, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Mental Health Care, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of Mental Health Care, Inc.'s major federal programs and state projects for the year ended June 30, 2021. Mental Health Care, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mental Health Care, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650 *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650 *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Mental Health Care, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

Opinion on Each Major Federal Program and State Project

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

Report on Internal Control Over Compliance

Management of Mental Health Care, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mental Health Care, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mental Health Care, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Tampa, Florida
December 21, 2021



SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL PROGRAMS AND STATE PROJECTS

MENTAL HEALTH CARE, INC.

June 30, 2021

Mental Health Care, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL PROGRAMS AND STATE PROJECTS

For the year ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements 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 programs/projects:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' 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 CFR 200.516(a) or Chapter 10.656 Rules of the Auditor General? yes X no

Identification of major programs/projects:

Federal Program or Cluster

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants/ Entitlement Grants
14.267	Continuum of Care

State Project

<u>CSFA Number</u>	<u>Name of State Project</u>
60.155	Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services
60.163	Centralized Receiving Systems

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

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

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance (not applicable for State projects)? X yes no

Mental Health Care, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL PROGRAMS AND STATE PROJECTS - CONTINUED

For the year ended June 30, 2021

Section II - Financial Statement Findings

No matters were reported for the year ended June 30, 2021.

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs

No matters were reported for the year ended June 30, 2021.

Other Issues

- a) A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)).
- b) A summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to Federal programs or State projects (see AG Rules 10.557(3)(e)5. and 10.656(3)(d)5.).

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

MENTAL HEALTH CARE, INC.

For the year ended June 30, 2021

Mental Health Care, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2021

Federal/State Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing # or State CSFA #	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal/State Expenditures
Federal				
<u>U.S. Department of Housing and Urban Development</u>				
Indirect Programs				
<i>Community Development Block Grants/Entitlement Grants</i>				
Passed-through City of Tampa	14.218	Loan Guarantees	\$ -	\$ 7,488,863
<i>Continuum of Care Program</i>				
Passed-through Tampa Hillsborough Homeless Initiative, Inc.	14.267	FL0403L4H011906	-	1,288,113
<i>Shelter Plus Care</i>				
Passed-through Hillsborough County, Florida	14.238	THHI-FESG-CV Scope of Services - Gracepoint	-	84,044
Total U.S. Department of Housing and Urban Development - Indirect Programs			-	8,861,020
<u>U.S. Department of the Treasury</u>				
Indirect Programs				
<i>Coronavirus Relief Fund</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	21.019	QG028-20	-	47,987
Total U.S. Department of the Treasury			-	47,987
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs				
<i>CARES Act for Supportive Services Under Title III-B of the Older Americans Act</i>				
Passed-through Hillsborough County, Florida	93.044		-	300,365
<i>Projects for Assistance in Transition from Homelessness (PATH)</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	93.150	QG028-20	-	251,536
<i>Promoting Safe and Stable Families</i>				
Passed-through Eckerd Youth Alternatives, Inc.	93.556	ECA-C13-IHS-MHC-FY22	-	305,666

The accompanying notes are an integral part of this schedule.

Mental Health Care, Inc

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended June 30, 2021

Federal/State Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing # or State CSFA #	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal/State Expenditures
<u>U.S. Department of Health and Human Services - continued</u>				
<i>Temporary Assistance for Needy Families (TANF)</i> Passed-through Eckerd Youth Alternatives, Inc.	93.558	ECA-C13-IHS-MHC-FY22	-	197,044
<i>Foster Care Title IV-E Program</i> Passed-through Eckerd Youth Alternatives, Inc.	93.658	ECA-C13-IHS-MHC-FY22	-	298,321
<i>Social Services Block Grant</i> Passed-through Eckerd Youth Alternatives, Inc.	93.667	ECA-C13-IHS-MHC-FY22	-	3,166
<i>Child Abuse and Neglect State Grants</i> Passed-through Eckerd Youth Alternatives, Inc.	93.669	ECA-C13-IHS-MHC-FY22	-	18,534
<i>Children's Health Insurance Program (CHIP)</i> Passed-through Central Florida Behavioral Health Network, Inc.	93.767	QG028-20	-	230,267
<i>Block Grants for Community Mental Health Services</i> Passed-through Central Florida Behavioral Health Network, Inc.	93.958	QG028-20	-	1,314,815
Total U.S. Department of Health and Human Services - Indirect Programs			-	2,919,714
Total expenditures of federal awards			-	11,828,721

The accompanying notes are an integral part of this schedule.

Mental Health Care, Inc

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended June 30, 2021

Federal/State Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing # or State CSFA #	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal/State Expenditures
State				
<u>Florida Department of Children & Families</u>				
Indirect Projects:				
<i>Forensic Services and Competency Restoration Training</i>	60.114			
Passed-through Central Florida Behavioral Health Network, Inc.		QG028-20	-	1,286,511
<i>Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services</i>	60.155			
Passed-through Central Florida Behavioral Health Network, Inc.		QG028-20	-	400,000
<i>Centralized Receiving Systems</i>	60.163			
Passed-through Central Florida Behavioral Health Network, Inc.		QG028-20	-	1,330,418
<i>CBC - Purchase of Therapeutic Services for Children</i>	60.183			
Passed-through Central Florida Behavioral Health Network, Inc.		ECA-C13-IHS-MHC-FY22	-	9,559
Total Florida Department of Children & Families - Indirect Projects			-	3,026,488
Total expenditures of state awards			-	3,026,488
Total expenditures of federal and state awards			\$ -	\$ 14,855,209

The accompanying notes are an integral part of this schedule.

Mental Health Care, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

June 30, 2021

NOTE A - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state award activity of Mental Health Care, Inc. under programs of the federal government and State of Florida for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650 *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Mental Health Care, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mental Health Care, Inc.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650 *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE B - INDIRECT COST RATE

Mental Health Care, Inc. is currently using an indirect cost rate of 10 percent which is the default rate under the Uniform Guidance.

NOTE C - LOAN GUARANTEES, NON-AMORTIZING MORTGAGES

The Loan Guarantees, Non-Amortizing Mortgages are administered directly by Mental Health Care, Inc., and balances and transactions relating to this program are included in Mental Health Care, Inc.'s basic financial statements. The outstanding mortgages at the beginning of the year are included in the federal expenditures presented in the Schedule. The balance of the mortgages outstanding at June 30, 2021 is \$7,488,863. As long as Mental Health Care, Inc. remains qualified under the U.S. Department of Housing and Urban Development, Community Development Block Grants/Entitlement Grants program, repayment of the principal balance on the mortgages are deferred until final maturity in 2031 and 2040. At that time, the mortgages will be forgiven.

Mental Health Care, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – CONTINUED

June 30, 2021

NOTE D - STATE MATCHING FUNDS FOR FEDERAL PROGRAMS

State funds awarded to Gracepoint as matching funds for federal programs consisted of the following:

Federal Program Title	Federal CFDA #	Pass-through Entity Identifying Number	Expenditures
To Be Tested Pursuant to OCA Activity	90.XXX	ECA-C13-IHS- MHC-FY22	\$ 218,668
Coronavirus Relief Fund	21.019	QG028-20	12,013
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	QG028-20	206,194
Temporary Assistance for Needy Families	93.558	ECA-C13-IHS- MHC-FY22	320,534
Foster Care-Title IV-E	93.658	ECA-C13-IHS- MHC-FY22	298,321
Block Grants for Community Mental Health Services	93.958	QB028-19 & QD1A9	<u>9,127,121</u>
Total state funds awarded for matching			<u>\$ 10,182,851</u>

Mental Health Care, Inc.

SCHEDULE OF LOCAL AND OTHER PUBLIC SUPPORT

For the year ended June 30, 2021

<u>Local/State Grantor/Pass-through Grantor/ Program Title</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Local Agency</u>		
Hillsborough County, Board of County Commissioners		
Adult and Adolescent Crisis Stabilization Services	HC-11-0530	\$ 1,086,527
Multidisciplinary Housing First Team	DPHS13220018	40,721
Subcontractor for ACTS - Jail Diversion Program	N/A	48,750
HFITE Program		181,164
Navigator Program		67,652
Passed through Eckerd Youth Alternatives, Inc.	ECA-C13-HCO-MHC-	
Enhanced Assessment Services	FY20	243,154
Passed through Central Florida Behavioral Health Network		
Hillsborough County School Voucher Program	V2903-20	13,204
School Board of Hillsborough County		
East Henry Academy	N/A	527,582
Children's Board of Hillsborough County		
Family Infant Wellness	C01-60101-201-000-02100-212660-20	418,076
Baycare Hospital and Tampa General Hospital		
Navigator Program	N/A	69,928
Florida Hospital		
CSU Beds	N/A	200,220
ER Diversion	N/A	146,000
Care Coordination	N/A	138,571
		<u>3,181,549</u>
<u>Total local financial assistance</u>		
<u>Other State Funds Awarded</u>		
State of Florida Department of Children and Families		
Direct programs		
Line of credit	QG028-20	<u>107,070</u>
		<u>107,070</u>
<u>Total other state funds awards</u>		
		<u>\$ 3,288,619</u>

Mental Health Care, Inc.

SCHEDULE OF STATE EARNINGS (UNAUDITED)

For the fiscal year ended June 30, 2021

1	Total Expenditures	\$ 37,911,319
2	Less Other State and Federal Funds	\$ (19,532,833)
3	Less Non-Match SAMH Funds	\$ (7,136,998)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$ (73,398)
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$ 11,168,090
6	Maximum Available Earnings (Line 5 times 75%)	\$ 8,376,068
7	Amount of State Funds Requiring Match	\$ 7,193,058
8	Amount Due to Department (if negative)* (Subtract line 7 from line 6)	\$ -

* Mental Health Care, Inc. has met the State's matching requirements. Accordingly, no funds are refundable to the Department of Children and Families.

Mental Health Care, Inc.

SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS (UNAUDITED)

For the fiscal year ended June 30, 2021

This audit schedule is not applicable to Mental Health Care, Inc. for the fiscal year ended June 30, 2021.

Mental Health Care, Inc.

AUDIT SCHEDULE

SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS (UNAUDITED)

For the fiscal year ended June 30, 2021

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided D	Total Units of Service paid by 3rd Party Contracts, Local Gov't or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by Department G	Maximum \$ Value of Units in Column F (F X C) H	Amount Owed to Department (G-H or \$0 whichever is <u>greater</u>) I
Child MH	Crisis Stabilization Unit	\$ 339.66	10,220	5,451	4,769	\$ 216,004	\$ 1,619,839	\$ -
Adult MH	Crisis Stabilization Unit	\$ 339.66	21,900	11,158	10,742	\$ 3,646,332	\$ 3,648,628	\$ -
Adult MH	Residential Level I	\$ 240.00	9,887	-	9,887	\$ 2,161,515	\$ 2,372,880	\$ -
Total Amount Owed to Department =								\$ -

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED)

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/21/2021

CONTRACT #: QG028

BUDGET PERIOD: FROM 07/01/20 TO 06/30/21

PART I: ACTUAL FUNDING SOURCES AND REVENUES

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS							
	STATE SAMH-FUNDED COST CENTERS							
	Community-Based Alcohol, Drug Abuse and Mental Health Services							
	Adult and Children Mental Health							
	Assessment	Case Management	Crisis Stabilization	Adult Central Receiving Facility - Crisis Support/ Emergency	PATH Outreach	Path Case Management	Intervention	
IA. STATE SAMH FUNDING								
(1) Central Florida Behavioral Health Network	\$ 605,863	\$ 516,813	\$ 3,862,337	\$ 4,244,039	\$ 151,303	\$ 100,233	\$ 73,345	
TOTAL STATE SAMH FUNDING	\$ 605,863	\$ 516,813	\$ 3,862,337	\$ 4,244,039	\$ 151,303	\$ 100,233	\$ 73,345	
IB. OTHER GOVT. FUNDING								
(1) Other State Agency Funding	\$ -	\$ -	\$ 244,854	\$ 495,790	\$ -	\$ -	\$ -	
(2) Medicaid	158,710	273,351	6,919,975	231,861	-	-	-	
(3) Local Government	-	21,732	1,146,045	54,324	-	-	-	
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	
(5) In-kind from local govt. only	-	-	-	-	-	-	-	
TOTAL OTHER GOVT. FUNDING	\$ 158,710	\$ 295,083	\$ 8,310,874	\$ 781,975	\$ -	\$ -	\$ -	
IC. ALL OTHER REVENUES								
(1) 1st & 2nd Party Payments	\$ 7,402	\$ (7,025)	\$ 373,114	\$ 6,968	\$ -	\$ -	\$ -	
(2) 3rd Party Payments	56,253	8,000	2,904,866	153,532	-	-	-	
(3) Medicare	25,169	12	1,118,944	18,134	-	-	-	
(4) Contributions and Donations	-	-	-	-	-	-	-	
(5) Other	-	-	229,641	341,749	-	-	-	
(6) In-kind	-	-	-	-	-	-	-	
TOTAL ALL OTHER REVENUES	\$ 88,824	\$ 987	\$ 4,626,565	\$ 520,383	\$ -	\$ -	\$ -	
TOTAL FUNDING	\$ 853,397	\$ 812,883	\$ 16,799,776	\$ 5,546,397	\$ 151,303	\$ 100,233	\$ 73,345	

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED) - CONTINUED

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/21/2021

CONTRACT #: QG028

BUDGET PERIOD: FROM 07/01/20 TO 06/30/21

PART I: ACTUAL FUNDING SOURCES AND REVENUES - CONTINUED

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS						
	STATE SAMH-FUNDED COST CENTERS						
	Community-Based Alcohol, Drug Abuse and Mental Health Services						
	Adult and Children Mental Health						
	Children's Crisis Support/ Emergency Services	Intensive Case Management	Medical Services	Outpatient - Individual	Outreach	Residential Level I	Incidental Expenses
IA. STATE SAMH FUNDING							
(1) Central Florida Behavioral Health Network	\$ -	\$ 7,276	\$ 706,604	\$ 34,443	\$ 288,710	\$ 2,161,515	\$ 411,028
TOTAL STATE SAMH FUNDING	\$ -	\$ 7,276	\$ 706,604	\$ 34,443	\$ 288,710	\$ 2,161,515	\$ 411,028
IB. OTHER GOVT. FUNDING							
(1) Other State Agency Funding	\$ -	\$ -	\$ 43,633	\$ -	\$ -	\$ 43,633	\$ 107,070
(2) Medicaid	-	31,561	1,755,698	251,619	-	-	-
(3) Local Government	-	-	358,559	-	-	48,750	-
(4) Federal Grants and Contracts	-	-	-	-	-	-	-
(5) In-kind from local govt. only	-	-	-	-	-	-	-
TOTAL OTHER GOVT. FUNDING	\$ -	\$ 31,561	\$ 2,157,890	\$ 251,619	\$ -	\$ 92,383	\$ 107,070
IC. ALL OTHER REVENUES							
(1) 1st & 2nd Party Payments	\$ -	\$ -	\$ 291,694	\$ 24,647	\$ 5	\$ 51	\$ -
(2) 3rd Party Payments	-	-	1,017,065	150,887	-	-	-
(3) Medicare	-	-	100,300	46,787	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-
(5) Other	-	-	4,465	-	-	-	-
(6) In-kind	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES	\$ -	\$ -	\$ 1,413,524	\$ 222,321	\$ 5	\$ 51	\$ -
TOTAL FUNDING	\$ -	\$ 38,837	\$ 4,278,018	\$ 508,383	\$ 288,715	\$ 2,253,949	\$ 518,098

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED) - CONTINUED

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/21/2021

CONTRACT #: QG028

BUDGET PERIOD: FROM 07/01/20 TO 06/30/21

PART I: ACTUAL FUNDING SOURCES AND REVENUES - CONTINUED

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS							
	STATE SAMH-FUNDED COST CENTERS							
	Community-Based Alcohol, Drug Abuse and Mental Health Services							
	Adult and Children Mental Health							
	B NET	Cost Reimbursement	CAT	Intervention - Group	Mobile Crisis Response Team	Total for State Funded SAMH Cost Centers	Non-SAMH Cost Center	Total Revenue
IA. STATE SAMH FUNDING								
(1) Central Florida Behavioral Health Network	\$ 230,267	\$ -	\$ 657,364	\$ 3,086	\$ -	\$ 14,054,226	\$ -	\$ 14,054,226
TOTAL STATE SAMH FUNDING	\$ 230,267	\$ -	\$ 657,364	\$ 3,086	\$ -	\$ 14,054,226	\$ -	\$ 14,054,226
IB. OTHER GOVT. FUNDING								
(1) Other State Agency Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 934,981	\$ 852,639	\$ 1,787,620
(2) Medicaid	-	-	-	-	-	9,622,775	812,675	10,435,450
(3) Local Government	-	-	-	-	-	1,629,410	1,535,562	3,164,972
(4) Federal Grants and Contracts	-	-	-	-	-	-	5,982,986	5,982,986
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-
TOTAL OTHER GOVT. FUNDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,187,166	\$ 9,183,862	\$ 21,371,028
IC. ALL OTHER REVENUES								
(1) 1st & 2nd Party Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,856	\$ 8,434	\$ 705,290
(2) 3rd Party Payments	-	-	-	-	-	4,290,603	127,170	4,417,773
(3) Medicare	-	-	-	-	-	1,309,346	-	1,309,346
(4) Contributions and Donations	-	-	-	-	-	-	158,013	158,013
(5) Other	-	-	-	-	-	575,855	1,463,299	2,039,154
(6) In-kind	-	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,872,660	\$ 1,756,916	\$ 8,629,576
TOTAL FUNDING	\$ 230,267	\$ -	\$ 657,364	\$ 3,086	\$ -	\$ 33,114,052	\$ 10,940,778	\$ 44,054,830

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED) - CONTINUED

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/21/2021

CONTRACT #: QG028

BUDGET PERIOD: FROM 07/01/20 TO 06/30/21

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS						
	STATE SAMH-FUNDED COST CENTERS						
	Community-Based Alcohol, Drug Abuse and Mental Health Services						
	Adult and Children Mental Health						
	Assessment	Case Management	Crisis Stabilization	Adult Central Receiving Facility - Crisis Support/ Emergency	PATH Outreach	Path Case Management	Intervention
IIA. PERSONNEL EXPENSES							
(1) Salaries	\$ 477,500	\$ 668,404	\$ 6,955,988	\$ 3,994,234	\$ 75,283	\$ 57,960	\$ 59,228
(2) Fringe Benefits	117,159	142,888	1,180,443	715,371	18,413	14,176	13,326
TOTAL PERSONNEL EXPENSES	\$ 594,659	\$ 811,292	\$ 8,136,431	\$ 4,709,605	\$ 93,696	\$ 72,136	\$ 72,554
IIB. OTHER EXPENSES							
(1) Building Occupancy	\$ 34,883	\$ 64,982	\$ 719,084	\$ 436,210	\$ 29,417	\$ 22,192	\$ 3,669
(2) Professional Services	13,992	12,081	131,108	74,152	1,602	1,208	2,480
(3) Travel	627	5,797	49	1,437	193	495	-
(4) Equipment	4,888	6,386	65,851	58,390	686	518	3,214
(5) Food Services	1,289	2,242	288,835	237,579	361	272	-
(6) Medical and Pharmacy	211	2,144	63,648	56,895	224	169	-
(7) Subcontracted Services	-	-	-	-	-	-	-
(8) Insurance	5,299	12,798	242,396	72,102	1,985	1,498	2,428
(9) Interest Paid	-	-	43,791	-	-	-	-
(10) Operating Supplies and Expenses	1,423	15,158	190,239	102,266	5,230	3,945	2,240
(11) Other	-	-	-	-	-	-	-
(12) Donated Items	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES	\$ 62,612	\$ 121,588	\$ 1,745,001	\$ 1,039,031	\$ 39,698	\$ 30,297	\$ 14,031
TOTAL PERSONNEL AND OTHER EXPENSES	\$ 657,271	\$ 932,880	\$ 9,881,432	\$ 5,748,636	\$ 133,394	\$ 102,433	\$ 86,585
IIC. DISTRIBUTED INDIRECT COSTS							
(A) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Administration	97,935	139,001	1,472,353	856,558	19,876	15,263	12,901
TOTAL DISTRIBUTED COSTS	\$ 97,935	\$ 139,001	\$ 1,472,353	\$ 856,558	\$ 19,876	\$ 15,263	\$ 12,901
TOTAL ACTUAL OPER. EXPENSES	\$ 755,206	\$ 1,071,881	\$ 11,353,785	\$ 6,605,194	\$ 153,270	\$ 117,696	\$ 99,486
IIID. UNALLOWABLE COSTS	\$ 1,289	\$ 2,242	\$ 25,897	\$ -	\$ 361	\$ 272	\$ -
TOTAL ALLOWABLE OPER. EXPENSES	\$ 753,917	\$ 1,069,639	\$ 11,327,888	\$ 6,605,194	\$ 152,909	\$ 117,424	\$ 99,486

**AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED) - CONTINUED**

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/21/2021

CONTRACT #: QG028

BUDGET PERIOD: FROM 07/01/20 TO 06/30/21

PART II: ACTUAL EXPENSES - CONTINUED

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS							
	STATE SAMH-FUNDED COST CENTERS							
	Community-Based Alcohol, Drug Abuse and Mental Health Services							
	Adult and Children Mental Health							
	Children's Crisis Support/ Emergency Services	Intensive Case Management	Medical Services	Outpatient - Individual	Outreach	Residential Level I	Incidental Expenses	B NET
IIA. PERSONNEL EXPENSES								
(1) Salaries	\$ -	\$ 32,500	\$ 2,840,807	\$ 334,768	\$ 342,536	\$ 1,396,605	\$ -	\$ 89,576
(2) Fringe Benefits	-	7,150	634,505	75,323	93,780	222,683	-	20,168
TOTAL PERSONNEL EXPENSES	\$ -	\$ 39,650	\$ 3,475,312	\$ 410,091	\$ 436,316	\$ 1,619,288	\$ -	\$ 109,744
IIB. OTHER EXPENSES								
(1) Building Occupancy	\$ -	\$ 3,669	\$ 90,303	\$ -	\$ 11,660	\$ 221,847	\$ -	\$ 6,994
(2) Professional Services	-	2,480	81,782	-	8,849	36,897	-	1,141
(3) Travel	-	2,140	-	-	-	1,567	-	804
(4) Equipment	-	3,214	31,290	-	2,103	96,171	-	500
(5) Food Services	-	-	5,539	-	1,189	158,538	-	144
(6) Medical and Pharmacy	-	-	9,296	-	340	30,197	297,263	28,879
(7) Subcontracted Services	-	-	-	-	-	-	-	-
(8) Insurance	-	1,228	24,787	-	8,006	28,728	-	1,228
(9) Interest Paid	-	-	7,308	-	-	-	-	-
(10) Operating Supplies and Expenses	-	1,240	7,981	-	3,062	33,911	220,835	3,064
(11) Other	-	-	-	-	-	-	-	-
(12) Donated Items	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES	\$ -	\$ 13,971	\$ 258,286	\$ -	\$ 35,209	\$ 607,856	\$ 518,098	\$ 42,754
TOTAL PERSONNEL AND OTHER EXPENSES	\$ -	\$ 53,621	\$ 3,733,598	\$ 410,091	\$ 471,525	\$ 2,227,144	\$ 518,098	\$ 152,498
IIC. DISTRIBUTED INDIRECT COSTS								
(A) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Administration	-	7,990	556,313	61,104	70,258	331,849	77,198	22,722
TOTAL DISTRIBUTED COSTS	\$ -	\$ 7,990	\$ 556,313	\$ 61,104	\$ 70,258	\$ 331,849	\$ 77,198	\$ 22,722
TOTAL ACTUAL OPER. EXPENSES	\$ -	\$ 61,611	\$ 4,289,911	\$ 471,195	\$ 541,783	\$ 2,558,993	\$ 595,296	\$ 175,220
IID. UNALLOWABLE COSTS	\$ -	\$ -	\$ 12,847	\$ -	\$ 1,189	\$ -	\$ -	\$ 144
TOTAL ALLOWABLE OPER. EXPENSES	\$ -	\$ 61,611	\$ 4,277,064	\$ 471,195	\$ 540,594	\$ 2,558,993	\$ 595,296	\$ 175,076

**AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (UNAUDITED) - CONTINUED**

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/21/2021

CONTRACT #: QG028

BUDGET PERIOD: FROM 07/01/20 TO 06/30/21

PART II: ACTUAL EXPENSES - CONTINUED

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS							
	STATE SAMH-FUNDED COST CENTERS							
	Community-Based Alcohol, Drug Abuse and Mental Health Services							
	Adult and Children Mental Health							
	Cost Reimbursement	CAT	Intervention - Group	Mobile Crisis Response Team	Total for State Funded SAMH Cost Centers	Non-SAMH Cost Center	Administration	Total Funding
IIA. PERSONNEL EXPENSES								
(1) Salaries	\$ -	\$ 424,685	\$ 3,600	\$ -	\$ 17,753,674	\$ 3,440,470	\$ 2,815,613	\$ 24,009,757
(2) Fringe Benefits	-	102,434	795	-	3,358,614	632,476	584,510	4,575,600
TOTAL PERSONNEL EXPENSES	\$ -	\$ 527,119	\$ 4,395	\$ -	\$ 21,112,288	\$ 4,072,946	\$ 3,400,123	\$ 28,585,357
IIB. OTHER EXPENSES								
(1) Building Occupancy	\$ -	\$ 15,929	\$ -	\$ -	\$ 1,660,839	\$ 285,247	\$ 216,222	\$ 2,162,308
(2) Professional Services	-	3,720	-	-	371,492	560,662	589,016	1,521,170
(3) Travel	-	7,276	-	-	20,385	123,523	17,417	161,325
(4) Equipment	-	2,730	-	-	275,941	171,784	549,195	996,920
(5) Food Services	-	367	-	-	696,355	13,584	15,206	725,145
(6) Medical and Pharmacy	-	366	-	-	489,632	-	684	490,316
(7) Subcontracted Services	-	-	-	-	-	-	-	-
(8) Insurance	-	12,127	-	-	414,610	356,720	70,630	841,960
(9) Interest Paid	-	-	-	-	51,099	-	9,839	60,938
(10) Operating Supplies and Expenses	-	9,393	-	-	599,987	903,633	47,987	1,551,607
(11) Other	-	-	-	-	-	108,012	-	108,012
(12) Donated Items	-	-	-	-	-	706,261	-	706,261
TOTAL OTHER EXPENSES	\$ -	\$ 51,908	\$ -	\$ -	\$ 4,580,340	\$ 3,229,426	\$ 1,516,196	\$ 9,325,962
TOTAL PERSONNEL AND OTHER EXPENSES	\$ -	\$ 579,027	\$ 4,395	\$ -	\$ 25,692,628	\$ 7,302,372	\$ 4,916,319	\$ 37,911,319
IIC. DISTRIBUTED COSTS								
(A) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Administration	-	86,276	654	-	3,828,251	1,088,068	(4,916,319)	-
TOTAL DISTRIBUTED COSTS	\$ -	\$ 86,276	\$ 654	\$ -	\$ 3,828,251	\$ 1,088,068	\$ (4,916,319)	\$ -
TOTAL ACTUAL OPERATING EXPENSE	\$ -	\$ 665,303	\$ 5,049	\$ -	\$ 29,520,879	\$ 8,390,440	\$ -	\$ 37,911,319
IID. UNALLOWABLE COSTS	\$ -	\$ 367	\$ -	\$ -	\$ 44,608	\$ 13,584	\$ 15,206	\$ 73,398
TOTAL ALLOWABLE COSTS	\$ -	\$ 664,936	\$ 5,049	\$ -	\$ 29,476,271	\$ 8,376,856	\$ (15,206)	\$ 37,837,921