

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

MENTAL HEALTH CARE, INC.

June 30, 2022

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mental Health Care, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

#### ***Basis for Opinion***

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mental Health Care, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mental Health Care, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Mental Health Care, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mental Health Care, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit

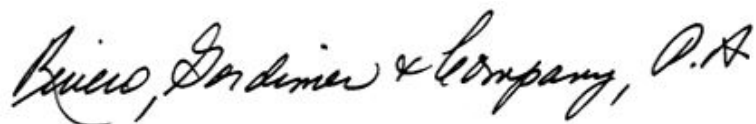
### **Supplementary Information**

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 and statement of activities – FQHC are presented for purposes of additional analysis and are 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 schedule of expenditures of federal awards and state financial assistance, schedule of local and other public support, and statement of activities - FQHC are 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 22, 2022 on our consideration of the 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 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 Mental Health Care, Inc.'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 Mental Health Care, Inc.'s internal control over financial reporting and compliance.



Tampa, Florida  
December 22, 2022

Mental Health Care, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

Current assets

Cash and cash equivalents (notes A4 and A5)	\$ 2,933,777
Accounts receivable (note A6)	
Grants and funding sources	3,437,392
Patients and other	3,131,247
Prepaid expenses and other current assets	1,137,777
Investments (notes A7, B and M)	<u>6,417,818</u>

Total current assets 17,058,011

Receivables from related parties (note E) 417,062

Property and equipment, net (notes A8, C and D) 20,577,419

Total assets \$ 38,052,492

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 852,285
Construction payable	867,271
Accrued expenses	1,177,231
Current maturities of long-term debt (note G)	183,487
Current portion of capital lease payable (note H)	36,434
Lines of credit (note F)	<u>-</u>

Total current liabilities 3,116,708

Capital lease, long-term 21,305

Long-term debt (note G) 2,979,643

Total liabilities 6,117,656

Net assets (note A2)

Without donor restrictions	28,539,809
With donor restrictions (note L)	<u>3,395,027</u>

Total net assets 31,934,836

Total liabilities and net assets \$ 38,052,492

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>			
Public support (note A10)	\$ 22,710,235	\$ -	\$ 22,710,235
Net patient service revenue (note A11)	18,415,355	-	18,415,355
Rental revenue	925,589	-	925,589
Contributions and other revenue	667,482	-	667,482
	<u>42,718,661</u>	<u>-</u>	<u>42,718,661</u>
Net assets released from restrictions	<u>371,661</u>	<u>(371,661)</u>	<u>-</u>
	<u>43,090,322</u>	<u>(371,661)</u>	<u>42,718,661</u>
<b>OPERATING EXPENSES (note A15)</b>			
Program services			
Emergency and acute care	22,150,497	-	22,150,497
Community development division	2,771,440	-	2,771,440
Outpatient	7,164,598	-	7,164,598
Children's community services	3,344,320	-	3,344,320
Medical clinic	1,229,070	-	1,229,070
	<u>36,659,925</u>	<u>-</u>	<u>36,659,925</u>
Supporting services			
Management and general	5,540,228	-	5,540,228
	<u>42,200,153</u>	<u>-</u>	<u>42,200,153</u>
Total operating expenses	<u>42,200,153</u>	<u>-</u>	<u>42,200,153</u>
Operating income (loss)	<u>890,169</u>	<u>(371,661)</u>	<u>518,508</u>
<b>NON-OPERATING REVENUE</b>			
Investment loss	(330,567)	-	(330,567)
Gain on sale of property and equipment	55,456	-	55,456
	<u>(275,111)</u>	<u>-</u>	<u>(275,111)</u>
Total non-operating revenue	<u>(275,111)</u>	<u>-</u>	<u>(275,111)</u>
CHANGE IN NET ASSETS	615,058	(371,661)	243,397
NET ASSETS AT BEGINNING OF YEAR	<u>27,924,751</u>	<u>3,766,688</u>	<u>31,691,439</u>
NET ASSETS AT END OF YEAR	<u>\$ 28,539,809</u>	<u>\$ 3,395,027</u>	<u>\$ 31,934,836</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, 2022

	Program Services					Total Program Services	Management and General	Total Expenses
	Emergency and Acute Care	Community Development Division	Outpatient	Children's Community Services	Medical Clinic			
Salaries and wages	\$ 15,393,179	\$ 604,688	\$ 5,398,325	\$ 2,412,733	\$ 686,970	\$ 24,495,895	\$ 2,974,998	\$ 27,470,893
Employee benefits	2,400,024	149,716	1,077,711	510,492	107,147	4,245,090	724,783	4,969,873
Professional services	526,085	40,427	132,665	67,209	126,992	893,378	702,707	1,596,085
Travel	50,459	13,216	44,191	89,874	1,200	198,940	74,959	273,899
Food services	725,986	4,542	18,348	2,843	1,871	753,590	36,259	789,849
Building and grounds	919,610	893,936	208,509	51,544	54,208	2,127,807	151,148	2,278,955
Equipment and furnishings	102,400	14,980	76,737	44,827	13,645	252,589	489,442	742,031
Medical and pharmacy	538,508	2,428	32,745	53,240	212,379	839,300	5,437	844,737
Insurance	313,680	72,568	119,028	71,832	7,906	585,014	82,992	668,006
Interest	-	23,200	-	-	-	23,200	4,303	27,503
Supplies	657,596	701,856	32,600	19,378	6,328	1,417,758	125,819	1,543,577
Total expenses before depreciation and amortization	<u>21,627,527</u>	<u>2,521,557</u>	<u>7,140,859</u>	<u>3,323,972</u>	<u>1,218,646</u>	<u>35,832,561</u>	<u>5,372,847</u>	<u>41,205,408</u>
Depreciation and amortization	<u>522,970</u>	<u>249,883</u>	<u>23,739</u>	<u>20,348</u>	<u>10,424</u>	<u>827,364</u>	<u>167,381</u>	<u>994,745</u>
Total expenses	<u>\$ 22,150,497</u>	<u>\$ 2,771,440</u>	<u>\$ 7,164,598</u>	<u>\$ 3,344,320</u>	<u>\$ 1,229,070</u>	<u>\$ 36,659,925</u>	<u>\$ 5,540,228</u>	<u>\$ 42,200,153</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, 2022

Cash flows from operating activities	
Change in net assets	<u>\$ 243,397</u>
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation and amortization	994,745
Net realized and unrealized investment losses	330,567
Gain on sale of property	(55,456)
Increase in accounts and related party receivables	(2,454,757)
Decrease in prepaid and other assets	62,256
Increase in accounts payable and accrued liabilities	586,911
Total adjustments	<u>(535,734)</u>
Net cash used by operating activities	<u>(292,337)</u>
Cash flows from investing activities	
Purchase of property and equipment	(6,182,172)
Purchase of investments	(3,000,000)
Proceeds from disposal of property and equipment	<u>348,500</u>
Net cash used by investing activities	<u>(8,833,672)</u>
Cash flows from financing activities	
Proceeds from long-term debt	3,181,924
Principal payments on long-term debt	(18,794)
Principal payments on capital lease	<u>(46,096)</u>
Net cash provided by financing activities	<u>3,117,034</u>
Net decrease in cash	(6,008,975)
Cash and cash equivalents at beginning of year	<u>8,942,752</u>
Cash and cash equivalents at end of year	<u>\$ 2,933,777</u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ 27,502</u>
Taxes	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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; Homeless Services; and Primary Care Medical Clinic. 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, 2022

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 \$2,417,729 at June 30, 2022. 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 \$832,000 is included in relation to the patient accounts receivable in the accompanying financial statements at June 30, 2022.

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, 2022

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, 2022

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 \$2,090,450 as measured by the amount of charges forgone for services rendered based upon a sliding fee scale during the year ended June 30, 2022.

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.

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 2018 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, 2022

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.

Medical Clinic – The Primary Care Health Center (FQHC) serves both adolescents and adults regardless of their ability to pay by offering a sliding fee scale discount program based on income and household dependents. The program's focus is to serve the general community with a focus on those uninsured and underinsured to ensure all have access to quality healthcare. There are two locations, East Seminole Heights on the Gracepoint campus and North Tampa on the Advent Health Hospital campus across from the University of South Florida.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE B - INVESTMENTS

Investments consist of the following at June 30, 2022:

Cash and money market funds	\$ 3,689,313
Corporate debt securities	878,680
Government securities	770,770
Mutual funds	<u>1,079,055</u>
	<u>\$ 6,417,818</u>

Investment income consists of the following at June 30, 2022:

Interest and dividend income, net	77,654
Realized and unrealized gains on investments	<u>(408,221)</u>
	<u>\$ (330,567)</u>

Professional fees related to the investment account were approximately \$15,000 for the year ended June 30, 2022.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2022:

Land	\$ 2,106,363
Buildings and improvements	28,997,481
Furniture and equipment	<u>4,694,124</u>
	35,797,968
Less accumulated depreciation	<u>(15,220,549)</u>
Property and equipment, net	<u>\$ 20,577,419</u>

Depreciation and amortization expense for the year ended June 30, 2022 was approximately \$994,745. 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, 2022

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, 2022.

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 \$417,000 at June 30, 2022.

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, 2022. 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 (4.75% at June 30, 2022) subject to a floor of 4.00%. There was no outstanding balance on this line of credit at June 30, 2022.

Gracepoint maintains a second line of credit with a financial institution with a total amount available of approximately \$1,730,000 at June 30, 2022. 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 (1.45% at June 30, 2022) at time of close of business each Friday plus 1.5%, for an effective rate of 2.95% at June 30, 2022. There was no outstanding balance on this line of credit at June 30, 2022.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE G - LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2022:

Mortgage note payable, principal and interest payment monthly at a fixed rate of 3.50% due in monthly installments of \$10,498 per month and a balloon payment estimated at \$1,069,684 through February 10, 2032. The note is collateralized by a building.	\$ 1,781,206
Construction note payable, 9 consecutive monthly interest payments beginning on November 1, 2021 calculated on unpaid principal balance. Fixed interest rate of 3.50%. Monthly installments of \$16,314 beginning August 25, 2022 and one principal and interest payment of \$1,662,025 through July 25, 2032. The note is collateralized by a building.	1,381,924
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	10,651,993
Less amounts to be forgiven	<u>(7,488,863)</u>
Less current maturities	<u>\$ (183,487)</u>
Total long-term debt	<u><u>\$ 2,979,643</u></u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

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, 2022 and thereafter are as follows:

<u>Year ending June 30,</u>	
2023	\$ 183,487
2024	200,311
2025	207,867
2026	215,364
2027	223,132
Thereafter	<u>9,621,832</u>
	<u>\$ 10,651,993</u>

Interest expense on long-term debt during the year ended June 30, 2022 approximated \$28,000.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE H - LEASES

1. Operating Leases

Gracepoint leases various buildings and copiers under cancellable operating leases. Total rental expense approximated \$440,000 for the year ended June 30, 2022.

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>	
2023	\$ 46,000
2024	<u>23,000</u>
Approximate total minimum lease payments	69,000
Less amount representing interest	<u>(11,000)</u>
Approximate present value of minimum lease payments	<u>\$ 58,000</u>

NOTE I - 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 \$547,000 for the year ended June 30, 2022.

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, 2022. Employer matching contributions and employer discretionary payments vest over a period of six years at a rate defined in the plan.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE J - 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 K - 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 L - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2022 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 \$3,395,027 at June 30, 2022.

NOTE M - 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.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE M - FAIR VALUE MEASUREMENTS - Continued

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, 2022.

*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.

*Money market funds, 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.

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

June 30, 2022	Assets Measured at Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	\$ 3,689,313	\$ 3,689,313	\$ -	\$ -
Corporate debt securities	878,680	878,680	-	-
Government securities	770,770	770,770	-	-
Mutual funds	1,079,055	1,079,055	-	-
	<u>\$ 6,417,818</u>	<u>\$ 6,417,818</u>	<u>\$ -</u>	<u>\$ -</u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE N - 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, 2022:

Cash	\$ 2,933,777
Accounts receivable	6,568,639
Investments	<u>6,417,818</u>
Total financial assets available within one year	<u>\$ 15,920,234</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.

NOTE O - MATCHING REQUIREMENTS

Gracepoint has met the matching requirements of contract QG028-21 with the Central Florida Behavioral Health Network.

NOTE P - SUBSEQUENT EVENTS

Gracepoint has evaluated events and transactions occurring subsequent to June 30, 2022 as of December 22, 2022 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, 2022



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, 2022, 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 22, 2022.

**Report on 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.



## Report on 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 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 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.

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

Tampa, Florida  
December 22, 2022

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, 2022



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**

***Opinion on Each Major Federal Program and State Project***

We have audited Mental Health Care, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mental Health Care, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mental Health Care, Inc.'s compliance with the compliance requirements referred to above.



## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above, for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Mental Health Care, Inc.'s federal programs and state projects.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mental Health Care, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mental Health Care Inc.'s compliance with the requirements of each major program or state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mental Health Care, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mental Health Care, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Mental Health Care, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 22, 2022



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

MENTAL HEALTH CARE, INC.

June 30, 2022

Mental Health Care, Inc.

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

For the year ended June 30, 2022

**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>Assistance Listing Number</u>	<u>Name of Federal Program</u>
93.527	Health Center Program Cluster <i>Grants for New and Expanded Services under the Health Center Program</i>
93.566	Promoting Safe and Stable Families
93.958	Block Grants for Community Mental Health Services

**State Project**

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

Dollar threshold used to distinguish between type A and type B programs - 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, 2022

**Section II - Financial Statement Findings**

No matters were reported for the year ended June 30, 2022.

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

No matters were reported for the year ended June 30, 2022.

**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, 2022

Mental Health Care, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2022

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
<b>Federal</b>				
<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		232,378
		FL0403L4H012007	-	856,300
			-	1,088,678
<i>Shelter Plus Care</i>				
Passed-through Tampa Hillsborough Homeless Initiative, Inc.	14.238	THHI-FESG-CV Scope of Services - Gracepoint	-	163,867
Total U.S. Department of Housing and Urban Development - Indirect Programs			-	8,741,408
<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	20-21 Carryforward	-	79,978
Total U.S. Department of the Treasury			-	79,978
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
<i>COVID - Provider Relief Fund and American Rescue Plan (ARP)</i>				
<i>Rural Distribution</i>				
	93.498	n/a	-	151,302
<i>Health Center Cluster</i>				
<i>Grants for New and Expanded Services under the Health Center Program</i>				
	93.527	L2C42349	-	250,000
Total U.S. Department of Health and Human Services - Direct Programs			-	401,302
Indirect Programs				
<i>Projects for Assistance in Transition from Homelessness (PATH)</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	93.150	QG028-21	-	121,378
<i>Promoting Safe and Stable Families</i>				
Passed-through Eckerd Youth Alternatives, Inc.	93.556	ECA-C13-IHS-MHC-FY22	-	303,078

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, 2022

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	-	174,136
<i>Foster Care Title IV-E Program</i> Passed-through Eckerd Youth Alternatives, Inc.	93.658	ECA-C13-IHS-MHC-FY22	-	240,132
<i>Child Abuse and Neglect State Grants</i> Passed-through Eckerd Youth Alternatives, Inc.	93.669	ECA-C13-IHS-MHC-FY22	-	15,313
<i>Children's Health Insurance Program (CHIP)</i> Passed-through Central Florida Behavioral Health Network, Inc.	93.767	QG028-21	-	202,675
<i>Block Grants for Community Mental Health Services</i> Passed-through Central Florida Behavioral Health Network, Inc.	93.958	QG028-21	-	2,043,208
Total U.S. Department of Health and Human Services - Indirect Programs			-	3,099,920
Total U.S. Department of Health and Human Services			-	3,501,222
Total expenditures of federal awards			\$ -	\$ 12,322,608

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, 2022

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
<b>State</b>				
<u>Florida Department of Children &amp; Families</u>				
Indirect Projects:				
<i>Forensic Services and Competency Restoration Training</i>	60.114			
Passed-through Central Florida Behavioral Health Network, Inc.		20-21 Carryforward QG028-21	\$ - -	\$ 163,508 1,240,791
			-	1,404,299
<i>Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program</i>	60.115			
Passed through Hillsborough County, Florida		BC-20-0869	-	291,956
<i>Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services</i>	60.155			
Passed-through Central Florida Behavioral Health Network, Inc.		QG028-21	-	750,000
<i>Centralized Receiving Systems</i>	60.163			
Passed-through Central Florida Behavioral Health Network, Inc.		QG028-21	-	1,330,418
			-	3,776,673
			-	3,776,673
			\$ -	\$ 16,099,281

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, 2022

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 award and state financial assistance activity of Mental Health Care, Inc. under programs of the federal government and State of Florida for the year ended June 30, 2022. 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, 2022 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, 2022

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	\$ 248,558
Coronavirus Relief Fund	21.019	QG028-21	20,022
Emotional Disturbances (SED)	93.104	20-21 Carryforward	13,685
Temporary Assistance for Needy Families	93.558	ECA-C13-IHS-MHC- FY22	229,120
Foster Care-Title IV-E	93.658	ECA-C13-IHS-MHC- FY22	240,132
Block Grants for Community Mental Health Services	93.958	QG028-21	9,283,522
		20-21 Carryforward	579,571
		16-17 Carryforward	<u>3,881</u>
Total state funds awarded for matching			<u>\$ 10,618,491</u>

Mental Health Care, Inc.

SCHEDULE OF LOCAL AND OTHER PUBLIC SUPPORT

For the year ended June 30, 2022

<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	70,617
Subcontractor for ACTS - Jail Diversion Program	N/A	66,750
	BOCC Document	
Mental Health Care Court Navigator Program	Number 21-1042	69,101
Passed through Eckerd Youth Alternatives, Inc.	ECA-C13-HCO-	
Enhanced Assessment Services	MHC-FY22	159,741
Passed through Central Florida Behavioral Health Network		
Hillsborough County School Voucher Program	V5102	4,686
School Board of Hillsborough County		
East Henry Academy	21071-PSA-IV	1,041,842
Children's Board of Hillsborough County		
Family Infant Wellness	C01-60101-201-000-02100-212660-21	96,550
Baycare Hospital and Tampa General Hospital		
Navigator Program	N/A	115,843
Florida Hospital		
CSU Beds	N/A	215,260
ER Diversion	N/A	146,000
Care Coordination	N/A	177,140
		<u>3,250,057</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	QG028-21	<u>107,070</u>
		<u>107,070</u>
<u>Total other state funds awards</u>		
		<u>\$ 3,357,127</u>
<u>Total local and other public support</u>		

Mental Health Care, Inc.

STATEMENT OF ACTIVITIES - FQHC

For the year ended June 30, 2022

OPERATING REVENUE	
Grant revenue	\$ 449,061
Net patient service revenue	302,695
Contributions and other revenue	<u>248,368</u>
Total operating revenue	<u>1,000,124</u>
OPERATING EXPENSES	
Salaries and wages	686,970
Employee benefits	107,147
Professional services	126,992
Travel	1,200
Food services	1,871
Building occupancy	54,208
Equipment	13,645
Medical and pharmacy	212,379
Insurance	7,906
Supplies	6,328
Depreciation and amortization	<u>10,424</u>
Total operating expenses	<u>1,229,070</u>
Operating loss	<u>\$ (228,946)</u>

Mental Health Care, Inc.

SCHEDULE OF STATE EARNINGS (UNAUDITED)

For the fiscal year ended June 30, 2022

<b>1</b>	<b>Total Expenditures</b>	<b>\$ 42,200,153</b>
<b>2</b>	<b>Less Other State and Federal Funds</b>	<b>\$ (16,506,919)</b>
<b>3</b>	<b>Less Non-Match SAMH Funds</b>	<b>\$ (5,036,537)</b>
<b>4</b>	<b>Less Unallowable Costs per 65E-14, F.A.C.</b>	<b>\$ (151,199)</b>
<b>5</b>	<b>Total Allowable Expenditures</b> (Sum of lines 1, 2, 3, and 4)	<b>\$ 20,505,498</b>
<b>6</b>	<b>Maximum Available Earnings</b> (Line 5 times 75%)	<b>\$ 15,379,124</b>
<b>7</b>	<b>Amount of State Funds Requiring Match</b>	<b>\$ 11,384,653</b>
<b>8</b>	<b>Amount Due to Department (if negative)*</b> (Subtract line 7 from line 6)	<b>\$ -</b>

\* 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, 2022

This audit schedule is not applicable to Mental Health Care, Inc. for the fiscal year ended June 30, 2022.

Mental Health Care, Inc.

AUDIT SCHEDULE

SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS (UNAUDITED)

For the fiscal year ended June 30, 2022

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	\$ 406.74	10,220	4,680	5,540	\$ 222,701	\$ 2,253,340	\$ -
Adult MH	Crisis Stabilization Unit	\$ 406.74	21,900	11,491	10,409	\$ 4,096,974	\$ 4,233,757	\$ -
Adult MH	Residential Level I	\$ 278.40	9,893	-	9,893	\$ 2,737,096	\$ 2,754,211	\$ -
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: 12/22/2022

CONTRACT #: QG028-21

BUDGET PERIOD: FROM 07/01/21 TO 06/30/22

**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
<b>IA. STATE SAMH FUNDING</b>							
(1) Central Florida Behavioral Health Network	\$ 500,578	\$ 738,435	\$ 4,319,675	\$ 4,945,365	\$ -	\$ -	\$ 73,896
<b>TOTAL STATE SAMH FUNDING</b>	<b>\$ 500,578</b>	<b>\$ 738,435</b>	<b>\$ 4,319,675</b>	<b>\$ 4,945,365</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,896</b>
<b>IB. OTHER GOVT. FUNDING</b>							
(1) Other State Agency Funding	\$ 837	\$ -	\$ 22,748	\$ 369	\$ -	\$ -	\$ -
(2) Medicaid	362,069	314,985	6,739,677	219,061	-	-	-
(3) Local Government	2,495	-	1,029,937	92,303	-	-	-
(4) Federal Grants and Contracts	-	-	180,154	488,722	-	-	-
(5) In-kind from local govt. only	-	-	-	-	-	-	-
<b>TOTAL OTHER GOVT. FUNDING</b>	<b>\$ 365,401</b>	<b>\$ 314,985</b>	<b>\$ 7,972,516</b>	<b>\$ 800,455</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>IC. ALL OTHER REVENUES</b>							
(1) 1st & 2nd Party Payments	\$ 14,889	\$ (2,415)	\$ 526,757	\$ 32,132	\$ -	\$ -	\$ -
(2) 3rd Party Payments	41,268	-	2,234,112	81,736	-	-	-
(3) Medicare	18,553	450	2,253,810	99,972	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-
(5) Other	-	1,965	308,703	404,934	-	-	-
(6) In-kind	-	-	-	-	-	-	-
<b>TOTAL ALL OTHER REVENUES</b>	<b>\$ 74,710</b>	<b>\$ -</b>	<b>\$ 5,323,382</b>	<b>\$ 618,774</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL FUNDING</b>	<b>\$ 940,689</b>	<b>\$ 1,053,420</b>	<b>\$ 17,615,573</b>	<b>\$ 6,364,594</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,896</b>

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

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/22/2022

CONTRACT #: QG028-21

BUDGET PERIOD: FROM 07/01/21 TO 06/30/22

**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	
<b>IA. STATE SAMH FUNDING</b>								
(1) Central Florida Behavioral Health Network	\$ -	\$ 1,238	\$ 700,493	\$ 18,066	\$ 341,078	\$ 2,737,057	\$ 497,742	
<b>TOTAL STATE SAMH FUNDING</b>	<b>\$ -</b>	<b>\$ 1,238</b>	<b>\$ 700,493</b>	<b>\$ 18,066</b>	<b>\$ 341,078</b>	<b>\$ 2,737,057</b>	<b>\$ 497,742</b>	
<b>IB. OTHER GOVT. FUNDING</b>								
(1) Other State Agency Funding	\$ -	\$ -	\$ 1,806	\$ -	\$ -	\$ -	\$ 107,070	
(2) Medicaid	-	-	1,110,740	-	-	30	-	
(3) Local Government	-	-	494,901	-	-	22,367	-	
(4) Federal Grants and Contracts	-	-	44,383	-	-	44,383	-	
(5) In-kind from local govt. only	-	-	-	-	-	-	-	
<b>TOTAL OTHER GOVT. FUNDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,651,830</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,780</b>	<b>\$ 107,070</b>	
<b>IC. ALL OTHER REVENUES</b>								
(1) 1st & 2nd Party Payments	\$ -	\$ -	\$ 205,664	\$ -	\$ 15	\$ -	\$ -	
(2) 3rd Party Payments	-	-	303,836	-	-	-	-	
(3) Medicare	-	-	417,949	-	-	-	-	
(4) Contributions and Donations	-	-	-	-	-	-	-	
(5) Other	-	-	84,479	-	-	80,671	-	
(6) In-kind	-	-	-	-	-	-	-	
<b>TOTAL ALL OTHER REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,011,928</b>	<b>\$ -</b>	<b>\$ 15</b>	<b>\$ 80,671</b>	<b>\$ -</b>	
<b>TOTAL FUNDING</b>	<b>\$ -</b>	<b>\$ 1,238</b>	<b>\$ 3,364,251</b>	<b>\$ 18,066</b>	<b>\$ 341,093</b>	<b>\$ 2,884,508</b>	<b>\$ 604,812</b>	

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

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/22/2022

CONTRACT #: QG028-21

BUDGET PERIOD: FROM 07/01/21 TO 06/30/22

**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							
	B NET	CAT	Intervention - Group	Total for State Funded SAMH Cost Centers	Non-State Funded SAMH Cost Centers	Total All SAMH Cost Centers	Non-SAMH Cost Center	Total Revenue
<b>IA. STATE SAMH FUNDING</b>								
(1) Central Florida Behavioral Health Network	\$ 202,675	\$ 751,532	\$ 4,805	\$ 15,832,635	\$ -	\$ 15,832,635	\$ -	\$ 15,832,635
<b>TOTAL STATE SAMH FUNDING</b>	<b>\$ 202,675</b>	<b>\$ 751,532</b>	<b>\$ 4,805</b>	<b>\$ 15,832,635</b>	<b>\$ -</b>	<b>\$ 15,832,635</b>	<b>\$ -</b>	<b>\$ 15,832,635</b>
<b>IB. OTHER GOVT. FUNDING</b>								
(1) Other State Agency Funding	\$ (6,157)	\$ -	\$ -	\$ 126,674	\$ 24,433	\$ 151,107	\$ 140	\$ 151,247
(2) Medicaid	3,009	51	-	8,749,622	1,553,538	10,303,160	253,181	10,556,341
(3) Local Government	-	-	-	1,642,003	227	1,642,230	1,174,103	2,816,333
(4) Federal Grants and Contracts	-	-	-	757,642	-	757,642	2,434,464	3,192,106
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-
<b>TOTAL OTHER GOVT. FUNDING</b>	<b>\$ (3,148)</b>	<b>\$ 51</b>	<b>\$ -</b>	<b>\$ 11,275,941</b>	<b>\$ 1,578,198</b>	<b>\$ 12,854,139</b>	<b>\$ 3,861,888</b>	<b>\$ 16,716,027</b>
<b>IC. ALL OTHER REVENUES</b>								
(1) 1st & 2nd Party Payments	\$ -	\$ 145	\$ -	\$ 777,187	\$ 45,806	\$ 822,993	\$ 35,190	\$ 858,183
(2) 3rd Party Payments	-	-	-	2,660,952	88,924	2,749,876	72,362	2,822,238
(3) Medicare	-	-	-	2,790,734	1,146	2,791,880	16,363	2,808,243
(4) Contributions and Donations	-	6,000	-	6,000	-	6,000	201,106	207,106
(5) Other	-	-	-	880,752	82,623	963,375	2,235,743	3,199,118
(6) In-kind	-	-	-	-	-	-	-	-
<b>TOTAL ALL OTHER REVENUES</b>	<b>\$ -</b>	<b>\$ 6,145</b>	<b>\$ -</b>	<b>\$ 7,115,625</b>	<b>\$ 218,499</b>	<b>\$ 7,334,124</b>	<b>\$ 2,560,764</b>	<b>\$ 9,894,888</b>
<b>TOTAL FUNDING</b>	<b>\$ 199,527</b>	<b>\$ 757,728</b>	<b>\$ 4,805</b>	<b>\$ 34,224,201</b>	<b>\$ 1,796,697</b>	<b>\$ 36,020,898</b>	<b>\$ 6,422,652</b>	<b>\$ 42,443,550</b>

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

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/22/2022

CONTRACT #: QG028-21

BUDGET PERIOD: FROM 07/01/21 TO 06/30/22

**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 - Individual
<b>IIA. PERSONNEL EXPENSES</b>							
(1) Salaries	\$ 370,246	\$ 746,058	\$ 8,180,405	\$ 4,841,163	\$ -	\$ -	\$ 72,232
(2) Fringe Benefits	66,801	159,871	1,172,501	921,322	-	-	6,697
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$ 437,047</b>	<b>\$ 905,929</b>	<b>\$ 9,352,906</b>	<b>\$ 5,762,485</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,929</b>
<b>IIB. OTHER EXPENSES</b>							
(1) Building Occupancy	\$ 15,500	\$ 36,006	\$ 691,124	\$ 303,196	\$ -	\$ -	\$ 6,318
(2) Professional Services	7,441	17,013	324,649	125,776	-	-	7,362
(3) Travel	320	19,971	13,599	7,625	-	-	3,334
(4) Equipment	7,825	4,066	68,245	51,733	-	-	1,200
(5) Food Services	1,273	3,164	294,103	263,971	-	-	-
(6) Medical and Pharmacy	1,975	8,768	171,661	61,598	-	-	-
(7) Subcontracted Services	-	-	-	-	-	-	-
(8) Insurance	6,300	22,812	142,980	109,740	-	-	3,699
(9) Interest Paid	-	-	-	-	-	-	-
(10) Operating Supplies and Expenses	1,927	11,599	158,860	81,844	-	-	1,250
(11) Other	-	-	-	-	-	-	-
(12) Donated Items	-	-	-	-	-	-	-
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 42,561</b>	<b>\$ 123,399</b>	<b>\$ 1,865,221</b>	<b>\$ 1,005,483</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,163</b>
<b>TOTAL PERSONNEL AND OTHER EXPENSES</b>	<b>\$ 479,608</b>	<b>\$ 1,029,328</b>	<b>\$ 11,218,127</b>	<b>\$ 6,767,968</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,092</b>
<b>IIC. DISTRIBUTED INDIRECT COSTS</b>							
(A) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Administration	72,481	155,557	1,695,338	1,022,808	-	-	15,429
<b>TOTAL DISTRIBUTED COSTS</b>	<b>\$ 72,481</b>	<b>\$ 155,557</b>	<b>\$ 1,695,338</b>	<b>\$ 1,022,808</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,429</b>
<b>TOTAL ACTUAL OPER. EXPENSES</b>	<b>\$ 552,089</b>	<b>\$ 1,184,885</b>	<b>\$ 12,913,465</b>	<b>\$ 7,790,776</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 117,521</b>
<b>IID. UNALLOWABLE COSTS</b>	<b>\$ 1,273</b>	<b>\$ 3,164</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL ALLOWABLE OPER. EXPENSES</b>	<b>\$ 550,816</b>	<b>\$ 1,181,721</b>	<b>\$ 12,913,465</b>	<b>\$ 7,790,776</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 117,521</b>

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

AGENCY: Mental Health Care, Inc.

DATE PREPARED: 12/22/2022

CONTRACT #: QG028-21

BUDGET PERIOD: FROM 07/01/21 TO 06/30/22

**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
<b>IIA. PERSONNEL EXPENSES</b>								
(1) Salaries	\$ -	\$ 66,560	\$ 2,431,443	\$ 291,762	\$ 572,352	\$ 1,620,629	- \$	\$ 60,273
(2) Fringe Benefits	-	7,779	415,637	58,679	114,402	227,175	-	14,511
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$ -</b>	<b>\$ 74,339</b>	<b>\$ 2,847,080</b>	<b>\$ 350,441</b>	<b>\$ 686,754</b>	<b>\$ 1,847,804</b>	<b>\$ -</b>	<b>\$ 74,784</b>
<b>IIB. OTHER EXPENSES</b>								
(1) Building Occupancy	\$ -	\$ 6,200	\$ 121,125	\$ 24,200	\$ 23,614	\$ 247,732	\$ 1,466	\$ 3,636
(2) Professional Services	-	7,200	49,168	7,200	12,150	58,641	-	999
(3) Travel	-	2,400	2,321	-	2,948	4,472	-	756
(4) Equipment	-	1,200	31,615	1,200	2,439	82,780	116	359
(5) Food Services	-	-	7,388	-	1,414	164,400	-	78
(6) Medical and Pharmacy	-	-	26,824	-	1,158	46,287	411,447	47,345
(7) Subcontracted Services	-	-	-	-	-	-	-	-
(8) Insurance	-	3,600	129,199	7,200	18,821	30,240	-	2,376
(9) Interest Paid	-	-	-	-	-	-	-	-
(10) Operating Supplies and Expenses	-	1,200	45,334	2,400	929	28,480	193,412	125
(11) Other	-	-	-	-	-	-	-	-
(12) Donated Items	-	-	-	-	-	-	-	-
<b>TOTAL OTHER EXPENSES</b>	<b>\$ -</b>	<b>\$ 21,800</b>	<b>\$ 412,974</b>	<b>\$ 42,200</b>	<b>\$ 63,473</b>	<b>\$ 663,032</b>	<b>\$ 606,441</b>	<b>\$ 55,674</b>
<b>TOTAL PERSONNEL AND OTHER EXPENSES</b>	<b>\$ -</b>	<b>\$ 96,139</b>	<b>\$ 3,260,054</b>	<b>\$ 392,641</b>	<b>\$ 750,227</b>	<b>\$ 2,510,836</b>	<b>\$ 606,441</b>	<b>\$ 130,458</b>
<b>IIC. DISTRIBUTED INDIRECT COSTS</b>								
(A) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Administration	-	14,529	492,675	59,338	113,378	379,450	91,648	19,715
<b>TOTAL DISTRIBUTED COSTS</b>	<b>\$ -</b>	<b>\$ 14,529</b>	<b>\$ 492,675</b>	<b>\$ 59,338</b>	<b>\$ 113,378</b>	<b>\$ 379,450</b>	<b>\$ 91,648</b>	<b>\$ 19,715</b>
<b>TOTAL ACTUAL OPER. EXPENSES</b>	<b>\$ -</b>	<b>\$ 110,668</b>	<b>\$ 3,752,729</b>	<b>\$ 451,979</b>	<b>\$ 863,605</b>	<b>\$ 2,890,286</b>	<b>\$ 698,089</b>	<b>\$ 150,173</b>
<b>IID. UNALLOWABLE COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,388</b>	<b>\$ -</b>	<b>\$ 1,414</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78</b>
<b>TOTAL ALLOWABLE OPER. EXPENSES</b>	<b>\$ -</b>	<b>\$ 110,668</b>	<b>\$ 3,745,341</b>	<b>\$ 451,979</b>	<b>\$ 862,191</b>	<b>\$ 2,890,286</b>	<b>\$ 698,089</b>	<b>\$ 150,095</b>

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

AGENCY: Mental Health Care, Inc.  
CONTRACT #: QG028-21

DATE PREPARED: 12/22/2022  
BUDGET PERIOD: FROM 07/01/21 TO 06/30/22

**PART II: ACTUAL EXPENSES - CONTINUE**

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							
CAT	Intervention - Group	Total for State Funded SAMH Cost Centers	Non-State Funded SAMH Cost Centers	Total All SAMH Cost Centers	Non-SAMH Cost Center	Administration	Total Funding	
<b>IIA. PERSONNEL EXPENSES</b>								
(1) Salaries	\$ 515,359	\$ 4,833	\$ 19,773,315	\$ 1,400,938	\$ 21,174,253	\$ 3,321,642	\$ 2,974,998	\$ 27,470,893
(2) Fringe Benefits	102,674	617	3,268,666	268,438	3,537,104	707,986	724,783	4,969,873
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$ 618,033</b>	<b>\$ 5,450</b>	<b>\$ 23,041,981</b>	<b>\$ 1,669,376</b>	<b>\$ 24,711,357</b>	<b>\$ 4,029,628</b>	<b>\$ 3,699,781</b>	<b>\$ 32,440,766</b>
<b>IIB. OTHER EXPENSES</b>								
(1) Building Occupancy	\$ 6,156	\$ -	\$ 1,486,273	\$ 57,260	\$ 1,543,533	\$ 1,208,643	\$ 247,471	\$ 2,999,647
(2) Professional Services	11,850	-	629,449	25,023	654,472	49,416	714,448	1,418,336
(3) Travel	21,743	-	79,489	30,421	109,910	85,507	74,177	269,594
(4) Equipment	7,430	-	260,208	38,542	298,750	91,308	550,091	940,149
(5) Food Services	190	-	735,981	2,997	738,978	14,613	36,259	789,850
(6) Medical and Pharmacy	1,228	-	778,291	2,552	780,843	2,698	5,437	788,978
(7) Subcontracted Services	-	-	-	-	-	-	-	-
(8) Insurance	13,536	-	490,503	52,824	543,327	298,939	82,992	925,258
(9) Interest Paid	-	-	-	-	-	-	4,303	4,303
(10) Operating Supplies and Expenses	13,234	-	540,594	557	541,151	956,852	125,269	1,623,272
(11) Other	-	-	-	-	-	-	-	-
(12) Donated Items	-	-	-	-	-	-	-	-
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 75,367</b>	<b>\$ -</b>	<b>\$ 5,000,788</b>	<b>\$ 210,176</b>	<b>\$ 5,210,964</b>	<b>\$ 2,707,976</b>	<b>\$ 1,840,447</b>	<b>\$ 9,759,387</b>
<b>TOTAL PERSONNEL AND OTHER EXPENSES</b>	<b>\$ 693,400</b>	<b>\$ 5,450</b>	<b>\$ 28,042,769</b>	<b>\$ 1,879,552</b>	<b>\$ 29,922,321</b>	<b>\$ 6,737,604</b>	<b>\$ 5,540,228</b>	<b>\$ 42,200,153</b>
<b>IIC. DISTRIBUTED COSTS</b>								
(A) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Administration	104,790	824	4,237,960	284,047	4,522,007	1,018,221	(5,540,228)	-
<b>TOTAL DISTRIBUTED COSTS</b>	<b>\$ 104,790</b>	<b>\$ 824</b>	<b>\$ 4,237,960</b>	<b>\$ 284,047</b>	<b>\$ 4,522,007</b>	<b>\$ 1,018,221</b>	<b>\$ (5,540,228)</b>	<b>\$ -</b>
<b>TOTAL ACTUAL OPERATING EXPENSE</b>	<b>\$ 798,190</b>	<b>\$ 6,274</b>	<b>\$ 32,280,729</b>	<b>\$ 2,163,599</b>	<b>\$ 34,444,328</b>	<b>\$ 7,755,825</b>	<b>\$ -</b>	<b>\$ 42,200,153</b>
<b>IID. UNALLOWABLE COSTS</b>	<b>\$ 190</b>	<b>\$ -</b>	<b>\$ 13,507</b>	<b>\$ 2,997</b>	<b>\$ 16,504</b>	<b>\$ 37,813</b>	<b>\$ 96,882</b>	<b>\$ 151,199</b>
<b>TOTAL ALLOWABLE COSTS</b>	<b>\$ 798,000</b>	<b>\$ 6,274</b>	<b>\$ 32,267,222</b>	<b>\$ 2,160,602</b>	<b>\$ 34,427,824</b>	<b>\$ 7,718,012</b>	<b>\$ (96,882)</b>	<b>\$ 42,048,954</b>