

Henderson Behavioral Health, Inc. and Subsidiaries

Combined Financial Statements
and Additional Information
For the Year Ended June 30, 2023



Henderson Behavioral Health, Inc. and Subsidiaries

Table of Contents

| | |
|--|-------|
| Independent Auditor's Report | 1-3 |
| Combined Financial Statements | |
| Combined Statement of Financial Position | 4 |
| Combined Statement of Activities | 5 |
| Combined Statement of Functional Expenses | 6 |
| Combined Statement of Cash Flows | 7 |
| Notes to Combined Financial Statements | 8-27 |
| Additional Information | |
| Schedule of Expenditures of Federal Awards and State Financial Assistance | 28-31 |
| Schedule of Other State Funding | 32 |
| Schedule of Local Financial Assistance | 33-35 |
| Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance | 36 |
| Schedule of Program/Covered Service Actual Expenses and Revenues | 37-62 |
| Schedule of Related Party Transaction Adjustments | 63 |
| Schedule of State Earnings | 64 |
| Schedule of Bed-Day Availability Payments | 65 |
| Internal Controls and Compliance | |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 66-67 |
| Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, <i>Rules of the Auditor General</i> | 68-70 |
| Schedule of Findings and Questioned Costs | 71-72 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Henderson Behavioral Health, Inc. and Subsidiaries

Report on the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Henderson Behavioral Health, Inc. and Subsidiaries (the "Organization") (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management's for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 and *Government 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 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 combined 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 the Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Florida Single Audit Act, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Further, the schedules of other state funding, local financial assistance, program/covered service actual expenses and revenues, state earnings, related party transaction adjustments and bed day availability payments are also presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization’s 2022 combined financial statements and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated October 26, 2022.

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’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 Organization’s internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 7, 2023

COMBINED FINANCIAL STATEMENTS



Henderson Behavioral Health, Inc. and Subsidiaries
Combined Statement of Financial Position
June 30, 2023
(with comparative totals for 2022)

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 13,186,950 | \$ 14,576,594 |
| Restricted cash | 202,004 | 121,882 |
| Investments | 5,129,530 | 4,847,370 |
| Accounts receivable, net | 2,125,699 | 1,534,776 |
| Grants and contracts receivable | 4,271,502 | 5,082,820 |
| Leverage loan receivable | 9,086,000 | 9,086,000 |
| Prepaid expenses | 133,612 | 65,478 |
| Property and equipment, net | 18,878,668 | 19,516,802 |
| Operating right of use asset, net | 1,529,352 | - |
| Deposits, inventory and other assets | 159,928 | 214,921 |
| | <u>54,703,245</u> | <u>55,046,643</u> |
| Total assets | \$ <u>54,703,245</u> | \$ <u>55,046,643</u> |
| Liabilities: | | |
| Accounts payable | \$ 457,731 | \$ 505,510 |
| Accrued expenses and other liabilities | 261,469 | 187,377 |
| Deferred revenue and refundable advances | 251,250 | 216,250 |
| Accrued employee compensation | 801,584 | 1,835,396 |
| Accrued employee leave benefits | 549,973 | 525,631 |
| Debt, net of unamortized debt issuance costs | 15,918,845 | 17,902,891 |
| Operating lease liability | 1,560,523 | - |
| | <u>19,801,375</u> | <u>21,173,055</u> |
| Total liabilities | <u>19,801,375</u> | <u>21,173,055</u> |
| Net Assets: | | |
| With donor restrictions: | | |
| Perpetual in nature | 751,921 | 751,921 |
| | <u>751,921</u> | <u>751,921</u> |
| Without donor restrictions: | | |
| Undesignated | 13,649,949 | 12,621,667 |
| Board designated | 20,500,000 | 20,500,000 |
| | <u>34,149,949</u> | <u>33,121,667</u> |
| Total net assets | <u>34,901,870</u> | <u>33,873,588</u> |
| Total liabilities and net assets | \$ <u>54,703,245</u> | \$ <u>55,046,643</u> |

The accompanying notes to combined financial statements are an integral part of these statements.

Henderson Behavioral Health, Inc. and Subsidiaries
Combined Statement of Activities
For the Year Ended June 30, 2023
(with comparative totals for 2022)

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2023</u> | <u>Total 2022</u> |
|---|---|------------------------------------|-----------------------|-----------------------|
| Revenues, Gains and Other Support: | | | | |
| Grant and contract revenue | \$ 41,267,195 | \$ - | \$ 41,267,195 | \$ 38,302,936 |
| Net client service revenue | 6,145,864 | - | 6,145,864 | 5,538,547 |
| Student counseling | 1,572,485 | - | 1,572,485 | 1,225,141 |
| Contributions | 1,681,738 | - | 1,681,738 | 1,686,810 |
| Donated goods and services | 366,884 | - | 366,884 | 322,642 |
| Investment income (loss) | 421,922 | - | 421,922 | (553,929) |
| Rental income | 11,543 | - | 11,543 | 10,095 |
| Miscellaneous | 665,266 | - | 665,266 | 320,960 |
| | <u>52,132,897</u> | <u>-</u> | <u>52,132,897</u> | <u>46,853,202</u> |
| Expenses: | | | | |
| Program services | 44,950,453 | - | 44,950,453 | 38,589,913 |
| Supporting services | 6,148,527 | - | 6,148,527 | 7,495,549 |
| | <u>51,098,980</u> | <u>-</u> | <u>51,098,980</u> | <u>46,085,462</u> |
| Change in net assets | <u>1,033,917</u> | <u>-</u> | <u>1,033,917</u> | <u>767,740</u> |
| Net Assets, Beginning of Year, as Restated (Note 11) | <u>33,116,032</u> | <u>751,921</u> | <u>33,867,953</u> | <u>33,105,848</u> |
| Net Assets, End of Year | <u>\$ 34,149,949</u> | <u>\$ 751,921</u> | <u>\$ 34,901,870</u> | <u>\$ 33,873,588</u> |

The accompanying notes to combined financial statements are an integral part of these statements.

Henderson Behavioral Health, Inc. and Subsidiaries
Combined Statement of Functional Expenses
For the Year Ended June 30, 2023
(with comparative totals for 2022)

| | Program Services | | | | | Supporting Services | | | Total 2022 | |
|--------------------------------------|----------------------|---------------------|----------------------|------------------------------|-------------------|----------------------------------|-------------------|---------------------|----------------------|------------------------------|
| | Mental Health | Substance Abuse | Other Program | Total Program Services | Fundraising | Administrative and General | | Other Support | | Total Support Services |
| | | | | | | General | Support | | | |
| Program Expenses: | | | | | | | | | | |
| Salaries | \$ 19,181,336 | \$ 1,529,132 | \$ 6,401,783 | \$ 27,112,251 | \$ 145,871 | \$ 3,441,540 | \$ - | \$ 3,587,411 | \$ 27,212,497 | |
| Fringe benefits | 3,237,485 | 303,875 | 1,636,913 | 5,178,273 | 37,927 | 764,502 | - | 802,429 | 5,980,702 | |
| Building occupancy | 2,140,108 | 192,125 | 192,605 | 2,524,838 | 38,811 | 155,465 | 80,937 | 275,213 | 2,800,051 | |
| Other | 595,971 | 5,791 | 78,128 | 679,890 | - | 83,015 | - | 83,015 | 762,905 | |
| Equipment | 782,513 | 7,558 | 248,924 | 1,038,995 | 300 | 288,595 | - | 288,895 | 1,327,890 | |
| Professional services | 1,121,693 | 39,771 | 528,104 | 1,689,568 | 1,796 | 204,350 | 26,400 | 232,546 | 1,922,114 | |
| In-kind donations | 327,401 | - | - | 327,401 | - | - | - | - | 327,401 | |
| Client care services | 2,741,819 | 16,536 | 782,684 | 3,541,039 | - | - | 1,620 | 1,620 | 3,542,659 | |
| Travel | 247,292 | 31,564 | 89,871 | 368,727 | 756 | 65,639 | - | 66,395 | 378,132 | |
| Medical and pharmacy | 338,264 | 4,796 | - | 343,060 | - | - | - | - | 343,060 | |
| Subcontracted services | 672,719 | - | - | 672,719 | - | - | - | - | 672,719 | |
| Insurance | 408,896 | 28,811 | 234,916 | 672,623 | - | 378,225 | - | 378,225 | 1,050,848 | |
| Operating supplies and expenses | 245,369 | 2,091 | 394,306 | 641,766 | 308 | 198,015 | 12,103 | 210,426 | 852,192 | |
| Interest expense | - | - | 159,303 | 159,303 | - | 222,352 | - | 222,352 | 381,655 | |
| Total functional expenses | \$ 32,040,866 | \$ 2,162,050 | \$ 10,747,537 | \$ 44,950,453 | \$ 225,769 | \$ 5,801,698 | \$ 121,060 | \$ 6,148,527 | \$ 51,098,980 | |
| | | | | | | | | | \$ 46,085,462 | |

The accompanying notes to combined financial statements are an integral part of these statements.

Henderson Behavioral Health, Inc. and Subsidiaries
Combined Statement of Cash Flows
For the Year Ended June 30, 2023
(with comparative totals for 2022)

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ 1,033,917 | \$ 767,740 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Provision for depreciation and amortization | 1,497,519 | 1,164,349 |
| (Gain) loss on sale of assets | (24,200) | (141,512) |
| Grant for property and equipment | (52,695) | (87,891) |
| Realized/unrealized (gains) losses on investments | 174,474 | (578,394) |
| (Increase) decrease in assets: | | |
| Accounts receivable | (590,923) | (924,606) |
| Grants and contracts receivable | 811,318 | 800,560 |
| Prepaid expenses | (68,134) | 32,446 |
| Deposits, inventory and other assets | 54,993 | 21,885 |
| (Increase) decrease in liabilities: | | |
| Accounts payable | (47,779) | 113,997 |
| Accrued expenses and other liabilities | 74,092 | (77,222) |
| Deferred revenue | 35,000 | 125,533 |
| Operating lease liability | (279,404) | |
| Accrued employee compensation | (1,033,812) | 240,101 |
| Accrued employee leave benefits | 24,342 | (97,158) |
| | <u>1,608,708</u> | <u>1,359,828</u> |
| Cash Flows From Investing Activities: | | |
| Proceeds from sale of property and equipment | 24,200 | 1,068,014 |
| Purchases of property and equipment | (483,459) | (1,178,245) |
| Purchase of investments | (1,396,678) | (3,209,790) |
| Sale of investments | 940,044 | 4,459,284 |
| | <u>(915,893)</u> | <u>1,139,263</u> |
| Cash Flows From Financing Activities: | | |
| Principal payments on debt | (2,002,337) | (1,558,239) |
| | <u>(2,002,337)</u> | <u>(1,558,239)</u> |
| Net increase (decrease) in cash and cash equivalents | (1,309,522) | 940,852 |
| Cash, Cash Equivalents and Restricted Cash, July 1 | <u>14,698,476</u> | <u>13,757,624</u> |
| Cash, Cash Equivalents and Restricted Cash, June 30 | <u>\$ 13,388,954</u> | <u>\$ 14,698,476</u> |

The accompanying notes to combined financial statements are an integral part of these statements.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 1 - Organization and Operations

Henderson Behavioral Health, Inc. and Subsidiaries (collectively, the “Organization”) provides behavioral healthcare throughout South Florida in Broward and Palm Beach Counties, the Treasure Coast and Okeechobee. The Organization charges fees based upon its patients’ ability to pay for clinical services and receive grants, contracts and contributions from various governmental and charitable agencies. Gifts, donations and volunteer services are also received from individuals and corporations.

The accompanying combined financial statements include the accounts of Henderson Behavioral Health, Inc. (a nonprofit, tax exempt organization), (“Henderson”) the parent and sole member of its two Limited Liability Companies, subsidiaries, Henderson Behavioral Health, LLC and Headway New Vistas, LLC, as well as HBH CSU Support Corporation a Florida nonprofit corporation. Henderson Behavioral Health, LLC (the “Center”) is responsible for delivering health services, management and other administrative services and functions. Headway New Vistas, LLC (“Headway”) owns all the real estate properties, which are leased to third-party tenants and the Center (Note 10). HBH CSU Support Corporation (“HBH CSU”) was incorporated to carry out the construction of CSU replacement project, a 48-bed capacity facility on behalf of Henderson (Note 8). All of these entities operate to further enhance Henderson’s 501(c)(3) nonprofit status.

Note 2 - Summary of Significant Accounting Policies

A summary of the Organization’s significant accounting policies consistently applied in the preparation of the combined financial statements follows:

Basis of accounting: The accompanying combined financial statements have been prepared using the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets as described in Note 12.
- *Net Assets with Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All contributions are considered available for general use, unless specifically restricted by donor or subject to other legal restrictions.

Cash and cash equivalents: The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents that the Organization intends to use for long-term purposes are classified as investments in the accompanying statement of financial position.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of receivables, cash, and investments. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state, and other agencies and the ability to obtain authorization, process and collect balances timely. The Organization does not require collateral or other security to support receivables. The Organization has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount.

Investments: Readily marketable investments are primarily held in brokerage accounts administered for the Organization. The broker is responsible for the custody and disbursement of funds on instructions from the Board of Directors/Finance Committee of the Organization.

Readily marketable investments are stated at fair value using quoted market prices. In accordance with the policy of stating investments at fair value, net unrealized appreciation or depreciation for the year is reflected in the accompanying statements of activities.

Receivables: Accounts receivables consist mostly of amounts due for client services and are carried at amounts estimated to be realized by the Organization based on past experience. Client services are provided at rates established periodically, primarily by Medicaid intermediaries and state and local funding authorities. Payments for services may differ from the amounts billed due to subsequent changes in rates, discrepancies as to eligibility dates and approved services, and other similar issues. Allowances for doubtful accounts are recorded to reflect the differences between the amounts billed for services and expected reimbursement. The expense for these billing differences is recorded as an offset to revenue. Also, in accounts receivables are amounts due from a related party, as further discussed in Note 18. At June 30, 2023 and 2022, there is an allowance of approximately \$ 235,000 for these amounts due from the related party.

Grant and contract receivables consist principally of claims not yet reimbursed by various grantor/contract agencies. Management periodically reviews the receivable balances and provides an allowance for amounts which may be uncollectible. At June 30, 2023 and 2022, management considered all of its grant and contracts receivable balances to be collectible and no allowance was recorded.

Note 2 - Summary of Significant Accounting Policies (continued)

Promises to give: The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques using risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization had no unconditional or conditional promises to give as of June 30, 2023 and 2022.

Deposits, inventory and other assets: Deposits, inventory and other assets primarily include security deposits, utility deposits and drug inventories. Inventories consist primarily of drugs held for the clients served by the Organization as part of the Indigent Drug Program. Donated drugs are stated at fair market value. Purchased drugs are stated at current replacement cost and the resulting carrying amounts are not significantly different from that which would result if the lower of cost (first-in, first-out method) or net realized value were used. At June 30, 2023 and 2022, drug inventory amounted to \$ 73,134 and \$ 92,722, respectively.

Prepaid expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Property and equipment: Property and equipment are carried at cost if purchased or, if donated, at fair value on the date of donation, less accumulated depreciation.

The Organization follows the policy of providing for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

| | |
|---------------------------------------|--|
| Buildings and improvements | 10-39.50 years |
| Equipment, including air-conditioning | 5-20 years |
| Vehicles | 5 years |
| Furniture and fixtures | 5-10 years |
| Landscaping, parking lot, sprinklers | 10-20 years |
| Leasehold improvements | Lesser of lease term or 39.50 years |

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time.

The Organization received vehicles donated for \$ 52,695 and \$ 87,891 for the years ended June 30, 2023 and 2022, respectively. Donated property is to be used for the purpose of providing services related to the Organization's mission and demographic population served. The property may be sold, however, the proceeds from the sale are to be used to serve the mission of the Organization.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renovations are capitalized over their estimated useful lives.

Note 2 - Summary of Significant Accounting Policies (continued)

Debt issuance costs: Debt issuance costs associated with outstanding debt is presented in the statement of financial position as a direct reduction in the carrying value of the associated debt liability. Amortization of debt issuance costs is reported as a component of interest expense in the statement of activities. Debt costs are amortized using the straight-line method over the life of the associated debt.

Deferred revenue: Grant and contract revenue that is not recognized because the allowable cost as defined by the individual grant or contract has not been incurred and/or the units of service have not been rendered is considered deferred revenue.

Accrued employee leave benefits: The Organization accrues for employee paid time off up to a maximum of 100 hours per employee. The accrual is calculated at current salary rates.

Revenue and revenue recognition: The Organization recognizes revenues from nonexchange transactions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

Grant and contract revenue is generally billed monthly and is derived from units of service contracts. Amounts received are recognized as revenue when the unit of service has been provided in compliance with the specific contract. Also, any revenue derived from cost-reimbursement contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions.

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Client services revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing care. These amounts are generally from third-party payers (including health insurers and government programs) and others and may include variable consideration for retroactive adjustments due to settlement of audits, reviews and investigations. Generally, the Organization bills patients and third-party payers soon after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

The Organization has established a sliding fee scale based on the Federal poverty guidelines wherein the clients are expected to pay amounts based upon their individual financial ability. Client services rendered to Medicaid program beneficiaries are reimbursed under a maximum fee for service methodology. The Organization is reimbursed at a predictable rate.

Note 2 - Summary of Significant Accounting Policies (continued)

Laws and regulations concerning government programs, including Medicaid, are complex and subject to varying interpretation. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization.

Donated services, goods, and facilities: The Organization pays for most services requiring specific expertise. However, a number of volunteers have donated their time in certain of the Organization's program service areas. Because these donated services do not require specialized skills, its value has not been recorded in the accompanying combined financial statements. However, when the value of donated services requires specific expertise, they are reflected in the combined financial statements as revenues and expenses. For the years ended June 30, 2023 and 2022, the Organization recorded \$ 48,057 and \$ 143,076, respectively, for donated services, which relates to medical services (therapists and psychiatrists) and \$ 279,344 and \$ 136,059, respectively, for advertising and public relations. Donated goods are recorded as contributions and a corresponding expense at their estimated fair value at the date of donation. During the years ended June 30, 2023 and 2022, the Center recorded \$ 39,483 and \$ 43,507, respectively, in such donations, consisting principally of drugs allocated to several of the Organization's programs.

Functional expenses: The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the combined statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to both a program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include personnel and overhead costs, among other expenses; which are allocated on the basis of estimates of time and effort, square footage basis, as well as other methods as determined from time-to-time by management.

Joint costs of fundraising appeals: The Organization utilizes various pamphlets, brochures and information methods to inform the general public of their activities and to solicit funds. These costs are charged to fundraising.

Use of estimates: The presentation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases: The Organization determines if an arrangement is or contains a lease at inception. Leases are included in operating lease right-of-use ("ROU") asset and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Note 2 - Summary of Significant Accounting Policies (continued)

In 2023, the Organization adopted FASB Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*, as amended. This guidance is intended to improve financial reporting of lease transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than 12 months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization elected the modified retrospective transition method, presenting the impact of ASU 2016-02 in the current year of adoption only, with the cumulative effect of initially applying the guidance recognized at the beginning of the current year. This resulted in an adjustment to net assets as of July 1, 2022, of approximately \$ 5,600. The Organization also elected the package of practical expedients that permits no reassessment of whether any expired or existing contracts are or contain a lease, the lease classification for any expired or existing leases, and any initial direct costs for any existing leases as of the effective date.

As a result of implementing this standard, the Organization recognized (a) operating lease liabilities representing the present value of the remaining lease payments discounted using the Organization’s weighted average incremental borrowing rate of 4.13% totaling approximately \$ 1,840,000 as of July 1, 2022, and (b) operating right-of-use assets totaling approximately \$ 1,834,000 as of July 1, 2022.

Summarized prior year information: The combined financial statements include summarized comparative information from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with generally accepted accounting principles. This information should be read in conjunction with the Organization’s combined financial statements for the year ended June 30, 2022, from which the comparative information was extracted.

Date of management review: Subsequent events were evaluated by management through December 7, 2023 which is the date the combined financial statements were available for issuance.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date is estimated and, comprise the following:

| | |
|--|---------------------|
| Financial Assets: | |
| Cash and cash equivalents | \$ 13,186,950 |
| Investments | 5,129,530 |
| Accounts receivable, net | 2,125,699 |
| Grants and contracts receivable, net | <u>4,271,502</u> |
| Financial assets at year end | <u>24,713,681</u> |
| Less those unavailable for general expenditures within one year, due to: | |
| Contractual or donor-imposed restrictions | (751,921) |
| Board designations | <u>(20,500,000)</u> |
| Financial assets available within one year to meet cash needs for general expenditures within one year | <u>\$ 3,461,760</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 4 - Restricted Cash

Restricted cash consists of cash deposited in the Organization’s bank accounts on behalf of clients. The Organization is trustee for client funds which are expended on behalf of the clients for personal items. The related liability is included in “accrued expenses and other liabilities” in the combined statement of financial position. The total amount of restricted cash held on behalf of clients at June 30, 2023 and 2022 was \$ 202,004 and \$ 121,882, respectively.

Note 5 - Investments

The Organization follows Statement of Financial Accounting Standards in its Accounting Standards Codification (ASC) No. 820, *Fair Value Measurements and Disclosures* for fair value measurements of investments that are recognized and disclosed at fair value in the combined financial statements on a recurring basis. ASC No. 820 establishes 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly (e.g. quoted prices in active markets for similar securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices).
- Level 3 inputs are unobservable inputs for the investments (e.g. information about assumptions, including risk, market participants would use in pricing a security).

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the investments as held by the Organization at June 30, 2023:

| | Level 1 | Level 2 | Level 3 | Total 2023 |
|----------------------------------|---------------------|-------------|-------------|---------------------|
| Domestic fixed income securities | \$ 1,147,457 | \$ - | \$ - | \$ 1,147,457 |
| Domestic equities | 1,951,331 | - | - | 1,951,331 |
| Money market/cash | 975,369 | - | - | 975,369 |
| International equities | 608,045 | - | - | 608,045 |
| Real estate investment funds | 163,272 | - | - | 163,272 |
| Commodities | 284,056 | - | - | 284,056 |
| Total | \$ <u>5,129,530</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>5,129,530</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 5 - Investments (continued)

The following table represents the investments as held by the Organization at June 30, 2022:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total 2022</u> |
|----------------------------------|---------------------|----------------|----------------|-----------------------|
| Domestic fixed income securities | \$ 1,791,641 | \$ - | \$ - | \$ 1,791,641 |
| Domestic equities | 1,094,740 | - | - | 1,094,740 |
| Money market/cash | 856,375 | - | - | 856,375 |
| International equities | 647,512 | - | - | 647,512 |
| Real estate investment funds | 240,623 | - | - | 240,623 |
| Commodities | 216,479 | - | - | 216,479 |
| Total | <u>\$ 4,847,370</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,847,370</u> |

The input or methodology used for valuing securities is not necessarily an indicator of risk associated with investing in those securities.

Investment income is composed of:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|-------------------|---------------------|
| Unrealized gain (loss) on investments | \$ 136,788 | \$ (690,616) |
| Interest and dividend income | 263,900 | 267,566 |
| Realized gain (loss) on investments | 37,686 | (112,222) |
| Investment fees and charges | <u>(16,452)</u> | <u>(18,657)</u> |
| | <u>\$ 421,922</u> | <u>\$ (553,929)</u> |

At June 30, 2023 and 2022, the Organization's investments are categorized as follows:

| | <u>2023</u> | <u>2022</u> |
|----------------------------|---------------------|---------------------|
| Without donor restrictions | \$ 4,377,609 | \$ 4,095,449 |
| With donor restrictions | <u>751,921</u> | <u>751,921</u> |
| | <u>\$ 5,129,530</u> | <u>\$ 4,847,370</u> |

Note 6 - Leverage Loan Receivable

During the year ended June 30, 2019, the Organization provided a leverage loan of \$ 9,086,000 (Note 8). The leverage loan will bear interest at 1 % per annum and require quarterly payments of interest only for approximately 7.5 years. Thereafter, the leverage loan will require quarterly payments of principal and interest in an amount sufficient to amortize the loan balance over the approximately 17.5 years of its remaining term, with any outstanding amounts due on March 31, 2044. The leverage loan was drawn in two disbursements on the date hereof in the amounts of \$ 8,823,386 and \$ 262,614. At June 30, 2023 and 2022, the amount due was \$ 9,086,000.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 7 - Property and Equipment

Property and equipment consist of the following at June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|----------------------|----------------------|
| Buildings and improvements | \$ 27,383,525 | \$ 27,281,751 |
| Equipment, including air-conditioning | 4,465,768 | 4,323,376 |
| Vehicles | 1,269,514 | 1,210,986 |
| Furniture and fixtures | 1,264,463 | 1,235,852 |
| Landscaping, parking lot, sprinklers | 281,045 | 256,050 |
| Leasehold improvements | <u>74,976</u> | <u>74,976</u> |
| | 34,739,291 | 34,382,991 |
| Less accumulated depreciation | <u>(17,631,692)</u> | <u>(16,637,258)</u> |
| | <u>17,107,599</u> | <u>17,745,733</u> |
| Land | <u>1,771,069</u> | <u>1,771,069</u> |
| | <u>\$ 18,878,668</u> | <u>\$ 19,516,802</u> |

Provision for depreciation amounted to \$ 1,174,288 and \$ 1,146,058 for the years ended June 30, 2023 and 2022, respectively.

Note 8 - Debt

Debt at June 30, 2023 and 2022 is summarized as follows:

| | <u>2023</u> | <u>2022</u> |
|---------------------|----------------------|----------------------|
| Term loan | \$ 689,643 | 1,149,541 |
| Term note | 2,337,918 | 3,880,357 |
| Promissory note A | 9,086,000 | 9,086,000 |
| Promissory note B | 4,354,000 | 4,354,000 |
| Debt issuance costs | <u>(548,716)</u> | <u>(567,007)</u> |
| | <u>\$ 15,918,845</u> | <u>\$ 17,902,891</u> |

Term Loan with a financial institution in the amount of \$ 3,000,000. This loan requires monthly principal and interest payments of \$ 42,050, which includes interest at a fixed rate or 4.75% through November 2024, at which time all unpaid interest and principal will become due. This loan is collateralized by certain property and equipment of the Organization. At June 30, 2023 and 2022 the amount outstanding on the loan was \$ 689,643 and \$ 1,149,541 respectively.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 8 - Debt (continued)

Future maturities of debt at June 30, 2023, are approximately as follows:

| Year Ending June 30, | | |
|-------------------------|----|-----------------------|
| 2024 | \$ | 482,300 |
| 2025 | | 207,300 |
| Thereafter | | <u>-</u> |
| | \$ | <u><u>689,600</u></u> |

Term Note with a financial institution in the amount of \$ 5,500,000, of which the proceeds are to be used in connection with the CSU Project discussed below. The note incurs a fixed rate of interest at 5.375% and is payable as follows (i) 36 consecutive payments of interest only in the amount of approximately \$ 24,600, each payable monthly commencing June 30, 2019 and on the 30th day of each month thereafter through May 31, 2022, (ii) thereafter, in consecutive installment(s) of principal and interest consisting of 51 installments of approximately \$ 37,500, each payable monthly commencing June 30, 2022 and on the 30th day of each month thereafter, with the final installment consisting of all then remaining unpaid principal and interest payable; provided that, notwithstanding the foregoing, any and all remaining outstanding principal shall be due and payable in full on August 30, 2026. During the year ended June 30, 2022, the Organization received proceeds from the sale of a building of \$ 1.1m, which was used to pay down the note. At June 30, 2023 and 2022 the amount outstanding on the loan was \$ 2,337,918 and \$ 3,880,357 respectively.

Future maturities of debt at June 30, 2023, are approximately as follows:

| Year Ending June 30, | | |
|-------------------------|----|-------------------------|
| 2024 | \$ | 94,000 |
| 2025 | | 100,000 |
| 2026 | | 105,000 |
| 2027 | | 2,039,000 |
| Thereafter | | <u>-</u> |
| | \$ | <u><u>2,338,000</u></u> |

CSU Project

PNC New Markets Investment Partners, LLC, a Delaware limited liability company (the "Investor Member"), made one or more capital contributions in the aggregate amount of \$ 12,000,000 to HBH CSU Investment Fund, LLC (f/k/a FCNMF 26 Investment Fund, LLC), a Delaware limited liability company (the "Fund"), which the Fund used to make a capital contribution in the amount of \$ 12,000,000 to FCNMF 26, LLC, a Florida limited liability company (the "CDE").

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 8 - Debt (continued)

Henderson (in such capacity, the "Leverage Lender") made a loan in the aggregate principal amount of \$ 9,086,000 to the Fund (the "Leverage Loan") (Note 6). The leverage loan is evidenced by a promissory note from the Fund to the Leverage Lender in the same amount and is a nonrecourse loan secured by a pledge of the Fund 's membership interest in the CDE.

The Fund used proceeds of the first disbursement of leverage loan proceeds to make an additional capital contribution in the amount of \$ 2,000,000 to the CDE and to return a portion of capital to the Investor Member in the amount of \$ 6,823,386. The investments in the CDE, including the investment made on the Initial Investment is intended by the Fund and the CDE to constitute a qualified equity investment as defined in Section 45D(b) of the Code (a "QEI") entitling the Fund, and thereby the Investor Member, to new markets tax credits under Section 45D of the Code ("NMTC").

The CDE used the proceeds of the Fund 's investments to pay a fee in the amount of \$ 560,000 to Florida Community Loan Fund, Inc., a Florida not-for-profit corporation ("the Allocatee "), and to fund the Project Loans in the aggregate amount of \$ 13,440,000.

HBH CSU used the Project Loans proceeds to finance the new construction of an approximately 32,000 square foot crisis stabilization unit and the rehabilitation of an existing 18,700 square foot outpatient facility located at Fort Lauderdale, FL (the "Project"). HBH CSU will lease the existing and completed Project realty to Center, for a term of approximately 25 years commencing on June 12, 2019, and expiring on December 31, 2044, pursuant to that certain Net Lease entered on the date hereof (the "Project Lease"). The Center will sublease a portion of the Project realty for operation as a pharmacy to Genoa Healthcare, LLC, a Pennsylvania limited liability company, pursuant to that certain Commercial Sublease.

The project loans will be in the aggregate principal amount of \$ 13,440,000, mature in approximately 33.5 years, bear interest at the rate of 1.201% per annum, and be evidenced by promissory notes as follows:

- i) Promissory Note A from the Borrower to the CDE in the amount of \$ 9,086,000 ("Note A"); and
- ii) Promissory Note B from the Borrower to the CDE in the amount of \$ 4,354,000 ("Note B");

The project loans relating to the project are further described below.

HBH CSU is intended to satisfy the requirements to be a "qualified active low-income community business" as defined in Section 45D(d)(2) of the Code and the Regulations thereunder (a "QALICB") and each of the Project Loans is intended to be treated as a "qualified low-income community investment" pursuant to Section 45D(d) of the Code and the Regulations thereunder (a "QLICI").

HBH CSU, Henderson, and Headway, entered into that certain Reimbursement and Contribution Agreement by and between the parties noted above dated June 12, 2019 (the "Reimbursement and Contribution Agreement"). HBH CSU and Henderson also entered into that certain Cost Reimbursement Certification and Agreement, dated June 12, 2019, by and among HBH CSU, Henderson, and the CDE (the "Cost Reimbursement Certification").

Below is more detail on the project loans discussed above:

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 8 - Debt (continued)

Promissory Note A in the amount of \$ 9,086,000 at a fixed rate of interest of 1.201%. The note is payable as follows: a) From the closing date (June 12, 2019), payment of all accrued and unpaid interest calculated from the close date through June 30, 2019. (b) Thereafter, through December 2026, quarterly payments of accrued and unpaid interest is due and payable in the amount of \$ 22,715 on the first 1st day of each March, June, September and December. (c) Commencing with the payment due on March 1, 2027, quarterly payments are due and payable of principal sufficient to fully amortize the unpaid balance of the principal amount the term of this Note in the approximate amount of \$ 143,530. (d) A final payment of all outstanding principal accrued interest and any and all unpaid fees and other charges owed pursuant to the Loan Documents on the Maturity Date of December 31, 2052.

Future maturities of debt at June 30, 2023, are approximately as follows:

| Year Ending June 30, | |
|-------------------------|---------------------|
| 2024 | \$ - |
| 2025 | - |
| 2026 | - |
| 2027 | - |
| 2028 | - |
| Thereafter | <u>9,086,000</u> |
| | <u>\$ 9,086,000</u> |

Promissory Note B in the amount of \$ 4,354,000 at a fixed rate of interest of 1.201%. The note is payable as follows: a) From the closing date (June 12, 2019), payment of all accrued and unpaid interest calculated from the close date through June 30, 2019. (b) Thereafter, through December 2026, quarterly payments of accrued and unpaid interest is due and payable in the amount of \$ 13,073 on the first 1st day of each March, June, September and December. (c) Commencing with the payment due on March 1, 2027, quarterly payments are due and payable of principal sufficient to fully amortize the unpaid balance of the principal amount the term of this Note in the approximate amount of \$ 48,804. (d) A final payment of all outstanding principal accrued interest and any and all unpaid fees and other charges owed pursuant to the Loan Documents on the Maturity Date of December 31, 2052.

Future maturities of debt at June 30, 2023, are approximately as follows:

| Year Ending June 30, | |
|-------------------------|---------------------|
| 2024 | \$ - |
| 2025 | - |
| 2026 | - |
| 2027 | - |
| 2028 | - |
| Thereafter | <u>4,354,000</u> |
| | <u>\$ 4,354,000</u> |

Debt is shown net of loan costs of \$ 548,716 and \$ 567,007 as of June 30, 2023 and 2022, respectively, which is being amortized over the life of the loan on a straight-line basis.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 9 - Line of Credit

At June 30, 2023 and 2022, the Organization had available a \$ 750,000 revolving line of credit with a bank for working capital needs which expires in January 2024. At June 30, 2023 and 2022, the Organization had no outstanding balance on the line of credit. The line of credit requires adherence to a number of restrictive covenants which must be adhered to by the Organization. Among other provisions, the agreement requires the Organization to maintain a minimum net worth to be greater than \$ 17 million and a debt service coverage ratio of no less than 1.20 to 1.00. At June 30, 2023 and 2022, the Organization was in compliance with all of its covenants.

Note 10 - Lease Commitments

During the year ended June 30, 2023, the Organization adopted FASB *Accounting Standards Codification (ASC) 842, Leases*. The right-of-use asset and corresponding liability associated with future lease payments at year end are approximately \$ 1,529,000 and \$ 1,561,000, respectively, measured using the Company's weighted average incremental borrowing rate of 1.94%. These leases have a combined weighted average remaining lease term of 6.00 years at June 30, 2023.

The future approximate minimum lease payments required under these leases and as of June 30, 2023 are as follows:

| Year Ending June 30, | |
|------------------------------|---------------------|
| 2024 | \$ 435,727 |
| 2025 | 394,220 |
| 2026 | 297,389 |
| 2027 | 293,230 |
| 2028 | 176,751 |
| Thereafter | 28,314 |
| | <u>1,625,631</u> |
| Less: present value discount | <u>(65,108)</u> |
| | <u>\$ 1,560,523</u> |

Note 11 - Net Assets Restated

During the year ended June 30, 2023, the Organization adopted FASB Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, as amended. The Organization elected the modified retrospective transition method, presenting the impact of ASU 2016-02 in the current year of adoption only, with the cumulative effect of initially applying the guidance recognized at the beginning of the current year. This resulted in an adjustment to the accumulated surplus as of July 1, 2022, of approximately \$ 5,600 as follows:

| | |
|---|----------------------|
| Net assets without donor restrictions as of June 30, 2022, as previously reported | \$ 33,121,667 |
| Adjustments due to adoption of ASC 842 (Note 10) | <u>(5,635)</u> |
| Restated net assets without donor restrictions | <u>\$ 33,116,032</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 12 - Net Assets Without Donor Restrictions

At June 30, 2023 and 2022, the Board of Directors has designated net assets without donor restrictions for the following purposes:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|----------------------|----------------------|
| Operating expenses reserve | \$ 12,000,000 | \$ 12,000,000 |
| Building and capital improvements | 6,000,000 | 6,000,000 |
| Technology and infrastructure | <u>2,500,000</u> | <u>2,500,000</u> |
| | <u>\$ 20,500,000</u> | <u>\$ 20,500,000</u> |

Note 13 - Endowments

The Organization’s endowment consists of three individual funds established for a variety of purposes. These donor-restricted funds function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretations of Relevant Law: The Organization has interpreted the State of Florida’s Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”) as requiring the preservation of the fair value of an original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA. In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2023</u> |
|----------------------------------|---|------------------------------------|-----------------------|
| Donor-restricted endowment funds | \$ <u>26,882</u> | \$ <u>751,921</u> | \$ <u>778,803</u> |
| Total funds | <u>\$ 26,882</u> | <u>\$ 751,921</u> | <u>\$ 778,803</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 13 - Endowments (continued)

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2022</u> |
|----------------------------------|---|------------------------------------|--------------------------|
| Donor-restricted endowment funds | \$ <u>32,492</u> | \$ <u>751,921</u> | \$ <u>784,413</u> |
| Total funds | \$ <u><u>32,492</u></u> | \$ <u><u>751,921</u></u> | \$ <u><u>784,413</u></u> |

Changes in endowment net assets for the year ended June 30, 2023 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2023</u> |
|--|---|------------------------------------|--------------------------|
| Endowment net assets, at beginning of year | \$ 32,492 | \$ 751,921 | \$ 784,413 |
| Investment income | 9,240 | - | 9,240 |
| Net depreciation (realized and unrealized) | <u>(14,850)</u> | <u>-</u> | <u>(14,850)</u> |
| Endowment net assets, at end of year | \$ <u><u>26,882</u></u> | \$ <u><u>751,921</u></u> | \$ <u><u>778,803</u></u> |

Changes in endowment net assets for the year ended June 30, 2022 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2022</u> |
|--|---|------------------------------------|--------------------------|
| Endowment net assets, at beginning of year | \$ 70,725 | \$ 751,921 | \$ 822,646 |
| Investment income | 2,308 | - | 2,308 |
| Net depreciation (realized and unrealized) | <u>(40,541)</u> | <u>-</u> | <u>(40,541)</u> |
| Endowment net assets, at end of year | \$ <u><u>32,492</u></u> | \$ <u><u>751,921</u></u> | \$ <u><u>784,413</u></u> |

Funds with Deficiencies: From time to time the fair value of certain endowments may fall under historical values (original gift/book values), and therefore, are considered to be underwater. A deficiency will be recorded as a reduction in unrestricted net assets in accordance with accounting principles generally accepted in the United States of America. Future gains will be used to restore a deficiency in unrestricted net assets before any net appreciation above the historical cost value of such funds increases unrestricted net assets. As such, there was no deficiency at June 30, 2023 and June 30, 2022 respectively.

Note 13 - Endowments (continued)

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce expected returns of the consumer price index plus 500 basis points while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that includes equity investments, fixed income investments, mutual funds, treasury securities, money markets, and cash using prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Organization has a policy of appropriating for distribution each year 5 percent of the trailing three years average market value on June 30th of the preceding fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an annual rate equal or greater than the consumer price index. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Permanent Endowment: The Organization previously entered into agreements with the Community Foundation of Broward, Inc., a Florida nonprofit corporation (the "Foundation") to create designated funds to serve as permanent endowments on behalf of the Organization. Distributions from the funds will only be made with the approval and authorization of the Board of Directors of the Foundation and the funds are the property of the Foundation. As such, they are not carried as an asset of the Organization. It is the general policy of the Foundation to make distributions to the Organization from the endowments at least once annually. The ending asset value of the endowments at June 30, 2023 and 2022 was \$ 179,815 and \$ 172,271, respectively.

Note 14 - Grants and Contracts for Organization Operations

Funding agreements for services to be provided are generally entered into on an annual basis. The release of funds are subject to monies being made available by the Federal government, the Florida Legislature, the Broward County Board of County Commissioners and certain other grantor agencies. Generally, agreements may be terminated by either party upon thirty to ninety days written notice. However, such an event would be unlikely if contract performance continues to be satisfactory. In addition, certain funding arrangements require the Organization to provide additional services on a specified matching basis. In all such contract arrangements, the Organization has met its matching requirements.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 14 - Grants and Contracts for Organization Operations (continued)

Program expenditures made by the Organization are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to the Organization to offset amounts which would otherwise be refundable based on audits. As of June 30, 2023, the Organization had no amounts required to be returned as a result of such audits.

Matching requirements, which are based on revenues earned for the year ended June 30, 2023, rather than contractual amounts, are as follows:

| <u>Grantor</u> | <u>Contract Number</u> | <u>Matching Requirement</u> |
|---|--------------------------|-----------------------------|
| Broward Behavioral Health Coalition, Inc. | 34357 | \$ 5,422,054 |
| Broward County | 22-CP-CSA-0375-01 | 136,926 |
| | 19-CP-CSA-8263-01 | 6,302 |
| | 19 and 22-CP-HIP-8263-01 | 34,039 |
| Children's Services Council of Broward County | 19-2152 | 37,249 |
| | 19-2153 | 19,860 |
| | 18-2151 | 13,366 |
| | 20-2155 | 9,019 |
| | | <u>\$ 5,678,815</u> |

Note 15 - Client Service Revenue

The components of client service revenue for the year ended June 30, 2023 are summarized as follows:

| | <u>Third-Party Payors</u> | <u>Self-Pay</u> | <u>Total All Payors</u> |
|--|---------------------------|-------------------|-------------------------|
| Client service revenue, gross | \$ 10,965,465 | \$ 388,435 | \$ 11,353,900 |
| Less: contractual and charitable adjustments | 1,535,165 | 46,612 | 1,581,777 |
| Less: provision for doubtful accounts | <u>3,518,998</u> | <u>107,261</u> | <u>3,626,259</u> |
| Client service revenue, net | <u>\$ 5,911,302</u> | <u>\$ 234,562</u> | <u>\$ 6,145,864</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 15 - Client Service Revenue (continued)

The components of client service revenue for the year ended June 30, 2022 are summarized as follows:

| | <u>Third-Party Payors</u> | <u>Self-Pay</u> | <u>Total All Payors</u> |
|--|-------------------------------|-------------------|-----------------------------|
| Client service revenue, gross | \$ 9,813,451 | \$ 336,663 | \$ 10,150,114 |
| Less: contractual and charitable adjustments | 1,373,883 | 40,400 | 1,414,283 |
| Less: provision for doubtful accounts | <u>3,149,297</u> | <u>47,987</u> | <u>3,197,284</u> |
| Client service revenue, net | <u>\$ 5,290,271</u> | <u>\$ 248,276</u> | <u>\$ 5,538,547</u> |

Note 16 - Income Taxes

Henderson Behavioral Health, Inc. and HBH CSU Support Corporation are nonprofit organizations, exempt from tax under Internal Revenue Code Section 501(c)(3). Henderson Behavioral Health, LLC and Headway New Vistas, LLC are both Florida limited liability companies wholly owned by Henderson Behavioral Health, Inc. Both limited liability companies are treated as disregarded entities for Federal and state income tax and exist to further enhance Henderson Behavioral Health, Inc.'s 501(c)(3) nonprofit status. Therefore, no tax provision has been made in the accompanying combined financial statements.

Note 17 - Employee Benefit Plans

The Organization provides a noncontributory revenue sharing retirement plan (the "Plan") covering substantially all of its employees. Contributions by the Organization to the Plan are determined annually by the Board of Directors and allocated based on participant compensation. The revenue sharing retirement plan contributions for the years ended June 30, 2023 and 2022 was approximately \$ 952,000 and \$ 809,000, respectively.

The Organization also offers all employees a tax-sheltered annuity program under Internal Revenue Code Section 403(b). Employees may contribute a maximum of 20% of their annual compensation to the program subject to certain limitations. No contributions are made by the Organization to this program.

In addition, the Organization maintains a Section 125 cafeteria plan for the benefit of its employees. No contribution is required of the Organization to this Plan.

Note 18 - Related Party Transactions

The Organization is related to Henderson Center Residential Services, Inc., ("HCRS") a Florida nonprofit corporation, through common board members. The Organization has sponsored Henderson Center Residential Services, Inc. in a program with the United States Department of Housing and Urban Development (HUD).

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 18 - Related Party Transactions (continued)

The HUD program consists of operating a sixteen-unit independent living facility in Pompano Beach, Florida. HUD granted HCRS a 9.25%, forty-year mortgage note in 1990. Principal and interest are payable in monthly installments of \$ 4,524 over 40 years. This mortgage note had a balance of \$ 266,936 and \$ 295,103 as of June 30, 2023 and 2022, respectively. The Organization has guaranteed this mortgage obligation. The Organization would be required to perform under the guarantee in the event of nonpayment of the mortgage note payments to HUD. At June 30, 2023, the maximum potential amount of future payments the Organization could be required to make under the agreement is the outstanding balance of the obligation and any accrued interest thereon. There are no organizational assets held as security for the loan. Collateral for the mortgage note is the purchased facility.

HCRS uses the Organization to provide it with support in areas such as management and accounting. The Organization charges HCRS a monthly management fee for these services. Total management fees for the years ended June 30, 2023 and 2022 were \$ 4,500. Additionally, the Organization had balances included in accounts receivable for the years ended June 30, 2023 and 2022 of \$ 749,845 and \$ 692,914, respectively, relating to amounts paid by the Organization on behalf of HCRS; however, management maintains a reserve of \$ 235,243 as of June 30, 2023 and 2022 due to the remote likelihood of its collection in full.

Note 19 - Concentration in Operations

For the year ended June 30, 2023, approximately 77% and 81% of the Organization's total revenues and receivables were derived from three entities. The entities and their respective revenue and receivable percentages are as follows:

| | <u>Revenues</u> | <u>Receivables</u> |
|---|-----------------|--------------------|
| State of Florida Department of Children and Families | 59% | 43% |
| Broward County | 7% | 13% |
| Medicaid | 11% | 25% |
| | <u>77%</u> | <u>81%</u> |

A significant change in funding from these governmental entities could have an adverse effect on the Organization's operations.

Note 20 - Commitments and Contingencies

Litigation: The Organization is subject to claims and litigations arising in the normal course of operations. The Organization does not believe the outcome of any such claims will be material to its financial position.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Combined Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 20 - Commitments and Contingencies (continued)

Outstanding liens: At June 30, 2023 and 2022, a portion of the Organization’s real property, with a net book value of approximately \$ 731,900 and \$ 791,900, respectively, was originally acquired with funds provided under a contract with Broward County, Florida. Certain “special provisions” of the contract require that the property shall be used for the originally authorized purpose for a period ending September 2023. If the property is no longer necessary for operations prior to September 2023, the Organization must obtain approval from Broward County, Florida to use the property for other purposes. After September 2023, Broward County, Florida will no longer have a claim to the property. Broward County’s claim to the property is evidenced by recorded mortgages. Such liens reported outstanding balances as of June 30, 2023 and 2022 of approximately \$ 6,200 and \$ 31,300, respectively.

Note 21 - Supplemental Cash Flow Information

Supplemental Disclosure of Cash Flow Information:

| | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Cash received during the year for - Interest and dividend income | \$ 263,900 | \$ 43,122 |
| Cash paid during the year for - Interest expense | \$ 334,257 | \$ 456,464 |

Other Noncash Investing and Financing Activities:

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|---------------------|
| Acquisition of property and equipment- Cost of property and equipment | \$ 536,154 | \$ 1,266,136 |
| Less: vehicles provided through grants from the State of Florida Department of Transportation | <u>(52,695)</u> | <u>(87,891)</u> |
| Cash paid for property and equipment | <u>\$ 483,459</u> | <u>\$ 1,178,245</u> |

ADDITIONAL INFORMATION



Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

| Federal/State Agency, Pass-through Entity Federal Program | Assistance Listing Number | Contract/ Grant Number | Expenditures | Transfers to Subrecipients |
|---|--|-----------------------------------|---------------------|---------------------------------------|
| Federal Agency Name: | | | | |
| Direct Program: | | | | |
| Department of Health and Human Services - Certified Community Behavioral Health Clinic Initiative | 93.829 | 1H79SM083064-01 | \$ 718,992 | \$ - |
| Indirect Programs: | | | | |
| Department of Health and Human Services - Passed through the State of Florida | | | | |
| Department of Children and Families - Passed through the Broward Behavioral Health Coalition, Inc. - | 93.958 | 34357 | 5,458,596 | - |
| Alcohol, Drug Abuse and Mental Services | 93.959 | 34357 | 835,374 | - |
| | 93.767 | 34357 | 417,408 | - |
| | 93.788 | 34357 | 84,536 | - |
| | 93.150 | 34357 | 158,550 | - |
| | 97.032 | 34357 | 10,478 | - |
| | | | <u>6,964,942</u> | <u>-</u> |
| Passed through the Southeast Florida Behavioral Health Network, Inc. - Alcohol, Drug Abuse and Mental Services | 93.958 | PNA36 | 1,353,117 | - |
| | 93.958 | LTF10 | 229,616 | - |
| | 93.558 | LTF10 | 29,685 | - |
| | 93.767 | LTF10 | 89,867 | - |
| | | | <u>1,702,285</u> | <u>-</u> |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Year Ended June 30, 2023

| Federal/State Agency, Pass-through Entity Federal Program | Assistance Listing Number | Contract/ Grant Number | Expenditures | Transfers to Subrecipients |
|--|---------------------------------|---------------------------|------------------|-------------------------------|
| Federal Agency Name (continued): Indirect Programs (continued): Passed through Child Net, Inc. - Placement Partnership Program | 93.958 | PHE21PPP | 430,042 | - |
| Safety Management Response Team | 93.658 | PHEN22SMS | 300,874 | - |
| | 93.658 | HEN22SMS | 293,713 | - |
| | 93.556 | PHEN22SMS | 61,626 | - |
| | 93.558 | HEN22SMS | 87,640 | - |
| | 93.645 | HEN22SMS | 17,222 | - |
| | 93.659 | HEN22SMS | 15,879 | - |
| | 93.958 | HEN22SMS | 153,619 | - |
| | 93.556 | HEN22SMS | 2,340 | - |
| | | | <u>1,362,955</u> | <u>-</u> |
| Passed through Broward Healthy Start Coalition, Inc. - Care Coordination Services | 93.778 | HBH2022-23 | 588,460 | - |
| | 93.994 | HBH2022-23 | 112,652 | - |
| | | | <u>701,112</u> | <u>-</u> |
| Department of Housing and Urban Development - Passed through Broward County, Florida Supportive Housing Program | 14.267 | 21-CP-HIP-8263-HUD19-01 | 215,604 | - |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Year Ended June 30, 2023

| Federal/State Agency, Pass-through Entity Federal Program | Assistance Listing Number | Contract/ Grant Number | Expenditures | Transfers to Subrecipients |
|--|---------------------------------|---------------------------|---------------|-------------------------------|
| Federal Agency Name (continued): Indirect Programs (continued): Passed through Hollywood Housing Authority Shelter Care Plus | 14.238 | FL136SR0001 | 271,058 | - |
| Department of Agriculture - Passed through State of Florida Department of Elder Affairs Child and Adult Care Food Program | 10.558 | Y-6050 | 43,075 | - |
| Department of Transportation - Passed through State of Florida Department of Transportation Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | YR41 | 52,695 | - |
| Department of Education - Passed through the State of Florida Department of Education Supported Employment Services | 84.126 | VJ608 | 59,829 | - |
| Total expenditures of Federal Awards | | | \$ 12,092,547 | \$ - |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards
and State Financial Assistance
(Continued)

For the Year Ended June 30, 2023

| Federal/State Agency, Pass-through Entity State Project | CSFA Number | Contract/ Grant Number | Expenditures | Transfers to Subrecipients |
|--|----------------|---------------------------|------------------|-------------------------------|
| State Agency Name: | | | | |
| Direct Projects: | | | | |
| State of Florida, Department of Corrections - Substance Abuse Services - Recently Assertive Community Treatment | 70.016 | HENDERSON | \$ 54,209 | \$ - |
| Indirect Projects: | | | | |
| Passed through Broward Healthy Start Coalition, Inc. - Case Management Services | 64.131 | HBH18HS A06R2 | 78,283 | - |
| State of Florida, Department of Children and Families - Passed through the Broward Behavioral Health Coalition, Inc. - Substance Abuse and Mental Health Services | | | | |
| | 60.163 | 34357 | 4,366,184 | - |
| | 60.114 | 34357 | 2,594,945 | - |
| | | | <u>6,961,129</u> | <u>-</u> |
| Passed through Child Net, Inc. - Placement Partnership Program | | | | |
| | 60.074 | HEN22PPP PHEN22SMS | 60,930 | - |
| | | | 21,765 | - |
| | | | <u>82,695</u> | <u>-</u> |
| Total Expenditures of State Financial Assistance | | | \$ 7,176,316 | \$ - |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Other State Funding
For the Year Ended June 30, 2023

| Grantor | Program Title | Contract/ Grant Number | Expenditures | Transfers to Subrecipients |
|--|--|---------------------------|---|-------------------------------|
| Other State Funding: | | | | |
| Department of Health and Human Services - Passed through the State of Florida | | | | |
| Department of Children and Families - Passed through the Broward Behavioral Health Coalition, Inc. | Alcohol, Drug Abuse and Mental Health Services | 34357 | \$ 12,655,593 | \$ - |
| Passed through the Southeast Florida Behavioral Health Network, Inc. | Alcohol, Drug Abuse and Mental Health Services | PNA36 LTF10 PDF04 | 1,416,214 458,000 1,182,451 <u>3,056,665</u> | - - - - |
| Total Other State Funding | | | \$ 15,712,258 | \$ - |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Local Financial Assistance
For the Year Ended June 30, 2023

| Grantor | Program Title | Contract Number | County Taxonomy Code | Expenditures |
|---|--|--|------------------------------------|--------------|
| Local Financial Assistance: Broward County | Responding Effectively to Adolescents and Children at Home (REACH) - | 19-CP-CSA-8263-01 & 22-CP-CSA-0375-01 | \$ | 447,904 |
| | Specialty Shelter f/k/a Safe Haven | 19-CP-HIP-8263-02 & 22-CP-HIP-0375-03 | PF-100 | 874,225 |
| | Crisis Stabilization | 19-CP-HCS-8263-02 | RM-330.330 | 534,711 |
| | Dual Diagnosis | 19-CP-CSA-8263-01 & 22-CP-CSA-0375-01 | RP-330, RF-200, RF-250, TP-850.850 | 228,750 |
| | Family Intervention Team | 19-CP-CSA-8263-01 & 22-CP-CSA-0375-01 | RF-330, RF-200, RF-250 | 612,399 |
| | Mobile Crisis Services | 17-CP-HCS-8263-01 & 22-CP-HCS-0375-01 | RP-150 | 284,094 |
| | Chronic Homeless Initiative (HHOPE) - Supported Employment Services, Co-Occurring Treatment and Peer Mentoring | 19-CP-HIP-8263-01 & 22-CP-HIP-8263-01 | ND-360,825, RF-650, RD-150 | 84,857 |
| | Traditional Housing f/k/a Court Project - Crisis Shelter, Transitional Shelter and Rental Assistance | 19-CP-HIP-8263-01 & 22-CP-HIP-8263-01 | BH-180.150, BH-18-950, | 209,209 |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Local Financial Assistance
(Continued)
For the Year Ended June 30, 2023

| Grantor | Program Title | Contract Number | County Taxonomy Code | Expenditures |
|---|--|--|----------------------------|---|
| Local Financial Assistance (continued): | | | | |
| | Outpatient Adult Mental Health Services | 19-CP-HCS-8263-01 & 22-CP-HCS-0375-01 | RF-330, RF-200, RF-250 | 312,451 |
| | | | | <u>130,317</u> |
| | | | | <u>3,718,917</u> |
| Broward County - Sheriff's Office Sheriff's Office | First Call of Help Drug Court - Medical Director | -- | -- | 335,144 50,481 |
| | | | | <u>385,625</u> |
| Children Services Council of Broward County | Family Strengthening - Multi-Systemic Therapy Homebuilders Program Diversion Wraparound Wraparound Intervention Healthy Youth Transitions | 19-2152 19-2153 18-2151 & 22-2156 1055-HBH 20-2155 | -- -- -- -- -- | 744,985 397,198 267,324 164,778 180,077 |
| | | | | <u>1,754,362</u> |
| United Way of Broward County | Hill Military Outreach Program | -- -- | -- | 150,000 29,637 |
| | | | | <u>179,637</u> |
| Nova Southern University | Student Behavioral Services | -- | -- | 1,214,672 |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Local Financial Assistance
(Continued)
For the Year Ended June 30, 2023

| Grantor | Program Title | Contract Number | County Taxonomy Code | Expenditures |
|--|--|-----------------|----------------------|---------------------|
| Local Financial Assistance (continued): | | | | |
| Broward College | Student Counselling & Behavioral Services | -- | -- | 356,263 |
| University of Miami | Student Counselling Services | -- | -- | 1,550 |
| Foundation Grants | | | | |
| | Wilson Gargens Til Program | -- | -- | 85,000 |
| | Hill | -- | -- | 147,833 |
| | CSU | -- | -- | 195,833 |
| | Simple Dreams | -- | -- | 62,027 |
| | Capital Grille | -- | -- | 230,367 |
| | | | | <u>721,060</u> |
| Healthy Start Coalition | Healthy Start Pathway and Intervention Services | | -- | 146,996 |
| | Total expenditures of Local Financial Assistance | | | <u>\$ 8,479,082</u> |

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance.

Henderson Behavioral Health, Inc. and Subsidiaries
Notes to Schedule of Expenditures of Federal Awards and State
Financial Assistance, Other State Funding and Local Financial Assistance
June 30, 2023

Note 1 - Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance (the "Schedules") include the federal award, state financial assistance, other state and local funding Henderson Behavioral Health, Inc. and Subsidiaries (the "Organization") and are presented on the accrual basis of accounting. The information in the Schedule of Expenditures of Federal Awards and State Financial Assistance is presented in accordance with the 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*. Because the Schedules presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, Chapter 10.650, *Rules of Auditor General* and/or OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Organization did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Contingency

The grants from governmental agencies amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and other regulations.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023

| | | Mental Health | | | | |
|---|---------------------------------|-------------------|-------------------|---------------------|---------------------------|--------------------------|
| | | Assessment | BNET | Case Management | Crisis Stabilization Unit | Crisis/Support Emergency |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| Contract 34357 Current Year: | | | | | | |
| OCA | MH001 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | MH009 | 148,930 | - | 679,489 | - | 372,988 |
| | MH018 | - | - | - | 2,518,832 | 1,715,814 |
| | MHARP | 78,861 | - | 469,245 | - | 59,470 |
| | MH262 | - | - | - | - | 652,989 |
| | MH026 | - | - | - | - | 746,726 |
| | MH076 | - | - | - | - | - |
| | MH0PG | 1,563 | - | 88,617 | - | - |
| | MH26S | - | - | - | - | 93,750 |
| | MSARP | - | - | - | - | - |
| | MH072 | - | - | - | - | - |
| | MH0FH | - | - | - | - | - |
| | MH0FT | - | - | - | - | - |
| | MHSCR | - | - | - | - | 4,111,403 |
| | MHFMH | - | - | - | - | - |
| | MHMCT | - | - | - | - | 1,342,236 |
| | MH0BN | - | 417,408 | - | - | - |
| | MS011 | - | - | - | - | - |
| | MSCBS | - | - | - | - | - |
| | MHCOM | - | - | - | - | 223,649 |
| | MSSM4 | - | - | - | - | - |
| | MS21S | - | - | - | - | - |
| | MH09S | - | - | - | - | - |
| | MH18S | - | - | - | - | - |
| | MHDRF | - | - | - | - | - |
| | MS021 | - | - | - | - | - |
| | MS11S | - | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>229,354</u> | <u>417,408</u> | <u>1,237,351</u> | <u>2,518,832</u> | <u>9,319,025</u> |
| Contract 34357 Carry Forward: | | | | | | |
| OCA | MH009CF2021 | - | - | - | - | - |
| | MH009CFTV | - | - | - | - | - |
| | MH0FHCF2122 | - | - | - | - | - |
| | MHDRFCF2122 | - | - | - | - | - |
| | MHSCRCF2122 | - | - | - | - | - |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total state SAMH funding | | <u>229,354</u> | <u>417,408</u> | <u>1,237,351</u> | <u>2,518,832</u> | <u>9,319,025</u> |
| Other Government Funding: | | | | | | |
| | Local government | - | - | - | - | - |
| | Medicaid | - | - | - | - | - |
| | Federal grants and contracts | - | - | - | - | - |
| | Other state agency funding | - | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| | Other | - | - | - | - | - |
| | Rental income | - | - | - | - | - |
| | Student counseling | - | - | - | - | - |
| | In-kind | - | - | - | - | - |
| | Contributions and donations | - | - | - | - | - |
| | First and second party payments | - | - | - | - | - |
| | Medicare | - | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 229,354</u> | <u>\$ 417,408</u> | <u>\$ 1,237,351</u> | <u>\$ 2,518,832</u> | <u>\$ 9,319,025</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | |
|------------------------------------|----------------------|-------------------|------------------------|----------------------------------|---------------------------------|
| | <u>Assessment</u> | <u>BNET</u> | <u>Case Management</u> | <u>Crisis Stabilization Unit</u> | <u>Crisis/Support Emergency</u> |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 191,896 | \$ 341,522 | \$ 650,824 | \$ 1,817,444 | \$ 6,253,843 |
| Fringe benefits | <u>30,069</u> | <u>71,718</u> | <u>98,170</u> | <u>291,920</u> | <u>769,810</u> |
| Total personnel expenses | <u>221,965</u> | <u>413,240</u> | <u>748,994</u> | <u>2,109,364</u> | <u>7,023,653</u> |
| Other Expenses: | | | | | |
| Building occupancy | 2,578 | 16,046 | 124,130 | 162,619 | 849,389 |
| Other | 2,305 | - | 36,606 | 64,923 | 139,038 |
| Equipment | - | - | - | 8,327 | 16,265 |
| Professional services | 1,977 | 18,047 | - | 56,991 | 728,928 |
| Client care services | - | - | - | - | - |
| Travel, training, conference | 217 | 1,527 | 101,054 | 3,054 | 9,628 |
| Medical and pharmacy | - | 3,465 | 131 | 3,789 | 115,225 |
| Subcontracted services | - | - | - | - | 667,359 |
| Insurance | - | 3,913 | 26,617 | 142,015 | 62,697 |
| Operating supplies and expenses | - | 1,986 | 11,269 | 31,501 | 54,473 |
| Donated items | - | - | 40,484 | 40,273 | 125,654 |
| Interest expense | - | - | - | - | - |
| Total other expenses | <u>7,077</u> | <u>44,984</u> | <u>340,291</u> | <u>513,492</u> | <u>2,768,656</u> |
| Total personnel and other expenses | <u>229,042</u> | <u>458,224</u> | <u>1,089,285</u> | <u>2,622,856</u> | <u>9,792,309</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | - | - | - |
| Allocation of administration | 29,238 | 58,494 | 139,050 | 334,815 | 1,250,016 |
| Total distributed indirect costs | <u>29,238</u> | <u>58,494</u> | <u>139,050</u> | <u>334,815</u> | <u>1,250,016</u> |
| Total actual operating expenses | <u>258,280</u> | <u>516,718</u> | <u>1,228,335</u> | <u>2,957,671</u> | <u>11,042,325</u> |
| Unallowable Costs | | | | | |
| Total allowed operating expenses | \$ <u>258,280</u> | \$ <u>516,718</u> | \$ <u>1,228,335</u> | \$ <u>2,957,671</u> | \$ <u>11,042,325</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Mental Health | | | | |
|---|---------------------------------|-------------------|--|---------------------------------------|------------------------|------------------------|
| | | Day Treatment | Florida Assertive Community Treatment (FACT)Team | Forensic Multidisciplinary Team | In-Home and On-Site | Incidental Expenses |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| Contract 34357 Current Year: | | | | | | |
| OCA | MH001 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | MH009 | 185,280 | - | - | 13,220 | 1,002,871 |
| | MH018 | - | - | - | - | - |
| | MHARP | 121,251 | - | - | - | - |
| | MH262 | - | - | - | - | 3,261 |
| | MH026 | - | - | - | - | 3,274 |
| | MH076 | - | - | - | - | 59,766 |
| | MH0PG | - | - | - | - | - |
| | MH26S | - | - | - | - | - |
| | MSARP | - | - | - | - | - |
| | MH072 | - | - | - | - | - |
| | MH0FH | - | - | 496,274 | - | - |
| | MH0FT | - | 363,543 | - | - | 519,858 |
| | MHSCR | - | - | - | - | 193,618 |
| | MHFMH | - | - | - | - | - |
| | MHMCT | - | - | - | - | - |
| | MH0BN | - | - | - | - | - |
| | MS011 | - | - | - | - | - |
| | MSCBS | - | - | - | - | - |
| | MHCOM | - | - | - | - | - |
| | MSSM4 | - | - | - | - | - |
| | MS21S | - | - | - | - | - |
| | MH09S | - | - | - | - | - |
| | MH18S | - | - | - | - | - |
| | MHDRF | - | - | - | - | 10,372 |
| | MS021 | - | - | - | - | - |
| | MS11S | - | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>306,531</u> | <u>363,543</u> | <u>496,274</u> | <u>13,220</u> | <u>1,793,020</u> |
| Contract 34357 Carry Forward: | | | | | | |
| OCA | MH009CF2021 | - | - | - | - | - |
| | MH009CFTV | - | - | - | - | - |
| | MH0FHCF2122 | - | - | 155,726 | - | 89,365 |
| | MHDRFCF2122 | - | - | - | - | 101,634 |
| | MHSCRFCF2122 | - | - | - | - | 61,165 |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>155,726</u> | <u>-</u> | <u>252,164</u> |
| Total state SAMH funding | | <u>306,531</u> | <u>363,543</u> | <u>652,000</u> | <u>13,220</u> | <u>2,045,184</u> |
| Other Government Funding: | | | | | | |
| | Local government | - | - | - | - | - |
| | Medicaid | - | 594,017 | - | - | - |
| | Federal grants and contracts | - | - | - | - | - |
| | Other state agency funding | - | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>594,017</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| | Other | - | - | - | - | - |
| | Rental income | - | - | - | - | - |
| | Student counseling | - | - | - | - | - |
| | In-kind | - | - | - | - | - |
| | Contributions and donations | - | - | - | - | - |
| | First and second party payments | - | - | - | - | - |
| | Medicare | - | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 306,531</u> | <u>\$ 957,560</u> | <u>\$ 652,000</u> | <u>\$ 13,220</u> | <u>\$ 2,045,184</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | |
|------------------------------------|-------------------|--|---------------------------------------|------------------------|------------------------|
| | Day Treatment | Florida Assertive Community Treatment (FACT)Team | Forensic Multidisciplinary Team | In-Home and On-Site | Incidental Expenses |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 326,813 | \$ 838,796 | \$ 447,342 | \$ 12,496 | \$ - |
| Fringe benefits | 33,937 | 120,144 | 84,808 | 6,154 | - |
| Total personnel expenses | <u>360,750</u> | <u>958,940</u> | <u>532,150</u> | <u>18,650</u> | <u>-</u> |
| Other Expenses: | | | | | |
| Building occupancy | 4,507 | 36,317 | 40,042 | 7,212 | - |
| Other | 9,302 | 51,351 | 42,688 | 9,002 | - |
| Equipment | - | - | - | 3,319 | - |
| Professional services | - | 7,697 | 950 | 1,900 | - |
| Client care services | - | - | - | - | 2,045,184 |
| Travel, training, conference | 1,863 | 9,226 | 3,054 | 1,695 | - |
| Medical and pharmacy | - | - | - | - | - |
| Subcontracted services | - | - | - | - | - |
| Insurance | 5,716 | 23,154 | - | 1,151 | - |
| Operating supplies and expenses | 3,119 | 17,219 | 11,199 | 3,018 | - |
| Donated items | 42,562 | 9,743 | - | 3,969 | - |
| Interest expense | - | - | - | - | - |
| Total other expenses | <u>67,069</u> | <u>154,707</u> | <u>97,933</u> | <u>31,266</u> | <u>2,045,184</u> |
| Total personnel and other expenses | <u>427,819</u> | <u>1,113,647</u> | <u>630,083</u> | <u>49,916</u> | <u>2,045,184</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | - | - | - |
| Allocation of administration | 54,612 | 142,160 | 80,432 | 6,372 | 261,074 |
| Total distributed indirect costs | <u>54,612</u> | <u>142,160</u> | <u>80,432</u> | <u>6,372</u> | <u>261,074</u> |
| Total actual operating expenses | <u>482,431</u> | <u>1,255,807</u> | <u>710,515</u> | <u>56,288</u> | <u>2,306,258</u> |
| Unallowable Costs | | | | | |
| Total allowed operating expenses | \$ <u>482,431</u> | \$ <u>1,255,807</u> | \$ <u>710,515</u> | \$ <u>56,288</u> | \$ <u>2,306,258</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Mental Health | | | | |
|---|---------------------------------|------------------|---------------------|-----------------------------|-------------------|-----------------------------------|
| | | Intervention | Medical Services | Outpatient (Indiv. & Group) | Outreach | Recovery Support (Indiv. & Group) |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| Contract 34357 Current Year: | | | | | | |
| OCA | MH001 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | MH009 | 97,291 | 708,234 | 175,503 | 341,937 | 80,588 |
| | MH018 | - | - | - | - | - |
| | MHARP | - | 357,142 | 105,270 | 59,984 | 96,524 |
| | MH262 | - | - | - | - | - |
| | MH026 | - | - | - | - | - |
| | MH076 | - | - | - | - | - |
| | MH0PG | - | 9,595 | 54,848 | - | 3,927 |
| | MH26S | - | - | - | - | - |
| | MSARP | - | - | - | - | - |
| | MH072 | - | - | - | - | - |
| | MH0FH | - | - | - | - | - |
| | MH0FT | - | - | - | - | - |
| | MHSCR | - | - | - | - | - |
| | MHFMH | - | - | - | - | - |
| | MHMCT | - | - | - | - | - |
| | MH0BN | - | - | - | - | - |
| | MS011 | - | - | - | - | - |
| | MSCBS | - | - | - | - | - |
| | MHCOM | - | - | - | 128,080 | - |
| | MSSM4 | - | - | - | - | - |
| | MS21S | - | - | - | - | - |
| | MH09S | - | - | - | - | - |
| | MH18S | - | - | - | - | - |
| | MHDRF | - | - | - | - | - |
| | MS021 | - | - | - | - | - |
| | MS11S | - | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>97,291</u> | <u>1,074,971</u> | <u>335,621</u> | <u>530,001</u> | <u>181,039</u> |
| Contract 34357 Carry Forward: | | | | | | |
| OCA | MH009CF2021 | - | - | - | - | - |
| | MH009CFTV | - | - | - | - | - |
| | MH0FHCF2122 | - | - | - | - | - |
| | MHDRFCF2122 | - | - | - | - | - |
| | MHSCRFCF2122 | - | - | - | - | - |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total state SAMH funding | | <u>97,291</u> | <u>1,074,971</u> | <u>335,621</u> | <u>530,001</u> | <u>181,039</u> |
| Other Government Funding: | | | | | | |
| | Local government | - | - | - | - | - |
| | Medicaid | - | - | - | - | - |
| | Federal grants and contracts | - | - | - | - | - |
| | Other state agency funding | - | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| | Other | - | - | - | - | - |
| | Rental income | - | - | - | - | - |
| | Student counseling | - | - | - | - | - |
| | In-kind | - | - | - | - | - |
| | Contributions and donations | - | - | - | - | - |
| | First and second party payments | - | - | - | - | - |
| | Medicare | - | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 97,291</u> | <u>\$ 1,074,972</u> | <u>\$ 335,621</u> | <u>\$ 530,001</u> | <u>\$ 181,039</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | |
|------------------------------------|-------------------|---------------------|-----------------------------|-------------------|-----------------------------------|
| | Intervention | Medical Services | Outpatient (Indiv. & Group) | Outreach | Recovery Support (Indiv. & Group) |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 18,029 | \$ 350,180 | \$ 121,207 | \$ 343,001 | \$ 160,479 |
| Fringe benefits | 11,748 | 82,039 | 34,356 | 62,376 | 28,603 |
| Total personnel expenses | <u>29,777</u> | <u>432,219</u> | <u>155,563</u> | <u>405,377</u> | <u>189,082</u> |
| Other Expenses: | | | | | |
| Building occupancy | 18,389 | 58,593 | 48,628 | 23,077 | 4,507 |
| Other | 25,504 | 32,646 | 7,878 | 7,322 | 780 |
| Equipment | 5,187 | 97,157 | - | - | - |
| Professional services | 1,805 | 14,343 | 15,372 | 4,369 | - |
| Client care services | - | - | - | - | - |
| Travel, training, conference | 4,107 | 1,053 | 5,491 | 748 | 473 |
| Medical and pharmacy | - | 204,786 | - | - | - |
| Subcontracted services | - | - | - | - | - |
| Insurance | 11,432 | 39,236 | 7,588 | 1,724 | 603 |
| Operating supplies and expenses | 8,552 | 10,947 | 2,641 | 2,455 | 262 |
| Donated items | - | 49,110 | - | - | - |
| Interest expense | - | - | - | - | - |
| Total other expenses | <u>74,976</u> | <u>507,871</u> | <u>87,598</u> | <u>39,695</u> | <u>6,625</u> |
| Total personnel and other expenses | <u>104,753</u> | <u>940,090</u> | <u>243,161</u> | <u>445,072</u> | <u>195,707</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | - | - | - |
| Allocation of administration | 13,372 | 120,005 | 31,040 | 56,815 | 24,983 |
| Total distributed indirect costs | <u>13,372</u> | <u>120,005</u> | <u>31,040</u> | <u>56,815</u> | <u>24,983</u> |
| Total actual operating expenses | <u>118,125</u> | <u>1,060,095</u> | <u>274,201</u> | <u>501,887</u> | <u>220,690</u> |
| Unallowable Costs | | | | | |
| Total allowed operating expenses | <u>\$ 118,125</u> | <u>\$ 1,060,095</u> | <u>\$ 274,201</u> | <u>\$ 501,887</u> | <u>\$ 220,690</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Mental Health | | | | |
|---|---------------------------------|------------------------|--|-------------------------|---|--------------------------|
| | | Residential Level I | Room and Board with Supervision Level I | Residential Level II | Room and Board with Supervision Level II | Residential Level III |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| Contract 34357 Current Year: | | | | | | |
| OCA | MH001 | \$ 692,380 | \$ 161,804 | \$ 860,362 | \$ 158,915 | \$ 466,499 |
| | MH009 | - | - | - | - | - |
| | MH018 | - | - | - | - | - |
| | MHARP | - | - | - | - | - |
| | MH262 | - | - | - | - | - |
| | MH026 | - | - | - | - | - |
| | MH076 | - | - | - | - | - |
| | MH0PG | - | - | - | - | - |
| | MH26S | - | - | - | - | - |
| | MSARP | - | - | - | - | - |
| | MH072 | - | - | 177,409 | - | - |
| | MH0FH | - | - | - | - | - |
| | MH0FT | - | - | - | - | - |
| | MHSCR | - | - | - | - | - |
| | MHFMH | 1,401,600 | - | - | - | - |
| | MHMCT | - | - | - | - | - |
| | MH0BN | - | - | - | - | - |
| | MS011 | - | - | - | - | - |
| | MSCBS | - | - | - | - | - |
| | MHCOM | - | - | - | - | - |
| | MSSM4 | - | - | - | - | - |
| | MS21S | - | - | - | - | - |
| | MH09S | - | - | - | - | - |
| | MH18S | - | - | - | - | - |
| | MHDRF | - | - | - | - | - |
| | MS021 | - | - | - | - | - |
| | MS11S | - | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>2,093,980</u> | <u>161,804</u> | <u>1,037,771</u> | <u>158,915</u> | <u>466,499</u> |
| Contract 34357 Carry Forward: | | | | | | |
| OCA | MH009CF2021 | - | - | - | - | - |
| | MH009CFTV | - | - | - | - | - |
| | MH0FHCF2122 | - | - | - | - | - |
| | MHDRFCF2122 | - | - | - | - | - |
| | MHSCRFCF2122 | - | - | - | - | - |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total state SAMH funding | | <u>2,093,980</u> | <u>161,804</u> | <u>1,037,771</u> | <u>158,915</u> | <u>466,499</u> |
| Other Government Funding: | | | | | | |
| | Local government | - | - | - | - | - |
| | Medicaid | - | - | - | - | - |
| | Federal grants and contracts | - | - | - | - | - |
| | Other state agency funding | - | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| | Other | - | - | - | - | - |
| | Rental income | - | - | - | - | - |
| | Student counseling | - | - | - | - | - |
| | In-kind | - | - | - | - | - |
| | Contributions and donations | - | - | - | - | - |
| | First and second party payments | - | - | - | - | - |
| | Medicare | - | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 2,093,980</u> | <u>\$ 161,804</u> | <u>\$ 1,037,771</u> | <u>\$ 158,915</u> | <u>\$ 466,499</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | |
|------------------------------------|------------------------|--|-------------------------|---|--------------------------|
| | Residential Level I | Room and Board with Supervision Level I | Residential Level II | Room and Board with Supervision Level II | Residential Level III |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 1,862,912 | \$ 161,568 | \$ 802,038 | \$ 158,158 | \$ 401,644 |
| Fringe benefits | 394,947 | 23,927 | 128,108 | 23,104 | 65,872 |
| Total personnel expenses | <u>2,257,859</u> | <u>185,495</u> | <u>930,146</u> | <u>181,262</u> | <u>467,516</u> |
| Other Expenses: | | | | | |
| Building occupancy | 76,139 | 5,949 | 103,766 | 31,433 | 21,995 |
| Other | 41,997 | 10,257 | 41,329 | 18,919 | 4,788 |
| Equipment | 17,226 | 3,171 | 18,291 | 5,753 | 4,066 |
| Professional services | 22,446 | 7,409 | 31,678 | 12,359 | 9,612 |
| Client care services | - | - | - | - | - |
| Travel, training, conference | 2,510 | - | 1,189 | - | 1,699 |
| Medical and pharmacy | 10,868 | - | - | - | - |
| Subcontracted services | - | - | - | - | - |
| Insurance | 25,491 | 3,951 | 17,456 | 422 | 7,596 |
| Operating supplies and expenses | 14,112 | 3,439 | 13,859 | 4,778 | 1,539 |
| Donated items | 15,606 | - | - | - | - |
| Interest expense | - | - | - | - | - |
| Total other expenses | <u>226,395</u> | <u>34,176</u> | <u>227,568</u> | <u>73,664</u> | <u>51,295</u> |
| Total personnel and other expenses | <u>2,484,254</u> | <u>219,671</u> | <u>1,157,714</u> | <u>254,926</u> | <u>518,811</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | - | - | - |
| Allocation of administration | 317,122 | 28,042 | 147,786 | 32,542 | 66,228 |
| Total distributed indirect costs | <u>317,122</u> | <u>28,042</u> | <u>147,786</u> | <u>32,542</u> | <u>66,228</u> |
| Total actual operating expenses | <u>2,801,376</u> | <u>247,713</u> | <u>1,305,500</u> | <u>287,468</u> | <u>585,039</u> |
| Unallowable Costs | | | | | |
| Total allowed operating expenses | <u>\$ 2,801,376</u> | <u>\$ 247,713</u> | <u>\$ 1,305,500</u> | <u>\$ 287,468</u> | <u>\$ 585,039</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Mental Health | | | |
|---|--------------|--|--|--|---------------------------|
| | | Room and Board with Supervision Level III | Short-Term Residential Treatment | Supported Housing and Employment | Total Mental Health |
| Funding Sources and Revenues: | | | | | |
| State SAMH Funding: | | | | | |
| Contract 34357 Current Year: | | | | | |
| OCA | MH001 | \$ 193,542 | \$ - | \$ - | \$ 2,533,502 |
| | MH009 | - | - | 79,372 | 3,885,703 |
| | MH018 | - | 1,418,145 | - | 5,652,791 |
| | MHARP | - | - | 53,218 | 1,400,965 |
| | MH262 | - | - | - | 656,250 |
| | MH026 | - | - | - | 750,000 |
| | MH076 | - | - | - | 59,766 |
| | MHOPG | - | - | - | 158,550 |
| | MH26S | - | - | - | 93,750 |
| | MSARP | - | - | - | - |
| | MH072 | - | - | - | 177,409 |
| | MHOFH | - | - | - | 496,274 |
| | MHOFT | - | - | - | 883,401 |
| | MHSCR | - | - | - | 4,305,021 |
| | MHFMH | - | - | - | 1,401,600 |
| | MHMCT | - | - | - | 1,342,236 |
| | MH0BN | - | - | - | 417,408 |
| | MS011 | - | - | - | - |
| | MSCBS | - | - | - | - |
| | MHCOM | - | - | - | 351,729 |
| | MSSM4 | - | - | - | - |
| | MS21S | - | - | - | - |
| | MH09S | - | - | - | - |
| | MH18S | - | - | - | - |
| | MHDRF | - | - | - | 10,372 |
| | MS021 | - | - | - | - |
| | MS11S | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>193,542</u> | <u>1,418,145</u> | <u>132,590</u> | <u>24,576,727</u> |
| Contract 34357 Carry Forward: | | | | | |
| OCA | MH009CF2021 | - | - | - | - |
| | MH009CFTV | - | - | - | - |
| | MHOFHCF2122 | - | - | - | 245,091 |
| | MHDRFCF2122 | - | - | - | 101,634 |
| | MHSCRFCF2122 | - | - | - | 61,165 |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>407,890</u> |
| Total state SAMH funding | | <u>193,542</u> | <u>1,418,145</u> | <u>132,590</u> | <u>24,984,617</u> |
| Other Government Funding: | | | | | |
| Local government | | - | - | - | - |
| Medicaid | | - | - | - | 594,017 |
| Federal grants and contracts | | - | - | - | - |
| Other state agency funding | | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>594,017</u> |
| All Other Revenues: | | | | | |
| Other | | - | - | - | - |
| Rental income | | - | - | - | - |
| Student counseling | | - | - | - | - |
| In-kind | | - | - | - | - |
| Contributions and donations | | - | - | - | - |
| First and second party payments | | - | - | - | - |
| Medicare | | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 193,542</u> | <u>\$ 1,418,145</u> | <u>\$ 132,590</u> | <u>\$ 25,578,634</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | |
|------------------------------------|--|---|--|----------------------------|
| | Room and Board with Supervision Level III | Short-Term Residential Treatment | Supportive Housing and Employment | Total Mental Health |
| Expense Categories: | | | | |
| Personnel Expenses: | | | | |
| Salaries | \$ 193,682 | \$ 1,372,729 | \$ 130,410 | \$ 16,957,013 |
| Fringe benefits | <u>38,181</u> | <u>256,216</u> | <u>19,619</u> | <u>2,675,826</u> |
| Total personnel expenses | <u>231,863</u> | <u>1,628,945</u> | <u>150,029</u> | <u>19,632,839</u> |
| Other Expenses: | | | | |
| Building occupancy | 17,939 | 100,312 | 4,147 | 1,757,714 |
| Other | 19,599 | 1,800 | - | 568,034 |
| Equipment | 8,482 | 18,305 | 40,294 | 245,843 |
| Professional services | 4,913 | 4,844 | 4,217 | 949,857 |
| Client care services | - | - | - | 2,045,184 |
| Travel, training, conference | 855 | 884 | - | 150,327 |
| Medical and pharmacy | - | - | - | 338,264 |
| Subcontracted services | - | - | - | 667,359 |
| Insurance | 760 | 771 | - | 382,293 |
| Operating supplies and expenses | 2,258 | 604 | - | 199,230 |
| Donated items | - | - | - | 327,401 |
| Interest expense | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other expenses | <u>54,806</u> | <u>127,520</u> | <u>48,658</u> | <u>7,631,506</u> |
| Total personnel and other expenses | <u>286,669</u> | <u>1,756,465</u> | <u>198,687</u> | <u>27,264,345</u> |
| Distributed Indirect Costs: | | | | |
| Allocation of other support costs | - | - | - | - |
| Allocation of administration | <u>36,594</u> | <u>224,218</u> | <u>25,363</u> | <u>3,480,373</u> |
| Total distributed indirect costs | <u>36,594</u> | <u>224,218</u> | <u>25,363</u> | <u>3,480,373</u> |
| Total actual operating expenses | <u>323,263</u> | <u>1,980,683</u> | <u>224,050</u> | <u>30,744,718</u> |
| Unallowable Costs | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total allowed operating expenses | \$ <u>323,263</u> | \$ <u>1,980,683</u> | \$ <u>224,050</u> | \$ <u>30,744,718</u> |
| Capital Expenditures | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Substance Abuse | | | | |
|---|---------------------------------|-----------------|-----------------|------------------------------|------------------|------------------|
| | | Assessment | Case Management | Crisis Support/ Emergency | Day Treatment | Intervention |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| Contract 34357 Current Year: | | | | | | |
| OCA | MH001 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | MH009 | - | - | - | - | - |
| | MH018 | - | - | - | - | - |
| | MHARP | - | - | - | - | - |
| | MH262 | - | - | - | - | - |
| | MH026 | - | - | - | - | - |
| | MH076 | - | - | - | - | - |
| | MH0PG | - | - | - | - | - |
| | MH26S | - | - | - | - | - |
| | MSARP | - | - | - | - | - |
| | MH072 | - | - | - | - | - |
| | MH0FH | - | - | - | - | - |
| | MH0FT | - | - | - | - | - |
| | MHSCR | - | - | - | - | - |
| | MHFMH | - | - | - | - | - |
| | MHMCT | - | - | - | - | - |
| | MH0BN | - | - | - | - | - |
| | MS011 | - | - | - | - | 50,572 |
| | MSCBS | - | - | - | 36,264 | - |
| | MHCOM | - | - | - | - | - |
| | MSSM4 | 4,493 | - | - | - | - |
| | MS21S | - | - | - | - | - |
| | MH09S | - | - | - | - | - |
| | MH18S | - | - | - | - | - |
| | MHDRF | - | - | - | - | - |
| | MS021 | - | - | - | - | - |
| | MS11S | - | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>4,493</u> | <u>-</u> | <u>-</u> | <u>36,264</u> | <u>50,572</u> |
| Contract 34357 Carry Forward: | | | | | | |
| OCA | MH009CF2021 | - | - | - | - | - |
| | MH009CFTV | - | - | - | - | - |
| | MH0FHCF2122 | - | - | - | - | - |
| | MHDRFCF2122 | - | - | - | - | - |
| | MHSCRFCF2122 | - | - | - | - | - |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total state SAMH funding | | <u>4,493</u> | <u>-</u> | <u>-</u> | <u>36,264</u> | <u>50,572</u> |
| Other Government Funding: | | | | | | |
| | Local government | - | - | - | - | - |
| | Medicaid | - | - | - | - | - |
| | Federal grants and contracts | - | - | - | - | - |
| | Other state agency funding | - | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| | Other | - | - | - | - | - |
| | Rental income | - | - | - | - | - |
| | Student counseling | - | - | - | - | - |
| | In-kind | - | - | - | - | - |
| | Contributions and donations | - | - | - | - | - |
| | First and second party payments | - | - | - | - | - |
| | Medicare | - | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 4,493</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 36,264</u> | <u>\$ 50,572</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | <u>Substance Abuse</u> | | | | |
|------------------------------------|------------------------|------------------------|--------------------------------------|----------------------|---------------------|
| | <u>Assessment</u> | <u>Case Management</u> | <u>Crisis Support/ Emergency</u> | <u>Day Treatment</u> | <u>Intervention</u> |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 44,569 | \$ - | \$ - | \$ 35,470 | \$ 28,647 |
| Fringe benefits | 6,984 | - | - | 5,558 | 16,852 |
| Total personnel expenses | <u>51,553</u> | <u>-</u> | <u>-</u> | <u>41,028</u> | <u>45,499</u> |
| Other Expenses: | | | | | |
| Building occupancy | - | - | - | - | - |
| Other | - | - | - | - | - |
| Equipment | - | - | - | - | - |
| Professional services | - | - | - | - | - |
| Client care services | - | - | - | - | - |
| Travel, training, conference | - | - | - | - | 412 |
| Medical and pharmacy | - | - | - | - | - |
| Subcontracted services | - | - | - | - | - |
| Insurance | - | - | - | - | - |
| Operating supplies and expenses | - | - | - | - | - |
| Donated items | - | - | - | - | - |
| Interest expense | - | - | - | - | - |
| Total other expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>412</u> |
| Total personnel and other expenses | <u>51,553</u> | <u>-</u> | <u>-</u> | <u>41,028</u> | <u>45,911</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | - | - | - |
| Allocation of administration | 6,581 | - | - | 5,237 | 5,861 |
| Total distributed indirect costs | <u>6,581</u> | <u>-</u> | <u>-</u> | <u>5,237</u> | <u>5,861</u> |
| Total actual operating expenses | <u>58,134</u> | <u>-</u> | <u>-</u> | <u>46,265</u> | <u>51,772</u> |
| Unallowable Costs | | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total allowed operating expenses | <u>\$ 58,134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,265</u> | <u>\$ 51,772</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Substance Abuse | | | | |
|---|---------------------------------|------------------|--------------------|--------------------------------|-------------------|---|
| | | Medical | Inpatient Detox | Outpatient (Indiv. & Group) | Outreach | Recovery Support (Indiv. & Group) |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| Contract 34357 Current Year: | | | | | | |
| OCA | MH001 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | MH009 | - | - | - | - | - |
| | MH018 | - | - | - | - | - |
| | MHARP | - | - | - | - | - |
| | MH262 | - | - | - | - | - |
| | MH026 | - | - | - | - | - |
| | MH076 | - | - | - | - | - |
| | MH0PG | - | - | - | - | - |
| | MH26S | - | - | - | - | - |
| | MSARP | - | 234,212 | - | - | - |
| | MH072 | - | - | - | - | - |
| | MH0FH | - | - | - | - | - |
| | MH0FT | - | - | - | - | - |
| | MHSCR | - | - | - | - | - |
| | MHFMH | - | - | - | - | - |
| | MHMCT | - | - | - | - | - |
| | MH0BN | - | - | - | - | - |
| | MS011 | - | - | - | 246,217 | - |
| | MSCBS | - | 158,729 | - | - | 417 |
| | MHCOM | - | - | - | - | - |
| | MSSM4 | 40,697 | - | 37,479 | - | 1,867 |
| | MS21S | - | - | - | - | - |
| | MH09S | - | - | - | - | - |
| | MH18S | - | - | - | - | - |
| | MHDRF | - | - | - | - | - |
| | MS021 | - | 79,365 | - | - | - |
| | MS11S | - | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>40,697</u> | <u>472,306</u> | <u>37,479</u> | <u>246,217</u> | <u>2,284</u> |
| Contract 34357 Carry Forward: | | | | | | |
| OCA | MH009CF2021 | - | - | - | - | - |
| | MH009CFTV | - | - | - | - | - |
| | MH0FHCF2122 | - | - | - | - | - |
| | MHDRFCF2122 | - | - | - | - | - |
| | MHSCRFCF2122 | - | - | - | - | - |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total state SAMH funding | | <u>40,697</u> | <u>472,306</u> | <u>37,479</u> | <u>246,217</u> | <u>2,284</u> |
| Other Government Funding: | | | | | | |
| | Local government | - | - | - | - | - |
| | Medicaid | - | - | - | - | - |
| | Federal grants and contracts | - | - | - | - | - |
| | Other state agency funding | - | - | - | - | - |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| | Other | - | - | - | - | - |
| | Rental income | - | - | - | - | - |
| | Student counseling | - | - | - | - | - |
| | In-kind | - | - | - | - | - |
| | Contributions and donations | - | - | - | - | - |
| | First and second party payments | - | - | - | - | - |
| | Medicare | - | - | - | - | - |
| Total all other revenues | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | | <u>\$ 40,697</u> | <u>\$ 472,306</u> | <u>\$ 37,479</u> | <u>\$ 246,217</u> | <u>\$ 2,284</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | Substance Abuse | | | | |
|------------------------------------|------------------|--------------------|--------------------------------|-------------------|---|
| | Medical | Inpatient Detox | Outpatient (Indiv. & Group) | Outreach | Recovery Support (Indiv. & Group) |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 21,603 | \$ 335,115 | \$ 44,627 | \$ 383,793 | \$ - |
| Fringe benefits | 6,538 | 33,367 | 11,154 | 40,838 | - |
| Total personnel expenses | <u>28,141</u> | <u>368,482</u> | <u>55,781</u> | <u>424,631</u> | <u>-</u> |
| Other Expenses: | | | | | |
| Building occupancy | 631 | 42,704 | 8,474 | 33,353 | - |
| Other | - | 2,965 | - | - | - |
| Equipment | - | - | - | - | - |
| Professional services | - | 10,000 | - | - | - |
| Client care services | - | - | - | - | - |
| Travel, training, conference | - | - | - | 1,939 | - |
| Medical and pharmacy | - | 3,069 | - | - | - |
| Subcontracted services | - | - | - | - | - |
| Insurance | - | 1,343 | - | - | - |
| Operating supplies and expenses | - | 2,000 | - | - | - |
| Donated items | - | - | - | - | - |
| Interest expense | - | - | - | - | - |
| Total other expenses | <u>631</u> | <u>62,081</u> | <u>8,474</u> | <u>35,292</u> | <u>-</u> |
| Total personnel and other expenses | <u>28,772</u> | <u>430,563</u> | <u>64,255</u> | <u>459,923</u> | <u>-</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | - | - | - |
| Allocation of administration | 3,673 | 48,580 | 8,202 | 58,710 | - |
| Total distributed indirect costs | <u>3,673</u> | <u>48,580</u> | <u>8,202</u> | <u>58,710</u> | <u>-</u> |
| Total actual operating expenses | <u>32,445</u> | <u>479,143</u> | <u>72,457</u> | <u>518,633</u> | <u>-</u> |
| Unallowable Costs | | | | | |
| Total allowed operating expenses | \$ <u>32,445</u> | \$ <u>479,143</u> | \$ <u>72,457</u> | \$ <u>518,633</u> | \$ <u>-</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | Total for State Funded SAMH Covered Services | Non State Funded SAMH Covered Services | All State Designated SAMH Covered Services | Non - SAMH Covered Services |
|--------------------------------------|---|---|--|--|--------------------------------------|
| | Total for Substance Abuse | | | | |
| Funding Sources and Revenues: | | | | | |
| State SAMH Funding: | | | | | |
| Contract 34357 Current Year: | | | | | |
| OCA | MH001 | \$ - | \$ 2,533,502 | \$ - | \$ 2,533,502 |
| | MH009 | - | 3,885,703 | - | 3,885,703 |
| | MH018 | - | 5,652,791 | - | 5,652,791 |
| | MHARP | - | 1,400,965 | - | 1,400,965 |
| | MH262 | - | 656,250 | - | 656,250 |
| | MH026 | - | 750,000 | - | 750,000 |
| | MH076 | - | 59,766 | - | 59,766 |
| | MHOPG | - | 158,550 | - | 158,550 |
| | MH26S | - | 93,750 | - | 93,750 |
| | MSARP | 234,212 | 234,212 | - | 234,212 |
| | MH072 | - | 177,409 | - | 177,409 |
| | MHOFH | - | 496,274 | - | 496,274 |
| | MHOFT | - | 883,401 | - | 883,401 |
| | MHSCR | - | 4,305,021 | - | 4,305,021 |
| | MHFMH | - | 1,401,600 | - | 1,401,600 |
| | MHMCT | - | 1,342,236 | - | 1,342,236 |
| | MHOBN | - | 417,408 | - | 417,408 |
| | MS011 | 296,789 | 296,789 | - | 296,789 |
| | MSCBS | 195,410 | 195,410 | - | 195,410 |
| | MHCOM | - | 351,729 | - | 351,729 |
| | MSSM4 | 84,536 | 84,536 | - | 84,536 |
| | MS21S | - | - | - | - |
| | MH09S | - | - | - | - |
| | MH18S | - | - | - | - |
| | MHDRF | - | 10,372 | - | 10,372 |
| | MS021 | 79,365 | 79,365 | - | 79,365 |
| | MS11S | - | - | - | - |
| | Total Current Year for Contract 34357 | 890,312 | 25,467,039 | - | 25,467,039 |
| Contract 34357 Carry Forward: | | | | | |
| OCA | MH009CF2021 | - | - | - | - |
| | MH009CFTV | - | - | - | - |
| | MHOFHCF2122 | - | 245,091 | - | 245,091 |
| | MHDRFCF2122 | - | 101,634 | - | 101,634 |
| | MHSCRFCF2122 | - | 61,165 | - | 61,165 |
| | Total Carry Forward for Contract 34357 | - | 407,890 | - | 407,890 |
| | Total state SAMH funding | 890,312 | 25,874,929 | - | 25,874,929 |
| Other Government Funding: | | | | | |
| | Local government | - | - | 5,919,001 | 5,919,001 |
| | Medicaid | - | 594,017 | 5,217,523 | 5,811,540 |
| | Federal grants and contracts | - | - | 2,068,911 | 2,068,911 |
| | Other state agency funding | - | - | 5,707,100 | 5,707,100 |
| | Total other government funding | - | 594,017 | 18,912,535 | 19,506,552 |
| All Other Revenues: | | | | | |
| | Other | - | - | 878,374 | 878,374 |
| | Rental income | - | - | - | 11,543 |
| | Student counseling | - | - | 1,572,485 | 1,572,485 |
| | In-kind | - | - | 366,884 | 366,884 |
| | Contributions and donations | - | - | - | - |
| | First and second party payments | - | - | 246,382 | 246,382 |
| | Medicare | - | - | 99,763 | 99,763 |
| | Total all other revenues | - | - | 3,163,888 | 261,781 |
| | Total funding | \$ 890,312 | \$ 26,468,946 | \$ 22,076,423 | \$ 48,545,369 |
| | | | | | \$ 1,905,790 |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | <u>Substance Abuse</u> | <u>Total for State Funded SAMH Covered Services</u> | <u>Non State Funded SAMH Covered Services</u> | <u>All State Designated SAMH Covered Services</u> | <u>Non - SAMH Covered Services</u> |
|------------------------------------|----------------------------------|---|---|---|------------------------------------|
| | <u>Total for Substance Abuse</u> | | | | |
| Expense Categories: | | | | | |
| Personnel Expenses: | | | | | |
| Salaries | \$ 893,824 | \$ 17,850,837 | \$ 9,001,985 | \$ 26,852,822 | \$ 259,429 |
| Fringe benefits | 121,291 | 2,797,117 | 2,312,742 | 5,109,859 | 68,414 |
| | - | | | | |
| Total personnel expenses | <u>1,015,115</u> | <u>20,647,954</u> | <u>11,314,727</u> | <u>31,962,681</u> | <u>327,843</u> |
| Other Expenses: | | | | | |
| Building occupancy | 85,162 | 1,842,876 | 439,187 | 2,282,063 | 242,775 |
| Other | 2,965 | 570,999 | 30,763 | 601,762 | 78,128 |
| Equipment | - | 245,843 | 578,213 | 824,056 | 214,939 |
| Professional services | 10,000 | 959,857 | 567,325 | 1,527,182 | 162,386 |
| Client care services | - | 2,045,184 | 1,495,855 | 3,541,039 | - |
| Travel, training, conference | 2,351 | 152,678 | 200,381 | 353,059 | 15,668 |
| Medical and pharmacy | 3,069 | 341,333 | 1,727 | 343,060 | - |
| Subcontracted services | - | 667,359 | 5,360 | 672,719 | - |
| Insurance | 1,343 | 383,636 | 199,816 | 583,452 | 89,171 |
| Operating supplies and expenses | 2,000 | 201,230 | 350,500 | 551,730 | 90,036 |
| Donated items | - | 327,401 | - | 327,401 | - |
| Interest expense | - | - | - | - | 159,303 |
| | - | - | - | - | - |
| Total other expenses | <u>106,890</u> | <u>7,738,396</u> | <u>3,869,127</u> | <u>11,607,523</u> | <u>1,052,406</u> |
| Total personnel and other expenses | <u>1,122,005</u> | <u>28,386,350</u> | <u>15,183,854</u> | <u>43,570,204</u> | <u>1,380,249</u> |
| Distributed Indirect Costs: | | | | | |
| Allocation of other support costs | - | - | 98,491 | 98,491 | 22,569 |
| Allocation of administration | 136,844 | 3,617,217 | 2,046,252 | 5,663,469 | 138,229 |
| | - | - | - | - | - |
| Total distributed indirect costs | <u>136,844</u> | <u>3,617,217</u> | <u>2,144,743</u> | <u>5,761,960</u> | <u>160,798</u> |
| Total actual operating expenses | <u>1,258,849</u> | <u>32,003,567</u> | <u>17,328,597</u> | <u>49,332,164</u> | <u>1,541,047</u> |
| Unallowable Costs | | | | | |
| | - | - | - | - | - |
| Total allowed operating expenses | <u>\$ 1,258,849</u> | <u>\$ 32,003,567</u> | <u>\$ 17,328,597</u> | <u>\$ 49,332,164</u> | <u>\$ 1,541,047</u> |
| Capital Expenditures | | | | | |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | | <u>Other Support</u> | <u>Fundraising</u> | <u>Administration</u> | <u>Total Funding</u> |
|---|---------------------------------|--------------------------|---------------------|-----------------------|--------------------------|
| Funding Sources and Revenues: | | | | | |
| State SAMH Funding: | | | | | |
| Contract 34357 Current Year: | | | | | |
| OCA | MH001 | \$ - | \$ - | \$ - | \$ 2,533,502 |
| | MH009 | - | - | - | 3,885,703 |
| | MH018 | - | - | - | 5,652,791 |
| | MHARP | - | - | - | 1,400,965 |
| | MH262 | - | - | - | 656,250 |
| | MH026 | - | - | - | 750,000 |
| | MH076 | - | - | - | 59,766 |
| | MHOPG | - | - | - | 158,550 |
| | MH26S | - | - | - | 93,750 |
| | MSARP | - | - | - | 234,212 |
| | MH072 | - | - | - | 177,409 |
| | MH0FH | - | - | - | 496,274 |
| | MH0FT | - | - | - | 883,401 |
| | MHSCR | - | - | - | 4,305,021 |
| | MHFMH | - | - | - | 1,401,600 |
| | MHMCT | - | - | - | 1,342,236 |
| | MH0BN | - | - | - | 417,408 |
| | MS011 | - | - | - | 296,789 |
| | MSCBS | - | - | - | 195,410 |
| | MHCOM | - | - | - | 351,729 |
| | MSSM4 | - | - | - | 84,536 |
| | MS21S | - | - | - | - |
| | MH09S | - | - | - | - |
| | MH18S | - | - | - | - |
| | MHDRF | - | - | - | 10,372 |
| | MS021 | - | - | - | 79,365 |
| | MS11S | - | - | - | - |
| Total Current Year for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,467,039</u> |
| Contract 34357 Carry Forward: | | | | | |
| OCA | MH009CF2021 | - | - | - | - |
| | MH009CFTV | - | - | - | - |
| | MH0FHCF2122 | - | - | - | 245,091 |
| | MHDRFCF2122 | - | - | - | 101,634 |
| | MHSCRCF2122 | - | - | - | 61,165 |
| Total Carry Forward for Contract 34357 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>407,890</u> |
| Total state SAMH funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,874,929</u> |
| Other Government Funding: | | | | | |
| | Local government | - | - | - | 5,919,001 |
| | Medicaid | - | - | - | 5,811,540 |
| | Federal grants and contracts | - | - | - | 3,712,920 |
| | Other state agency funding | - | - | - | 5,707,100 |
| Total other government funding | | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,150,561</u> |
| All Other Revenues: | | | | | |
| | Other | - | - | - | 1,128,612 |
| | Rental income | - | - | - | 11,543 |
| | Student counseling | - | - | - | 1,572,485 |
| | In-kind | - | - | - | 366,884 |
| | Contributions and donations | - | 1,681,738 | - | 1,681,738 |
| | First and second party payments | - | - | - | 246,382 |
| | Medicare | - | - | - | 99,763 |
| Total all other revenues | | <u>-</u> | <u>1,681,738</u> | <u>-</u> | <u>5,107,407</u> |
| Total funding | | <u>\$ -</u> | <u>\$ 1,681,738</u> | <u>\$ -</u> | <u>\$ 52,132,897</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Broward Contract
For the Year Ended June 30, 2023 (continued)

| | <u>Other Support</u> | <u>Fundraising</u> | <u>Administration</u> | <u>Total Expenses</u> |
|------------------------------------|--------------------------|--------------------|-----------------------|---------------------------|
| Expense Categories: | | | | |
| Personnel Expenses: | | | | |
| Salaries | \$ - | \$ 145,871 | \$ 3,441,540 | \$ 30,699,662 |
| Fringe benefits | - | 37,927 | 764,502 | 5,980,702 |
| Total personnel expenses | - | 183,798 | 4,206,042 | 36,680,364 |
| Other Expenses: | | | | |
| Building occupancy | 80,937 | 38,811 | 155,465 | 2,800,051 |
| Other | - | - | 83,015 | 762,905 |
| Equipment | - | 300 | 288,595 | 1,327,890 |
| Professional services | 26,400 | 1,796 | 204,350 | 1,922,114 |
| Client care services | 1,620 | - | - | 3,542,659 |
| Travel, training, conference | - | 756 | 65,639 | 435,122 |
| Medical and pharmacy | - | - | - | 343,060 |
| Subcontracted services | - | - | - | 672,719 |
| Insurance | - | - | 378,225 | 1,050,848 |
| Operating supplies and expenses | 12,103 | 308 | 198,015 | 852,192 |
| Donated items | - | - | - | 327,401 |
| Interest expense | - | - | 222,352 | 381,655 |
| Total other expenses | 121,060 | 41,971 | 1,595,656 | 14,418,616 |
| Total personnel and other expenses | 121,060 | 225,769 | 5,801,698 | 51,098,980 |
| Distributed Indirect Costs: | | | | |
| Allocation of other support costs | (121,060) | - | - | - |
| Allocation of administration | - | - | (5,801,698) | - |
| Total distributed indirect costs | (121,060) | - | (5,801,698) | - |
| Total actual operating expenses | - | 225,769 | - | 51,098,980 |
| Unallowable Costs | | | | |
| Total allowed operating expenses | - | 225,769 | - | 225,769 |
| Total allowed operating expenses | \$ - | \$ - | \$ - | \$ 50,873,211 |
| Capital Expenditures | \$ - | \$ - | \$ - | \$ - |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023

| | Mental Health | | | | | |
|---|------------------|-------------------|------------------|---|---------------------|-------------------|
| | BNET | Case Management | CCST | Florida Assertive Community Treatment (FACT) Team | Incidental Expenses | FMT |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| OCA & Contract No. Current Year: | | | | | | |
| MSARP-PDF04-15 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| MH0FT-PNA36-15 | - | - | - | 546,512 | 695,167 | - |
| MS091-PDF04-15 | - | - | - | - | - | - |
| MH009-LTF10-15 | - | 105,406 | 84,573 | - | 97 | - |
| MHCOM-LTF10-15 | - | - | - | - | - | - |
| MH0BN-LTF10-15 | 89,867 | - | - | - | - | - |
| MH009-LTF10-19 | - | 5,207 | - | - | - | - |
| MHOTB-LTF10-19 | - | - | - | - | - | - |
| MH0FH-LTF10-19 | - | - | - | - | - | 370,567 |
| MH26S-LTF10-19 | - | - | - | - | - | - |
| MHARP-LTF10-15 | - | - | - | - | - | - |
| MHARP-LTF10-19 | - | 111,474 | - | - | - | - |
| MH262-LTF10-19 | - | - | - | - | - | - |
| MS0TB-LTF10-19 | - | - | - | - | - | - |
| Total Current Year | <u>89,867</u> | <u>222,087</u> | <u>84,573</u> | <u>546,512</u> | <u>695,264</u> | <u>370,567</u> |
| Other Government Funding: | | | | | | |
| Local government | - | - | - | - | - | - |
| Medicaid | - | 650,660 | - | 644,572 | - | - |
| Federal grants and contracts | - | - | - | - | - | - |
| Other state agency funding | - | - | - | - | - | - |
| Total other government funding | <u>-</u> | <u>650,660</u> | <u>-</u> | <u>644,572</u> | <u>-</u> | <u>-</u> |
| All Other Revenues: | | | | | | |
| Other | - | - | - | - | - | - |
| Rental income | - | - | - | - | - | - |
| Student counseling | - | - | - | - | - | - |
| In-kind | - | - | - | - | - | - |
| Contributions and donations | - | - | - | - | - | - |
| First and second party payments | - | - | - | - | - | - |
| Medicare | - | - | - | - | - | - |
| Total all other revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | <u>\$ 89,867</u> | <u>\$ 872,747</u> | <u>\$ 84,573</u> | <u>\$ 1,191,084</u> | <u>\$ 695,264</u> | <u>\$ 370,567</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | | |
|------------------------------------|------------------|-------------------|------------------|---|---------------------|-------------------|
| | BNET | Case Management | CCST | Florida Assertive Community Treatment (FACT) Team | Incidental Expenses | FMT |
| Expense Categories: | | | | | | |
| Personnel Expenses: | | | | | | |
| Salaries | \$ 68,100 | \$ 318,988 | \$ 57,769 | \$ 767,589 | \$ - | \$ 248,097 |
| Fringe benefits | 9,368 | 37,194 | 7,822 | 245,717 | - | 58,813 |
| Total personnel expenses | <u>77,468</u> | <u>356,182</u> | <u>65,591</u> | <u>1,013,306</u> | <u>-</u> | <u>306,910</u> |
| Other Expenses: | | | | | | |
| Building occupancy | 3,209 | 27,755 | 5,015 | 165,286 | - | 18,443 |
| Other | 68 | 13,558 | - | 948 | - | 4,611 |
| Equipment | - | 1,855 | 300 | 69,600 | - | 758 |
| Professional services | - | 3,230 | 1,536 | 84,555 | - | 3,250 |
| Client care services | 558 | - | - | - | 695,264 | - |
| Travel, training, conference | 1,743 | 27,220 | 2,477 | 6,704 | - | 11,261 |
| Medical and pharmacy | - | - | - | - | - | - |
| Subcontracted services | - | - | - | - | - | - |
| Insurance | - | - | - | 26,603 | - | - |
| Donated items | - | - | - | - | - | - |
| Operating supplies and expenses | 320 | 7,887 | 3,250 | 6,083 | - | 2,945 |
| Interest expense | - | - | - | - | - | - |
| Total other expenses | <u>5,898</u> | <u>81,505</u> | <u>12,578</u> | <u>359,779</u> | <u>695,264</u> | <u>41,268</u> |
| Total personnel and other expenses | <u>83,366</u> | <u>437,687</u> | <u>78,169</u> | <u>1,373,085</u> | <u>695,264</u> | <u>348,178</u> |
| Distributed Indirect Costs: | | | | | | |
| Allocation of other support costs | - | 17,908 | 1,758 | - | - | 12,676 |
| Allocation of administration | 10,129 | 54,670 | 8,238 | 244,836 | - | 23,641 |
| Total distributed indirect costs | <u>10,129</u> | <u>72,578</u> | <u>9,996</u> | <u>244,836</u> | <u>-</u> | <u>36,317</u> |
| Total actual operating expenses | <u>93,495</u> | <u>510,265</u> | <u>88,165</u> | <u>1,617,921</u> | <u>695,264</u> | <u>384,495</u> |
| Unallowable Costs | | | | | | |
| Total allowed operating expenses | <u>\$ 93,495</u> | <u>\$ 510,265</u> | <u>\$ 88,165</u> | <u>\$ 1,617,921</u> | <u>\$ 695,264</u> | <u>\$ 384,495</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | | | |
|---|------------------------|-------------------|--------------------------|-----------------------------------|--------------------------------|------------------------------|---------------------------|
| | In-Home and On-Site | Intervention | First Episode Team | Recovery Support Individual | Start-Up Cost Reimbursement | Other Bundled Projects | Total Mental Health |
| Funding Sources and Revenues: | | | | | | | |
| State SAMH Funding: | | | | | | | |
| OCA & Contract No. Current Year: | | | | | | | |
| MSARP-PDF04-15 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| MHOFT-PNA36-15 | - | - | - | - | 364,311 | - | 1,605,990 |
| MS091-PDF04-15 | - | - | - | - | - | - | - |
| MH009-LTF10-15 | 54,676 | 38,074 | - | 23,826 | - | - | 306,652 |
| MHCOM-LTF10-15 | - | - | - | - | - | 300,000 | 300,000 |
| MH0BN-LTF10-15 | - | - | - | - | - | - | 89,867 |
| MH009-LTF10-19 | - | 96,206 | 111,474 | 30,113 | - | - | 243,000 |
| MHOTB-LTF10-19 | - | 18,887 | - | 5,887 | - | - | 24,774 |
| MHOFH-LTF10-19 | - | - | - | - | 81,413 | - | 451,980 |
| MH26S-LTF10-19 | - | - | 60,417 | - | - | - | 60,417 |
| MHARP-LTF10-15 | - | - | - | - | - | 150,000 | 150,000 |
| MHARP-LTF10-19 | - | - | 639,583 | - | - | - | 111,474 |
| MH262-LTF10-19 | - | - | - | - | - | - | 639,583 |
| MS0TB-LTF10-19 | - | - | - | - | - | - | - |
| Total Current Year | <u>54,676</u> | <u>153,167</u> | <u>811,474</u> | <u>59,826</u> | <u>445,724</u> | <u>450,000</u> | <u>3,983,737</u> |
| Other Government Funding: | | | | | | | |
| Local government | - | - | - | - | - | - | - |
| Medicaid | - | - | - | - | - | - | 1,295,232 |
| Federal grants and contracts | - | - | - | - | - | - | - |
| Other state agency funding | - | - | - | - | - | - | - |
| Total other government funding | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,295,232</u> |
| All Other Revenues: | | | | | | | |
| Other | - | - | - | - | - | - | - |
| Rental income | - | - | - | - | - | - | - |
| Student counseling | - | - | - | - | - | - | - |
| In-kind | - | - | - | - | - | - | - |
| Contributions and donations | - | - | - | - | - | - | - |
| First and second party payments | - | - | - | - | - | - | - |
| Medicare | - | - | - | - | - | - | - |
| Total all other revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funding | <u>\$ 54,676</u> | <u>\$ 153,167</u> | <u>\$ 811,474</u> | <u>\$ 59,826</u> | <u>\$ 445,724</u> | <u>\$ 450,000</u> | <u>\$ 5,278,969</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | Mental Health | | | | | | |
|------------------------------------|------------------------|-------------------|--------------------------|-----------------------------------|--------------------------------|------------------------------|---------------------------|
| | In-Home and On-Site | Intervention | First Episode Team | Recovery Support Individual | Start-Up Cost Reimbursement | Other Bundled Projects | Total Mental Health |
| Expense Categories: | | | | | | | |
| Personnel Expenses: | | | | | | | |
| Salaries | \$ 38,409 | \$ 76,261 | \$ 357,781 | \$ 31,101 | \$ - | \$ 260,228 | \$ 2,224,323 |
| Fringe benefits | 8,066 | 16,966 | 103,342 | 5,598 | - | 68,773 | 561,659 |
| Total personnel expenses | <u>46,475</u> | <u>93,227</u> | <u>461,123</u> | <u>36,699</u> | <u>-</u> | <u>329,001</u> | <u>2,785,982</u> |
| Other Expenses: | | | | | | | |
| Building occupancy | 4,850 | 10,849 | 89,015 | 9,182 | - | 48,790 | 382,394 |
| Other | 168 | 1,975 | 6,609 | - | - | - | 27,937 |
| Equipment | - | 500 | 4,265 | 379 | 445,724 | 13,289 | 536,670 |
| Professional services | - | - | 69,508 | 1,007 | - | 8,750 | 171,836 |
| Client care services | - | - | 675 | - | - | 138 | 696,635 |
| Travel, training, conference | 3,330 | 3,411 | 20,653 | - | - | 20,166 | 96,965 |
| Medical and pharmacy | - | - | - | - | - | - | - |
| Subcontracted services | - | - | - | - | - | 5,360 | 5,360 |
| Insurance | - | - | - | - | - | - | 26,603 |
| Donated items | - | - | - | - | - | - | - |
| Operating supplies and expenses | 1,987 | 5,331 | 8,096 | 2,120 | - | 8,120 | 46,139 |
| Interest expense | - | - | - | - | - | - | - |
| Total other expenses | <u>10,335</u> | <u>22,066</u> | <u>198,821</u> | <u>12,688</u> | <u>445,724</u> | <u>104,613</u> | <u>1,990,539</u> |
| Total personnel and other expenses | <u>56,810</u> | <u>115,293</u> | <u>659,944</u> | <u>49,387</u> | <u>445,724</u> | <u>433,614</u> | <u>4,776,521</u> |
| Distributed Indirect Costs: | | | | | | | |
| Allocation of other support costs | 1,106 | 6,492 | 54,898 | 3,518 | - | - | 98,356 |
| Allocation of administration | 3,290 | 12,809 | 56,669 | 8,187 | - | 31,230 | 453,699 |
| Total distributed indirect costs | <u>4,396</u> | <u>19,301</u> | <u>111,567</u> | <u>11,705</u> | <u>-</u> | <u>31,230</u> | <u>552,055</u> |
| Total actual operating expenses | <u>61,206</u> | <u>134,594</u> | <u>771,511</u> | <u>61,092</u> | <u>445,724</u> | <u>464,844</u> | <u>5,328,576</u> |
| Unallowable Costs | | | | | | | |
| | - | - | - | - | - | - | - |
| Total allowed operating expenses | <u>\$ 61,206</u> | <u>\$ 134,594</u> | <u>\$ 771,511</u> | <u>\$ 61,092</u> | <u>\$ 445,724</u> | <u>\$ 464,844</u> | <u>\$ 5,328,576</u> |
| Capital Expenditures | | | | | | | |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | Substance Abuse | | | Total for Substance Abuse | Total for State Funded SAMH Covered Services | Non State Funded SAMH Covered Services |
|---|---------------------|-----------------|-------------|---------------------------|--|--|
| | FITT | Intervention | Incidentals | | | |
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| OCA & Contract No. Current Year: | | | | | | |
| MSARP-PDF04-15 | \$ 72,451 | \$ - | \$ - | \$ 72,451 | \$ 72,451 | \$ - |
| MH0FT-PNA36-15 | - | - | - | - | 1,605,990 | - |
| MS091-PDF04-15 | 1,110,000 | - | - | 1,110,000 | 1,110,000 | - |
| MH009-LTF10-15 | - | - | - | - | 306,652 | - |
| MHCOM-LTF10-15 | - | - | - | - | 300,000 | - |
| MH0BN-LTF10-15 | - | - | - | - | 89,867 | - |
| MH009-LTF10-19 | - | - | - | - | 243,000 | - |
| MHOTB-LTF10-19 | - | - | - | - | 24,774 | - |
| MH0FH-LTF10-19 | - | - | - | - | 451,980 | - |
| MH26S-LTF10-19 | - | - | - | - | 60,417 | - |
| MHARP-LTF10-15 | - | - | - | - | 150,000 | - |
| MHARP-LTF10-19 | - | - | - | - | 111,474 | - |
| MH262-LTF10-19 | - | - | - | - | 639,583 | - |
| MS0TB-LTF10-19 | - | 4,911 | - | 4,911 | 4,911 | - |
| Total Current Year | 1,182,451 | 4,911 | - | 1,187,362 | 5,171,099 | - |
| Other Government Funding: | | | | | | |
| Local government | - | - | - | - | - | 5,919,001 |
| Medicaid | - | - | - | - | 1,295,232 | 4,516,308 |
| Federal grants and contracts | - | - | - | - | - | 2,068,911 |
| Other state agency funding | - | - | - | - | - | 26,410,930 |
| Total other government funding | - | - | - | - | 1,295,232 | 38,915,150 |
| All Other Revenues: | | | | | | |
| Other | - | - | - | - | - | 878,374 |
| Rental income | - | - | - | - | - | 11,543 |
| Student counseling | - | - | - | - | - | 1,572,485 |
| In-kind | - | - | - | - | - | 366,884 |
| Contributions and donations | - | - | - | - | - | - |
| First and second party payments | - | - | - | - | - | 246,382 |
| Medicare | - | - | - | - | - | 99,763 |
| Total all other revenues | - | - | - | - | - | 3,175,431 |
| Total funding | \$ 1,182,451 | \$ 4,911 | \$ - | \$ 1,187,362 | \$ 6,466,331 | \$ 42,090,581 |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | Substance Abuse | | | Total for Substance Abuse | Total for State Funded SAMH Covered Services | Non State Funded SAMH Covered Services |
|------------------------------------|-----------------|--------------|-------------|---------------------------------|---|--|
| | FITT | Intervention | Incidentals | | | |
| Expense Categories: | | | | | | |
| Personnel Expenses: | | | | | | |
| Salaries | \$ 632,052 | \$ 3,256 | \$ - | \$ 635,308 | \$ 2,859,631 | \$ 23,993,191 |
| Fringe benefits | 181,900 | 684 | - | 182,584 | 744,243 | 4,365,616 |
| Total personnel expenses | 813,952 | 3,940 | - | 817,892 | 3,603,874 | 28,358,807 |
| Other Expenses: | | | | | | |
| Building occupancy | 105,213 | 1,750 | - | 106,963 | 489,357 | 1,792,706 |
| Other | 2,826 | - | - | 2,826 | 30,763 | 570,999 |
| Equipment | 7,558 | - | - | 7,558 | 544,228 | 279,828 |
| Professional services | 29,771 | - | - | 29,771 | 201,607 | 1,325,575 |
| Client care services | 16,536 | - | - | 16,536 | 713,171 | 2,827,868 |
| Travel, training, conference | 29,213 | - | - | 29,213 | 126,178 | 226,881 |
| Medical and pharmacy | 1,727 | - | - | 1,727 | 1,727 | 341,333 |
| Subcontracted services | - | - | - | - | 5,360 | 667,359 |
| Insurance | 27,468 | - | - | 27,468 | 54,071 | 529,381 |
| Donated items | - | - | - | - | - | 327,401 |
| Operating supplies and expenses | 91 | - | - | 91 | 46,230 | 505,500 |
| Interest expense | - | - | - | - | - | - |
| Total other expenses | 220,403 | 1,750 | - | 222,153 | 2,212,692 | 9,394,831 |
| Total personnel and other expenses | 1,034,355 | 5,690 | - | 1,040,045 | 5,816,566 | 37,753,638 |
| Distributed Indirect Costs: | | | | | | |
| Allocation of other support costs | - | 135 | - | 135 | 98,491 | - |
| Allocation of administration | 130,397 | 419 | - | 130,816 | 584,515 | 5,078,954 |
| Total distributed indirect costs | 130,397 | 554 | - | 130,951 | 683,006 | 5,078,954 |
| Total actual operating expenses | 1,164,752 | 6,244 | - | 1,170,996 | 6,499,572 | 42,832,592 |
| Unallowable Costs | | | | | | |
| Total allowed operating expenses | \$ 1,164,752 | \$ 6,244 | \$ - | \$ 1,170,996 | \$ 6,499,572 | \$ 42,832,592 |
| Capital Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | <u>All State Designated SAMH Covered Services</u> | <u>Non - SAMH Covered Services</u> | <u>Fundraising</u> | <u>Other Support</u> | <u>Administration</u> | <u>Total Funding</u> |
|---|---|--|--------------------|--------------------------|-----------------------|--------------------------|
| Funding Sources and Revenues: | | | | | | |
| State SAMH Funding: | | | | | | |
| OCA & Contract No. Current Year: | | | | | | |
| MSARP-PDF04-15 | \$ 72,451 | \$ - | \$ - | \$ - | \$ - | \$ 72,451 |
| MH0FT-PNA36-15 | 1,605,990 | - | - | - | - | 1,605,990 |
| MS091-PDF04-15 | 1,110,000 | - | - | - | - | 1,110,000 |
| MH009-LTF10-15 | 306,652 | - | - | - | - | 306,652 |
| MHCOM-LTF10-15 | 300,000 | - | - | - | - | 300,000 |
| MH0BN-LTF10-15 | 89,867 | - | - | - | - | 89,867 |
| MH009-LTF10-19 | 243,000 | - | - | - | - | 243,000 |
| MHOTB-LTF10-19 | 24,774 | - | - | - | - | 24,774 |
| MH0FH-LTF10-19 | 451,980 | - | - | - | - | 451,980 |
| MH26S-LTF10-19 | 60,417 | - | - | - | - | 60,417 |
| MHARP-LTF10-15 | 150,000 | - | - | - | - | 150,000 |
| MHARP-LTF10-19 | 111,474 | - | - | - | - | 111,474 |
| MH262-LTF10-19 | 639,583 | - | - | - | - | 639,583 |
| MSOTB-LTF10-19 | 4,911 | - | - | - | - | 4,911 |
| Total Current Year | <u>5,171,099</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,171,099</u> |
| Other Government Funding: | | | | | | |
| Local government | 5,919,001 | - | - | - | - | 5,919,001 |
| Medicaid | 5,811,540 | - | - | - | - | 5,811,540 |
| Federal grants and contracts | 2,068,911 | 1,644,009 | - | - | - | 3,712,920 |
| Other state agency funding | 26,410,930 | - | - | - | - | 26,410,930 |
| Total other government funding | <u>40,210,382</u> | <u>1,644,009</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>41,854,391</u> |
| All Other Revenues: | | | | | | |
| Other | 878,374 | 250,238 | - | - | - | 1,128,612 |
| Rental income | 11,543 | - | - | - | - | 11,543 |
| Student counseling | 1,572,485 | - | - | - | - | 1,572,485 |
| In-kind | 366,884 | - | - | - | - | 366,884 |
| Contributions and donations | - | 1,681,738 | - | - | - | 1,681,738 |
| First and second party payments | 246,382 | - | - | - | - | 246,382 |
| Medicare | 99,763 | - | - | - | - | 99,763 |
| Total all other revenues | <u>3,175,431</u> | <u>1,931,976</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,107,407</u> |
| Total funding | <u>\$ 48,556,912</u> | <u>\$ 3,575,985</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 52,132,897</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Program/Covered Service Actual Expenses and Revenues - Palm Beach Contracts
For the Year Ended June 30, 2023 (continued)

| | All State Designated SAMH Covered Services | Non - SAMH Covered Services | Fundraising | Other Support | Administration | Total Expenses |
|------------------------------------|--|--------------------------------------|----------------|------------------|--------------------|----------------------|
| Expense Categories: | | | | | | |
| Personnel Expenses: | | | | | | |
| Salaries | \$ 26,852,822 | \$ 259,429 | \$ 145,871 | \$ - | \$ 3,441,540 | \$ 30,699,662 |
| Fringe benefits | 5,109,859 | 68,414 | 37,927 | - | 764,502 | 5,980,702 |
| Total personnel expenses | <u>31,962,681</u> | <u>327,843</u> | <u>183,798</u> | <u>-</u> | <u>4,206,042</u> | <u>36,680,364</u> |
| Other Expenses: | | | | | | |
| Building occupancy | 2,282,063 | 242,775 | 38,811 | 80,937 | 155,465 | 2,800,051 |
| Other | 601,762 | 78,128 | - | - | 83,015 | 762,905 |
| Equipment | 824,056 | 214,939 | 300 | - | 288,595 | 1,327,890 |
| Professional services | 1,527,182 | 162,386 | 1,796 | 26,400 | 204,350 | 1,922,114 |
| Client care services | 3,541,039 | - | - | 1,620 | - | 3,542,659 |
| Travel, training, conference | 353,059 | 15,668 | 756 | - | 65,639 | 435,122 |
| Medical and pharmacy | 343,060 | - | - | - | - | 343,060 |
| Subcontracted services | 672,719 | - | - | - | - | 672,719 |
| Insurance | 583,452 | 89,171 | - | - | 378,225 | 1,050,848 |
| Donated items | 327,401 | - | - | - | - | 327,401 |
| Operating supplies and expenses | 551,730 | 90,036 | 308 | 12,103 | 198,015 | 852,192 |
| Interest expense | - | 159,303 | - | - | 222,352 | 381,655 |
| Total other expenses | <u>11,607,523</u> | <u>1,052,406</u> | <u>41,971</u> | <u>121,060</u> | <u>1,595,656</u> | <u>14,418,616</u> |
| Total personnel and other expenses | <u>43,570,204</u> | <u>1,380,249</u> | <u>225,769</u> | <u>121,060</u> | <u>5,801,698</u> | <u>51,098,980</u> |
| Distributed Indirect Costs: | | | | | | |
| Allocation of other support costs | 98,491 | 22,569 | - | (121,060) | - | - |
| Allocation of administration | 5,663,469 | 138,229 | - | - | (5,801,698) | - |
| Total distributed indirect costs | <u>5,761,960</u> | <u>160,798</u> | <u>-</u> | <u>(121,060)</u> | <u>(5,801,698)</u> | <u>-</u> |
| Total actual operating expenses | <u>49,332,164</u> | <u>1,541,047</u> | <u>225,769</u> | <u>-</u> | <u>-</u> | <u>51,098,980</u> |
| Unallowable Costs | | | | | | |
| | <u>-</u> | <u>-</u> | <u>225,769</u> | <u>-</u> | <u>-</u> | <u>225,769</u> |
| Total allowed operating expenses | <u>\$ 49,332,164</u> | <u>\$ 1,541,047</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 50,873,211</u> |
| Capital Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Related Party Transaction Adjustments
For the Year Ended June 30, 2023

Henderson Behavioral Health, Inc. and Subsidiaries did not have any related party transaction adjustments for the year ended June 30, 2023.

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of State Earnings
For the Year Ended June 30, 2023

| | |
|--|----------------------|
| Total Expenditures | \$ 51,098,980 |
| Less other state and Federal funds | (9,528,157) |
| Less nonmatch SAMH funds | (18,479,225) |
| Less unallowable costs per 65E-14, F.A.C. | <u>(225,769)</u> |
| Total Allowable Expenditures | \$ <u>22,865,829</u> |
| Maximum Available Earnings | \$ <u>17,149,372</u> |
| Amount of State Funds Requiring Match | \$ <u>12,861,399</u> |
| Amount Due to Department * | \$ <u>4,287,973</u> |

* If this amount is negative, the amount due to the department up to the amount on line listed as "amount of state funds requiring match."

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Bed-Day Availability Payments
For the Year Ended June 30, 2023

| <u>Program</u> | <u>Covered Service</u> | <u>State Contracted Rate</u> | <u>Total Units of Service Provided</u> | <u>Total Units of Services Paid by Third Party Contracts, Local Government or Other State Agencies</u> | <u>Maximum Number of Units Eligible For Payment by Department</u> | <u>Amount Paid For Services by the Department</u> | <u>Maximum Dollar Value of Units Eligible for Payment by the Department</u> | <u>Amount Owed to Department</u> |
|-------------------------------|----------------------------------|------------------------------|--|--|---|---|---|----------------------------------|
| Adult Mental Health (34357) | Crisis Stabilization | \$ 431.33 | 7,665 | 1,825 | 5,840 | \$ 2,518,697 | \$ 2,833,838 | \$ NONE |
| Adult Mental Health (34357) | Short-term Residential Treatment | \$ 431.33 | 3,846 | - | 3,846 | \$ 1,658,827 | \$ 1,658,827 | \$ NONE |
| Adult Mental Health (34357) | Forensic RTF | \$ 273.56 | 5,124 | - | 5,124 | \$ 1,401,600 | \$ 1,797,289 | \$ NONE |
| Adult Substance Abuse (34357) | Inpatient Detox | \$ 431.33 | 730 | - | 730 | \$ 460,400 | \$ 551,671 | \$ NONE |

INTERNAL CONTROLS AND COMPLIANCE

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

To the Board of Directors
Henderson Behavioral Health, Inc. and Subsidiaries

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 combined financial statements of Henderson Behavioral Health, Inc. and Subsidiaries (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 7, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combined 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 or significant deficiencies may exist that were not identified.

CPAs + Trusted Advisors

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 7, 2023

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

To the Board of Directors
Henderson Behavioral Health, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Henderson Behavioral Health, Inc. and Subsidiaries (the "Organization") (a nonprofit organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, and the compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2023. The Organization'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, the Organization 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, 2023.

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; and 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*. Our responsibilities under those standards, the Uniform Guidance and *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 the Organization 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 and state project. Our audit does not provide a legal determination of the Organization'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 and 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 the Organization’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 the Organization’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 the Organization’s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and 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 the Organization’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 the Organization’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 the Organization’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 and/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/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 and/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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 7, 2023

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

| | | |
|---|-------------------|----------------------------|
| Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |
| Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal Programs and State Projects

Internal control over major federal programs:

| | | |
|---|-------------------|----------------------------|
| Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Type of auditor's report issued on compliance for major federal programs and state projects? *Unmodified Opinion*

| | | |
|---|-------------------|-----------------|
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.550, <i>Rules of the Florida Auditor General</i> ? | <u> </u> yes | <u> X </u> no |
|---|-------------------|-----------------|

Identification of major programs and state projects:

Federal Programs or Cluster
Assistance Listing No.

93.958 United States Department of Health and Human Services - Block Grants For Community Mental Health Services

State Projects
CSFA No.

60.163 State of Florida Department of Children and Families
 Central Receiving Systems

Dollar threshold used to distinguish between Type A and Type B Programs/Projects: \$ 750,000

| | | |
|--|------------------|------------------|
| Auditee qualified as low-risk auditee? | <u> X </u> yes | <u> </u> no |
|--|------------------|------------------|

Henderson Behavioral Health, Inc. and Subsidiaries
Schedule of Findings and Questioned Costs
(continued)
For the Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None reported.