

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

MENTAL HEALTH CARE, INC.

June 30, 2023

TABLE OF CONTENTS

Independent Auditor's Report	3 - 5
Financial Statements	
Statement of Financial Position	6
Statement of Activities and Changes in Net Assets	7
Statement of Functional Expenses	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 24
Compliance Reports	25
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>	26 - 28
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, <i>Rules of the Auditor General</i>	29 - 32
Schedule of Findings and Questioned Costs - Federal Programs and State Projects	33 - 35
Supplementary Information	36
Schedule of Expenditures of Federal Awards and State Financial Assistance	37 - 40
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	41 - 42
Schedule of Local and Other Public Support	43
Statement of Activities – FQHC	44
Schedule of State Earnings (Unaudited)	45
Schedule of Related Party Transaction Adjustments (Unaudited)	46
Schedule of Bed - Day Availability Payments (Unaudited)	47
Program/Cost Center Actual Expenses and Revenues Schedule (Unaudited)	48 - 53



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mental Health Care, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mental Health Care, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mental Health Care, Inc., as of June 30, 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 Mental Health Care, Inc. 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 for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mental Health Care, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mental Health Care, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

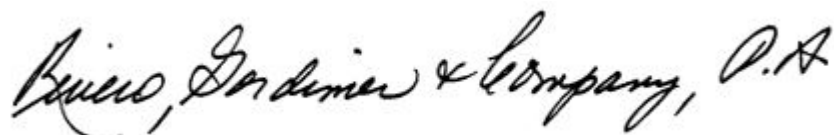
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.650, *Rules of the Auditor General* is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of local and other public support and statement of activities – FQHC are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance, schedule of local and other public support, and statement of activities - FQHC are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2023 on our consideration of the Mental Health Care, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mental Health Care, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mental Health Care, Inc.'s internal control over financial reporting and compliance.

Tampa, Florida
December 26, 2023



Mental Health Care, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2023

ASSETS

Current assets	
Cash and cash equivalents (notes A4 and A5)	\$ 1,624,072
Accounts receivable (note A6)	
Grants and funding sources	4,645,010
Patients and other	2,618,425
Prepaid expenses and other current assets	1,553,941
Investments (notes A7, B and M)	<u>6,781,940</u>
Total current assets	<u>17,223,388</u>
Receivables from related parties (note E)	540,570
Right of use assets - operating (note H)	332,099
Property and equipment, net (notes A8, C and D)	<u>21,448,574</u>
Total assets	<u>\$ 39,544,631</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 510,527
Accrued expenses	385,334
Current maturities of long-term debt (note G)	186,834
Current portion of operating lease liability (note H)	65,812
Lines of credit (note F)	<u>-</u>
Total current liabilities	<u>1,148,507</u>
Operating lease liability, long-term (note H)	269,309
Long-term debt (note G)	<u>3,701,450</u>
Total liabilities	<u>5,119,266</u>
Net assets (note A2)	
Without donor restrictions	31,401,999
With donor restrictions (note L)	<u>3,023,366</u>
Total net assets	<u>34,425,365</u>
Total liabilities and net assets	<u>\$ 39,544,631</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Public support (note A10)	\$ 25,723,806	\$ -	\$ 25,723,806
Net patient service revenue (note A11)	19,594,001	-	19,594,001
Rental revenue	999,285	-	999,285
Contributions and other revenue	1,553,291	-	1,553,291
	<u>47,870,383</u>	<u>-</u>	<u>47,870,383</u>
Net assets released from restrictions	371,661	(371,661)	-
	<u>48,242,044</u>	<u>(371,661)</u>	<u>47,870,383</u>
OPERATING EXPENSES (note A15)			
Program services			
Emergency and acute care	23,675,454	-	23,675,454
Community development division	2,782,566	-	2,782,566
Outpatient	7,376,121	-	7,376,121
Children's community services	3,584,136	-	3,584,136
Medical clinic	2,089,237	-	2,089,237
	<u>39,507,514</u>	<u>-</u>	<u>39,507,514</u>
Supporting services			
Management and general	6,237,583	-	6,237,583
	<u>45,745,097</u>	<u>-</u>	<u>45,745,097</u>
Total operating expenses	<u>45,745,097</u>	<u>-</u>	<u>45,745,097</u>
Operating income (loss)	<u>2,496,947</u>	<u>(371,661)</u>	<u>2,125,286</u>
NON-OPERATING REVENUE			
Investment return	365,243	-	365,243
	<u>365,243</u>	<u>-</u>	<u>365,243</u>
Total non-operating revenue	<u>365,243</u>	<u>-</u>	<u>365,243</u>
CHANGE IN NET ASSETS	2,862,190	(371,661)	2,490,529
NET ASSETS AT BEGINNING OF YEAR	<u>28,539,809</u>	<u>3,395,027</u>	<u>31,934,836</u>
NET ASSETS AT END OF YEAR	<u>\$ 31,401,999</u>	<u>\$ 3,023,366</u>	<u>\$ 34,425,365</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program Services					Total Program Services	Management and General	Total Expenses
	Emergency and Acute Care	Community Development	Outpatient	Children's Community Services	Medical Clinic			
Salaries and wages	\$ 16,447,362	\$ 616,855	\$ 5,561,396	\$ 2,653,991	\$ 871,866	\$ 26,151,470	\$ 2,719,387	\$ 28,870,857
Employee benefits	2,499,848	109,926	1,067,899	532,318	130,644	4,340,635	668,357	5,008,992
Professional services	805,898	32,858	118,947	82,922	208,633	1,249,258	1,128,125	2,377,383
Travel	69,305	13,121	52,770	80,500	6,575	222,271	71,495	293,766
Food services	846,400	7,595	18,841	6,314	2,965	882,115	38,879	920,994
Building occupancy	822,063	979,577	248,241	61,257	59,051	2,170,189	243,689	2,413,878
Equipment and furnishings	132,198	10,905	58,925	23,640	8,062	233,730	763,469	997,199
Medical and pharmacy	345,734	674	6,472	22,977	740,408	1,116,265	29,049	1,145,314
Subcontracted services	253	-	140	-	-	393	-	393
Insurance	368,424	100,145	133,567	77,867	14,954	694,957	93,018	787,975
Interest	-	-	-	-	-	-	73,328	73,328
Supplies	810,447	681,834	77,347	22,631	5,475	1,597,734	190,355	1,788,089
Total expenses before depreciation and amortization	<u>23,147,932</u>	<u>2,553,490</u>	<u>7,344,545</u>	<u>3,564,417</u>	<u>2,048,633</u>	<u>38,659,017</u>	<u>6,019,151</u>	<u>44,678,168</u>
Depreciation and amortization	<u>527,522</u>	<u>229,076</u>	<u>31,576</u>	<u>19,719</u>	<u>40,604</u>	<u>848,497</u>	<u>218,432</u>	<u>1,066,929</u>
Total expenses	<u>\$ 23,675,454</u>	<u>\$ 2,782,566</u>	<u>\$ 7,376,121</u>	<u>\$ 3,584,136</u>	<u>\$ 2,089,237</u>	<u>\$ 39,507,514</u>	<u>\$ 6,237,583</u>	<u>\$ 45,745,097</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

Cash flows from operating activities	
Change in net assets	<u>\$ 2,490,529</u>
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation and amortization - property and equipment	1,066,929
Amortization - right of use asset	34,555
Net realized and unrealized investment gains	(264,259)
Increase in accounts receivable	(694,796)
Increase in related party receivables	(123,508)
Increase in prepaid and other assets	(416,164)
Decrease in accounts payable and accrued liabilities	(1,191,394)
Lease liability principal payments	(31,533)
Total adjustments	<u>(1,620,170)</u>
Net cash provided by operating activities	<u>870,359</u>
Cash flows from investing activities	
Purchase of property and equipment	(1,938,084)
Proceeds from sale of investments	3,713,109
Purchase of investments	<u>(3,812,972)</u>
Net cash used by investing activities	<u>(2,037,947)</u>
Cash flows from financing activities	
Proceeds from long-term debt	908,818
Principal payments on long-term debt	(183,664)
Payments on construction payable	<u>(867,271)</u>
Net cash used by financing activities	<u>(142,117)</u>
Net decrease in cash	(1,309,705)
Cash and cash equivalents at beginning of year	<u>2,933,777</u>
Cash and cash equivalents at end of year	<u>\$ 1,624,072</u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ 73,328</u>
Taxes	<u>\$ -</u>
Noncash investing and financing transactions	
Acquisition of right of use assets through operating leases	<u>\$ 366,654</u>

The accompanying notes are an integral part of this statement.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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

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

1. Nature of Organization

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

2. Basis of Accounting

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

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

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

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

3. Use of Estimates

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

4. Cash and Cash Equivalents

Gracepoint considers all highly liquid debt instruments and securities purchased with a maturity of three months or less to be cash equivalents. Highly liquid debt instruments with original maturities of three months or less that are included as part of the investment portfolio are excluded from cash equivalents as they are commingled with longer-term investments.

5. Concentrations of Credit Risk

Financial instruments that potentially subject Gracepoint to concentrations of credit risk are primarily cash and accounts receivable. Gracepoint's cash deposits are placed in financial institutions which at times may exceed the Federal Deposit Insurance Corporation (FDIC) coverage and exceeded insured limits by approximately \$1,750,000 based on the bank balances at June 30, 2023. Gracepoint has not experienced any losses in its cash accounts and does not believe it is exposed to any significant credit risks related to uninsured amounts.

6. Accounts Receivable and Allowance of Doubtful Accounts

Accounts receivable are stated at the amounts management expects to collect from outstanding balances, less estimated contractual adjustments related to agreements with third-party payers. Patient accounts receivable are reviewed for write off after 120 days and analysis of collection efforts. Management provides for probable uncollectible amounts through a charge to expense and a credit to an allowance based on prior bad debt experience and a review of existing receivables. Balances that remain outstanding after management has used reasonable collection efforts are written off. An allowance of approximately \$727,000 is included in relation to the patient accounts receivable in the accompanying financial statements at June 30, 2023.

7. Investments

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

8. Property and Equipment

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

9. Donated Materials and Services

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

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

10. Public Support

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

11. Net Patient Service Revenue

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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

12. Charity Care

Gracepoint accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies. Amounts determined to qualify as charity care are not reported as patient service revenue. Gracepoint provided charity care of approximately \$2,300,000 as measured by the amount of charges forgone for services rendered based upon a sliding fee scale during the year ended June 30, 2023.

13. Liquidity

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

14. Income Taxes

Gracepoint has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Accordingly, no provision for income taxes has been presented in these financial statements. Gracepoint has reported unrelated business income although no income taxes have been owed due to net tax losses through the latest filed return; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities. Gracepoint is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2019 remain subject to examination by federal and state taxing authorities.

15. Functional Allocation of Expenses

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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

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

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

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

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

16. Accounting Pronouncements Adopted

Effective July 1, 2022, Gracepoint adopted the provisions of FASB ASC Topic 842 (ASU 2016-02), *Leases*. ASC 842 requires that a lease liability and related right-of-use-asset representing the lessee's right-to-use (ROU) or control the asset be recorded on the statement of financial position upon the commencement of all leases, except for those with a lease term of twelve months or less. Leases are classified as either finance leases or operating leases. The accounting for finance (formerly capital) leases remained substantially unchanged. Gracepoint did not have any leases that were required to be recorded as right-to-use assets and liabilities at the adoption date as any existing leases were determined to be short-term leases under the package of practical expedients available to Gracepoint.

Effective July 1, 2022, Gracepoint adopted the provisions of FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

NOTE B - INVESTMENTS

Investments consist of the following at June 30, 2023:

Cash and money market funds	\$ 725,189
Corporate debt securities	1,429,489
Corporate equity securities	1,811,152
Government securities	841,019
Mutual funds	<u>1,975,091</u>
	<u>\$ 6,781,940</u>

Investment income consists of the following at June 30, 2023:

Interest and dividend income, net of investment fees	\$ 100,984
Realized and unrealized gains on investments	<u>264,259</u>
	<u>\$ 365,243</u>

Professional fees related to the investment account were approximately \$16,000 for the year ended June 30, 2023.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE C - PROPERTY AND EQUIPMENT

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

Land	\$ 2,089,080
Buildings and improvements	24,032,548
Furniture and equipment	4,913,094
Construction in progress	<u>6,701,327</u>
	37,736,049
Less accumulated depreciation	<u>(16,287,475)</u>
Property and equipment, net	<u>\$ 21,448,574</u>

Depreciation and amortization expense for the year ended June 30, 2023 was \$1,066,929. Included in depreciation expense is approximately \$229,000 related to the depreciation on the building and improvements for the Neighborhood Stabilization Project program.

Interest expense capitalized during the year ended June 30, 2023 totaled \$142,463.

NOTE D - ASSETS ACQUIRED WITH GOVERNMENT FUNDS

The State of Florida rules governing mental health services for contractors stipulate that the State can recover its proportionate share of State funds used to acquire real property or equipment if the asset is sold prior to expiration of the holding period in which the State has an interest in the asset. The State can also recover its proportionate share of the market value or the asset itself, of any property or equipment no longer used for its original authorized purpose or State-approved alternative use, during the holding period. The holding period is defined as 20 years for real property and the contract approved useful life for equipment. There were no pending transactions requiring return of State funds on property and equipment as of June 30, 2023.

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

NOTE E - RELATED PARTY BALANCES AND TRANSACTIONS

Gracepoint advanced funds through management agreements to five entities that sponsor HUD Section 811 projects and two other entities that provide low cost housing. The directors of these entities are limited to individuals who are either members of Gracepoint, or non-members who have approval of Gracepoint's board of directors. The receivables from related parties were approximately \$541,000 at June 30, 2023.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE F - LINES OF CREDIT

Gracepoint maintains a line of credit with a financial institution with a total amount available of \$1,200,000 at June 30, 2023. The line of credit is not collateralized. The rate at which amounts drawn down under the line of credit bear interest at the prime rate (8.25% at June 30, 2023.) subject to a floor of 4.00%. There was no outstanding balance on this line of credit at June 30, 2023.

Gracepoint maintains a second line of credit with a financial institution with a total amount available of approximately \$4,313,000 at June 30, 2023. The line of credit is collateralized by the securities held in accounts with the lending financial institution and the amount available changes based on the value of these securities. The rate at which amounts drawn under the line of credit bear interest is equal to the secured overnight financing rate (SOFR) rate (5.09% at June 30, 2023) at time of close of business each Friday plus 1.5%, for an effective rate of 6.59% at June 30, 2023. There was no outstanding balance on this line of credit at June 30, 2023.

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE G - LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2023:

Mortgage note payable, principal and interest payment monthly at a fixed rate of 3.50% due in monthly installments of \$10,498 per month and a balloon payment estimated at \$1,069,684 through February 10, 2032. The note is collateralized by a building.	\$ 1,717,229
Construction note payable, 9 consecutive monthly interest payments beginning on November 1, 2021 calculated on unpaid principal balance. Fixed interest rate of 3.50%. Monthly installments of \$16,314 beginning August 25, 2022 and one principal and interest payment of \$1,662,025 through July 25, 2032. The note is collateralized by a building.	2,171,055
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 30 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2010 - 2040). The note is collateralized by the land and building (Garrison Avenue).	70,894
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 30 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2010 - 2040). The note is collateralized by the land and building (Pine Street).	96,030
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 20 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2011 - 2031). The note is collateralized by the land and building (Mariposa).	2,891,139
Mortgage note payable, principal is deferred as long as Gracepoint provides low income housing for the entire Affordability Period of 20 years. Interest does not accrue during the deferral period as long as Gracepoint is not in default with the note, mortgage or NSP Loan Agreement during the period of availability (2011 - 2031). The note is collateralized by the land and building (Oakview).	<u>4,430,800</u>
Total long-term debt, prior to amounts to be forgiven and current maturities	11,377,147
Less amounts to be forgiven	<u>(7,488,863)</u>
Less current maturities	<u>(186,834)</u>
Total long-term debt	<u>\$ 3,701,450</u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE G - LONG-TERM DEBT - Continued

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

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

The aggregate maturities of long-term debt, before consideration of amounts to be forgiven, for each of the next five years subsequent to June 30, 2023 and thereafter are as follows:

<u>Year ending June 30,</u>	
2024	\$ 186,834
2025	193,506
2026	200,486
2027	207,717
2028	214,919
Thereafter	<u>10,373,685</u>
	<u>\$ 11,377,147</u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE H - LEASES

Gracepoint leases certain office space under a noncancellable operating lease. During fiscal 2023, in accordance with ASC 842, *Leases*, the Organization recorded a right of use asset of \$366,654, and a lease liability of \$366,654, which is the net present value of future minimum lease payments of the lease using the risk-free discount rate of 2.69%, according to the Organization's elected policy. Leases with a term of 12 months or less are not recorded on the statement of financial position. This is the only agreement that qualifies as a lease under ASC 842.

The right of use operating lease asset is amortized using the straight-line method over the lease term. The right of use operating lease asset consists of the following as of June 30, 2023:

Operating lease right of use asset	\$ 366,654
Less accumulated amortization	<u>(34,555)</u>
	<u>\$ 332,099</u>

Additional information about Gracepoint's leases follows:

Office space (included in operating expenses):	
Operating lease cost	<u>\$ 39,310</u>
Total lease costs	<u>\$ 39,310</u>

Other Information:

Cash paid for amounts included in measuring operating lease liabilities:	
Operating cash flows from leases	\$ 36,289
Right of use asset obtained in exchange for new operating leases payable	\$ 366,654
Weighted-average remaining lease term (years)	4.50
Weighted-average discount rate	2.69%

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE H - LEASES - Continued

Future minimum lease payments under the operating lease agreement are as follows:

<u>Year ending June 30,</u>	
2024	\$ 74,029
2025	76,990
2026	80,070
2027	83,272
2028	<u>42,453</u>
Total future minimum payments	356,814
Less: amount representing interest	<u>(21,693)</u>
Operating leases payable	<u>\$ 335,121</u>

In addition, Gracepoint leases various buildings and copiers under cancellable operating leases. Total rental expense approximated \$228,000 for the year ended June 30, 2023.

NOTE I - EMPLOYEE BENEFIT PLANS

Gracepoint maintains defined contribution plans covering substantially all employees that have attained the age of twenty-one with one year of service. Employee benefit costs under the plans were approximately \$544,000 for the year ended June 30, 2023.

Effective July 1, 2007, Gracepoint has matched, dollar for dollar, employee contributions up to 3% of employee compensation plus half of employee contributions that exceed 3% but do not exceed 5% of compensation. Additionally, Gracepoint may elect to contribute a discretionary amount. No discretionary contributions were made during the year ended June 30, 2023. Employer matching contributions and employer discretionary payments vest over a period of six years at a rate defined in the plan.

NOTE J - MEDICAL MALPRACTICE INSURANCE

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

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE K - CONTINGENCIES

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

NOTE L - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 relate to funds contributed by grantors for a specific purpose and time period. The net assets with donor restrictions are being released ratably over the respective time periods of the restrictions (20 through 30 years). Net assets released from restriction were \$371,661. The balance of the net assets with donor restrictions was \$3,023,366 at June 30, 2023.

NOTE M - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2023.

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

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE M - FAIR VALUE MEASUREMENTS - Continued

Cash and money market funds, and mutual funds: Valued at the net asset value (NAV) of shares held at year end.

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

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

The following table sets forth by level, within the fair value hierarchy, Gracepoint's investments at fair value at June 30, 2023:

	Assets			
	Measured at			
	Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	\$ 725,189	\$ 725,189	\$ -	\$ -
Corporate debt securities	1,429,489	1,429,489	-	-
Corporate equity securities	1,811,152	1,811,152	-	-
Government securities	841,019	841,019	-	-
Mutual funds	1,975,091	1,975,091	-	-
	<u>\$ 6,781,940</u>	<u>\$ 6,781,940</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE N - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets, without donor or other restrictions limiting their use, available for general expenditures within one year of the statement of financial position date comprise the following at June 30, 2023:

Cash	\$ 1,624,072
Accounts receivable	7,263,435
Investments	<u>6,781,940</u>
Total financial assets available within one year	<u>\$ 15,669,447</u>

Mental Health Care, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE N - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

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

NOTE O - MATCHING REQUIREMENTS

Gracepoint has met the matching requirements of contract QG028-22 with the Central Florida Behavioral Health Network.

NOTE P - SUBSEQUENT EVENTS

Gracepoint has evaluated events and transactions occurring subsequent to June 30, 2023 as of December 26, 2023 which is the date the financial statements were available to be issued.

COMPLIANCE REPORTS

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*

MENTAL HEALTH CARE, INC.

June 30, 2023



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

Board of Directors
Mental Health Care, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mental Health Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 26, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable probability that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

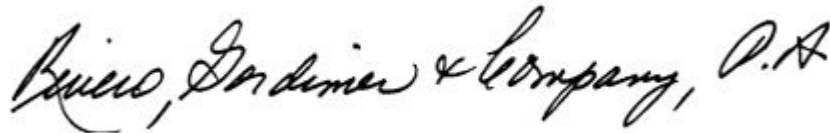


Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Tampa, Florida
December 26, 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*

MENTAL HEALTH CARE, INC.

June 30, 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

Board of Directors
Mental Health Care, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Mental Health Care, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of Mental Health Care, Inc.'s major federal programs and state projects for the year ended June 30, 2023. Mental Health Care, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mental Health Care, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above 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 Mental Health Care, Inc.'s federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mental Health Care, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mental Health Care, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Mental Health Care, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Tampa, Florida
December 26, 2023

A handwritten signature in cursive script that reads "Bueco, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the typed text.

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

MENTAL HEALTH CARE, INC.

June 30, 2023

Mental Health Care, Inc.

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

For the year ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards and State Projects

Internal control over major programs/projects:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Type of auditor's report issued on compliance for major Federal programs and State projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.656 Rules of the Auditor General?

 yes X no

Identification of major programs/projects:

Federal Program or Cluster

Assistance Listing Number

Name of Federal Program or Cluster

14.218

*CDBG Entitlement Grants Cluster -
Community Development Block Grants/Entitlement Grants*

93.493

Congressional Directives

State Project

CSFA Number

Name of State Project

60.115

Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program

60.163

Centralized Receiving System

60.222

Community Forensic Residential Step Down Programs - FCO

Dollar threshold used to distinguish between type A and type B programs - Federal programs:

\$ 750,000

Dollar threshold used to distinguish between type A and type B programs - State projects:

\$ 750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance (not applicable for State projects)?

 X yes no

Mental Health Care, Inc.

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

For the year ended June 30, 2023

Section II - Financial Statement Findings

No matters were reported for the year ended June 30, 2023.

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

No matters were reported for the year ended June 30, 2023.

Other Issues

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

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

MENTAL HEALTH CARE, INC.

For the year ended June 30, 2023

Mental Health Care, Inc

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2023

Federal/State Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing # or State CSFA #	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal/State Expenditures
Federal				
<u>U.S. Department of Housing and Urban Development</u>				
Indirect Programs				
CDBG - Entitlement Grants Cluster				
<i>Community Development Block Grants/Entitlement Grants</i>	14.218			
Passed-through City of Tampa		Loan Guarantees	\$ -	\$ 7,488,863
<i>Continuum of Care Program</i>	14.267			
Passed-through Tampa Hillsborough Homeless Initiative, Inc.		FL0403L4H012007		274,754
		FL403L4H12108	-	766,150
			-	1,040,904
			-	8,529,767
Total U.S. Department of Housing and Urban Development - Indirect Programs			-	8,529,767
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
<i>Substance Abuse and Mental Health Services</i>				
<i>Projects of Regional and National Significance</i>	93.243	1H79TI084947-01	-	218,758
<i>Congressional Directives</i>	93.493	6 CE1HS46423-01-06	-	337,461
Health Center Program Cluster				
<i>COVID-19 Grants for New and Expanded Services under the Health Center Program Cluster</i>				
American Rescue Plan Act Funding for Look-Alikes	93.527	1 L2CCS42349-01-00	-	250,000
American Rescue Plan Act Funding for Look-Alikes	93.527	1 L2CCS42349-01-01	-	65,500
FY 2023 Expanding COVID-19 Vaccination	93.527	1 H8GCS48860-01-00	-	57,118
				372,618
Total U.S. Department of Health and Human Services - Direct Programs			-	928,837
Indirect Programs				
<i>Projects for Assistance in Transition from Homelessness (PATH)</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	93.150	QG028-22	-	44,917
<i>Promoting Safe and Stable Families</i>	93.556			
Passed-through Children's Network of Hillsborough County, Inc.		ECA-C13-IHS-MHC-FY22	-	240,086

Mental Health Care, Inc

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

For the year ended June 30, 2023

Federal/State Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing # or State CSFA #	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal/State Expenditures
<u>U.S. Department of Health and Human Services - continued</u>				
<i>Temporary Assistance for Needy Families (TANF)</i> Passed-through Children's Network of Hillsborough County, Inc.	93.558	ECA-C13-IHS-MHC-FY22	-	145,951
<i>Foster Care Title IV-E Program</i> Passed-through Children's Network of Hillsborough County, Inc.	93.658	ECA-C13-IHS-MHC-FY22	-	179,034
<i>Social Services Block Grant</i> Passed-through Children's Network of Hillsborough County, Inc.	93.667	ECA-C13-IHS-MHC-FY22	-	213,623
<i>Child Abuse and Neglect State Grants</i> Passed-through Children's Network of Hillsborough County, Inc.	93.669	ECA-C13-IHS-MHC-FY22	-	28,856
<i>Children's Health Insurance Program (CHIP)</i> Passed-through Central Florida Behavioral Health Network, Inc.	93.767	QG028-22	-	277,878
<i>Block Grants for Community Mental Health Services</i> Passed-through Central Florida Behavioral Health Network, Inc.	93.958	QG028-22	-	2,757,250
Total U.S. Department of Health and Human Services - Indirect Programs			-	3,887,595
Total U.S. Department of Health and Human Services			-	4,816,432
Total expenditures of federal awards			-	13,346,199

Mental Health Care, Inc

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

For the year ended June 30, 2023

Federal/State Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing # or State CSFA #	Pass-through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal/State Expenditures
State				
<u>Florida Department of Children & Families</u>				
Direct Projects:				
<i>Community Forensic Residential Step Down Program - FCO</i>	60.222	381Q	\$ -	\$ 616,541
Total Florida Department of Children & Families - Direct Programs			-	616,541
Indirect Projects:				
<i>Forensic Services and Competency Restoration Training</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	60.114	21-22 Carryforward QG028-22	-	204,809
			-	1,508,713
			-	1,713,522
<i>Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program</i>				
Passed through Hillsborough County, Florida	60.115	BC-20-0869	-	442,170
<i>Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	60.155	QG028-22	-	797,593
<i>Centralized Receiving Systems</i>				
Passed-through Central Florida Behavioral Health Network, Inc.	60.163	QG028-22	-	1,709,753
Total Florida Department of Children & Families - Indirect Projects			-	4,663,038
Total expenditures of state awards			-	5,279,579
Total expenditures of federal and state awards			\$ -	\$ 18,625,778

The accompanying notes are an integral part of this schedule.

Mental Health Care, Inc.

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

June 30, 2023

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

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal award and state financial assistance activity of Mental Health Care, Inc. under programs of the federal government and State of Florida for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650 *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Mental Health Care, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mental Health Care, Inc.

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

NOTE B - INDIRECT COST RATE

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

NOTE C - LOAN GUARANTEES, NON-AMORTIZING MORTGAGES

The Loan Guarantees, Non-Amortizing Mortgages are administered directly by Mental Health Care, Inc., and balances and transactions relating to this program are included in Mental Health Care, Inc.'s basic financial statements. The outstanding mortgages at the beginning of the year are included in the federal expenditures presented in the Schedule. The balance of the mortgages outstanding at June 30, 2023 is \$7,488,863. As long as Mental Health Care, Inc. remains qualified under the U.S. Department of Housing and Urban Development, Community Development Block Grants/Entitlement Grants program, repayment of the principal balance on the mortgages are deferred until final maturity in 2031 and 2040. At that time, the mortgages will be forgiven.

Mental Health Care, Inc.

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

June 30, 2023

NOTE D - STATE MATCHING FUNDS FOR FEDERAL PROGRAMS

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

Federal Program Title	Federal AL #	Pass-through Entity Identifying Number	Expenditures
To Be Tested Pursuant to OCA Activity	90.XXX	ECA-C13-IHS-MHC-FY22	\$ 334,174
Emotional Disturbances (SED)	93.104	21-22 Carryforward	10,449
Temporary Assistance for Needy Families	93.558	ECA-C13-IHS-MHC-FY22 QG028-22	161,425 88,809
Foster Care-Title IV-E	93.658		179,034
Block Grants for Community Mental Health Services	93.958	QG028-22 21-22 Carryforward 20-21 Carryforward 17-18 Carryforward	9,894,837 299,254 3,798 53,873
Total state funds awarded for matching			<u>\$ 11,025,653</u>

Mental Health Care, Inc.

SCHEDULE OF LOCAL AND OTHER PUBLIC SUPPORT

For the year ended June 30, 2023

<u>Local/State Grantor/Pass-through Grantor/ Program Title</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Local Agency</u>		
Hillsborough County, Board of County Commissioners		
Adult and Adolescent Crisis Stabilization Services	HC-11-0530/ 07-1436	\$ 1,164,051
Multidisciplinary Housing First Team	DPHS13220018/ 12-1186	68,432
Subcontractor for ACTS - Jail Diversion Program	N/A	69,002
Mental Health Care Court Navigator Program	BOCC 21-1042 & BOCC 22-0930	69,554
School Board of Hillsborough County		
East Henry Academy	22149-DST-IV	521,466
Mobile Response	21002-DST-IV	967,259
Baycare Hospital and Tampa General Hospital		
Navigator Program	N/A	20,443
Tampa General Hospital		
Navigator Program	N/A	8,333
Tampa Police Department		
Navigator Program	N/A	31,404
Passed through Central Florida Behavioral Network, Inc.		
Hillsborough County School Voucher Program	V5102	6,338
Florida Hospital		
CSU Beds	N/A	30,447
ER Diversion	N/A	158,825
Care Coordination	N/A	358,489
Total local financial assistance		<u>3,474,043</u>
<u>Other State Funds Awarded</u>		
State of Florida Department of Children and Families		
Direct programs		
Line of credit	QG028-22	<u>87,195</u>
Total other state funds awards		<u>87,195</u>
Total local and other public support		<u>\$ 3,561,238</u>

Mental Health Care, Inc.

STATEMENT OF ACTIVITIES - FQHC

For the year ended June 30, 2023

OPERATING REVENUE	
Grant revenue	\$ 462,659
Net patient service revenue	529,937
Pharmacy revenue	1,087,186
Contributions and other revenue	<u>8,643</u>
Total operating revenue	<u>2,088,425</u>
OPERATING EXPENSES	
Salaries and wages	871,866
Employee benefits	130,644
Professional services	208,633
Travel	6,575
Food services	2,965
Building occupancy	59,051
Equipment	8,062
Medical and pharmacy	740,408
Insurance	14,954
Supplies	5,475
Depreciation and amortization	<u>40,604</u>
Total operating expenses	<u>2,089,237</u>
Operating loss	<u>\$ (812)</u>

Mental Health Care, Inc.

SCHEDULE OF STATE EARNINGS (UNAUDITED)

For the fiscal year ended June 30, 2023

1. Total Expenditures	\$ 45,224,945
2. Less Other State and Federal Funds	\$ (16,506,919)
3. Less Non-Match SAMH Funds	\$ (5,036,537)
4. Less Unallowable Costs per 65E-14, F.A.C.	\$ (305,970)
5. Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$ 23,375,519
6. Maximum Available Earnings (Line 5 times 75%)	\$ 17,531,639
7. Amount of State Funds Requiring Match	\$ 11,384,653
8. Amount Due to Department (if negative)* (Subtract line 7 from line 6)	\$ -

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

Mental Health Care, Inc.

SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS (UNAUDITED)

For the fiscal year ended June 30, 2023

This audit schedule is not applicable to Mental Health Care, Inc. for the fiscal year ended June 30, 2023.

Mental Health Care, Inc.

AUDIT SCHEDULE

SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS (UNAUDITED)

For the fiscal year ended June 30, 2023

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Service paid for by 3rd Party Contracts, Local Gov't or Other State Agencies	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by Department	Maximum \$ Value of Units in Column F (F X C) H	Amount Owed to Department (G-H or \$0 whichever is greater) I
A	B	C	D	E	F	G	H	I
Child MH	Crisis Stabilization Unit	\$ 406.74	10,220	5,758	4,462	\$ 222,690	\$ 1,814,874	\$ -
Adult MH	Crisis Stabilization Unit	\$ 406.74	21,900	11,236	10,664	\$ 4,142,567	\$ 4,337,475	\$ -
Adult MH	Residential Level I	\$ 278.40	10,201	-	10,201	\$ 2,839,098	\$ 2,839,958	\$ -
Total Amount Owed to Department =								\$ -

Mental Health Care, Inc.

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

For the fiscal year ended June 30, 2023

PART I: ACTUAL FUNDING SOURCES & REVENUES										
FUNDING SOURCES & REVENUES	Mental Health									
	1	2	3	4	10	11	12	15	18	28
	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intensive Case Management	Intervention - Individual	Medical Services	Outreach	Residential Level I	Incidental Expenses
IA. STATE SAMH FUNDING										
(1) Central Florida Behavioral Health Network	469,991	886,486	4,365,256.89	5,815,545.50	7,136	100,245	753,703	595,477	2,839,098.44	599,218
MH000	408,592	188,104	3,567,664	3,132,091	7,136	-	726,946	409,670	320,911	-
MH001									320,911	
MH009	408,591.97	188,104.01			7,135.77		726,945.92	409,669.62		
MH018			3,567,664	3,132,091.06						
MH001 CF (FY 20-21)									3,798.00	
MH001 CF (FY 21-22)									25,874	
MHCOM				186,104					145,880	
MHARP				127,572					490,180	
MH072	43,658.18	328,823.66				50,114.76			924,566.40	17,295
MH072 CF (FY 21-22)									22,280.00	
MH076										73,868.00
MH819			797,592.74							
MH0BN										
MH0FH	17,741.14	214,836.98				50,130.40	20,420.83	71,130.13	204,809.00	330,688
MH0FH CF (FY 21-22)										
MH0FT										
MH0CN		70,000								
MH0PG		23,039.42						21,877.58		
MHCAT										
MHCAT CF (FY 21-22)										
MHCJ3		46,172.00								
MHCJ4		15,510.11								
MHDRF CF (FY 17-18)										53,873.00
MHEDT								92,800.00		
MHFMH									700,800	
MHMCT				660,025.40						
MHSCR				1,709,753						
MHTRV										36,299.00
(2) Hillsborough County School Voucher Program							6,336			
(3) DCF State Pharmacy Line of Credit										87,195
(4) (use for unlisted DCF category)										
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding	3,048	-	42,573	-	-	-	19,785	-	-	-
(2) Medicaid	343,860	248,283	7,391,943	208,175	59,520	-	1,547,915	-	(30)	-
(3) Local Government	4,754	21,732	1,473,999	93,603	-	-	537,139	-	69,002	-
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
(5) In-kind from local government only	-	-	-	-	-	-	-	-	-	-
TOTAL GOVERNMENT FUNDING =	351,663	270,015	8,908,515	301,778	59,520	-	2,104,839	-	68,972	-
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	-	15	264,131	22,209	-	-	273,391	-	-	-
(2) 3rd Party Payments (except Medicare)	60,311	-	2,583,002	73,598	-	-	265,848	-	-	-
(3) Medicare	22,981	-	1,523,598	53,452	-	-	368,456	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-	-
(5) Other	-	-	231,929	1,551,658	-	-	120,132	-	53,388.43	-
(6) In-kind	-	-	-	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES =	83,291	15	4,602,660	1,700,918	-	-	1,027,827	-	53,388	-
TOTAL ACTUAL FUNDING =	904,946	1,156,516	17,876,432	7,818,241	66,656	100,245	3,886,369	595,477	2,961,459	599,218

Mental Health Care, Inc.

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

For the fiscal year ended June 30, 2023

PART I: ACTUAL FUNDING SOURCES & REVENUES										
FUNDING SOURCES & REVENUES	42 Intervention - Group	A1 BNET	B4 CAT Team	B5 FACT Team	14 Outpatient - Individual	GFIT	Total for State Funded SAMH Cost Centers	Non-State Hillsborough School District	Total for Non-State Funded SAMH Cost Centers	Total All SAMH Cost Centers
IA. STATE SAMH FUNDING										
(1) Central Florida Behavioral Health Network	3,624	277,878	946,087	73,386	12,333	-	17,745,465			17,745,465
MH000	-	-	-	-	5,792	-	8,766,905			
MH001							320,911			
MH009					5,791.50		1,746,239			
MH018							6,699,755			
MH001 CF (FY 20-21)							3,798			
MH001 CF (FY 21-22)							25,874			
MHCOM							331,984			
MHARP							617,752			
MH072							1,364,458			
MH072 CF (FY 21-22)							22,280			
MH076							73,868			
MH819							797,593			
MH0BN		277,878.10					277,878			
MH0FH	3,624.10				6,541.42		715,113			
MH0FH CF (FY 21-22)							204,809			
MH0FT				73,386.10			73,386			
MH0CN							70,000			
MH0PG							44,917			
MHCAT			694,986.99				694,987			
MHCAT CF (FY 21-22)			251,100.00				251,100			
MHCJ3							46,172			
MHCJ4							15,510			
MHDRF CF (FY 17-18)							53,873			
MHEDT							92,800			
MHFMH							700,800			
MHMCT							660,025			
MHSCR							1,709,753			
MHTRV							36,299			
(2) Hillsborough County School Voucher Program							6,336			
(3) DCF State Pharmacy Line of Credit							87,195			
(4) (use for unlisted DCF category)							-			
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding		86	-	-	-	-	65,492		-	65,492
(2) Medicaid		2,315	(49)	-	197,120	-	9,999,054		-	9,999,054
(3) Local Government		-	-	-	-	-	2,200,228		-	2,200,228
(4) Federal Grants and Contracts		-	-	-	-	-	-		-	-
(5) In-kind from local government only		-	-	-	-	-	-		-	-
TOTAL GOVERNMENT FUNDING =	-	2,401	(49)	-	197,120	-	12,264,775	-	-	12,264,775
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments		-	-	-	-	-	559,747		-	559,747
(2) 3rd Party Payments (except Medicare)		-	-	-	-	-	2,982,759		-	2,982,759
(3) Medicare		-	-	-	-	-	1,968,487		-	1,968,487
(4) Contributions and Donations		-	(1,000)	-	-	-	(1,000)		-	(1,000)
(5) Other		-	-	-	-	-	1,957,106		-	1,957,106
(6) In-kind		-	-	-	-	-	-		-	-
TOTAL ALL OTHER REVENUES =	-	-	(1,000)	-	-	-	7,467,099	-	-	7,467,099
TOTAL ACTUAL FUNDING =	3,624	280,279	945,038	73,386	209,453	-	37,477,339	-	-	37,477,339

Mental Health Care, Inc.

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

For the fiscal year ended June 30, 2023

PART I: ACTUAL FUNDING SOURCES & REVENUES				
FUNDING SOURCES & REVENUES	Non-SAMH Cost Center	Total Revenue	Administration	Total Expenses
IA. STATE SAMH FUNDING				
(1) Central Florida Behavioral Health Network		17,745,465	=====	=====
MH000		8,766,905	=====	=====
MH001		320,911	=====	=====
MH009		1,746,239	=====	=====
MH018		6,699,755	=====	=====
MH001 CF (FY 20-21)		3,798	=====	=====
MH001 CF (FY 21-22)		25,874	=====	=====
MHCOM		331,984	=====	=====
MHARP		617,752	=====	=====
MH072		1,364,458	=====	=====
MH072 CF (FY 21-22)		22,280	=====	=====
MH076		73,868	=====	=====
MH819		797,593	=====	=====
MH0BN		277,878	=====	=====
MH0FH		715,113	=====	=====
MH0FH CF (FY 21-22)		204,809	=====	=====
MH0FT		73,386	=====	=====
MH0CN		70,000	=====	=====
MH0PG		44,917	=====	=====
MHCAT		694,987	=====	=====
MHCAT CF (FY 21-22)		251,100	=====	=====
MHCJ3		46,172	=====	=====
MHCJ4		15,510	=====	=====
MHDRF CF (FY 17-18)		53,873	=====	=====
MHEDT		92,800	=====	=====
MHFMH		700,800	=====	=====
MHMCT		660,025	=====	=====
MHSCR		1,709,753	=====	=====
MHTRV		36,299	=====	=====
(2) Hillsborough County School Voucher Program		6,336	=====	=====
(3) DCF State Pharmacy Line of Credit		87,195	=====	=====
(4) (use for unlisted DCF category)		-	=====	=====
IB. OTHER GOVT. FUNDING				
(1) Other State Agency Funding	-	65,492	=====	=====
(2) Medicaid	1,185,596	11,184,650	=====	=====
(3) Local Government	4,583,327	6,783,555	=====	=====
(4) Federal Grants and Contracts	-	-	=====	=====
(5) In-kind from local government only	-	-	=====	=====
TOTAL GOVERNMENT FUNDING =	5,768,923	18,033,698	=====	=====
IC. ALL OTHER REVENUES				
(1) 1st & 2nd Party Payments	40,828	600,575	=====	=====
(2) 3rd Party Payments (except Medicare)	147,004	3,129,763	=====	=====
(3) Medicare	116,511	2,084,998	=====	=====
(4) Contributions and Donations	324,294	323,294	=====	=====
(5) Other	3,891,514	5,848,620	=====	=====
(6) In-kind	-	-	=====	=====
TOTAL ALL OTHER REVENUES =	4,520,150	11,987,250	=====	=====
TOTAL ACTUAL FUNDING =	10,289,074	47,766,413	=====	=====

Mental Health Care, Inc.

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

For the fiscal year ended June 30, 2023

PART II: ACTUAL EXPENSES										
EXPENSE CATEGORIES	01 Assessment	02 Case Management	03 Crisis Stabilization	04 Crisis Support/ Emergency	10 Intensive Case Management	11 Intervention - Individual	12 Medical Services	15 Outreach	18 Residential Level I	28 Incidental Expenses
IIA. PERSONNEL EXPENSES										
(1) Salaries	511,569	1,013,938	8,523,779	5,033,540	66,560	123,833	3,362,730	566,833	1,799,259	-
(2) Fringe Benefits	109,385	127,567	1,151,838	864,308	12,134	25,271	617,883	122,226	241,976	-
TOTAL PERSONNEL EXPENSES =	620,954	1,141,504	9,675,617	5,897,848	78,694	149,104	3,980,613	689,059	2,041,236	-
IIB. OTHER EXPENSES										
(1) Building Occupancy	23,347	51,365	848,597	295,741	5,188	4,928.00	136,839	76,545	146,737	-
(2) Professional Services	8,338	27,357	606,163	192,646	1,853	1,760.00	71,442	17,097	46,188	-
(3) Travel	94	25,654	8,934	14,743	900	855.00	345	810	11,259	-
(4) Equipment	1,691	8,438	100,480	51,364	2,158	2,050.00	32,488	2,788	24,059	-
(5) Food Services	1,579	4,190	335,373	335,395	-	-	6,562	3,084	170,085	-
(6) Medical and Pharmacy	67	2,282	130,081	35,166	-	-	8,837	215	11,529	160,993
(7) Subcontracted Services	-	-	253	-	-	-	140	-	-	-
(8) Insurance	8,019	39,469	151,422	134,942	2,640	2,508.00	37,563	19,733	40,014	-
(9) Interest Paid	-	-	-	-	-	-	-	-	69,829	-
(10) Operating Supplies & Expenses	3,632	6,067	105,604	94,084	1,400	1,330.00	9,147	5,601	21,378	449,583
(11) Donated Items	-	-	-	-	-	-	-	-	-	-
(12) Other Expense	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES =	46,768	164,822	2,286,907	1,154,082	14,139	13,431	303,362	125,872	541,078	610,575
TOTAL PERSONNEL & OTHER EXPENSES =	667,721	1,306,327	11,962,525	7,051,930	92,833	162,535	4,283,974	814,931	2,582,314	610,575
IIIC. DISTRIBUTED INDIRECT COSTS										
(b) Administration	116,549	264,295	2,044,102	1,206,975	13,394	33,577	738,330	150,337	442,941	14,875
TOTAL DISTRIBUTED INDIRECT COSTS =	116,549	264,295	2,044,102	1,206,975	13,394	33,577	738,330	150,337	442,941	14,875
TOTAL ACTUAL OPERATING EXPENSES =	784,270	1,570,621	14,006,627	8,258,905	106,227	196,112	5,022,304	965,268	3,025,254	625,450
IIID. UNALLOWABLE COSTS	3	11	6,735	518			218	2,162	70,316	
IIIE. CAPITAL EXPENDITURES										
TOTAL ALLOWABLE OPERATING EXPENSES =	784,268	1,570,611	13,999,892	8,258,387	106,227	196,112	5,022,086	963,106	2,954,938	625,450
IIIG. BUDGET NARRATIVE	Attach separate set of workpapers									
PART III: CERTIFICATION										
I certify the above to be an accurate projection and in agreement with this agency's records and with the terms of this agency's contract.										
Steven Welch, signed electronically	CFO		10/10/2023							
Signature	Title		Date							
CFBHN Funding - Allowable Expenditures	(314,277)	(684,124)	(9,634,635)	(2,442,842)	(99,091)	(95,867)	(4,268,383)	(367,628)	(115,840)	(26,232)
Does CFBHN funding exceed allowable expenses?	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Admin percentage	14.86%	16.83%	14.59%	14.61%	12.61%	17.12%	14.70%	15.57%	14.64%	2.38%

Mental Health Care, Inc.

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

For the fiscal year ended June 30, 2023

PART II: ACTUAL EXPENSES										
EXPENSE CATEGORIES	42 Intervention - Group	A1 B NET	B4 CAT	B5 FACT Team	14 Outpatient - Individual	GFIT	Total for State Funded SAMH Cost Centers	Non-State Hillsborough School District	Total for Non-State Funded SAMH Cost Centers	Total SAMH Cost Centers
IIA. PERSONNEL EXPENSES										
(1) Salaries	3,730	118,196	601,431	41,075	178,495	-	21,944,968	-	-	21,944,968
(2) Fringe Benefits	848	20,386	116,283	6,897	31,332	-	3,448,334	-	-	3,448,334
TOTAL PERSONNEL EXPENSES =	4,579	138,582	717,714	47,972	209,827	-	25,393,303	-	-	25,393,303
IIB. OTHER EXPENSES										
(1) Building Occupancy	-	2,419	40,952	3,824	-	-	1,636,481	-	-	1,636,481
(2) Professional Services	-	2,452	19,936	282	-	-	995,515	-	-	995,515
(3) Travel	-	4,589	31,782	160	-	-	100,126	-	-	100,126
(4) Equipment	-	351	20,680	24,344	-	-	270,889	-	-	270,889
(5) Food Services	-	55	1,473	-	-	-	857,795	-	-	857,795
(6) Medical and Pharmacy	-	19,840	1,746	858	-	-	371,614	-	-	371,614
(7) Subcontracted Services	-	-	-	-	-	-	393	-	-	393
(8) Insurance	-	2,255	18,677	1,649	-	-	458,891	-	-	458,891
(9) Interest Paid	-	-	-	-	-	-	69,829	-	-	69,829
(10) Operating Supplies & Expenses	-	4,002	11,735	9,310	-	-	722,873	-	-	722,873
(11) Donated Items	-	-	-	-	-	-	-	-	-	-
(12) Other Expense	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES =	-	35,962	146,980	40,427	-	-	5,484,405	-	-	5,484,405
TOTAL PERSONNEL & OTHER EXPENSES =	4,579	174,545	864,694	88,399	209,827	-	30,877,708	-	-	30,877,708
IIIC. DISTRIBUTED INDIRECT COSTS										
(b) Administration	1,372	29,708	136,617	15,046	36,783	-	5,244,899	-	-	5,244,899
TOTAL DISTRIBUTED INDIRECT COSTS =	1,372	29,708	136,617	15,046	36,783	-	5,244,899	-	-	5,244,899
TOTAL ACTUAL OPERATING EXPENSES =	5,951	204,253	1,001,311	103,445	246,610	-	36,122,608	-	-	36,122,608
IIID. UNALLOWABLE COSTS		85	1,477				81,524			81,524
IIIE. CAPITAL EXPENDITURES										
TOTAL ALLOWABLE OPERATING EXPENSES =	5,951	204,167	999,834	103,445	246,610	-	36,041,084	-	-	36,041,084
IIIG. BUDGET NARRATIVE										
Attach separate set of workpapers										
PART III: CERTIFICATION										
I certify the above to be an accurate projection and in agreement with this age										
Steven Welch, signed electronically										
Signature										
CFBHN Funding - Allowable Expenditures	(2,327)	73,711	(53,747)	(30,059)	(234,277)	0	(18,295,618)	0	0	(18,295,618)
Does CFBHN funding exceed allowable expenses?	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Admin percentage	23.06%	14.54%	13.64%	14.54%	14.92%	N/A	14.52%	N/A	N/A	14.52%

Mental Health Care, Inc.

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

For the fiscal year ended June 30, 2023

PART II: ACTUAL EXPENSES				
EXPENSE CATEGORIES	Non-SAMH Cost Center		Administration	Total Expenses
IIA. PERSONNEL EXPENSES				
(1) Salaries	4,009,086	=====	2,910,140	28,864,194
(2) Fringe Benefits	763,601	=====	795,752	5,007,688
TOTAL PERSONNEL EXPENSES =	4,772,687	=====	3,705,892	33,871,882
IIB. OTHER EXPENSES				
(1) Building Occupancy	479,781	=====	327,990	2,444,252
(2) Professional Services	233,137	=====	1,187,885	2,406,536
(3) Travel	116,709	=====	92,846	309,681
(4) Equipment	74,294	=====	811,314	1,156,498
(5) Food Services	18,187	=====	44,745	920,727
(6) Medical and Pharmacy	754,792	=====	33,841	1,160,248
(7) Subcontracted Services	-	=====	-	393
(8) Insurance	452,733	=====	106,547	1,018,171
(9) Interest Paid	(457)	=====	73,963	143,335
(10) Operating Supplies & Expenses	877,544	=====	192,803	1,793,219
(11) Donated Items	-	=====	-	-
(12) Other Expense	-	=====	-	-
TOTAL OTHER EXPENSES =	2,996,719	=====	2,871,934	11,353,059
TOTAL PERSONNEL & OTHER EXPENSES =	7,769,407	=====	6,577,826	45,224,941
IIC. DISTRIBUTED INDIRECT COSTS				
(b) Administration	1,332,927	=====	(6,577,826)	0
TOTAL DISTRIBUTED INDIRECT COSTS =	1,332,927	=====	(6,577,826)	0
TOTAL ACTUAL OPERATING EXPENSES =	9,102,333	=====	-	45,224,941
IID. UNALLOWABLE COSTS	-	=====	224,445	305,969
IIE. CAPITAL EXPENDITURES	-	=====	-	-
TOTAL ALLOWABLE OPERATING EXPENSES =	9,102,333	=====	(224,445)	44,918,972
IIG. BUDGET NARRATIVE				
Attach separate set of workpapers				
PART III: CERTIFICATION				
I certify the above to be an accurate projection and in agreement with this age				
Steven Welch, signed electronically				
Signature				

CFBHN Funding - Allowable Expenditures (9,102,333)
 Does CFBHN funding exceed allowable expenses? NO

Admin percentage 14.64%