

Mental Health Resource Center, Inc.

(a non-profit organization)

Jacksonville, Florida

Financial Statements and Supplemental Information

June 30, 2023 and 2022

Mental Health Resource Center, Inc.
(a non-profit organization)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mental Health Resource Center, Inc.
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mental Health Resource Center, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Resource Center, Inc. as of June 30, 2023 and 2022, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Resource Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mental Health Resource Center, 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, 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 Resource Center, 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 Resource Center, 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 and schedule of findings and questioned costs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; Chapter 10.650 *Rules of the Auditor General*, as well as the schedule of the source and status of funds received from the City of Jacksonville, Florida as required by the City of Jacksonville Municipal Ordinance Code, Chapter 118.202(e), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit

of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023, on our consideration of Mental Health Resource Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mental Health Resource Center, Inc.'s internal control over financial reporting and compliance.

Rabin & Capry P.A.

November 22, 2023

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Financial Position
June 30, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 7,247,077	\$ 4,095,193
Accounts receivable, net of allowance for doubtful accounts of \$24,723,509 and \$10,191,268	4,162,789	2,064,327
Grants receivable	2,319,535	3,287,777
Prepaid expenses and other current assets	215,904	120,939
Due from related organizations	339,278	337,633
Property and equipment, net of accumulated depreciation of \$9,313,817 and \$8,864,551	6,667,390	7,106,821
Right-of-use lease assets - operating leases, net	722,320	-
Deposits	<u>25,005</u>	<u>25,005</u>
Total assets	<u>\$ 21,699,298</u>	<u>\$ 17,037,695</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 284,268	\$ 266,416
Accrued expenses	2,750,163	2,876,358
Due to related organizations	511,690	365,141
Notes payable	3,475,306	3,684,944
Operating lease obligations	<u>750,714</u>	<u>-</u>
Total liabilities	7,772,141	7,192,859
Net assets without donor restrictions	<u>13,927,157</u>	<u>9,844,836</u>
Total liabilities and net assets	<u>\$ 21,699,298</u>	<u>\$ 17,037,695</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Activities
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes in net assets without donor restrictions:		
Public support and revenue		
Public support:		
Federal and state grants	\$ 20,876,943	\$ 18,841,295
Other government funding	5,297,134	3,984,207
Contributions	<u>14,248</u>	<u>107,000</u>
Total public support	<u>26,188,325</u>	<u>22,932,502</u>
Revenue:		
Client fees for services	15,796,258	8,415,256
Medicaid HMO	16,374,094	8,831,811
Other contract revenue	1,376,530	1,513,755
Miscellaneous revenue	<u>78,239</u>	<u>385,073</u>
Total revenue	<u>33,625,121</u>	<u>19,145,895</u>
Total public support and revenue	59,813,446	42,078,397
Expenses		
Program services	50,733,703	36,068,464
Management and general	<u>4,997,422</u>	<u>4,737,421</u>
Total expenses	<u>55,731,125</u>	<u>40,805,885</u>
Change in net assets without donor restrictions	4,082,321	1,272,512
Net assets without donor restrictions - beginning of year	<u>9,844,836</u>	<u>8,572,324</u>
Net assets without donor restrictions - end of year	<u><u>\$ 13,927,157</u></u>	<u><u>\$ 9,844,836</u></u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services	Management and General	Total
Salaries	\$ 19,249,167	\$ 50,901	\$ 19,300,068
Payroll taxes	1,425,117	3,748	1,428,865
Fringe benefits	2,794,334	14,851	2,809,185
Total salaries and related expenses	23,468,618	69,500	23,538,118
Provision for doubtful accounts	16,545,138	-	16,545,138
Management fees	-	4,743,779	4,743,779
Operating supplies and expenses	2,468,398	40,327	2,508,725
Professional services	2,432,089	27,002	2,459,091
Building occupancy	1,860,708	27,355	1,888,063
Insurance	891,841	27,548	919,389
Medical and pharmacy	908,416	-	908,416
Travel	569,292	24,348	593,640
Equipment costs	402,714	1,607	404,321
Food services	398,773	97	398,870
Subcontractor services	293,539	-	293,539
Interest	148,656	-	148,656
Miscellaneous	345,521	35,859	381,380
Total expenses	\$ 50,733,703	\$ 4,997,422	\$ 55,731,125

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services	Management and General	Total
	<u> </u>	<u> </u>	<u> </u>
Salaries	\$ 17,910,287	\$ 48,103	\$ 17,958,390
Payroll taxes	1,323,032	3,505	1,326,537
Fringe benefits	2,531,879	14,188	2,546,067
	<u> </u>	<u> </u>	<u> </u>
Total salaries and related expenses	21,765,198	65,796	21,830,994
Provision for doubtful accounts	4,928,763	-	4,928,763
Management fees	-	4,495,458	4,495,458
Operating supplies and expenses	2,235,815	26,361	2,262,176
Building occupancy	1,770,170	10,997	1,781,167
Professional services	1,626,220	27,160	1,653,380
Medical and pharmacy	898,029	39,080	937,109
Insurance	835,521	25,965	861,486
Travel	573,221	4,785	578,006
Equipment costs	377,478	2,836	380,314
Food services	335,712	99	335,811
Subcontractor services	281,316	-	281,316
Interest	157,200	-	157,200
Miscellaneous	283,821	38,884	322,705
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 36,068,464</u>	<u>\$ 4,737,421</u>	<u>\$ 40,805,885</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets without donor restrictions	\$ 4,082,321	\$ 1,272,512
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	710,438	700,233
Noncash portion of lease expense from operating leases	462,153	-
Change in allowance for doubtful accounts	14,532,241	5,124,532
Change in accounts receivable	(16,630,703)	(6,326,323)
Change in grants receivable	968,242	(1,057,043)
Change in prepaid expenses and other current assets	(94,965)	126,141
Change in amounts due from related organizations	(1,645)	(34,730)
Change in accounts payable	17,852	53,788
Change in accrued expenses	(126,195)	(182,321)
Change in due to related organizations	146,549	(130,739)
Repayment of operating lease obligations	<u>(433,759)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>3,632,529</u>	<u>(453,950)</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>(271,007)</u>	<u>(353,510)</u>
Net cash used by investing activities	<u>(271,007)</u>	<u>(353,510)</u>
Cash flows from financing activities		
Repayment of long-term debt	<u>(209,638)</u>	<u>(201,118)</u>
Net cash used by financing activities	<u>(209,638)</u>	<u>(201,118)</u>
Increase (decrease) in cash and cash equivalents	3,151,884	(1,008,578)
Cash and cash equivalents - beginning of year	<u>4,095,193</u>	<u>5,103,771</u>
Cash and cash equivalents - end of year	<u>\$ 7,247,077</u>	<u>\$ 4,095,193</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Supplemental disclosures of cash flows:		
Cash paid during the year for:		
Interest	<u>\$ 148,656</u>	<u>\$ 157,200</u>
Noncash investing and financing activities:		
ROU lease assets acquired by operating lease obligation	\$ (1,184,473)	\$ -
Operating lease obligation assumed to acquire ROU lease assets	<u>1,184,473</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

1. Organization

Mental Health Resource Center, Inc. (the Center) provides comprehensive community mental health services including clinical, rehabilitative and residential programs. The Center's goal is to provide such services to all individuals requesting assistance, regardless of their ability to pay. The Center is accredited by The Joint Commission. The Center is governed by a Board of Directors (the Board) consisting of volunteers from the community. The Board is approved by Renaissance Behavioral Health Systems, Inc. (RBHS), a non-profit organization that is the sole member of the Center.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The costs related to the administration of the Center's programs are summarized in the statement of activities. Personnel and operating expenses that are associated with a specific program are charged directly to that program. Personnel and operating expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements. The Center adopted the provisions of Accounting Standards Update ("ASU") 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Center's liquidity, financial performance, and cash flows.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Recognition

Revenue from Exchange Transactions: The Center recognized revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Public support and revenue – The Center recognizes revenue from public support and government grants based upon the terms of the grantor allotment that generally provides that revenues are earned when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenues are subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses or services, the Center will be required to refund any deficiencies. Management believes that any potential disallowed costs in the

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

Schedule of Expenditures of Federal Awards and State Financial Assistance would be insignificant as of June 30, 2023 and 2022.

Client fees for services – The Center records client services fees when the performance obligation is met, that is, when the service has been provided to the client. Fees are recorded at standard rates or net realizable value per contractual agreements that are reduced based upon the client's financial capabilities and by amounts estimated by management to be non-reimbursable by third-party payers or state programs under the provisions of applicable program payment arrangements. Fees for service are separately priced, no allocation of the transaction price is necessary. The Center recognizes revenue as the client receives the services. Final determination of amounts earned is subject to third party payer audit. Management believes that adequate reserves have been established for potential losses resulting from such audits.

Accounts Receivable

Grants, contracts and accounts receivable are stated at the amounts management expects to collect from outstanding balances. If amounts become uncollectible, they will be charged to the program when the determination is made. At June 30, 2023 and 2022, the allowance for doubtful accounts was \$24,723,509 and \$10,191,268, respectively.

Contributions

Mental Health Resource Center, Inc. reports contributions as with donor restriction or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Center has no net assets with donor-restricted support.

Donated Materials, Long-lived Assets, Facilities & Services

Donated materials are recorded as contributions at their estimated fair value at the date of donation. Long-lived assets for the use of facilities are recorded as contributions in the period received at fair value. Contributions of services are recorded in the financial statements if the services enhance or create non-financial assets or require specialized skills and are provided by individuals possessing those skills.

Charity Care

The Center follows the provisions of FASB Accounting Standards Codification 954. Accordingly, the Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Grants are received from state and local governmental agencies to assist in providing charity care.

The amount of costs for services and supplies under the Center's charity care policy aggregated approximately \$5,383,000 and \$5,364,000 in 2023 and 2022, respectively.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

Tax Status

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income taxes. The Center currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Center is no longer subject to U.S. federal income tax examinations by the tax authorities for the years before June 30, 2020.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all unrestricted highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

The Center invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government obligations.

Property and Equipment

Property and equipment are recorded at historical cost or in the case of contributed property and equipment, at estimated fair value at the date of donation. Equipment expenditures of less than \$1,000 are expensed. Ordinary repairs and maintenance are charged to expense when incurred. Depreciation is computed using the straight-line method over the useful lives of the various assets. The State of Florida is entitled to the proceeds from the disposal of certain equipment, if such equipment is acquired with state contract funds.

Long-lived assets held and used by the Center are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived asset may be impaired, an evaluation of recoverability would be performed following generally accepted accounting principles.

Allocation of Expenses

The costs of providing comprehensive community mental health services and supporting services have been summarized on the Statement of Activities on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include operating supplies and expenses, professional services, building occupancy, travel, insurance, food services, salaries and wages, fringe benefits, and payroll taxes. The basis of allocation of these expenses is based on a percentage of actual expense. Other support is allocated primarily based on utilization. The financial statements report expenses by function in the Statement of Functional Expenses.

Accounting Pronouncement Adopted

Effective July 1, 2022, the Center 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 or control the asset be recorded on the Statements of Financial Position upon the commencement of all leases, except for those with a lease term of twelve months or less or are

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

below the Center’s capitalization threshold. Leases are classified as either finance leases or operating leases. The standard was adopted under a transition method, as of the date of adoption and elected to apply several of the available practical expedients, including:

- Carryover of historical lease determination and lease classifications conclusions
- Carryover of historical initial direct cost balance for existing leases
- Accounting for lease and non-lease components in contracts in which the Center is a lessee as a single lease component

In adopting the new lease standard, the Center elected to use a transition method under which existing leases were measured and capitalized as of the date of adoption, July 1, 2022, in lieu of applying the standard retrospectively. Adoption of the leasing standards resulted in recognition of operating right-of-use assets of \$1,184,473 and operating lease liabilities for \$1,184,473 as of July 1, 2022. These amounts were determined based on the present value of remaining lease payments, discounted using the Center’s 1.12% to 4.34% incremental borrowing rate as of the date of adoption. There was no material impact to the timing of expense on the Center’s Statement of Financial Activities. Prior periods were not restated and continue to be presented under legacy GAAP. Disclosure to the Center’s leasing activities are presented in Note 6.

3. Liquidity

The Center’s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 7,247,077	\$ 4,095,193
Grants receivable	2,319,535	3,287,777
Accounts receivable, net allowance for doubtful accounts	<u>4,162,789</u>	<u>2,064,327</u>
 Total financial assets as of year end	 <u><u>\$ 13,729,401</u></u>	 <u><u>\$ 9,447,297</u></u>
 Total financial assets available to meet general expenditures within the next 12 months	 <u><u>\$ 13,729,401</u></u>	 <u><u>\$ 9,447,297</u></u>

As part of the Center’s liquidity management, it has a policy to structure financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

4. Property and Equipment

	Estimated Useful Life in Years	<u>2023</u>	<u>2022</u>
Land		\$ 389,329	\$ 389,329
Buildings and leasehold improvements	5 -40	12,696,998	12,699,304
Furniture and equipment	3-15	2,894,880	2,882,739
		<u>15,981,207</u>	<u>15,971,372</u>
Accumulated depreciation and amortization		<u>(9,313,817)</u>	<u>(8,864,551)</u>
Net property and equipment		<u>\$ 6,667,390</u>	<u>\$ 7,106,821</u>

Depreciation expense was \$710,438 and \$700,233 for the years ended June 30, 2023 and 2022, respectively.

5. Notes Payable

The Center's mortgage loan payable liability is as follows:

	<u>2023</u>	<u>2022</u>
Promissory note issued by Ameris Bank of which the proceeds constituted an identical and contemporaneous loan to the Center, used in connection with the refinance of the City of Jacksonville Health Facilities Revenue Bonds 1999A, total amount of \$4,000,000, bearing interest at fixed rate of 4.10% per annum, secured through a security interest in the net revenues of the Center as well as substantially all of the assets of the Center, payable in monthly installments of principal plus interest, payment beginning in December 2020 at \$29,906 through November 2035.	\$ 3,475,306	\$ 3,684,944
Current portion	<u>(218,138)</u>	<u>(211,866)</u>
	<u>\$ 3,257,168</u>	<u>\$ 3,473,078</u>

Interest expense for the year ended June 30, 2023 and 2022 was \$148,656 and \$157,200, respectively.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

The scheduled maturities of notes payable for the next five years and in aggregate are as follows:

2024	\$ 218,138
2025	227,764
2026	237,414
2027	247,474
2028	257,886
Thereafter	2,286,630
	<u>\$ 3,475,306</u>

6. Leases

The Center's leases consist of several buildings and vehicles used in the operations of the Center, with various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2025. The Center includes in the determination of the right-of-use assets and lease obligations any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Center has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the equipment and cart assets.

Reported under FASB ASC 842—year ended June 30, 2023:

A summary of total lease cost, by component, and other lease information for the year ended June 30, 2023 follows:

	<u>2023</u>
Operating lease cost	\$ 486,176
Short-term lease cost	350,402
Total lease cost	<u>\$ 836,578</u>

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

Other lease information:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flow from operating leases	\$ 433,759
Non-cash transactions	
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,184,473
Weighted-average remaining lease term:	
Operating leases	1.75 years
Weighted-average discount rate:	
Operating leases	2.67%

A summary of future undiscounted lease payment for operating and finance leases, reconciled to the lease obligations recorded at June 30, 2023:

<u>Year</u>	<u>Operating leases</u>
2024	\$ 485,911
2025	236,376
2026	46,330
Total undiscounted lease payments	<u>768,616</u>
Less effects of discounting	<u>(17,902)</u>
Present value of lease obligations	750,714
Less current portion	<u>(471,554)</u>
Long-term lease obligations	<u><u>\$ 279,160</u></u>

Reported under FASB ASC 840 – year ended June 30, 2022

Operating leases

The Center leases equipment under operating leases expiring through 2025. The Center's lease payments, were for ten (10) buildings, fifty-eight (58) vehicles and equipment. The Center incurred total building lease expense of \$532,350 during the years ended June 30, 2022, which is included in building occupancy expenses in accompanying statement of functional expenses. Vehicle and equipment lease expense for the years ended June 30, 2022, \$275,340.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

7. Retirement Plan

The Center adopted a Discretionary Profit Sharing-Thrift Plan (Plan) effective August 1, 1989. The Plan covers full-time and part-time employees who have completed one year of service with at least 1,000 hours of service during the year as of the Plan's effective date. Both basic and matching Center contributions to the Plan are discretionary and are determined on an annual basis by the Center's Board of Directors. Employee contributions to the Plan are voluntary. The Center's retirement expense was \$0 for the years ended June 30, 2023 and 2022, respectively, and is included in fringe benefits expense in the statement of functional expenses.

8. Transactions with Affiliated Organizations

Management fee expense is incurred to RBHS for services rendered for management, accounting, data processing and support. Amounts due to related organizations primarily related to unpaid amounts related to these services. Management fees paid to RBHS for the years ended June 30, 2023 and 2022 were \$4,743,779 and \$4,495,458, respectively.

Due to RBHS was \$511,690 and \$365,141 at June 30, 2023 and 2022, respectively.

The Center serves as a sponsor for two organizations. Balances due from these organizations were \$339,278 and \$337,633 at June 30, 2023 and 2022, respectively.

9. Support from the State of Florida

The Center received a substantial portion of its support in 2023 and 2022 from the State of Florida, through the Department of Children and Families. A significant reduction in the level of future support would have a substantial effect on the Center's programs and activities. The contracts are renegotiated periodically. Certain contract funds require a rate of twenty-five percent (25%) or fifty percent (50%) of local match for community mental health services. The Center required approximately \$3,850,000 and \$3,690,000 in local matching funds in order to be in compliance with the aforementioned contract provisions for the years ended June 30, 2023 and 2022, respectively. The Center exceeded its local match requirements for the years ended June 30, 2023 and 2022.

10. Concentration of Credit Risk

The Center grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payer agreements including Medicaid, Medicare, and other third party payers.

The Center maintains cash balance in three financial institutions. The balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2023, the Center's uninsured cash balance totaled \$7,503,011. It is the opinion of management that the solvency of the financial institutions are not of particular concern at this time.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2023 and 2022

11. Commitments and Contingencies

The Center is periodically involved in litigation and routine monitoring by regulatory agencies arising from the ordinary course of business. In the opinion of the Center's management, after consultation with legal counsel, such matters will be resolved without a material adverse effect on the financial position or results of operations of the Center. The Center has professional liability insurance through RBHS, the parent company, which effectively covers \$4,000,000 in aggregate and \$2,000,000 per occurrence, to insure against potential malpractice claims.

The Center receives a substantial portion of its client revenues from Medicaid HMO, Medicaid, and Medicare. The Center bills Medicaid HMO, Medicaid, and Medicare for eligible services it renders. Medicaid HMO, Medicaid, and Medicare have oversight agencies that periodically audit claims submitted to these programs. To the extent services are billed to Medicaid HMO, Medicaid, or Medicare and are not properly documented by the Center, the claims may be denied and reimbursement from the Center may be requested. Accordingly, the Center has established a liability for estimated denied claims based on historical experience.

12. Subsequent Events

Management has assessed subsequent events through November 22, 2023, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Mental Health Resource Center, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

<u>Grantor/Program Title</u>	CFDA CSFA No	Contract Grant Number	Total Expenditures	Transfer to Subrecipients
<u><i>U.S. Department of Health and Human Services</i></u>				
<u>Substance Abuse and Mental Health Services Administration (SAMHSA)</u>				
Block Grants for Community Mental Health Services	93.958	H79SM085465	\$ 1,643,744	\$ -
Certified Community Behavioral Health Clinic Expansion Grants	93.696	H79SM086599	152,290	-
 <u>Dept of Children & Families SAMH Program</u>				
<u><i>Pass through funds from Lutheran Service Florida, Inc.</i></u>				
Block Grants for Community Mental Health Services	93.958	ME024	1,922,063	-
Projects for Assistance in the Transition from Homelessness (PATH)	93.150	ME024	204,618	72,251
 <u><i>Pass through funds from Central Florida Behavioral Health Network, Inc.</i></u>				
Block Grants for Community Mental Health Services	93.958	QB030	260,086	-
 <u><i>Pass through funds from Central Florida Cares Health System, Inc.</i></u>				
Block Grants for Community Mental Health Services	93.958	MHR24	215,786	-
			<u>4,398,587</u>	<u>72,251</u>
 <u><i>U.S. Department of Housing and Urban Development</i></u>				
Continuum of Care Program 2021	14.267	FL0135L4H102114	200,017	-
Continuum of Care Program 2021	14.267	FL0573L4H102106	38,208	-
Continuum of Care Program 2020	14.267	FL0573L4H102005	24,862	-
 <u><i>U.S. Department of Housing and Urban Development</i></u>				
<u><i>Pass through funds from Changing Homelessness, Inc.</i></u>				
Continuum of Care Program 2021	14.267	FL0573L4H102106 - MOU	10,710	-
 <u>City of Jacksonville</u>				
<u><i>Pass through funds from Changing Homelessness, Inc.</i></u>				
Emergency Services Grant - ESG CV - CARES ACT	14.231	COJ ESG-CV-MHRC	17,032	-
			<u>290,829</u>	<u>-</u>

Mental Health Resource Center, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

<u>Grantor/Program Title</u>	<u>CFDA CSFA No</u>	<u>Contract Grant Number</u>	<u>Total Expenditures</u>	<u>Transfer to Subrecipients</u>
<u>U.S. Department of Homeland Security</u>				
<u>Pass through funds from Lutheran Service Florida, Inc.</u>				
Crisis Counseling	97.032	MHR24	8,763	-
			<u>8,763</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
<u>Pass through funds from Lutheran Service Florida, Inc.</u>				
Public Safety Partnernership and Community Policing Grants	16.71	N/A	22,521	-
			<u>22,521</u>	<u>-</u>
Total Federal Awards			<u>4,720,700</u>	<u>72,251</u>
 <u>State Financial Assistance</u>				
<u>Dept of Children & Families SAMH Program</u>				
<u>Pass through funds from Lutheran Service Florida, Inc.</u>				
Community Forensic Beds Comp Rest Tng	60.114	ME024	796,800	-
Centralized Receiving System	60.163	ME024	2,719,456	290,959
Total State Financial Assistance			<u>\$ 3,516,256</u>	<u>\$ 290,959</u>
Total Federal Awards and State Financial Assistance			<u>\$ 8,236,956</u>	<u>\$ 363,210</u>

Mental Health Resource Center, Inc.

(a non-profit organization)

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

Year ended June 30, 2023

Note A - Basis of Accounting

The accompanying schedule of expenditures of financial awards and state financial assistance (the Schedule) includes the federal award activity and state project activity of Mental Health Resource Center, Inc. under programs of the federal and state government 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 as described in Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Mental Health Resource Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mental Health Resource Center, Inc.

Note B – Summary of Significant Accounting Policies

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.

Note C – Indirect Cost Rate

Mental Health Resource Center, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Provider Name: Mental Health Resource Center
 Audit Period: 7/1/2022 - 6/30/2023

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES SCHEDULE**



SAMH COVERED SERVICES or PROJECTS

STATE-FUNDED

Mental Health

FUNDING SOURCES & REVENUES	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Outpatient (Indiv.)	Outreach	Residential IV	Incidental Expenses	Information and Referral	Outpatient Group	Intervention (Group)	Recovery Support (Indiv.)	Recovery Support (Group)	Forensic Multidisciplinary Team	Central Receiving System	Cost Reimbursement
A	01	02	03	04	11	12	14	15	21	28	30	35	42	46	47	A0	A3	B3

IA. STATE SAMH FUNDING

Current Year Funding

Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State																		
MH001	ME024 (EH003)	F/S								\$ 109,274.10										
MH009	ME024 (EH003)	F/S	\$ 468,655.99						\$ 40,913.26		\$ 23,885.00	\$ 30,004.61		\$ 42,625.88						
MH018	ME024 (EH003)	F/S		\$ 5,442,729.92	\$ 1,604,045.19															
MH072	ME024 (EH003)	S	\$ 114,049.13						\$ 3,579.04											
MHOCN	ME024 (EH003)	F/S	\$ 155,340.68						\$ 100,698.90											
MHOFH	ME024 (EH003)	S								\$ 36,515.07						\$ 667,484.93				
MHOFT	ME024 (EH003)	F/S								\$ 708,882.00										
MHOPG	ME024 (EH003)	F	\$ 26,632.51			\$ 9,882.27			\$ 95,852.50										\$ 72,250.78	
MHARP	ME024 (EH003)	F	\$ 17,593.00		\$ 18,311.54				\$ 44,447.72		\$ 89,508.72									
MHCOM	ME024 (EH003)	F			\$ 227.64				\$ 13,460.27		\$ 24,970.56									
MHDRF	ME024 (EH003)	S								\$ 2,571.00										
MHEDT	ME024 (EH003)	S							\$ 92,800.00											
MHMDT	ME024 (EH003)	S																		
MHSCR	ME024 (EH003)	S	\$ 108,954.79	\$ 80,085.71		\$ 14,204.18	\$ 621,012.78	\$ 155,788.35			\$ 99,713.60	\$ 2,969.66		\$ 4,398.64	\$ 654.69			\$ 1,631,673.60		
MHTRV	ME024 (EH003)	F/S								\$ 62,806.00										
MHOFT	QG030 (QD1A9)	F/S								\$ 600,238.00										
MHOFT	MHR24 (GHME)	F/S																		
Total Current Year Funding			\$ 108,954.79	\$ 862,357.02	\$ 5,442,729.92	\$ 1,622,584.37	\$ 14,204.18	\$ 630,895.05	\$ 155,788.35	\$ 391,751.69	\$ 109,274.10	\$ 1,434,897.07	\$ 244,197.49	\$ 2,969.66	\$ 42,625.88	\$ 4,398.64	\$ 654.69	\$ 667,484.93	\$ 1,631,673.60	\$ 72,250.78

Carry Forward Funding

Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State																		
MH009	ME024 (EH003)	S							\$ 69,341.18		\$ 83,144.67									
MH018	ME024 (EH003)	S			\$ 23,824.75															
MHOCN	ME024 (EH003)	S	\$ 33,624.84																	
MHTRV	ME024 (EH003)	S								\$ 19,279.00										
MHDRF	QG030 (QD1A9)	S								\$ 120,771.00										
MHOFT	MHR24 (GHME)	S																		
Total Carry Forward Funding			\$ -	\$ 33,624.84	\$ -	\$ 23,824.75	\$ -	\$ -	\$ 69,341.18	\$ -	\$ 140,050.00	\$ 83,144.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL STATE SAMH FUNDING =

\$ 108,954.79 \$ 895,981.86 \$ 5,442,729.92 \$ 1,646,409.12 \$ 14,204.18 \$ 630,895.05 \$ 155,788.35 \$ 461,092.87 \$ 109,274.10 \$ 1,574,947.07 \$ 327,342.16 \$ 2,969.66 \$ 42,625.88 \$ 4,398.64 \$ 654.69 \$ 667,484.93 \$ 1,631,673.60 \$ 72,250.78

IB. OTHER GOVERNMENT FUNDING

(1) Other State Agency Funding	\$ 78,436.00	\$ 4,326,274.22			\$ 322,123.97	\$ -								\$ -	\$ -	\$ 20,925.49			
(2) Medicaid	\$ 7,718.41	\$ 20,916.00			\$ 1,582.85	\$ 67,220.93	\$ 18,119.44				\$ 303.29								
(3) Local Government	\$ 72,348.28	\$ 110,787.75	\$ 195,180.75	\$ 111,148.31	\$ 5,574.21	\$ 226,859.00	\$ 64,067.35	\$ 97,270.09		\$ 46,181.25	\$ 1,058.68			\$ 67.47					
(4) Federal Grants and Contracts								\$ 263,087.53											
(5) In-kind from local govt. only																			
TOTAL OTHER GOVERNMENT FUNDING =	\$ 80,066.67	\$ 210,139.75	\$ 4,521,454.97	\$ 111,148.31	\$ 7,157.06	\$ 616,203.90	\$ 82,186.79	\$ 360,357.62	\$ -	\$ -	\$ 46,181.25	\$ 1,361.97	\$ -	\$ 67.47	\$ -	\$ 20,925.49	\$ -	\$ -	\$ -

IC. ALL OTHER REVENUES

(1) 1st & 2nd Party Payments	\$ 5,847.41	\$ 259.07	\$ 66,256.38		\$ 703.16	\$ 32,750.76	\$ 7,411.69				\$ 157.95								
(2) 3rd Party Payments (except Medicare)	\$ 157,185.96	\$ 122,227.23	\$ 24,777,342.10		\$ 10,103.01	\$ 908,257.40	\$ 110,471.90				\$ 2,124.47								
(3) Medicare	\$ 7,444.14	\$ 900.00	\$ 83,125.16		\$ 243.89	\$ 94,707.27	\$ 2,499.29				\$ 57.38								
(4) Contributions and Donations		\$ 100.00	\$ 6,040.52																
(5) Other	\$ 584.65	\$ 1,374.75	\$ 13,554.26	\$ 24,255.07	\$ 46.60	\$ 2,498.40	\$ 9,280.75	\$ 10,945.83	\$ 81.08		\$ 149.35	\$ 9.50	\$ 106.29	\$ 131.82	\$ 3.03	\$ 586.52			
(6) In-kind																			
TOTAL ALL OTHER REVENUES =	\$ 171,062.16	\$ 124,861.05	\$ 24,946,318.42	\$ 24,255.07	\$ 11,096.66	\$ 1,038,213.83	\$ 129,663.63	\$ 10,945.83	\$ 81.08	\$ -	\$ 149.35	\$ 2,349.30	\$ 106.29	\$ 131.82	\$ 3.03	\$ 586.52	\$ -	\$ -	\$ -

TOTAL FUNDING =

\$ 360,083.62 \$ 1,230,982.66 \$ 34,910,503.31 \$ 1,781,812.50 \$ 32,457.90 \$ 2,285,312.78 \$ 367,638.77 \$ 832,396.32 \$ 109,355.18 \$ 1,574,947.07 \$ 373,672.76 \$ 6,680.93 \$ 42,732.17 \$ 4,597.93 \$ 657.72 \$ 688,996.94 \$ 1,631,673.60 \$ 72,250.78

Provider Name: Mental Health Resource Center
 Audit Period: 7/1/2022 - 6/30/2023

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES SCHEDULE**



SAMH COVERED SERVICES

Mental Health


EXPENSE CATEGORIES	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Outpatient (Indiv.)	Outreach	Residential IV	Incidental Expenses	Information and Referral	Outpatient Group	Intervention (Group)	Recovery Support (Indiv.)	Recovery Support (Group)	Forensic Multidisciplinary Team	Central Receiving System	Cost Reimbursement
	01	02	03	04	11	12	14	15	21	28	30	35	42	46	47	A0	A3	B3
A																		
IIA. PERSONNEL EXPENSES																		
(1) Salaries	\$ 314,128.74	\$ 646,181.10	\$ 6,696,732.02	\$ 945,715.25	\$ 27,710.20	\$ 504,566.54	\$ 205,830.33	\$ 548,597.64	\$ 14,836.59		\$ 263,417.91	\$ 5,680.73	\$ 44,757.58	\$ 2,921.92	\$ 403.38	\$ 256,182.31	\$ 929,544.57	
(2) Fringe Benefits	\$ 95,640.23	\$ 179,147.49	\$ 1,274,742.78	\$ 178,409.13	\$ 4,772.36	\$ 123,233.06	\$ 39,490.14	\$ 127,023.43	\$ 3,257.13		\$ 72,063.32	\$ 948.24	\$ 5,363.77	\$ 1,190.00	\$ 168.67	\$ 55,395.11	\$ 203,976.16	
TOTAL PERSONNEL EXPENSES =	\$ 409,768.97	\$ 825,328.59	\$ 7,971,474.80	\$ 1,124,124.38	\$ 32,482.56	\$ 627,799.60	\$ 245,320.47	\$ 675,621.07	\$ 18,093.72	\$ -	\$ 335,481.23	\$ 6,628.97	\$ 50,121.35	\$ 4,111.92	\$ 572.05	\$ 311,577.42	\$ 1,133,520.73	\$ -
IIIB. OTHER EXPENSES																		
(1) Building Occupancy	\$ 22,671.05	\$ 62,138.16	\$ 727,218.38	\$ 81,026.95	\$ 1,320.66	\$ 71,955.18	\$ 14,828.25	\$ 72,449.10	\$ 1,304.52		\$ 23,401.86	\$ 263.60	\$ 8,742.89	\$ 209.86	\$ 27.35	\$ 31,630.88		
(2) Professional Services	\$ 7,982.64	\$ 454.18	\$ 1,341,316.67	\$ 1,522.53	\$ 1,257.64	\$ 202,078.44	\$ 13,327.96	\$ 12,605.28			\$ 365.73	\$ 279.95	\$ 11.67				\$ 226,712.47	
(3) Travel	\$ 885.44	\$ 36,278.17	\$ 53,610.87	\$ 33,270.22	\$ 162.76	\$ 19,685.43	\$ 2,422.52	\$ 28,874.83	\$ 971.31		\$ 6,681.56	\$ 26.08	\$ 946.29	\$ 8.14	\$ 0.72	\$ 23,732.05		
(4) Equipment	\$ 9,114.75	\$ 15,001.06	\$ 143,398.83	\$ 19,350.40	\$ 582.78	\$ 35,852.66	\$ 6,346.14	\$ 9,840.83	\$ 505.17		\$ 8,236.18	\$ 123.51	\$ 1,565.17	\$ 128.41	\$ 17.95	\$ 6,354.76		
(5) Food Services	\$ 1.33	\$ 1,600.68	\$ 335,691.92	\$ 40,787.58	\$ 0.06	\$ 5,692.22	\$ 0.73	\$ 55.56	\$ -		\$ 11.55	\$ 0.01				\$ 792.16		
(6) Medical and Pharmacy	\$ 9.31	\$ 42,652.32	\$ 265,369.89	\$ 674.35	\$ 20.19	\$ 388,868.34	\$ 236.05	\$ 632.58	\$ -	\$ 127,195.06	\$ 52.77	\$ 3.69		\$ 0.06		\$ 37,106.59		
(7) Subcontracted Services	\$ 38,592.05	\$ 10,130.74			\$ 10,354.11		\$ 59,668.83		\$ -		\$ 20,426.86	\$ 2,117.53		\$ 654.12	\$ 96.03		\$ 76,667.87	\$ 72,250.78
(8) Insurance	\$ 9,369.30	\$ 17,357.49	\$ 289,800.10	\$ 35,869.00	\$ 790.21	\$ 35,244.07	\$ 6,411.75	\$ 24,912.30	\$ 746.92		\$ 9,794.65	\$ 160.77	\$ 1,328.42	\$ 113.99	\$ 15.20	\$ 21,258.00	\$ 16,706.52	
(9) Interest Paid	\$ 1,904.57	\$ 1,074.39	\$ 135,324.31	\$ 3,332.74		\$ 3,897.30	\$ 1,905.00				\$ 1,215.47			\$ 1.77				
(10) Operating Supplies & Expenses	\$ 68,417.52	\$ 200,953.18	\$ 2,827,891.64	\$ 438,534.04	\$ 5,129.15	\$ 286,883.52	\$ 56,398.48	\$ 82,263.86	\$ 53,769.52	\$ 1,447,752.01	\$ 71,305.37	\$ 1,023.04	\$ 13,228.23	\$ 675.24	\$ 90.41	\$ 107,377.24	\$ 29,732.06	
(11) Other-Bad Debt	\$ 14,000.00	\$ 16,183,372.75				\$ 217,234.55												
(12) Donated Items																		
TOTAL OTHER EXPENSES =	\$ 158,947.96	\$ 401,640.37	\$ 22,302,995.36	\$ 654,367.81	\$ 19,617.56	\$ 1,267,591.71	\$ 161,545.71	\$ 231,634.34	\$ 57,297.44	\$ 1,574,947.07	\$ 143,492.00	\$ 3,998.18	\$ 25,822.67	\$ 1,791.59	\$ 247.66	\$ 228,251.68	\$ 349,818.92	\$ 72,250.78
TOT. PERSONNEL & OTH. EXP. =	\$ 568,716.93	\$ 1,226,968.96	\$ 30,274,470.16	\$ 1,778,492.19	\$ 52,100.12	\$ 1,895,391.31	\$ 406,866.18	\$ 907,255.41	\$ 75,391.16	\$ 1,574,947.07	\$ 478,973.22	\$ 10,627.15	\$ 75,944.02	\$ 5,903.51	\$ 819.71	\$ 539,829.10	\$ 1,483,339.65	\$ 72,250.78
IIIC. DISTRIBUTED INDIRECT COSTS																		
(a) Other Support Costs (Optional)																		
(b) Administration	\$ 49,069.20	\$ 109,467.00	\$ 1,237,815.60	\$ 156,223.09	\$ 4,547.09	\$ 132,352.44	\$ 32,261.34	\$ 83,659.48	\$ 6,604.31		\$ 41,422.33	\$ 927.31	\$ 9,423.13	\$ 548.80	\$ 76.72	\$ 49,992.93	\$ 148,333.95	
TOT. DISTR'D INDIRECT COSTS =	\$ 49,069.20	\$ 109,467.00	\$ 1,237,815.60	\$ 156,223.09	\$ 4,547.09	\$ 132,352.44	\$ 32,261.34	\$ 83,659.48	\$ 6,604.31	\$ -	\$ 41,422.33	\$ 927.31	\$ 9,423.13	\$ 548.80	\$ 76.72	\$ 49,992.93	\$ 148,333.95	\$ -
TOTAL ACTUAL OPER. EXPENSES =	\$ 617,786.13	\$ 1,336,435.96	\$ 31,512,285.76	\$ 1,934,715.28	\$ 56,647.21	\$ 2,027,743.75	\$ 439,127.52	\$ 990,914.89	\$ 81,995.47	\$ 1,574,947.07	\$ 520,395.56	\$ 11,554.46	\$ 85,367.15	\$ 6,452.31	\$ 896.43	\$ 589,822.03	\$ 1,631,673.60	\$ 72,250.78
IIID. UNALLOWABLE COSTS																		
	\$ 262.39	\$ 14,418.57	\$ 16,190,058.21	\$ 412.07	\$ 33.17	\$ 218,730.80	\$ 357.84	\$ 1,056.54	\$ -	\$ -	\$ 247.09	\$ 7.15	\$ 36.19	\$ 3.69	\$ 0.52	\$ 364.93	\$ -	
TOT. ALLOWABLE OPER. EXP. =	\$ 617,523.74	\$ 1,322,017.39	\$ 15,322,227.55	\$ 1,934,303.21	\$ 56,614.04	\$ 1,809,012.95	\$ 438,769.68	\$ 989,858.35	\$ 81,995.47	\$ 1,574,947.07	\$ 520,148.47	\$ 11,547.31	\$ 85,330.96	\$ 6,448.62	\$ 895.91	\$ 589,457.10	\$ 1,631,673.60	\$ 72,250.78
IIIE. CAPITAL EXPENDITURES																		

Provider Name: Mental Health Resource Center
 Audit Period: 7/1/2022 - 6/30/2023

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES :**



FUNDING SOURCES & REVENUES			FACT Team	Other Bundled Projects	Mental Health Total	Total for State SAMH-Funded Covered Services or Projects	Total for Non-State-Funded Covered Services or Projects	Total for All Covered Services or Projects	Non-SAMH Covered Services or Projects	Total Funding
A			B5	C0	B	(B+C) D	E	(D+E) F	G	(F+G) H
IA. STATE SAMH FUNDING										
Current Year Funding										
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State								
MH001	ME024 (EH003)	F/S			\$ 109,274.10	\$ 109,274.10		\$ 109,274.10		\$ 109,274.10
MH009	ME024 (EH003)	F/S			\$ 606,084.74	\$ 606,084.74		\$ 606,084.74		\$ 606,084.74
MH018	ME024 (EH003)	F/S			\$ 7,046,775.11	\$ 7,046,775.11		\$ 7,046,775.11		\$ 7,046,775.11
MH072	ME024 (EH003)	S			\$ 117,628.17	\$ 117,628.17		\$ 117,628.17		\$ 117,628.17
MHOCN	ME024 (EH003)	F/S			\$ 256,039.58	\$ 256,039.58		\$ 256,039.58		\$ 256,039.58
MHOFH	ME024 (EH003)	S			\$ 704,000.00	\$ 704,000.00		\$ 704,000.00		\$ 704,000.00
MHOFT	ME024 (EH003)	F/S	\$ 1,436,739.52		\$ 2,145,621.52	\$ 2,145,621.52		\$ 2,145,621.52		\$ 2,145,621.52
MHOPG	ME024 (EH003)	F			\$ 204,618.06	\$ 204,618.06		\$ 204,618.06		\$ 204,618.06
MHARP	ME024 (EH003)	F			\$ 169,860.98	\$ 169,860.98		\$ 169,860.98		\$ 169,860.98
MHCOM	ME024 (EH003)	F			\$ 38,658.47	\$ 38,658.47		\$ 38,658.47		\$ 38,658.47
MHDRF	ME024 (EH003)	S			\$ 2,571.00	\$ 2,571.00		\$ 2,571.00		\$ 2,571.00
MHEDT	ME024 (EH003)	S			\$ 92,800.00	\$ 92,800.00		\$ 92,800.00		\$ 92,800.00
MHMDT	ME024 (EH003)	S		\$ 94,334.33	\$ 94,334.33	\$ 94,334.33		\$ 94,334.33		\$ 94,334.33
MHSCR	ME024 (EH003)	S			\$ 2,719,456.00	\$ 2,719,456.00		\$ 2,719,456.00		\$ 2,719,456.00
MHTRV	ME024 (EH003)	F/S			\$ 62,806.00	\$ 62,806.00		\$ 62,806.00		\$ 62,806.00
MHOFT	QG030 (QD1A9)	F/S	\$ 1,360,929.00		\$ 1,961,167.00	\$ 1,961,167.00		\$ 1,961,167.00		\$ 1,961,167.00
MHOFT	MHR24 (GHME)	F/S	\$ 1,001,317.16		\$ 1,001,317.16	\$ 1,001,317.16		\$ 1,001,317.16		\$ 1,001,317.16
Total Current Year Funding			\$ 3,798,985.68	\$ 94,334.33	\$ 17,333,012.22	\$ 17,333,012.22		\$ 17,333,012.22		\$ 17,333,012.22
Carry Forward Funding										
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State								
MH009	ME024 (EH003)	S			\$ 152,485.85	\$ 152,485.85		\$ 152,485.85		\$ 152,485.85
MH018	ME024 (EH003)	S			\$ 23,824.75	\$ 23,824.75		\$ 23,824.75		\$ 23,824.75
MHOCN	ME024 (EH003)	S			\$ 33,624.84	\$ 33,624.84		\$ 33,624.84		\$ 33,624.84
MHTRV	ME024 (EH003)	S			\$ 19,279.00	\$ 19,279.00		\$ 19,279.00		\$ 19,279.00
MHDRF	QG030 (QD1A9)	S			\$ 120,771.00	\$ 120,771.00		\$ 120,771.00		\$ 120,771.00
MHOFT	MHR24 (GHME)	S	\$ 625,816.42		\$ 625,816.42	\$ 625,816.42		\$ 625,816.42		\$ 625,816.42
Total Carry Forward Funding			\$ 625,816.42	\$ -	\$ 975,801.86	\$ 975,801.86		\$ 975,801.86		\$ 975,801.86
TOTAL STATE SAMH FUNDING =			\$ 4,424,802.10	\$ 94,334.33	\$ 18,308,814.08	\$ 18,308,814.08		\$ 18,308,814.08		\$ 18,308,814.08
IB. OTHER GOVERNMENT FUNDING										
(1) Other State Agency Funding					\$ 4,747,759.68	\$ 4,747,759.68		\$ 4,747,759.68		\$ 4,747,759.68
(2) Medicaid					\$ 4,893,696.75	\$ 5,009,557.67		\$ 5,009,557.67	\$ 28,398.44	\$ 5,037,956.11
(3) Local Government					\$ 930,543.12	\$ 930,543.12		\$ 930,543.12		\$ 930,543.12
(4) Federal Grants and Contracts					\$ 263,087.53	\$ 263,087.53		\$ 263,087.53	\$ 1,789,534.04	\$ 2,052,621.57
(5) In-kind from local govt. only					\$ -	\$ -		\$ -		\$ -
TOTAL OTHER GOVERNMENT FUNDING =			\$ 4,893,696.75	\$ -	\$ 10,950,948.00	\$ 10,950,948.00	\$ -	\$ 10,950,948.00	\$ 1,817,932.48	\$ 12,768,880.48
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments					\$ -	\$ 113,386.42	\$ 113,386.42	\$ 113,386.42	\$ 3,462.58	\$ 116,849.00
(2) 3rd Party Payments (except Medicare)					\$ 26,087,712.07	\$ 26,087,712.07	\$ 26,087,712.07	\$ 614,320.51	\$ 26,702,032.58	
(3) Medicare					\$ 188,977.13	\$ 188,977.13	\$ 188,977.13	\$ 124,537.38	\$ 313,514.51	
(4) Contributions and Donations				\$ 960.00	\$ 7,100.52	\$ 7,100.52	\$ 7,100.52	\$ 125.00	\$ 7,225.52	
(5) Other				\$ 33,270.88	\$ 96,878.78	\$ 96,878.78	\$ 91,760.00	\$ 188,638.78	\$ 1,407,489.81	\$ 1,596,128.59
(6) In-kind				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL ALL OTHER REVENUES =			\$ 34,230.88	\$ -	\$ 26,494,054.92	\$ 26,494,054.92	\$ 91,760.00	\$ 26,585,814.92	\$ 2,149,935.28	\$ 28,735,750.20
TOTAL FUNDING =			\$ 9,352,729.73	\$ 94,334.33	\$ 55,753,817.00	\$ 55,753,817.00	\$ 91,760.00	\$ 55,845,577.00	\$ 3,967,867.76	\$ 59,813,444.76

Provider Name: Mental Health Resource Center											
Audit Period: 7/1/2022 - 6/30/2023											
AUDIT SCHEDULE											
ACTUAL EXPENSES AND REVENUES :											
											
*except IIC & IID											
EXPENSE CATEGORIES A	FACT Team B5	Other Bundled Projects C0	Mental Health Total B	Total for State SAMH- Funded Covered Services (B+C) D	Total for Non-State Funded Covered Services E	Total for All Covered Services (D+E) F	Non-SAMH Covered Services G	Other Support Costs (optional) H	Administration I	Total Expenses (F+G+H+I+J) J	
IIA. PERSONNEL EXPENSES											
(1) Salaries	\$ 4,396,063.73	\$ 55,889.40	\$ 15,859,159.94	\$ 15,859,159.94	\$ 43,320.00	\$ 15,902,479.94	\$ 1,964,141.98	\$ 1,365,375.00	\$ 50,901.00	\$ 19,282,897.92	
(2) Fringe Benefits	\$ 1,115,259.84	\$ 8,199.00	\$ 3,488,279.86	\$ 3,488,279.86	\$ 3,424.00	\$ 3,491,703.86	\$ 395,940.35	\$ 341,413.00	\$ 18,599.00	\$ 4,247,656.21	
TOTAL PERSONNEL EXPENSES =	\$ 5,511,323.57	\$ 64,088.40	\$ 19,347,439.80	\$ 19,347,439.80	\$ 46,744.00	\$ 19,394,183.80	\$ 2,360,082.33	\$ 1,706,788.00	\$ 69,500.00	\$ 23,530,554.13	
IIIB. OTHER EXPENSES											
(1) Building Occupancy	\$ 555,052.96		\$ 1,674,241.65	\$ 1,674,241.65		\$ 1,674,241.65	\$ 36,470.61	\$ 149,995.00	\$ 27,355.00	\$ 1,888,062.26	
(2) Professional Services	\$ 279,563.60		\$ 2,087,478.76	\$ 2,087,478.76		\$ 2,087,478.76	\$ 247,288.01	\$ 107,466.00	\$ 27,002.00	\$ 2,469,234.77	
(3) Travel	\$ 317,112.66	\$ 2,216.50	\$ 529,085.55	\$ 529,085.55	\$ 1,546.33	\$ 530,631.88	\$ 33,009.03	\$ 5,651.00	\$ 24,118.00	\$ 593,409.91	
(4) Equipment	\$ 66,575.25		\$ 322,993.85	\$ 322,993.85	\$ 215.00	\$ 323,208.85	\$ 11,034.75	\$ 20,898.00	\$ 49,179.00	\$ 404,320.60	
(5) Food Services	\$ 9,547.63	\$ 18.08	\$ 394,199.51	\$ 394,199.51		\$ 394,199.51	\$ 96.14	\$ 2,941.00	\$ 97.00	\$ 397,333.65	
(6) Medical and Pharmacy	\$ 38,444.82	\$ 5,254.02	\$ 906,520.04	\$ 906,520.04		\$ 906,520.04	\$ 609.71	\$ 3,178.00		\$ 910,307.75	
(7) Subcontracted Services			\$ 290,958.92	\$ 290,958.92		\$ 290,958.92				\$ 290,958.92	
(8) Insurance	\$ 288,384.94	\$ 2,325.76	\$ 760,589.39	\$ 760,589.39	\$ 2,043.00	\$ 762,632.39	\$ 34,562.47	\$ 94,646.00	\$ 27,548.00	\$ 919,388.86	
(9) Interest Paid			\$ 148,655.55	\$ 148,655.55		\$ 148,655.55				\$ 148,655.55	
(10) Operating Supplies & Expenses	\$ 953,605.63	\$ 22,309.71	\$ 6,667,339.85	\$ 6,667,339.85	\$ 11,704.00	\$ 6,679,043.85	\$ 64,205.61	\$ (2,090,464.00)	\$ 2,980,973.00	\$ 7,633,758.46	
(11) Other-Bad Debt			\$ 16,414,607.30	\$ 16,414,607.30		\$ 16,414,607.30	\$ 130,530.24			\$ 16,545,137.54	
(12) Donated Items			\$ -	\$ -		\$ -				\$ -	
TOTAL OTHER EXPENSES =	\$ 2,508,287.49	\$ 32,124.07	\$ 30,196,670.37	\$ 30,196,670.37	\$ 15,508.33	\$ 30,212,178.70	\$ 557,806.57	\$ (1,705,689.00)	\$ 3,136,272.00	\$ 32,200,568.27	
TOT. PERSONNEL & OTH. EXP. =	\$ 8,019,611.06	\$ 96,212.47	\$ 49,544,110.17	\$ 49,544,110.17	\$ 62,252.33	\$ 49,606,362.50	\$ 2,917,888.90	\$ 1,099.00	\$ 3,205,772.00	\$ 55,731,122.40	
IIIC. DISTRIBUTED INDIRECT COSTS											
(a) Other Support Costs (Optional)			\$ -	\$ -		\$ -		\$ (1,099.00)		\$ (1,099.00)	
(b) Administration	\$ 839,906.47	\$ 9,178.93	\$ 2,911,810.12	\$ 2,911,810.12		\$ 2,911,810.12	\$ 246,210.88		\$ (3,205,772.00)	\$ (47,751.00)	
TOT. DISTR'D INDIRECT COSTS =	\$ 839,906.47	\$ 9,178.93	\$ 2,911,810.12	\$ 2,911,810.12	\$ -	\$ 2,911,810.12	\$ 246,210.88			\$ -	
TOTAL ACTUAL OPER. EXPENSES =	\$ 8,859,517.53	\$ 105,391.40	\$ 52,455,920.29	\$ 52,455,920.29	\$ 62,252.33	\$ 52,518,172.62	\$ 3,164,099.78	\$ 0.00	\$ 0.00	\$ 55,682,272.40	
IIID. UNALLOWABLE COSTS											
	\$ 5,928.09		\$ 16,431,917.25	\$ 16,431,917.25		\$ 16,431,917.25	\$ 3,164,099.78			\$ 19,596,017.03	
TOT. ALLOWABLE OPER. EXP. =	\$ 8,853,589.44	\$ 105,391.40	\$ 36,024,003.04	\$ 36,024,003.04	\$ 62,252.33	\$ 36,086,255.37	\$ -			\$ 36,086,255.37	
IIIE. CAPITAL EXPENDITURES											
			\$ -	\$ -		\$ -				\$ -	



AUDIT SCHEDULE
Mental Health Resource Center, Inc.
Schedule of State Earnings for
Fiscal year 06/30/2023

1	Total Expenditures	\$	55,682,272
2	Less Other State and Federal Funds	\$	(11,866,080)
3	Less Non-Match SAMH Funds	\$	(6,838,370)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$	(19,596,016)
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$	17,381,806
6	Maximum Available Earnings (see note below)	\$	13,036,355
7	Amount of State Funds Requiring Match	\$	11,388,360
8	Amount Due to Department (Subtract line 7 from line 6)	\$	1,647,995

*Note: ((Total Allowable Expenditures - Allowable Costs from CRS Grant Funded Departments) * .75) + (Allowable Costs from CRS Grant Funded Departments * 0.66)*

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of Revenues
For the Year Ended June 30, 2023

State and Federal Grants:	
LSF - Adult Mental Health Services	\$ 8,626,568
LSF - Children's Mental Health Services	724,489
LSF - Comprehensive Services Center - MHSRC	2,719,456
LSF -Hurricane Ian	8,763
LSF -COPS	22,521
LSF - Path Grant	204,618
LSF -MHDRF	2,571
LSF - MHTRV	82,085
LSF - FACT - MHO73	2,145,622
LSF - MHMDT	94,334
LSF - Team Based Model	91,760
CFBHN - FACT Program	1,360,929
CFBHN - FACT Incidental Expenditures	600,238
CFBHN - MHDRF	120,771
SAMH - IDP Line of Credit	381,169
CFCHS - FACT Program	1,627,134
SAMHSA Grant	1,789,534
LSF - SCA	11,293
HUD	263,088
Total State and Federal Grants	<u>20,876,943</u>
Other government funding:	
Low Income Pool (Agency for Healthcare Administration)	4,288,155
Fourth Judicial Courts of Florida	79,736
City of Jacksonville (Professional Contract and PSG)	929,243
Total other government funding	<u>5,297,134</u>
All other funding and revenues:	
Medicaid	5,037,956
Medicare	313,515
First and third-party fees	26,818,881
Contributions	14,248
Other	1,454,769
Total other funding and revenues	<u>33,639,369</u>
Total all funding and revenues	<u><u>\$ 59,813,446</u></u>

The accompanying notes are an integral part of this statement.

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of the Source and Status of Funds
Received from the City of Jacksonville, Florida
For the year ended June 30, 2023

City of Jacksonville Public Service Contract (Baker Act)

Contract Number: 71286-21

Contract Period: 10/1/2021 - 09/30/2022

Award Amount: \$1,217,694

	<u>Budgeted</u>	Actual 10/1/2021 <u>6/30/2022</u>	Actual 7/1/2022 <u>9/30/2022</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 1,217,694	\$ 809,255	\$ 408,439	\$ -
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 1,080,239	\$ 815,882	\$ 264,357	\$ -
Food services	7,085	6,318	767	-
Travel and transportation	18,000	4,540	13,460	-
Administrative overhead	112,370	84,625	27,745	-
Total	\$ 1,217,694	\$ 911,365	\$ 306,329	\$ -

City of Jacksonville Public Service Contract (Outpatient)

Contract Number: 71286-21

Contract Period: 10/1/2021 - 09/30/2022

Award Amount: \$299,889

	<u>Budgeted</u>	Actual 10/1/2021 <u>6/30/2022</u>	Actual 7/1/2022 <u>9/30/2022</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 299,889	\$ 131,490	\$ 168,399	\$ -
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 255,293	\$ 145,229	\$ 110,064	\$ -
Beds and respite care	18,455	15,305	3,150	-
Administrative overhead	26,141	15,320	10,821	-
Total	\$ 299,889	\$ 175,854	\$ 124,035	\$ -

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of the Source and Status of Funds
Received from the City of Jacksonville, Florida
For the year ended June 30, 2023

City of Jacksonville Public Service Contract (Outpatient)

Contract Number: # 70006-23

Contract Period: 10/1/2022 - 09/30/2023

Award Amount: \$729,922

	<u>Budgeted</u>	Actual 10/1/2022 <u>6/30/2023</u>	Actual 7/1/2023 <u>9/30/2023</u>	Remaining <u>Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 729,922	\$ 418,079	\$ -	\$ 311,843
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 645,567	\$ 441,957	\$ -	\$ 203,610
Beds and respite care	18,000	11,569	-	6,431
Administrative overhead	66,355	45,353	-	21,002
Total	<u>\$ 729,922</u>	<u>\$ 498,880</u>	<u>\$ -</u>	<u>\$ 231,042</u>



AUDIT SCHEDULE
Mental Health Resource Center, Inc.
Schedule of Bed-Day Availability Payments
For Fiscal Year Ending 06/30/2023

Program A	Covered Service B	Contracted Rate C	Total Units of Service Provided D	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, whichever is greater) I
Children's MH	Crisis Stabilization Unit (7/01/2022 - 3/31/2023)	\$431.02	8,220	3,485	4,735	\$486,212.88	\$2,041,030.56	\$0.00
Children's MH	Crisis Stabilization Unit (4/01/2023 - 6/01/2023)	\$607.14	2,730	936	1,794	\$162,636.20	\$1,089,506.66	\$0.00
Adult MH	Crisis Stabilization Unit (7/01/2022 - 3/31/2023)	\$431.02	14,796	4,973	9,823	\$3,595,410.61	\$4,233,786.81	\$0.00
Adult MH	Crisis Stabilization Unit (4/01/2023 - 6/01/2023)	\$607.14	4,914	2,013	2,901	\$1,198,470.23	\$1,761,507.42	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
					0		\$0.00	\$0.00
								Total Amount Owed to Department =
								\$0.00

Mental Health Resource Center, Inc.
Schedule of Related Party Transaction Adjustments
for the Fiscal year ended 06/30/2023

		Allocation of Related Party Transactions Adjustment														
		State-Designated Cost Centers														
	Related Party	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Medical Services	Outpatient Individual	Outreach	Residential Level IV	Incidental Expenses	Information and Referral	Intervention Group	Recovery Support (Indiv.)	Other Support Costs	Administration Costs	Total
Revenues From Grantee																
Rent		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue From Grantee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Associated with Grantee Transactions																
Personal Services	RBHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	RBHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	RBHS	154	28	10,823	266	311	304	-	-	-	-	-	-	-	-	11,886
Other	RBHS	78	-	14,078	183	862	862	1,959	-	-	-	-	-	-	500,732	518,754
Total Associated Expenses		232	28	24,901	449	1,173	1,166	1,959	-	-	-	-	-	-	500,732	530,640
Related Party Transaction Adjustment		232	28	24,901	449	1,173	1,166	1,959	-	-	-	-	-	-	500,732	530,640

RBHS - Renaissance Behavioral Health Systems, Inc.

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of Findings and Questioned Costs – Federal Programs
and State Projects
For the year ended June 30, 2023

Section I - Summary of Independent Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards and State Projects

Internal control over the major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are Not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for the major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) or Chapter 10.656? Yes No

Identification of federal major programs:

CFDA Number	Name of Federal Program or Cluster
93.958	Block Grants for Community Mental Health Services
14.267	Continuum of Care

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

Auditee qualified as low-risk auditee? Yes No

Mental Health Resource Center, Inc.
(a non-profit organization)
Schedule of Findings and Questioned Costs – Federal Programs
and State Projects
For the year ended June 30, 2023

Identification of state major programs:

<u>CSFA Number</u>	<u>Name of State Project</u>
60.163	Centralized Receiving Systems

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

Section II – Financial Statement Findings

There were no financial statement findings reported during the 2023 audit.

Section III – Federal Award and State Projects Findings and Questioned Costs

There were no federal award or state project findings or questioned costs reported during the 2023 audit.

Section IV – Other items

No management letter is required because there were no findings required to be reported in the management letter.

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or State projects.

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

To the Board of Directors
Mental Health Resource Center, Inc.
Jacksonville, Florida

We have audited 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, the financial statements of Mental Health Resource Center, Inc., which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mental Health Resource Center, Inc.’s internal control over financial reporting (internal control) as a basis for designing 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 Resource Center, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Mental Health Resource Center, Inc.’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether [Entity Name]’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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Roberta & Capry P.A.

November 22, 2023

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

To the Board of Directors
Mental Health Resource Center, Inc.
Jacksonville, Florida

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

Opinion on Each Major Federal Program

We have audited Mental Health Resource Center, Inc.’s (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of Mental Health Resource Center, Inc.’s major Federal programs and state projects for the year ended June 30, 2023. Mental Health Resource Center, Inc.’s major Federal programs and major 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 Resource Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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 Resource Center, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mental Health Resource Center, 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 Resource Center, Inc.'s federal programs.

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 Resource Center, 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 GAAS, *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 Resource Center, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Resource Center, 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 Resource Center, 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 Resource Center, 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 and State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a major Federal program and State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major Federal program and State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.

Robison & Casper P.A.

November 22, 2023