

Hanley Center Foundation, Inc.  
d/b/a Hanley Foundation

Consolidated Financial Statements  
and Supplemental Information  
For the Year Ended June 30, 2025

## Hanley Center Foundation, Inc. d/b/a Hanley Foundation

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hanley Center Foundation, Inc. d/b/a Hanley Foundation

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of Hanley Center Foundation, Inc. d/b/a Hanley Foundation, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hanley Center Foundation, Inc. d/b/a Hanley Foundation as of June 30, 2025, and the changes in their net assets and their 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 ("GAAS") 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 Hanley Center Foundation, Inc. d/b/a Hanley Foundation 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 opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 from 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 Hanley Center Foundation, Inc. d/b/a Hanley Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 Hanley Center Foundation, Inc. d/b/a Hanley Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanley Center Foundation, Inc. d/b/a Hanley Foundation'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.

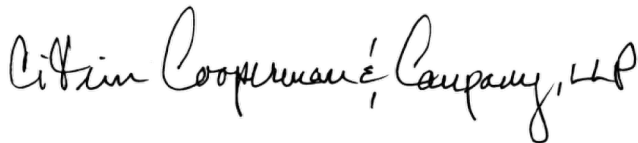
## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating supplementary information contained in the schedules on pages 19 - 20 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

The supplemental information marked “unaudited” in the table of contents, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated 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 November 24, 2025 on our consideration of Hanley Center Foundation, Inc. d/b/a Hanley Foundation'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 Hanley Center Foundation, Inc. d/b/a Hanley Foundation'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 Hanley Center Foundation, Inc. d/b/a Hanley Foundation's internal control over financial reporting and compliance.



Fort Lauderdale, Florida  
November 24, 2025

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Statement of Financial Position**  
**June 30, 2025**

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**Assets:**

Cash	\$	2,264,580
Operating investments		8,253,737
Grants and contracts receivable		690,243
Promises to give, net		2,601,706
Accounts receivable, net		1,040,894
Prepaid expenses and other assets		528,780
Investments held in perpetuity		3,542,159
Property and equipment, net		<u>24,526,645</u>

Total assets \$ 43,448,744

**Liabilities:**

Accounts payable and accrued expenses	\$	3,171,819
Line of credit		8,400,518
Deferred revenues		2,563,284
Debt		13,379,942
Interest rate swap		<u>286,088</u>

Total liabilities 27,801,651

**Net Assets:**

Without donor restrictions		1,206,054
With donor restrictions		<u>14,441,039</u>

Total net assets 15,647,093

Total liabilities and net assets \$ 43,448,744

See accompanying notes to consolidated financial statements.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support, Revenue and Gains:</b>			
Grants and contracts	\$ 7,352,738	\$ 167,049	\$ 7,519,787
Investment income, net	551,578	645,273	1,196,851
Contributions	330,662	4,026,784	4,357,446
Special event revenue, net of direct expenses of \$642,224	179,555	235,754	415,309
In-kind contributions	2,148,422	-	2,148,422
Net client service revenue	22,499,854	-	22,499,854
Rental income	694,200	-	694,200
Other revenues	255,963	-	255,963
	<u>34,012,972</u>	<u>5,074,860</u>	<u>39,087,832</u>
Total public support, revenue and gains			
Net assets released from restrictions	<u>2,809,546</u>	<u>(2,809,546)</u>	<u>-</u>
Total public support, revenue, gains and net assets released from restrictions	<u>36,822,518</u>	<u>2,265,314</u>	<u>39,087,832</u>
<b>Expenses:</b>			
Program services:			
Patient treatment	22,562,218	-	22,562,218
Prevention and education	8,683,081	-	8,683,081
Lifesaver patient aid	1,149,595	-	1,149,595
	<u>32,394,894</u>	<u>-</u>	<u>32,394,894</u>
Total program services			
Supporting services:			
General and administrative	5,472,776	-	5,472,776
Fundraising	2,409,843	-	2,409,843
	<u>7,882,619</u>	<u>-</u>	<u>7,882,619</u>
Total supporting services			
Total expenses	<u>40,277,513</u>	<u>-</u>	<u>40,277,513</u>
Change in net assets before change in fair value rate of interest swap	(3,454,995)	2,265,314	(1,189,681)
Change in fair value of interest rate swap	<u>(210,256)</u>	<u>-</u>	<u>(210,256)</u>
Change in net assets	(3,665,251)	2,265,314	(1,399,937)
<b>Net Assets, Beginning of Year</b>	<u>4,871,305</u>	<u>12,175,725</u>	<u>17,047,030</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,206,054</u>	<u>\$ 14,441,039</u>	<u>\$ 15,647,093</u>

See accompanying notes to consolidated financial statements.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2025**

	Program Services			Total Program Services	Supporting Services		Total
	Treatment	Prevention and Education	Lifesaver Patient Aid		General and Administration	Fundraising	
<b>Personnel Costs:</b>							
Salaries	\$ 13,775,018	\$ 3,241,696	\$ 362,912	\$ 17,379,626	\$ 2,017,873	\$ 1,185,897	\$ 20,583,396
Payroll taxes and fringe benefits	2,489,735	713,971	62,612	3,266,318	422,148	201,701	3,890,167
Total personnel costs	16,264,753	3,955,667	425,524	20,645,944	2,440,021	1,387,598	24,473,563
<b>Other Expenses:</b>							
Building occupancy	2,278,176	2,398,869	12,023	4,689,068	1,282,042	45,050	6,016,160
Community relations/marketing	262,058	570,683	46,530	879,271	100,543	646,947	1,626,761
Equipment	86,882	3,025	11	89,918	5,202	206	95,326
Food, catering and venue	-	138	-	138	-	272,141	272,279
Insurance	254,595	273	-	254,868	510,688	-	765,556
Operating supplies and expenses	1,199,998	156,536	164,224	1,520,758	121,146	101,124	1,743,028
Other	644,254	778,073	38,093	1,460,420	602,977	35,384	2,098,781
Professional education and travel	1,075,938	267,310	9,214	1,352,462	97,488	176,230	1,626,180
Professional services	502,889	554,402	615,471	1,672,762	315,733	213,608	2,202,103
Total other expenses	6,304,790	4,729,309	885,566	11,919,665	3,035,819	1,490,690	16,446,174
Total expenses by function	22,569,543	8,684,976	1,311,090	32,565,609	5,475,840	2,878,288	40,919,737
Less expenses included with revenues on the statement of activities:							
Special events	(7,325)	(1,895)	(161,495)	(170,715)	(3,064)	(468,445)	(642,224)
Total expenses included in the expenses section on the statement of activities	\$ 22,562,218	\$ 8,683,081	\$ 1,149,595	\$ 32,394,894	\$ 5,472,776	\$ 2,409,843	\$ 40,277,513

See accompanying notes to consolidated financial statements.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

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**Cash Flows from Operating Activities:**

Change in net assets	\$ (1,399,937)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized gain on investments	(1,017,625)
Depreciation and amortization	848,120
Amortization of loan cost	21,394
Credit losses	249
Change in fair value of interest rate swap	210,256
Contributions restricted to capital campaign	(1,407,131)
Changes in operating assets and liabilities:	
Decrease (increase) in operating assets:	
Grants and contracts receivable	1,343,088
Accounts receivable	1,311,789
Prepaid expenses and other assets	511,734
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	229,881
Deferred revenues	(114,624)
	<u>537,194</u>
Net cash provided by operating activities	<u>537,194</u>

**Cash Flows from Investing Activities:**

Proceeds from sale of investments	6,020,958
Purchases of investments	(5,056,306)
Purchases of property and equipment	(1,331,223)
	<u>(366,571)</u>
Net cash used in investing activities	<u>(366,571)</u>

**Cash Flows from Financing Activities:**

Proceeds from line of credit	1,856,064
Payments on line of credit	(1,500,000)
Principal payments on debt	(353,901)
Collections from contributions restricted to capital campaign	1,056,375
	<u>1,058,538</u>
Net cash provided by financing activities	<u>1,058,538</u>

Net increase in cash	1,229,161
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<b>Cash, Beginning of Year</b>	<u>1,035,419</u>
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<b>Cash, End of Year</b>	<u>\$ 2,264,580</u>
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See accompanying notes to consolidated financial statements.

## Note 1 - Organization and Operations

Hanley Center Foundation, Inc. d/b/a Hanley Foundation (the "Foundation") is a nonprofit corporation established in April 2005 whose mission is to eliminate addiction through prevention, advocacy, treatment, and recovery support. In addition, the Foundation provides financial aid scholarships for patients who could not otherwise afford quality addiction treatment. During 2017, the Foundation began operating under the trade name "Hanley Foundation." The Foundation's legal name was unchanged and remains "Hanley Center Foundation, Inc."

In December 2023, the Foundation acquired Origins Behavioral HealthCare, LLC ("OBH"), including the Hanley Center in West Palm Beach. The Hanley Center in West Palm Beach offers age and gender-specific addiction treatment as well as a residential program specifically for mental health treatment. The Hanley Center provides residential and outpatient treatment and specialized programs for men, women, older adults, executives, and professionals. Through this acquisition, OBH has been transitioned from a for-profit to a non-profit organization.

## Note 2 - Summary of Significant Accounting Policies

**Basis of accounting:** The accompanying consolidated financial statements of the Foundation and OBH have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**Principles of consolidation:** The consolidated financial statements include the accounts of the Foundation and OBH, wholly owned affiliate, (collectively referred to hereafter as the "Organization"). All significant intercompany balances or transactions have been eliminated in consolidation.

**Basis of presentation:** The consolidated financial statement presentation follows U.S. GAAP, which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (nor certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

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

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

**Note 2 - Summary of Significant Accounting Policies (continued)**

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

**Investments:** Investments primarily include equities, fixed income and money market funds. Investments are stated at their estimated fair value. Investment income, net is reported in the consolidated statement of activities and consist of interest and dividend income and realized and unrealized gains and losses, less external investment expenses.

**Receivables and allowance for credit losses:** Grants and contracts receivable consist principally of claims not yet reimbursed by various grantor/contract agencies. Management periodically reviews the receivable balances and provides an allowance for amounts which may be uncollectible. At June 30, 2025, management considered all of its grants and contracts receivable balances to be collectible and no allowance was recorded. Grants and contracts receivable totaled approximately \$690,000 and \$2,033,000 as of June 30, 2025 and 2024, respectively.

Accounts receivable consist mostly of amounts due for client services and are carried at amounts estimated to be realized by the Organization based on past experience. Client services are provided at rates established periodically, primarily by insurance companies, state and local funding authorities. Payments for services may differ from the amounts billed due to subsequent changes in rates, discrepancies as to eligibility dates and approved services, and other similar issues. Gross accounts receivable totaled approximately \$3,061,000 and \$5,075,000 as of June 30, 2025 and 2024, respectively.

In accordance with Accounting Standards Codification ("ASC") 326-20-30-3, the Organization elected the practical expedient for estimating expected credit losses on short-term receivables arising from exchange transactions under ASC 606. Under this expedient, the Organization assumes that current conditions at the balance sheet date remain unchanged over the remaining life of the asset, which is typically less than one year.

Additionally, the Organization elected the accounting policy to consider subsequent cash collections received as of October 31, 2025, prior to the issuance of the financial statements when estimating expected credit losses on these receivables. The allowance for credit losses is based on historical loss experience. As of June 30, 2025, the Organization recorded an allowance for credit losses of approximately \$1,947,000 on accounts receivable.

**Promises to give:** The Organization records unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value using present value techniques based on a risk-free rate of return. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization was appropriated \$3 million by the Florida State Legislature towards the capital campaign construction. As of June 30, 2025, approximately \$2.2 million remained in unspent. The Organization uses the allowance method to determine the estimated unconditional promises to give that are doubtful of collection. The allowance is based on historical experience, assessment of economic conditions, and review of subsequent collections. As of June 30, 2025, no allowance was recorded.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Property and equipment:** The Organization capitalizes all property and equipment with a cost in excess of \$5,000 and an estimated useful life of one year or more. Property and equipment are stated at cost if purchased or, if donated, at estimated fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets which are as follows:

Building and improvements	8-25 years
Furniture and fixtures	5-7 years
Automobiles	5 years
Computer equipment	3-5 years
Software	3 years

Donated property and equipment are reported, at estimated fair value, as an increase in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as an increase in net assets with donor restrictions. Without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of the donor restrictions when the donated assets are placed in service, reclassifying net assets with donor restrictions to net assets without donor restrictions at that time. The Organization received no donated property and equipment for the year ended June 30, 2025.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized.

**Compensated absences:** The Organization recognizes the costs of compensated absences when actually earned by the employees. Accordingly, a liability for such absences has been recorded in the accompanying consolidated financial statements in the accrued liabilities balance.

**Refundable advances:** Revenues received in advance (nonexchange transaction) that are not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances.

**Derivative financial instruments:** The Organization makes limited use of derivative instruments for the purpose of managing interest rate risk. The interest rate swap agreement is used to convert the Organization's variable long-term debt agreement to a fixed rate.

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

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

**Note 2 - Summary of Significant Accounting Policies (continued)**

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

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

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

**Contributed goods and services:** In-kind contributions are recorded at their estimated fair value at the date of donation, if such value is measurable. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions to be used in the operation of the Organization are recorded directly as public support.

**Functional expenses:** The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include personnel and occupancy costs, among other expenses; which are allocated on the basis of estimates of time and effort and square footage basis.

**Concentration of credit risk:** Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of receivables, cash, and investments. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state, and other agencies and the ability to obtain authorization, process and collect balances timely. Other receivables are dependent on the financial ability of the individual payee. The Organization does not require collateral or other security to support receivables. The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. The excess amount at June 30, 2025, was approximately \$1,891,000. Investments are held in brokerage accounts protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure, subject to applicable limits. The insurance does not protect against market losses on investments.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Income taxes:** The Organization is registered with the Internal Revenue Service as nonprofit corporation under Internal Revenue Code Section 501(c)(3), and as such, is only subject to federal income taxes on unrelated business income. Management has evaluated the unrelated business income tax implications and believes that the effects, if any, are immaterial to the Organization's consolidated financial statements during the year ended June 30, 2025. Accordingly, no provision has been made for income taxes in the accompanying consolidated financial statements.

**Use of estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. It is reasonably possible that these estimates will change in the near future. Accordingly, actual results could differ from those estimates.

**Date of management review:** Subsequent events were evaluated by management through November 24, 2025, which is the date the consolidated financial statements were available for issuance.

**Note 3 - Liquidity and Availability**

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

Financial assets:		
Cash	\$	2,264,580
Operating investments		8,253,737
Grants and contracts receivable		690,243
Promises to give, net		2,601,706
Accounts receivable, net		1,040,894
Investments		<u>3,542,159</u>
Financial assets, at year-end		18,393,319
Less those unavailable for general expenditures within one year, due to:		
Promises to give beyond one year, net		(1,506,322)
Contractual or donor-imposed restrictions		<u>(12,934,717)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>3,952,280</u>

The Organization's day-to-day operations are supported primarily by grants and contracts, contributions and client service revenue. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization also has access to a line of credit (Note 8).

**Note 4 - Investments**

**Fair value measurements:** In accordance with U.S. GAAP, the Organization follows a framework for measuring fair value and expanded disclosures about fair value measurements. Various inputs are used in determining the value of the Organization's investments. These inputs are summarized in three levels listed below:

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. An investment's classification within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair values of assets and liabilities held by the Organization are classified at June 30, 2025 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<u>Assets</u>			
Equities	\$ 5,736,061	\$ -	\$ 5,736,061
Money market funds	2,823,613	-	2,823,613
Fixed income	<u>3,236,222</u>	<u>-</u>	<u>3,236,222</u>
Total	<u>\$ 11,795,896</u>	<u>\$ -</u>	<u>\$ 11,795,896</u>
<u>Liabilities</u>			
Interest rate swap	<u>\$ -</u>	<u>\$ 286,088</u>	<u>\$ 286,088</u>

Investment income is composed of the following for the year ended June 30, 2025:

Net realized and unrealized investment gains	\$ 1,017,625
Interest and dividends	242,542
Advisory fees	<u>(63,316)</u>
	<u>\$ 1,196,851</u>

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025**

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**Note 5 - Promises to Give**

Promises to give are summarized, as of June 30, 2025, as follows:

Receivable in less than one year	\$	1,095,384
Receivable in one to five years		1,704,162
Receivable in five to ten years		<u>10,000</u>
Total unconditional promises at face value		2,809,546
Less: discount		<u>(207,840)</u>
Net unconditional promises	\$	<u><u>2,601,706</u></u>

**Note 6 - Property and Equipment**

At June 30, 2025, property and equipment consists of the following:

Building	\$	13,485,693
Furniture and fixtures		1,386,666
Vehicles		58,900
Software		281,699
Computer equipment		<u>101,407</u>
		15,314,365
Less: accumulated depreciation and amortization		<u>(1,616,347)</u>
		13,698,018
Land		8,942,977
Construction in progress		<u>1,885,650</u>
Property and equipment, net	\$	<u><u>24,526,645</u></u>

**Note 7 - Debt**

Debt at June 30, 2025, consists of a term loan with a financial. This loan requires monthly principal installments ranging from approximately \$29,000 to \$52,000, plus interest at the one-month SOFR rate plus 2.60% (6.92% at June 30, 2025), through December 2033, at which time the then remaining principal balance of approximately \$9,375,000 and accrued interest is due. At June 30, 2025, the amount outstanding on the loan was \$13,379,942, net of unamortized debt issuance costs of \$62,851.

Future debt principal payments, not including unamortized debt issuance costs, are approximately as follows:

Year Ending June 30,		
<u>2026</u>	\$	374,300
2027		401,100
2028		428,500
2029		459,600
2030		493,600
Thereafter		<u>11,285,700</u>
	\$	<u><u>13,442,800</u></u>

**Note 7 - Debt (continued)**

In December 2023, the Organization entered into an interest rate swap agreement with a lender in conjunction with a term loan (\$13,379,942 outstanding balance, net of unamortized costs, as of June 30, 2025, that expires in December 2033). This agreement effectively converts the variable debt rate to fixed debt rate to the extent of the notional amount. For the outstanding notional amount of \$13,471,837 as of June 30, 2025, the fixed rate being paid to the bank is 6.98%, while the payment received from the bank is based on the one-month SOFR rate plus 2.60%. The interest differential is reflected as an adjustment to interest expense as incurred.

The net fair value benefit (obligation) of the interest rate swap agreement is based on quotes obtained from the lender, which was quoted at \$(286,088) as of June 30, 2025 and is presented as interest rate swap in the accompanying consolidated statement of financial position.

The note payable requires adherence to a number of restrictive covenants. Among other provisions, the agreement requires the Organization to maintain a fixed charge coverage ratio of greater than 1.25 to 1.00 on a trailing twelve-month basis. As of June 30, 2025, the Organization was compliant with its financial covenants on a normalized P&L basis (excluding the impact of one-time expenses such as severance). However, on a direct P&L basis, the business was non-compliant with these covenants due to the impact of one-time restructuring related charges. The noncompliance has no impact on the current status of the note.

**Note 8 - Line of Credit**

At June 30, 2025, the Organization had available two lines of credit with banks for acquisition and working capital needs. The first line of credit has availability up to \$7,500,000, bears interest at a rate of 5.25% and has no maturity. At June 30, 2025, the outstanding balance on the line of credit was approximately \$7,411,000. The second line of credit has availability up to \$2,000,000, bears interest at the bank prime rate (7.50% at June 30, 2025) and matures December 2025. At June 30, 2025, the outstanding balance on the line of credit was approximately \$989,000, net of amortized loan costs of \$10,648.

**Note 9 - Donor Designated Endowments**

The Organization follows the State of Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") and its own governing documents. FUPMIFA allows the governing board to determine the amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the board of directors has adopted a policy to allocate a portion of investment earnings equal to CPI on an annualized basis to the principal amount of each permanently restricted endowment.

The board of directors has determined that a significant portion of the Organization's contributions are subject to the terms of its governing documents. Certain contributions received are subject to other gift instruments or are subject to specific agreements with the Organization. Under the terms of the Organization's governing documents, the board of directors has the ability to distribute as much of the original principal of any trust or separate gift, devise, bequest or fund as the board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as with donor restrictions are classified as without donor restrictions net assets for financial statement purposes.

**Note 9 - Donor Designated Endowments (continued)**

The Organization has adopted investment and spending policies, approved by the board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on high quality bonds, short-term securities and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

Changes in endowment net assets, with donor restrictions, for the year ended June 30, 2025, are as follows:

Endowment net assets, beginning of year	\$	3,451,275
Net investment income		<u>90,884</u>
Endowment net assets, end of year	\$	<u><u>3,542,159</u></u>

**Note 10 - Net Assets with Donor Restrictions**

As of June 30, 2025, the Foundation's net assets with donor restrictions are classified as follows:

Subject to expenditure for specified purpose:		
Patient aid	\$	1,124,361
Hanley family		1,140,000
New headquarters (capital campaign)		5,133,652
Prevention and childrens' program		104,561
Education center		28,332
Recovery high school		492,906
Other		<u>273,362</u>
		<u>8,297,174</u>
Maintained in perpetuity:		
Patient aid		1,517,361
Education center		922,689
Other		617,823
Youth treatment		<u>484,286</u>
		<u>3,542,159</u>
Time-restricted for future periods *		<u>2,601,706</u>
Total net assets with donor restrictions	\$	<u><u>14,441,039</u></u>

\* Represents promises to give, net

**Note 11 - Grant and Contract Revenue**

Funding agreements for services to be provided are principally entered into from one to multi-year contracts. The release of funds is subject to monies being made available by the federal/state government, and other grantor agencies. Certain agreements may be terminated by either party upon written notice. However, such an event would be unlikely if contract performance continues to be satisfactory and grantors' annual budgets are authorized by each respective governing body.

The grant and contract revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies becomes a liability of the Foundation.

Certain funding arrangements require the Foundation to provide additional services on a specified matching basis.

Matching requirements fulfilled for the year ended June 30, 2025, are as follows:

<u>Grantor</u>	<u>Contract Number</u>	<u>Matching Requirement</u>
Central Florida Behavioral Health Network, Inc.	QB087-19	\$ 708,805
Southeast Florida Behavioral Health Network, Inc.	PDC19	37,500
Department of Children and Families	LH840, LH841	506,937
LSF Health Systems, LLC	ME040	187,500
United Way of Broward County	65101, 65102, 65103	<u>75,000</u>
	Total	<u>\$ 1,515,742</u>

**Note 12 - Contributed Goods and Services**

In connection with the Organization's Substance Abuse Prevention Program, the Organization received the use of classrooms, seminar and event space with an estimated fair value of approximately \$2,148,000 for the year ended June 30, 2025. The fair value of donated facilities is determined based on the amount of rent charged for comparative facilities in the area. The use of classrooms and seminar space is included in program expenses for the Substance Abuse Prevention. In connection with the Organization's special events, the Organization received contributed auction items with an estimated fair value, based on current rates for similar goods, of approximately \$158,000 for the year ended June 30, 2025.

**Note 13 - Contingencies**

The Foundation can be subject to claims and litigations arising in the normal course of operations. Should any claims occur, the Organization believes that the outcome would most likely be covered by insurance and would not be material to its financial position.

**Note 14 - Employee Benefit Plan**

The Organization offers a 401(k) "Safe Harbor" retirement plan covering employees who elect to participate. Contributions are based upon the amount of compensation each participant elects to defer yearly and is subject to certain guidelines, which are defined in the plan document and by Internal Revenue Service regulations. The Organization provides a match of 100% of the employee's contributions not in excess of 5%. The total 401(k) plan expense to the Organization for the year ended June 30, 2025, amounted to approximately \$598,000.

**Note 15 - Related-Party Transactions**

During the year ended June 30, 2025, the Organization received approximately \$8,500 in new promises to give from various board members and employees. At June 30, 2025, outstanding promises to give from related parties total approximately \$480,400 or approximately 17% of the Organization's total promises to give balance (face value). Organization board members contributed approximately \$159,100 for the year ended June 30, 2025.

**Note 16 - Concentrations in Operations**

The Organization receives a substantial amount of its support from the federal/state government and other grants. If a significant reduction in the level of funding were to occur, there would be an adverse effect on the Foundation's programs and activities.

**Note 17 - Supplemental Cash Flow Information**

Supplemental disclosure of cash flow Information:

Cash paid during the year for:	
Interest	\$ <u>1,530,399</u>

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidating Schedule of Financial Position**  
**June 30, 2025**

	<u>Hanley Foundation</u>	<u>Origins Behavioral HealthCare, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets:</b>				
Cash	\$ 1,670,881	\$ 593,699	\$ -	\$ 2,264,580
Operating investments	8,253,737	-	-	8,253,737
Grants and contracts receivable	690,243	-	-	690,243
Promises to give, net	2,601,706	-	-	2,601,706
Accounts receivable, net	4,622	1,036,272	-	1,040,894
Due from affiliate	-	3,414,200	(3,414,200)	-
Prepaid expenses and other assets	110,428	418,352	-	528,780
Investment in affiliate	24,365,282	-	(24,365,282)	-
Investments held in perpetuity	3,542,159	-	-	3,542,159
Property and equipment, net	1,297,046	23,229,599	-	24,526,645
Total assets	<u>\$ 42,536,104</u>	<u>\$ 28,692,122</u>	<u>\$ (27,779,482)</u>	<u>\$ 43,448,744</u>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 1,267,231	\$ 1,904,588	\$ -	\$ 3,171,819
Line of credit	8,400,518	-	-	8,400,518
Deferred revenues and	141,032	2,422,252	-	2,563,284
Due to affiliate	3,414,200	-	(3,414,200)	-
Debt	13,379,942	-	-	13,379,942
Interest rate swap	286,088	-	-	286,088
Total liabilities	<u>26,889,011</u>	<u>4,326,840</u>	<u>(3,414,200)</u>	<u>27,801,651</u>
<b>Net Assets:</b>				
Without donor restrictions	1,206,054	24,365,282	(24,365,282)	1,206,054
With donor restrictions	14,441,039	-	-	14,441,039
Total net assets	<u>15,647,093</u>	<u>24,365,282</u>	<u>(24,365,282)</u>	<u>15,647,093</u>
Total liabilities and net assets	<u>\$ 42,536,104</u>	<u>\$ 28,692,122</u>	<u>\$ (27,779,482)</u>	<u>\$ 43,448,744</u>

See independent auditor's report.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidating Schedule of Statements of Activities**  
**For the Year Ended June 30, 2025**

	<u>Hanley Foundation</u>	<u>Origins Behavioral HealthCare, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>Changes in Net Assets Without Donor Restrictions:</b>				
Public support, revenue, and gains:				
Grants and contracts	\$ 7,030,191	\$ 322,547	\$ -	\$ 7,352,738
Investment income, net	551,578	-	-	551,578
Contributions	270,534	60,128	-	330,662
Special event revenue, net of direct expenses of \$642,224	179,555	-	-	179,555
In-kind contributions	3,493,182	1,347,400	(2,692,160)	2,148,422
Net client service revenue	27,901	22,708,859	(236,906)	22,499,854
Rental income	-	694,200	-	694,200
Other revenues	113,095	142,868	-	255,963
Satisfaction of program restrictions, net	<u>2,809,546</u>	<u>-</u>	<u>-</u>	<u>2,809,546</u>
Total public support, revenue and gains	<u>14,475,582</u>	<u>25,276,002</u>	<u>(2,929,066)</u>	<u>36,822,518</u>
<b>Expenses:</b>				
Program services:				
Patient treatment	1,488,851	22,656,353	(1,582,986)	22,562,218
Prevention and education	9,487,060	542,101	(1,346,080)	8,683,081
Lifesaver patient aid	<u>1,128,600</u>	<u>20,995</u>	<u>-</u>	<u>1,149,595</u>
Total program services	<u>12,104,511</u>	<u>23,219,449</u>	<u>(2,929,066)</u>	<u>32,394,894</u>
Supporting services:				
General and administrative	3,252,515	2,220,261	-	5,472,776
Fundraising	<u>565,146</u>	<u>1,844,697</u>	<u>-</u>	<u>2,409,843</u>
Total supporting services	<u>3,817,661</u>	<u>4,064,958</u>	<u>-</u>	<u>7,882,619</u>
Total expenses	<u>15,922,172</u>	<u>27,284,407</u>	<u>(2,929,066)</u>	<u>40,277,513</u>
Change in net assets without donor restrictions	<u>(1,446,590)</u>	<u>(2,008,405)</u>	<u>-</u>	<u>(3,454,995)</u>
<b>Changes in Net Assets With Donor Restrictions:</b>				
Grants and contracts	167,049	-	-	167,049
Investment income, net	645,273	-	-	645,273
Contributions	4,026,784	-	-	4,026,784
Special event revenue, net	235,754	-	-	235,754
Net assets released from restriction	<u>(2,809,546)</u>	<u>-</u>	<u>-</u>	<u>(2,809,546)</u>
Change in net assets with donor restrictions	<u>2,265,314</u>	<u>-</u>	<u>-</u>	<u>2,265,314</u>
Change in net assets before other items	<u>818,724</u>	<u>(2,008,405)</u>	<u>-</u>	<u>(1,189,681)</u>
<b>Other Items:</b>				
Change in fair value of interest rate swap	(210,256)	-	-	(210,256)
Net assets in earnings from affiliate	<u>(2,008,405)</u>	<u>-</u>	<u>2,008,405</u>	<u>-</u>
Total other items	<u>(2,218,661)</u>	<u>-</u>	<u>2,008,405</u>	<u>(210,256)</u>
Change in net assets	(1,399,937)	(2,008,405)	2,008,405	(1,399,937)
<b>Net Assets, Beginning of Year</b>	<u>17,047,030</u>	<u>26,373,687</u>	<u>(26,373,687)</u>	<u>17,047,030</u>
<b>Net Assets, End of Year</b>	<u>\$ 15,647,093</u>	<u>\$ 24,365,282</u>	<u>\$ (24,365,282)</u>	<u>\$ 15,647,093</u>

See independent auditor's report.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Schedule of Program/Covered Service Actual Expenses and Revenues (Unaudited)**  
**For the Year Ended June 30, 2025**

Provider Name:	Hanley Center Foundation, Inc.
Audit Period:	7/1/2024 - 6/30/2025


**AUDIT SCHEDULE**  
**ACTUAL EXPENSES AND REVENUES SCHEDULE**



STATE-FUNDED												
FUNDING SOURCES & REVENUES A	Mental Health		Substance Abuse				Substance Abuse Total C	Total for State SAMH-Funded Covered Services or Projects (B+C) D	Total for Non-State-Funded Covered Services or Projects E	Total for All Covered Services or Projects (D+E) F	Non-SAMH Covered Services or Projects G	Total Funding (F+G) H
	Network Eval. & Dvt/pmt. B1	Mental Health Total B	Prevention - Indicated 48	Prevention - Selective 48	Prevention - Universal Direct 50	Prevention - Universal Indirect 51						
<b>IA. STATE SAMH FUNDING</b>												
Current Year Funding												
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State										
MS025	MED40	F	\$ -		\$ 84,540.00	\$ 168,690.38	\$ 253,230.38	\$ 253,230.38		\$ 253,230.38		\$ 253,230.38
MSOPP	MED40	F	\$ -		\$ 250,965.00	\$ 499,035.00	\$ 750,000.00	\$ 750,000.00		\$ 750,000.00		\$ 750,000.00
MSSP6	MED40	F	\$ -		\$ 8,040.00	\$ 48,091.17	\$ 56,131.17	\$ 56,131.17		\$ 56,131.17		\$ 56,131.17
MSSP7	MED40	F	\$ -		\$ 55,020.00	\$ 210,179.00	\$ 265,199.00	\$ 265,199.00		\$ 265,199.00		\$ 265,199.00
<b>Total Current Year Funding</b>			\$ -	\$ -	\$ 398,565.00	\$ 925,995.55	\$ 1,324,560.55	\$ 1,324,560.55		\$ 1,324,560.55		\$ 1,324,560.55
Carry Forward Funding												
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State										
<b>Total Carry Forward Funding</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
<b>TOTAL STATE SAMH FUNDING =</b>			\$ -	\$ -	\$ 398,565.00	\$ 925,995.55	\$ 1,324,560.55	\$ 1,324,560.55		\$ 1,324,560.55		\$ 1,324,560.55
<b>IB. OTHER GOVERNMENT FUNDING</b>												
(1) Other State Agency Funding			\$ 56,389.00	\$ 56,389.00	\$ 37,146.00	\$ 116,169.00	\$ 3,285,280.08	\$ 486,182.75	\$ 3,924,777.83	\$ 3,981,166.83		\$ 3,981,166.83
(2) Medicaid			\$ -					\$ -	\$ -	\$ -		\$ -
(3) Local Government			\$ -		\$ 63,793.00			\$ 63,793.00	\$ 63,793.00	\$ 63,793.00		\$ 63,793.00
(4) Federal Grants and Contracts			\$ -					\$ -	\$ -	\$ -		\$ -
(5) In-kind from local govt. only			\$ -					\$ -	\$ -	\$ -		\$ -
<b>TOTAL OTHER GOVERNMENT FUNDING =</b>			\$ 56,389.00	\$ 56,389.00	\$ 37,146.00	\$ 116,169.00	\$ 3,349,073.08	\$ 486,182.75	\$ 3,988,570.83	\$ 4,044,959.83	\$ -	\$ 4,044,959.83
<b>IC. ALL OTHER REVENUES</b>												
(1) 1st & 2nd Party Payments			\$ -					\$ -	\$ -	\$ -		\$ -
(2) 3rd Party Payments (except Medicare)			\$ -					\$ -	\$ -	\$ -		\$ -
(3) Medicare			\$ -					\$ -	\$ -	\$ -		\$ -
(4) Contributions and Donations			\$ -					\$ -	\$ -	\$ -	\$ 3,327,087.40	\$ 3,327,087.40
(5) Other			\$ -					\$ -	\$ -	\$ -	\$ 1,600,654.62	\$ 1,600,654.62
(6) In-kind			\$ -	\$ 40,624.52	\$ 121,873.56	\$ 3,899,953.80		\$ 4,062,451.88	\$ 4,062,451.88	\$ 4,062,451.88		\$ 4,062,451.88
<b>TOTAL ALL OTHER REVENUES =</b>			\$ -	\$ 40,624.52	\$ 121,873.56	\$ 3,899,953.80	\$ -	\$ 4,062,451.88	\$ 4,062,451.88	\$ 4,062,451.88	\$ 4,927,742.02	\$ 8,990,193.90
<b>TOTAL FUNDING =</b>			\$ 56,389.00	\$ 56,389.00	\$ 77,770.52	\$ 238,042.56	\$ 7,647,591.88	\$ 1,412,178.30	\$ 9,375,583.26	\$ 9,431,972.26	\$ -	\$ 9,431,972.26

See independent auditor's report.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Schedule of Program/Covered Service Actual Expenses and Revenues (Unaudited)**  
**For the Year Ended June 30, 2025**

Provider Name: Hanley Center Foundation, Inc.															
Audit Period: 7/1/2024 - 6/30/2025															
AUDIT SCHEDULE															
ACTUAL EXPENSES AND REVENUES SCHEDULE															
															
SAMH COVERED SERVICES															
EXPENSE CATEGORIES A	Mental Health		Substance Abuse					Substance Abuse Total C	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 Expense (F+G+H+I) J
	Network Eval. & Dvlpmt. B1	Mental Health Total B	Prevention - Indicated 48	Prevention - Selective 49	Prevention - Universal Direct 50	Prevention - Universal Indirect 51									
<b>IA. PERSONNEL EXPENSES</b>															
(1) Salaries	\$ 30,714.17	\$ 30,714.17	\$ 20,232.82	\$ 63,275.36	\$ 2,041,277.22	\$ 769,190.44	\$ 2,893,975.84	\$ 2,924,690.01		\$ 2,924,690.01	\$ 2,605,210.86				\$ 5,529,900.87
(2) Fringe Benefits	\$ 6,475.32	\$ 6,475.32	\$ 4,265.59	\$ 13,340.04	\$ 430,352.71	\$ 162,154.74	\$ 610,123.08	\$ 616,598.40		\$ 616,598.40	\$ 525,250.48				\$ 1,141,848.88
<b>TOTAL PERSONNEL EXPENSES =</b>	\$ 37,189.49	\$ 37,189.49	\$ 24,498.41	\$ 76,615.40	\$ 2,471,629.93	\$ 931,355.18	\$ 3,504,098.92	\$ 3,541,288.41	\$ -	\$ 3,541,288.41	\$ 3,130,461.34	\$ -	\$ -	\$ -	\$ 6,671,749.75
<b>IB. OTHER EXPENSES</b>															
(1) Building Occupancy	\$ 1,420.93	\$ 1,420.93	\$ 936.03	\$ 2,927.31	\$ 94,435.74	\$ 35,585.11	\$ 133,884.19	\$ 135,305.12		\$ 135,305.12	\$ 130,422.74				\$ 265,727.86
(2) Professional Services	\$ 5,766.54	\$ 5,766.54	\$ 3,798.68	\$ 11,879.86	\$ 383,246.83	\$ 144,414.39	\$ 543,339.76	\$ 549,106.30		\$ 549,106.30	\$ 483,052.84				\$ 1,032,159.14
(3) Travel	\$ 1,367.16	\$ 1,367.16	\$ 900.61	\$ 2,816.53	\$ 90,861.78	\$ 34,238.37	\$ 128,817.29	\$ 130,184.45		\$ 130,184.45	\$ 110,897.54				\$ 241,081.99
(4) Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				\$ -
(5) Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				\$ -
(6) Patient Scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 606,907.67				\$ 606,907.67
(7) Subcontracted Services	\$ 2,703.68	\$ 2,703.68	\$ 1,781.04	\$ 5,569.95	\$ 179,687.97	\$ 67,709.70	\$ 254,748.66	\$ 257,452.34		\$ 257,452.34	\$ 219,311.27				\$ 476,763.61
(8) Insurance	\$ 367.93	\$ 367.93	\$ 242.38	\$ 757.98	\$ 24,452.60	\$ 9,214.23	\$ 34,667.19	\$ 35,035.12		\$ 35,035.12	\$ 29,844.84				\$ 64,879.96
(9) Training	\$ 290.83	\$ 290.83	\$ 191.58	\$ 599.15	\$ 19,328.60	\$ 7,283.37	\$ 27,402.70	\$ 27,693.53		\$ 27,693.53	\$ 23,590.77				\$ 51,284.30
(10) Operating Supplies & Expenses	\$ 1,829.14	\$ 1,829.14	\$ 1,204.94	\$ 3,768.29	\$ 121,565.76	\$ 45,808.19	\$ 172,347.18	\$ 174,176.32		\$ 174,176.32	\$ 148,500.76				\$ 322,677.08
(11) Other-Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				\$ -
(12) Donated Items	\$ -	\$ -	\$ 40,624.52	\$ 121,873.56	\$ 3,899,953.80	\$ 4,062,451.88	\$ 4,062,451.88	\$ 4,062,451.88		\$ 4,062,451.88	\$ -				\$ 4,062,451.88
<b>TOTAL OTHER EXPENSES =</b>	\$ 13,746.21	\$ 13,746.21	\$ 49,679.78	\$ 150,192.63	\$ 4,813,533.08	\$ 344,253.36	\$ 5,357,658.85	\$ 5,371,405.06	\$ -	\$ 5,371,405.06	\$ 1,752,528.43	\$ -	\$ -	\$ -	\$ 7,123,933.49
<b>TOT. PERSONNEL &amp; OTH. EXP. =</b>	\$ 50,935.70	\$ 50,935.70	\$ 74,178.19	\$ 226,808.03	\$ 7,285,163.01	\$ 1,275,608.54	\$ 8,861,757.77	\$ 8,912,693.47	\$ -	\$ 8,912,693.47	\$ 4,882,989.77	\$ -	\$ -	\$ -	\$ 13,795,683.24
<b>IC. DISTRIBUTED INDIRECT COSTS</b>															
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				\$ -
(b) Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -			\$ -	\$ -
<b>TOT. DISTRD INDIRECT COSTS =</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ACTUAL OPER. EXPENSES =</b>	\$ 50,935.70	\$ 50,935.70	\$ 74,178.19	\$ 226,808.03	\$ 7,285,163.01	\$ 1,275,608.54	\$ 8,861,757.77	\$ 8,912,693.47	\$ -	\$ 8,912,693.47	\$ 4,882,989.77	\$ 0.00	\$ 0.00	\$ -	\$ 13,795,683.24
<b>ID. UNALLOWABLE COSTS</b>															
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 30,458.48	XXXXXXXXXXXX	XXXXXXXXXXXX		\$ 30,458.48
<b>TOT. ALLOWABLE OPER. EXP. =</b>	\$ 50,935.70	\$ 50,935.70	\$ 74,178.19	\$ 226,808.03	\$ 7,285,163.01	\$ 1,275,608.54	\$ 8,861,757.77	\$ 8,912,693.47	\$ -	\$ 8,912,693.47	\$ 4,852,531.31	XXXXXXXXXXXX	XXXXXXXXXXXX		\$ 13,765,224.78
<b>IE. CAPITAL EXPENDITURES</b>															
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				\$ -

See independent auditor's report.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Schedule of State Earnings (Unaudited)**  
**For the Year Ended June 30, 2025**

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<b>Total Expenditures</b>	\$ 15,922,172
Less: other state and federal funds	(4,044,960)
Less: nonmatch SAMH funds	-
Less: unallowable costs per 65E-14, F.A.C.	<u>(30,458)</u>
<b>Total Allowable Expenditures</b>	\$ <u>11,846,754</u>
<b>Maximum Available Earnings</b>	\$ <u>8,885,066</u>
<b>Amount of State Funds Requiring Match</b>	\$ <u>1,515,742</u>
<b>Amount Due to Department*</b>	\$ <u>7,369,324</u>

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

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation**  
**Consolidated Schedule of Related-Party Transaction Adjustments (Unaudited)**  
**For the Year Ended June 30, 2025**

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Hanley Center Foundation, Inc. d/b/a Hanley Foundation did not have any related-party transaction adjustments for the year ended June 30, 2025.

See independent auditor's report.

**Hanley Center Foundation, Inc. d/b/a Hanley Foundation  
Consolidated Schedule of Bed-Day Availability Payments (Unaudited)  
For the Year Ended June 30, 2025**

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Hanley Center Foundation, Inc. d/b/a Hanley Foundation did not have any bed-day payments for the year ended June 30, 2025.

See independent auditor's report.

**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  
Hanley Center Foundation, Inc. d/b/a Hanley Foundation

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 consolidated financial statements of Hanley Center Foundation, Inc. d/b/a Hanley Foundation (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 24, 2025.

**Report on Internal Control over Financial Reporting**

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

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

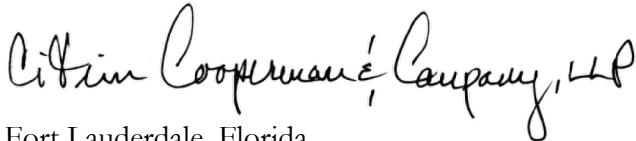
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the Organization's consolidated 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 consolidated 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.



Fort Lauderdale, Florida  
November 24, 2025