

Mental Health Resource Center, Inc.

(a non-profit organization)

Jacksonville, Florida

Financial Statements and Supplemental Information

June 30, 2025 and 2024

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, 2025 and 2024, 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, 2025 and 2024, 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 financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mental Health 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 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 on page 22 to 31 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 December 15, 2025, 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.

Rubata & Capry P.A.

December 15, 2025

Mental Health Resource Center, Inc.
(a non-profit organization)
Statements of Financial Position
June 30, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,234,199	\$ 3,786,200
Accounts receivable, net of allowance for doubtful accounts of \$6,694,181 and \$6,776,554	4,367,863	3,751,404
Grants receivable	2,748,974	6,385,443
Prepaid expenses and other current assets	296,262	229,703
Due from related organizations	386,973	318,874
Property and equipment, net of accumulated depreciation of \$10,809,247 and \$10,068,748	6,721,543	6,729,184
Right-of-use lease assets - operating leases, net	978,226	683,094
Deposits	<u>25,005</u>	<u>25,005</u>
Total assets	<u>\$ 23,759,045</u>	<u>\$ 21,908,907</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 302,552	\$ 325,838
Accrued expenses	1,536,938	1,335,834
Due to related organizations	556,921	509,528
Notes payable	3,029,405	3,257,168
Operating lease obligations	<u>985,100</u>	<u>690,720</u>
Total liabilities	6,410,916	6,119,088
Net assets without donor restrictions	<u>17,348,129</u>	<u>15,789,819</u>
Total liabilities and net assets	<u>\$ 23,759,045</u>	<u>\$ 21,908,907</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Changes in net assets without donor restrictions:		
Public support and revenue		
Public support:		
Federal and state grants	\$ 28,015,254	\$ 28,186,796
City of Jacksonville	268,057	518,735
Contributions	<u>27,519</u>	<u>23,184</u>
Total public support	<u>28,310,830</u>	<u>28,728,715</u>
Revenue:		
Client fees for services	11,759,653	11,977,287
Medicaid HMO	3,883,488	4,687,838
Other contract revenue	1,272,320	1,284,922
Miscellaneous revenue	<u>673,867</u>	<u>532,000</u>
Total revenue	<u>17,589,328</u>	<u>18,482,047</u>
Total public support and revenue	45,900,158	47,210,762
Expenses		
Program services	38,818,043	39,936,145
Management and general	<u>5,523,805</u>	<u>5,411,955</u>
Total expenses	<u>44,341,848</u>	<u>45,348,100</u>
Change in net assets without donor restrictions	1,558,310	1,862,662
Net assets without donor restrictions - beginning of year	<u>15,789,819</u>	<u>13,927,157</u>
Net assets without donor restrictions - end of year	<u>\$ 17,348,129</u>	<u>\$ 15,789,819</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, 2025

	Program Services	Management and General	Total
Salaries	\$ 20,105,446	\$ 52,296	\$ 20,157,742
Payroll taxes	1,481,800	3,811	1,485,611
Fringe benefits	3,756,849	13,911	3,770,760
Total salaries and related expenses	25,344,095	70,018	25,414,113
Management fees	-	5,296,391	5,296,391
Professional services	2,593,103	25,000	2,618,103
Operating supplies and expenses	2,422,386	24,235	2,446,621
Provision for doubtful accounts	2,259,733	-	2,259,733
Building occupancy	1,926,909	8,240	1,935,149
Insurance	1,118,641	37,801	1,156,442
Medical and pharmacy	974,488	-	974,488
Travel	738,222	15,429	753,651
Food services	392,505	-	392,505
Equipment costs	368,626	2,199	370,825
Interest	130,481	-	130,481
Subcontractor services	87,726	-	87,726
Miscellaneous	461,128	44,492	505,620
Total expenses	\$ 38,818,043	\$ 5,523,805	\$ 44,341,848

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, 2024

	Program Services	Management and General	Total
Salaries	\$ 20,366,179	\$ 51,034	\$ 20,417,213
Payroll taxes	1,504,534	4,395	1,508,929
Fringe benefits	3,475,811	13,451	3,489,262
Total salaries and related expenses	25,346,524	68,880	25,415,404
Management fees	-	5,142,022	5,142,022
Provision for doubtful accounts	3,139,944	-	3,139,944
Professional services	2,723,551	37,378	2,760,929
Operating supplies and expenses	2,546,539	44,429	2,590,968
Building occupancy	1,932,243	5,842	1,938,085
Insurance	1,080,982	44,201	1,125,183
Medical and pharmacy	1,020,645	-	1,020,645
Travel	688,127	12,199	700,326
Equipment costs	437,916	2,878	440,794
Food services	406,327	-	406,327
Subcontractor services	193,185	-	193,185
Interest	140,133	-	140,133
Miscellaneous	280,029	54,126	334,155
Total expenses	\$ 39,936,145	\$ 5,411,955	\$ 45,348,100

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets without donor restrictions	\$ 1,558,310	\$ 1,862,662
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	740,498	754,931
Noncash portion of lease expense from operating leases	498,420	524,428
Change in allowance for doubtful accounts	(82,373)	(17,946,955)
Change in accounts receivable	(534,086)	18,358,340
Change in grants receivable	3,636,469	(4,065,908)
Change in prepaid expenses and other current assets	(66,559)	(13,799)
Change in amounts due from related organizations	(68,099)	20,404
Change in accounts payable	(23,286)	41,570
Change in accrued expenses	201,104	(1,414,329)
Change in due to related organizations	47,393	(2,162)
Repayment of operating lease obligations	(499,172)	(545,196)
	<u>5,408,619</u>	<u>(2,426,014)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(612,821)	(415,879)
Increase in construction-in-progress	(120,036)	(400,846)
	<u>(732,857)</u>	<u>(816,725)</u>
Net cash used by investing activities		
Cash flows from financing activities		
Repayment of long-term debt	(227,763)	(218,138)
	<u>(227,763)</u>	<u>(218,138)</u>
Net cash used by financing activities		
Increase (decrease) in cash and cash equivalents	4,447,999	(3,460,877)
Cash and cash equivalents - beginning of year	<u>3,786,200</u>	<u>7,247,077</u>
Cash and cash equivalents - end of year	<u>\$ 8,234,199</u>	<u>\$ 3,786,200</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Supplemental disclosures of cash flows:		
Cash paid during the year for:		
Interest	<u>\$ 130,481</u>	<u>\$ 140,133</u>
Noncash investing and financing activities:		
ROU lease assets acquired by operating lease obligation	\$ (793,552)	\$ (485,202)
Operating lease obligation assumed to acquire ROU lease assets	<u>793,552</u>	<u>485,202</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, 2025 and 2024

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, 2025 and 2024

Schedule of Expenditures of Federal Awards and State Financial Assistance would be insignificant as of June 30, 2025 and 2024.

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, 2025 and 2024, the allowance for doubtful accounts was \$6,694,181 and \$6,776,554, 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 \$5,918,000 and \$5,393,000 in 2025 and 2024, respectively.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2022.

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.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2025 and 2024

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>2025</u>	<u>2024</u>
Cash	\$ 8,234,199	\$ 3,786,200
Grants receivable	2,748,974	6,385,443
Accounts receivable, net allowance for doubtful accounts	<u>4,367,863</u>	<u>3,751,404</u>
 Total financial assets as of year end	 <u>\$ 15,351,036</u>	 <u>\$ 13,923,047</u>
 Total financial assets available to meet general expenditures within the next 12 months	 <u>\$ 15,351,036</u>	 <u>\$ 13,923,047</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.

4. Property and Equipment

	Estimated Useful Life in Years	<u>2025</u>	<u>2024</u>
Land		\$ 389,329	\$ 389,329
Buildings and leasehold improvements	5 -40	14,030,354	13,020,346
Furniture, equipment and software	3-15	<u>2,991,071</u>	<u>2,987,413</u>
		17,410,754	16,397,088
Accumulated depreciation and amortization		<u>(10,809,247)</u>	<u>(10,068,748)</u>
		6,601,507	6,328,340
Construction in progress		<u>120,036</u>	<u>400,844</u>
Net property and equipment		<u>\$ 6,721,543</u>	<u>\$ 6,729,184</u>

Depreciation expense was \$740,498 and \$754,931 for the years ended June 30, 2025 and 2024, respectively.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2025 and 2024

5. Notes Payable

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

	<u>2025</u>	<u>2024</u>
<p>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.</p>		
	\$ 3,029,405	\$ 3,257,168
Current portion	<u>(237,414)</u>	<u>(227,764)</u>
	<u>\$ 2,791,991</u>	<u>\$ 3,029,404</u>

Interest expense for the year ended June 30, 2025 and 2024 was \$130,481 and \$140,133, respectively.

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

2026	\$ 237,414
2027	247,474
2028	257,686
2029	268,877
2030	280,270
Thereafter	<u>1,737,684</u>
	<u>\$ 3,029,405</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 2027. 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.

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2025 and 2024

A summary of total lease cost, by component, and other lease information for the years ended June 30, 2025 and 2024 follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 498,420	\$ 524,428
Short-term lease cost	318,955	220,757
Total lease cost	<u>\$ 817,374</u>	<u>\$ 745,185</u>

Other lease information:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating leases	\$ 499,172	\$ 545,196
Non-cash transactions		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 793,552	\$ 485,202
Weighted-average remaining lease term:		
Operating leases (years)	2.58	1.98
Weighted-average discount rate:		
Operating leases	3.42%	3.24%

A summary of future undiscounted lease payment for operating and finance leases, reconciled to the lease obligations recorded at June 30, 2025:

<u>Year</u>	<u>Operating leases</u>
2026	\$ 456,924
2027	332,044
2028	182,333
2029	62,102
Total undiscounted lease payments	<u>1,033,403</u>
Less effects of discounting	<u>(48,303)</u>
Present value of lease obligations	985,100
Less current portion	<u>(428,199)</u>
Long-term lease obligations	<u>\$ 556,900</u>

Mental Health Resource Center, Inc.
(a non-profit organization)
Notes to the Financial Statements
June 30, 2025 and 2024

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 \$454,673 and \$250,349, for the years ended June 30, 2025 and 2024, 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, 2025 and 2024 were \$5,296,391 and \$5,142,022, respectively.

Due to RBHS was \$556,921 and \$509,528 at June 30, 2025 and 2024, respectively.

The Center serves as a sponsor for two organizations. Balances due from these organizations were \$386,973 and \$318,874 at June 30, 2025 and 2024, respectively.

9. Support from the State of Florida

The Center received a substantial portion of its support in 2025 and 2024 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 \$4,645,000 and \$4,080,000 in local matching funds in order to be in compliance with the aforementioned contract provisions for the years ended June 30, 2025 and 2024, respectively. The Center exceeded its local match requirements for the years ended June 30, 2025 and 2024.

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, 2025, the Center's uninsured cash balance totaled \$3,881,590. 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, 2025 and 2024

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 December 15, 2025, 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, 2025

Grantor/Program Title	CFDA CSFA No	Contract Grant Number	Total Expenditures	Transfer to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
<u>Substance Abuse and Mental Health Services Administration (SAMHSA)</u>				
Certified Community Behavioral Health Clinic Expansion Grants	93.696	H79SM086599	\$ 667,104	\$ -
<u>Dept of Children & Families SAMH Program</u>				
<u>Pass through funds from Lutheran Service Florida, Inc.</u>				
Block Grants for Community Mental Health Services	93.958	ME024	1,596,591	-
<u>Pass through funds from Central Florida Behavioral Health Network, Inc.</u>				
Block Grants for Community Mental Health Services	93.958	QB030	312,009	-
<u>Pass through funds from Central Florida Cares Health System, Inc.</u>				
Block Grants for Community Mental Health Services	93.958	MHR24	284,803	-
<u>Pass through funds from Lutheran Service Florida, Inc.</u>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	MHRC-ZS	162,970	-
			<u>3,023,477</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
<u>Pass through City of Jacksonville</u>				
<u>Housing and Community Development Division</u>				
Community Development Block Grants/Entitlement Grants	14.218	666629-24	38,802	-
Community Development Block Grants/Entitlement Grants	14.218	684079-25	203,106	-
Community Development Block Grants/Entitlement Grants	14.218	684100-25	223,571	-
			<u>465,479</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
<u>Pass through funds from Lutheran Service Florida, Inc.</u>				
Public Safety Partnership and Community Policing Grants	16.71	23-24 CORP-CIT Grant	14,280	-
Public Safety Partnership and Community Policing Grants	16.71	24-25 CORP-CIT Grant	64,688	-
			<u>78,968</u>	<u>-</u>
Total Federal Awards			<u>3,567,924</u>	<u>-</u>

Mental Health Resource Center, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2025

<u>Grantor/Program Title</u>	<u>CFDA CSFA No</u>	<u>Contract Grant Number</u>	<u>Total Expenditures</u>	<u>Transfer to Subrecipients</u>
<i>State Financial Assistance</i>				
<i>Dept of Children & Families SAMH Program</i>				
<i>Pass through funds from Lutheran Service Florida, Inc.</i>				
Community Forensic Beds Comp Rest Tng	60.114	ME024	1,081,748	-
Centralized Receiving System	60.163	ME024	2,980,794	84,401
Total State Financial Assistance			<u>\$ 4,062,542</u>	<u>84,401</u>
Total Federal Awards and State Financial Assistance			<u>\$ 7,630,466</u>	<u>\$ 84,401</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, 2025

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, 2025. 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: 7/1/2024 - 6/30/2025

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES SCHEDULE**



SAMH COVERED SERVICES or PROJECTS

STATE-FUNDED

Mental Health

FUNDING SOURCES & REVENUES	Assessment 01	Case Management 02	Crisis Stabilization 03	Crisis Support/ Emergency 04	Intervention (Indiv.) 11	Medical Services 12	Outpatient (Indiv.) 14	Outreach 15	Residential IV 21	Incidental Expenses 28	Information and Referral 30	Intervention (Group) 42
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IA. STATE SAMH FUNDING

Current Year Funding

Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Outpatient (Indiv.)	Outreach	Residential IV	Incidental Expenses	Information and Referral	Intervention (Group)
MH001	ME024	F/S									\$ 55,883.70	\$ 830.00		
MH009	ME024	F/S		\$ 295,761.14						\$ 81,905.85			\$ 124,743.51	\$ 34,242.51
MH018	ME024	F/S			\$ 5,441,279.15	\$ 1,585,079.38								
MH072	ME024	S		\$ 113,484.55										
MH0CN	ME024	S		\$ 232,509.40		\$ 185,419.17				\$ 275,574.03				
MH0FH	ME024	S										\$ 95,918.00		
MH0FT	ME024	F/S										\$ 873,737.00		
MHCJ4	ME024	F		\$ 7,557.93						\$ 499.88				
MHDRF	ME024	S										\$ 3,000.00		
MHEDT	ME024	S								\$ 92,800.00				
MHMCT	ME024	F/S		\$ 17,407.38		\$ 832,373.59								
MHMDT	ME024	S										\$ 150,881.00		
MH5CR	ME024	S	\$ 73,675.18	\$ 49,789.48			\$ 14,781.40	\$ 598,388.88	\$ 154,815.69	\$ 20,460.44			\$ 192,018.49	
MHTRV	ME024	S											\$ 98,130.00	
MH0FT	QG030	F/S											\$ 782,705.00	
MHDRF	QG030	S											\$ 11,447.00	
MH0FT	MHR27	F/S												
Total Current Year Funding			\$ 73,675.18	\$ 716,489.84	\$ 5,441,279.15	\$ 2,602,872.14	\$ 14,781.40	\$ 598,388.88	\$ 154,815.69	\$ 571,240.18	\$ 55,883.70	\$ 1,794,748.00	\$ 316,782.10	\$ 34,242.51

Carry Forward Funding

Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Outpatient (Indiv.)	Outreach	Residential IV	Incidental Expenses	Information and Referral	Intervention (Group)
MH018	ME024	S				\$ 22,836.04								
MHDRF	QG030	S										\$ 18,482.00		
MH0FT	MHR27	S												
MH009	MHR24	S										\$ 198,749.63		
Total Carry Forward Funding			\$ -	\$ -	\$ -	\$ 22,836.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,231.63	\$ -	\$ -

TOTAL STATE SAMH FUNDING = \$ 73,675.18 \$ 716,489.84 \$ 5,441,279.15 \$ 2,625,708.18 \$ 14,781.40 \$ 598,388.88 \$ 154,815.69 \$ 571,240.18 \$ 55,883.70 \$ 2,011,979.63 \$ 316,782.10 \$ 34,242.51

IB. OTHER GOVERNMENT FUNDING

(1) Other State Agency Funding	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Outpatient (Indiv.)	Outreach	Residential IV	Incidental Expenses	Information and Referral	Intervention (Group)
	\$ 1,579.95	\$ 3,479,148.65	\$ 77,388.43		\$ 1,430,459.12					\$ 36,015.49		
(2) Medicaid	\$ 4,608.26	\$ 5,395.29			\$ 32,196.86	\$ 8,589.14						
(3) Local Government	\$ 50,670.50				\$ 207,456.55		\$ 7,121.76				\$ 2,807.77	
(4) Federal Grants and Contracts												
(5) In-kind from local govt. only												
TOTAL OTHER GOVERNMENT FUNDING =	\$ 4,608.26	\$ 57,845.74	\$ 3,479,148.65	\$ 77,388.43	\$ -	\$ 1,670,112.53	\$ 8,589.14	\$ 7,121.76	\$ -	\$ 36,015.49	\$ 2,807.77	\$ -

IC. ALL OTHER REVENUES

(1) 1st & 2nd Party Payments	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Outpatient (Indiv.)	Outreach	Residential IV	Incidental Expenses	Information and Referral	Intervention (Group)
	\$ 1,700.00	\$ 25,690.79			\$ 28,885.82	\$ 1,873.52						
(2) 3rd Party Payments (except Medicare)	\$ 83,487.49	\$ 50,283.62	\$ 9,872,582.43		\$ 715,268.74	\$ 77,067.33						
(3) Medicare	\$ 2,067.38	\$ 20,040.13			\$ 29,532.98	\$ 1,860.27						
(4) Contributions and Donations		\$ 14,088.00										
(5) Other	\$ 1,588.62	\$ 3,212.33	\$ 47,049.29	\$ 8,348.44	\$ 182.08	\$ 8,928.13	\$ 1,579.08	\$ 1,804.54	\$ 111.82		\$ 1,232.84	\$ 154.54
(6) In-kind												
TOTAL ALL OTHER REVENUES =	\$ 99,783.49	\$ 53,495.95	\$ 9,982,430.64	\$ 8,348.44	\$ 182.08	\$ 782,714.47	\$ 82,320.20	\$ 1,804.54	\$ 111.82	\$ -	\$ 1,232.84	\$ 154.54

TOTAL FUNDING = \$ 178,065.93 \$ 827,811.53 \$ 18,902,858.64 \$ 2,711,443.05 \$ 14,943.48 \$ 3,051,195.86 \$ 245,725.03 \$ 579,966.48 \$ 55,995.62 \$ 2,047,995.12 \$ 320,802.51 \$ 34,397.25

Provider Name: Mental Health Resource Center
 Audit Period: 7/1/2024 - 6/30/2025

AUDIT SCHEDULE
ACTUAL EXPENSES AND REVENUES SCHEDULE



SAMH COVERED SERVICES

Mental Health

EXPENSE CATEGORIES	Assessment 01	Case Management 02	Crisis Stabilization 03	Crisis Support/ Emergency 04	Intervention (Indiv.) 11	Medical Services 12	Outpatient (Indiv.) 14	Outreach 15	Residential IV 21	Incidental Expenses 28	Information and Referral 30	Intervention (Group) 42
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IA. PERSONNEL EXPENSES

(1) Salaries	\$ 122,351.79	\$ 581,563.10	\$ 7,055,977.89	\$ 1,545,588.07	\$ 11,313.61	\$ 848,348.95	\$ 98,298.92	\$ 292,898.70	\$ 629.84		\$ 216,783.00	\$ 30,991.87
(2) Fringe Benefits	\$ 35,714.33	\$ 187,346.82	\$ 1,824,434.98	\$ 435,334.95	\$ 4,392.90	\$ 249,748.29	\$ 40,585.85	\$ 87,821.81	\$ 281.90		\$ 89,166.98	\$ 5,729.88
TOTAL PERSONNEL EXPENSES =	\$ 158,066.12	\$ 768,909.92	\$ 8,880,412.87	\$ 1,980,923.02	\$ 15,706.50	\$ 1,098,135.24	\$ 138,884.77	\$ 380,720.61	\$ 921.34	\$ -	\$ 285,948.98	\$ 36,721.75

IB. OTHER EXPENSES

(1) Building Occupancy	\$ 6,500.44	\$ 88,212.83	\$ 713,320.55	\$ 85,311.21	\$ 1,571.50	\$ 133,229.45	\$ 17,338.17	\$ 21,278.24	\$ 778.69		\$ 12,738.23	\$ 3,053.88
(2) Professional Services	\$ 12,430.00	\$ 210.38	\$ 1,306,941.87	\$ 3,454.08	\$ 1,307.12	\$ 385,893.75	\$ 14,914.80	\$ 178.77			\$ 453.85	
(3) Travel	\$ 813.76	\$ 28,781.80	\$ 85,034.32	\$ 81,343.44	\$ 101.88	\$ 17,093.32	\$ 948.78	\$ 7,768.05			\$ 3,547.25	\$ 534.94
(4) Equipment	\$ 5,433.08	\$ 11,148.50	\$ 154,888.44	\$ 22,758.31	\$ 817.37	\$ 31,420.57	\$ 6,302.50	\$ 7,013.82	\$ 105.86		\$ 5,771.31	\$ 473.51
(5) Food Services	\$ 3.82	\$ 121.49	\$ 331,247.81	\$ 43,878.98	\$ 0.38	\$ 5,322.58	\$ 3.44	\$ 92.06	\$ -		\$ 25.93	\$ 0.44
(6) Medical and Pharmacy	\$ 401.00	\$ 1,492.75	\$ 274,851.90	\$ 2,419.80	\$ 40.10	\$ 439,148.22	\$ 360.90	\$ 485.20		\$ 171,954.83	\$ 477.18	\$ 47.73
(7) Subcontracted Services	\$ 214.58	\$ 496.09	\$ -	\$ 64.36			\$ 578.27	\$ 786.30			\$ 1,846.56	
(8) Insurance	\$ -	\$ 12,174.37	\$ 226,251.82	\$ 34,885.81	\$ -	\$ 37,105.38	\$ -	\$ 4,698.25	\$ 633.40		\$ 2,043.04	\$ 716.82
(9) Interest Paid	\$ 1,871.75	\$ 397.94	\$ 118,810.35	\$ 2,925.25	\$ 234.05	\$ 3,420.81	\$ 1,437.71	\$ 931.07			\$ 651.88	
(10) Operating Supplies & Expenses	\$ 70,869.15	\$ 173,982.42	\$ 3,421,218.62	\$ 585,923.81	\$ 5,964.75	\$ 339,079.83	\$ 89,450.89	\$ 85,573.26	\$ 36,140.26	\$ 1,676,040.19	\$ 34,684.18	\$ 8,154.31
(11) Other-Bad Debt			\$ 2,238,732.72	\$ -		\$ 11,000.00						
(12) Donated Items												
TOTAL OTHER EXPENSES =	\$ 98,137.59	\$ 295,018.18	\$ 8,871,297.10	\$ 882,650.97	\$ 9,501.51	\$ 1,402,511.89	\$ 101,336.26	\$ 108,599.01	\$ 39,656.31	\$ 2,047,995.12	\$ 62,239.31	\$ 13,991.43

TOT. PERSONNEL & OTH. EXP. =

	\$ 256,193.71	\$ 1,063,928.10	\$ 17,751,709.77	\$ 2,863,603.98	\$ 25,608.01	\$ 2,500,647.13	\$ 240,321.03	\$ 489,319.63	\$ 40,577.65	\$ 2,047,995.12	\$ 348,188.29	\$ 50,713.18
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IC. DISTRIBUTED INDIRECT COSTS

(a) Other Support Costs (Optional)												
(b) Administration	\$ 16,788.46	\$ 98,988.43	\$ 1,374,234.00	\$ 255,358.36	\$ 1,838.58	\$ 209,588.33	\$ 17,071.45	\$ 45,651.20	\$ 3,569.48		\$ 32,894.22	\$ 5,188.89
TOT. DISTR'D INDIRECT COSTS =	\$ 16,788.46	\$ 98,988.43	\$ 1,374,234.00	\$ 255,358.36	\$ 1,838.58	\$ 209,588.33	\$ 17,071.45	\$ 45,651.20	\$ 3,569.48	\$ -	\$ 32,894.22	\$ 5,188.89

TOTAL ACTUAL OPER. EXPENSES =

	\$ 274,980.17	\$ 1,162,916.52	\$ 19,125,943.77	\$ 3,118,963.35	\$ 27,446.80	\$ 2,710,235.46	\$ 257,392.47	\$ 534,970.82	\$ 44,147.13	\$ 2,047,995.12	\$ 381,082.51	\$ 55,912.07
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ID. UNALLOWABLE COSTS

	\$ 238.40	\$ 454.22	\$ 2,243,957.75	\$ 605.62	\$ 24.30	\$ 12,576.15	\$ 224.35	\$ 243.63	\$ 24.78		\$ 190.86	\$ 19.67
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TOT. ALLOWABLE OPER. EXP. =

	\$ 274,743.77	\$ 1,162,452.30	\$ 16,881,986.02	\$ 3,118,457.72	\$ 27,422.30	\$ 2,697,659.31	\$ 257,168.12	\$ 534,727.20	\$ 44,122.35	\$ 2,047,995.12	\$ 380,891.65	\$ 55,892.40
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Provider Name: Mental Health Resource Center
 Audit Period: 7/1/2024 - 6/30/2025

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES**



FUNDING SOURCES & REVENUES A	Recovery Support (Indiv.) 46	Forensic Multidisciplinary Team A0	Central Receiving System A3	FACT Team B5	LATTERS Projects B9	Mental Health Total B	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		
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	F/S				\$ 58,713.70	\$ 58,713.70		\$ 58,713.70		\$ 58,713.70		
MH009	ME024	F/S				\$ 538,853.21	\$ 538,853.21		\$ 538,853.21		\$ 538,853.21		
MH01B	ME024	F/S				\$ 7,026,358.53	\$ 7,026,358.53		\$ 7,026,358.53		\$ 7,026,358.53		
MH072	ME024	S				\$ 113,464.55	\$ 113,464.55		\$ 113,464.55		\$ 113,464.55		
MHOCN	ME024	S				\$ 793,502.60	\$ 793,502.60		\$ 793,502.60		\$ 793,502.60		
MHOFH	ME024	S	\$ 893,029.62			\$ 988,947.82	\$ 988,947.82		\$ 988,947.82		\$ 988,947.82		
MHOFT	ME024	F/S			\$ 2,237,949.64	\$ 2,911,886.64	\$ 2,911,886.64		\$ 2,911,886.64		\$ 2,911,886.64		
MHCJ4	ME024	F				\$ 8,057.79	\$ 8,057.79		\$ 8,057.79		\$ 8,057.79		
MHDRF	ME024	S				\$ 3,009.00	\$ 3,009.00		\$ 3,009.00		\$ 3,009.00		
MHEDT	ME024	S				\$ 92,800.00	\$ 92,800.00		\$ 92,800.00		\$ 92,800.00		
MHMCT	ME024	F/S				\$ 849,780.95	\$ 849,780.95		\$ 849,780.95		\$ 849,780.95		
MHMDT	ME024	S			\$ 898,930.34	\$ 1,049,911.34	\$ 1,049,911.34		\$ 1,049,911.34		\$ 1,049,911.34		
MHSCR	ME024	S	\$ 548.76	\$ 1,876,356.07		\$ 2,980,794.35	\$ 2,980,794.35		\$ 2,980,794.35		\$ 2,980,794.35		
MHTRV	ME024	S				\$ 96,130.00	\$ 96,130.00		\$ 96,130.00		\$ 96,130.00		
MHOFT	QG030	F/S			\$ 1,737,965.00	\$ 2,500,670.00	\$ 2,500,670.00		\$ 2,500,670.00		\$ 2,500,670.00		
MHDRF	QG030	S				\$ 11,447.00	\$ 11,447.00		\$ 11,447.00		\$ 11,447.00		
MHOFT	MHR27	F/S			\$ 1,694,230.00	\$ 1,694,230.00	\$ 1,694,230.00		\$ 1,694,230.00		\$ 1,694,230.00		
Total Current Year Funding			\$ 548.76	\$ 893,029.62	\$ 1,876,356.07	\$ 5,670,144.64	\$ 898,930.34	\$ 21,714,148.28	\$ 21,714,148.28		\$ 21,714,148.28		
Carry Forward Funding													
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State F/S-Federal and State											
MH01B	ME024	S				\$ 22,836.04	\$ 22,836.04		\$ 22,836.04		\$ 22,836.04		
MHDRF	QG030	S				\$ 18,482.00	\$ 18,482.00		\$ 18,482.00		\$ 18,482.00		
MHOFT	MHR27	S			\$ 185,434.88	\$ 185,434.88	\$ 185,434.88		\$ 185,434.88		\$ 185,434.88		
MH009	MHR24	S				\$ 198,749.63	\$ 198,749.63		\$ 198,749.63		\$ 198,749.63		
Total Carry Forward Funding			\$ -	\$ -	\$ 185,434.88	\$ -	\$ -	\$ 425,502.55	\$ 425,502.55		\$ 425,502.55		
TOTAL STATE SAMH FUNDING =			\$ 548.76	\$ 893,029.62	\$ 1,876,356.07	\$ 5,855,579.52	\$ 898,930.34	\$ 22,139,650.83	\$ 22,139,650.83		\$ 22,139,650.83		
IB. OTHER GOVERNMENT FUNDING													
(1) Other State Agency Funding			\$ 15,672.92	\$ 2,925.46		\$ 5,043,190.02	\$ 5,043,190.02	\$ 185,309.94	\$ 5,208,499.96		\$ 5,208,499.96		
(2) Medicaid				\$ 4,326,972.05		\$ 4,376,761.60	\$ 4,376,761.60		\$ 4,376,761.60	\$ 4,257.22	\$ 4,381,018.82		
(3) Local Government						\$ 268,056.58	\$ 268,056.58		\$ 268,056.58	\$ 465,478.42	\$ 733,535.00		
(4) Federal Grants and Contracts						\$ -	\$ -		\$ -	\$ 667,104.09	\$ 667,104.09		
(5) In-kind from local govt, only						\$ -	\$ -		\$ -	\$ -	\$ -		
TOTAL OTHER GOVERNMENT FUNDING =			\$ 15,672.92	\$ 7,252.51	\$ 4,326,972.05	\$ 9,688,008.20	\$ 9,688,008.20	\$ 185,309.94	\$ 9,853,318.14	\$ 1,136,839.73	\$ 10,990,157.87		
IC. ALL OTHER REVENUES													
(1) 1st & 2nd Party Payments						\$ 58,249.93	\$ 58,249.93		\$ 58,249.93	\$ 1,251.73	\$ 59,501.66		
(2) 3rd Party Payments (except Medicare)						\$ 10,808,627.61	\$ 10,808,627.61		\$ 10,808,627.61	\$ 289,184.39	\$ 11,097,812.00		
(3) Medicare						\$ 57,440.76	\$ 57,440.76		\$ 57,440.76	\$ 47,367.86	\$ 104,808.62		
(4) Contributions and Donations			\$ 8,080.00	\$ 880.00		\$ 23,028.00	\$ 23,028.00		\$ 23,028.00	\$ 4,553.00	\$ 27,581.00		
(5) Other			\$ 2,017.52	\$ 69,338.26	\$ 17,094.86	\$ 162,418.45	\$ 162,418.45	\$ 538.18	\$ 162,957.83	\$ 1,317,749.85	\$ 1,480,707.48		
(6) In-kind						\$ -	\$ -		\$ -	\$ -	\$ -		
TOTAL ALL OTHER REVENUES =			\$ 2,017.52	\$ 77,416.26	\$ 17,974.98	\$ 11,109,765.75	\$ 11,109,765.75	\$ 538.18	\$ 11,110,303.93	\$ 1,660,108.83	\$ 12,770,410.76		
TOTAL FUNDING =			\$ 548.76	\$ 910,720.06	\$ 1,876,356.07	\$ 10,261,893.29	\$ 916,905.32	\$ 42,937,424.78	\$ 42,937,424.78	\$ 185,848.12	\$ 43,103,272.50	\$ 2,796,946.56	\$ 45,900,219.46

Provider Name: Mental Health Resource Center
 Audit Period: 7/1/2024 - 6/30/2025

**AUDIT SCHEDULE
 ACTUAL EXPENSES AND REVENUES**



EXPENSE CATEGORIES A	Recovery Support (Indiv.)	Forensic Multidisciplinary Team	Central Receiving System	FACT Team	LATTERS Projects	Mental Health Total	Total for State SAMH-Funded Covered Services	Total for Non-State-Funded Covered Services	Total for All Covered Services	Non-SAMH Covered Services	Other Support Costs (Optional)	Administration	Total Expenses (F+G+H+I+J)
	46	A0	A3	B5	B9	B	(B+C)	E	(D+E)	G	H	I	J
BA. PERSONNEL EXPENSES													
(1) Salaries	\$ 276.43	\$ 370,693.00	\$ 1,186,211.64	\$ 4,944,154.69	\$ 2,291,131.90	\$ 17,444,254.09	\$ 17,444,254.09	\$ 112,716.36	\$ 17,556,970.45	\$ 1,162,576.87	\$ 1,353,636.15	\$ 72,265.85	\$ 20,125,381.92
(2) Fringe Benefits	\$ 85.11	\$ 110,794.54	\$ 300,091.88	\$ 1,431,457.94	\$ 70,065.67	\$ 4,863,077.54	\$ 4,863,077.54	\$ 39,115.92	\$ 4,902,193.46	\$ 189,195.39	\$ 475,704.57	\$ 1,348.28	\$ 5,596,442.25
TOTAL PERSONNEL EXPENSES =	\$ 361.54	\$ 481,487.54	\$ 1,486,293.52	\$ 6,275,612.63	\$ 3,181,197.57	\$ 22,307,331.63	\$ 22,307,331.63	\$ 151,832.28	\$ 22,459,163.91	\$ 1,351,772.23	\$ 1,829,240.72	\$ 53,614.11	\$ 25,693,824.17
BS. OTHER EXPENSES													
(1) Building Occupancy	\$ 32.25	\$ 31,021.04	\$ 94,389.16	\$ 494,760.89	\$ 25,263.32	\$ 1,706,612.11	\$ 1,706,612.11	\$ 8,150.32	\$ 1,714,762.43	\$ 15.42	\$ 194,132.15	\$ 26,199.00	\$ 1,935,319.00
(2) Professional Services	\$ 0.10	\$ 1,340.00	\$ -	\$ 159,584.40	\$ -	\$ 1,866,507.08	\$ 1,866,507.08	\$ 1,866,507.08	\$ 1,868,374.16	\$ 227,853.02	\$ 499,319.04	\$ 25,818.00	\$ 2,638,991.12
(3) Travel	\$ 12.74	\$ 46,905.80	\$ 625.17	\$ 359,024.35	\$ 31,193.14	\$ 671,531.23	\$ 671,531.23	\$ 10,273.12	\$ 681,804.35	\$ 12,060.27	\$ 11,404.80	\$ 15,429.18	\$ 720,699.00
(4) Equipment	\$ 5.30	\$ 3,442.85	\$ -	\$ 81,105.71	\$ 1,949.23	\$ 312,434.47	\$ 312,434.47	\$ 1,370.52	\$ 313,804.99	\$ 1,841.62	\$ 52,889.25	\$ 2,199.14	\$ 370,745.00
(5) Food Services	\$ 0.06	\$ 3.81	\$ -	\$ 8,385.54	\$ 7.62	\$ 389,893.74	\$ 389,893.74	\$ 3.81	\$ 389,897.55	\$ 3.81	\$ 122.00	\$ -	\$ 390,023.36
(6) Medical and Pharmacy	\$ 0.71	\$ 27,429.10	\$ -	\$ 52,230.61	\$ 373.46	\$ 971,714.89	\$ 971,714.89	\$ 443.49	\$ 972,158.38	\$ 485.11	\$ 3,342.64	\$ -	\$ 973,985.93
(7) Subcontracted Services	\$ 0.24	\$ -	\$ 80,413.15	\$ -	\$ -	\$ 84,400.56	\$ 84,400.56	\$ -	\$ 84,400.56	\$ -	\$ -	\$ -	\$ 84,400.56
(8) Insurance	\$ 5.96	\$ 25,377.54	\$ 44,058.15	\$ 531,234.68	\$ 24,687.28	\$ 747,650.36	\$ 747,650.36	\$ 2,542.11	\$ 750,192.47	\$ 13,974.52	\$ 81,486.17	\$ 14,572.82	\$ 860,228.80
(9) Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,480.91	\$ 130,480.91	\$ -	\$ 130,480.91	\$ -	\$ -	\$ -	\$ 130,480.91
(10) Operating Supplies & Expenses	\$ 84.46	\$ 63,239.33	\$ -	\$ 841,937.90	\$ 24,591.01	\$ 7,619,945.27	\$ 7,619,945.27	\$ 8,500.34	\$ 7,628,445.61	\$ (2,480.30)	\$ (2,850,776.57)	\$ 3,306,269.00	\$ 8,261,477.74
(11) Other-Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,249,732.72	\$ 2,249,732.72	\$ -	\$ 2,249,732.72	\$ 10,000.00	\$ -	\$ -	\$ 2,259,732.72
(12) Donated Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER EXPENSES =	\$ 141.62	\$ 202,762.17	\$ 219,482.83	\$ 2,309,266.80	\$ 106,065.04	\$ 16,771,103.14	\$ 16,771,103.14	\$ 31,293.71	\$ 16,802,396.85	\$ 263,573.87	\$ (1,828,073.52)	\$ 3,410,186.94	\$ 18,648,084.14
TOT. PERSONNEL & OTH. EXP. =	\$ 503.16	\$ 684,249.71	\$ 1,705,776.35	\$ 8,584,909.32	\$ 3,287,262.61	\$ 39,078,434.77	\$ 39,078,434.77	\$ 183,126.19	\$ 39,261,560.96	\$ 1,615,348.10	\$ 1,167.20	\$ 3,463,831.05	\$ 44,341,908.31
BC. DISTRIBUTED INDIRECT COSTS													
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,167.20)	\$ -	\$ (1,167.20)
(b) Administration	\$ 41.39	\$ 89,870.04	\$ 170,577.82	\$ 907,813.10	\$ 50,160.00	\$ 3,261,462.74	\$ 3,261,462.74	\$ 16,073.73	\$ 3,277,536.47	\$ 143,036.10	\$ -	\$ (3,422,399.00)	\$ (1,828.43)
TOT. DISTRD INDIRECT COSTS =	\$ 41.39	\$ 89,870.04	\$ 170,577.82	\$ 907,813.10	\$ 50,160.00	\$ 3,261,462.74	\$ 3,261,462.74	\$ 16,073.73	\$ 3,277,536.47	\$ 143,036.10	\$ -	\$ (3,422,399.00)	\$ (1,828.43)
TOTAL ACTUAL OPER. EXPENSES =	\$ 544.55	\$ 774,119.75	\$ 1,876,354.17	\$ 9,492,722.42	\$ 3,337,422.61	\$ 42,339,897.51	\$ 42,339,897.51	\$ 199,200.92	\$ 42,539,098.43	\$ 1,758,384.20	\$ 0.00	\$ 41,432.05	\$ 44,338,914.68
BD. UNALLOWABLE COSTS													
	\$ -	\$ 313.75	\$ -	\$ 7,335.96	\$ 19.66	\$ 2,266,137.02	\$ 2,266,137.02	\$ 180.49	\$ 2,266,287.51	\$ 1,758,384.20	\$ -	\$ -	\$ 4,024,671.71
TOT. ALLOWABLE OPER. EXP. =	\$ 544.55	\$ 774,433.50	\$ 1,876,354.17	\$ 9,499,858.38	\$ 3,337,442.27	\$ 40,073,760.49	\$ 40,073,760.49	\$ 199,020.43	\$ 40,272,810.92	\$ -	\$ -	\$ -	\$ 40,272,810.92



AUDIT SCHEDULE
Mental Health Resource Center, Inc.
Schedule of State Earnings for
Fiscal year 06/30/2025

1	Total Expenditures	\$	44,338,915
2	Less Other State and Federal Funds	\$	(10,256,622)
3	Less Non-Match SAMH Funds	\$	(8,293,603)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$	(4,024,672)
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$	21,764,018
6	Maximum Available Earnings (see note below)	\$	16,323,014
7	Amount of State Funds Requiring Match	\$	12,900,137
8	Amount Due to Department (Subtract line 7 from line 6)	\$	3,422,877

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, 2025

City of Jacksonville Public Service Contract (Outpatient)

Contract Number: # 70825-24
 Contract Period: 10/1/2023 - 09/24/2024
 Award Amount: \$344,141

	<u>Budgeted</u>	<u>Actual 10/1/2023 6/30/2024</u>	<u>Actual 7/1/2024 9/30/2024</u>	<u>Remaining Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 344,141	\$ 255,543	\$ 88,598	\$ -
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 318,944	\$ 266,629	\$ 52,315	\$ -
Administrative overhead	25,197	21,063	4,134	-
Total	\$ 344,141	\$ 287,692	\$ 56,449	\$ -

City of Jacksonville Public Service Contract (Outpatient)

Contract Number: # 71629-25
 Contract Period: 10/1/2024 - 06/24/2025
 Award Amount: \$282,389

	<u>Budgeted</u>	<u>Actual 10/1/2024 6/30/2025</u>	<u>Actual 7/1/2025 9/30/2025</u>	<u>Remaining Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 282,389	\$ 188,197	\$ -	\$ 94,192
<u>Disbursement of City Funds</u>				
Salaries and benefits	\$ 261,180	\$ 195,684	\$ -	\$ 65,496
Administrative overhead	21,209	15,924	-	5,285
Total	\$ 282,389	\$ 287,692	\$ -	\$ 70,781

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, 2025

City of Jacksonville Community Development Block Grant

Contract Number: # 666629-24
 Contract Period: 10/1/2023 - 09/30/2024
 Award Amount: \$137,792

	<u>Budgeted</u>	<u>Actual 10/1/2023 6/30/2024</u>	<u>Actual 7/1/2024 9/30/2024</u>	<u>Remaining Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 137,792	\$ 98,991	\$ 38,802	\$ -
<u>Disbursement of City Funds</u>				
Generator	\$ 137,792	\$ 98,991	\$ 38,802	\$ -
Total	<u>\$ 137,792</u>	<u>\$ 98,991</u>	<u>\$ 38,802</u>	<u>\$ -</u>

City of Jacksonville Community Development Block Grant

Contract Number: # 684079-25
 Contract Period: 10/1/2024 - 06/30/2025
 Award Amount: \$203,106

	<u>Budgeted</u>	<u>Actual 10/1/2024 6/30/2025</u>	<u>Actual 7/1/2025 9/30/2025</u>	<u>Remaining Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 203,106	\$ 112,500	\$ -	\$ 90,606
<u>Disbursement of City Funds</u>				
Heating/AC Replacement	\$ 203,106	\$ 203,106	\$ -	\$ -
Total	<u>\$ 203,106</u>	<u>\$ 203,106</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025

City of Jacksonville Community Development Block Grant

Contract Number: # 684100-25

Contract Period: 10/1/2024 - 06/30/2025

Award Amount: \$365,278

	<u>Budgeted</u>	<u>Actual 10/1/2024 6/30/2025</u>	<u>Actual 7/1/2025 9/30/2025</u>	<u>Remaining Balance</u>
<u>Receipt from City Funds</u>				
City of Jacksonville	\$ 365,278	\$ 58,321	\$ -	\$ 306,957
<u>Disbursement of City Funds</u>				
Bathroom Renovations	\$ 260,838	\$ 120,036	\$ -	\$ 140,802
HVAC Unit Replacement	104,440	103,535		905
Total	<u>\$ 365,278</u>	<u>\$ 223,571</u>	<u>\$ -</u>	<u>\$ 141,707</u>

Mental Health Resource Center, Inc.
Schedule of Related Party Transaction Adjustments
for the Fiscal year ended 06/30/2025

		Allocation of Related Party Transactions Adjustment										
		State-Designated Cost Centers										
Revenues From Grantee	Related Party	Assessment	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Medical Services	Outpatient Individual	Outreach	Information and Referral	Non-SAMH Covered Services or Projects	Administration Costs	Total
Rent		-	-	-	-	-	-	-	-	-	-	-
Total Revenue From Grantee		-	-	-	-	-	-	-	-	-	-	-
Expenses Associated with Grantee Transactions												
Personal Services	RBHS	-	-	-	-	-	-	-	-	-	-	-
Depreciation	RBHS	-	-	-	-	-	-	-	-	-	-	-
Interest	RBHS	132	31	9,438	232	272	132	74	52	-	-	10,363
Other	RBHS	4	1	336	7	8	4	2	2	3,332	587,514	591,210
Total Associated Expenses		136	32	9,774	239	280	136	76	54	3,332	587,514	601,573
Related Party Transaction Adjustment		136	32	9,774	239	280	136	76	54	3,332	587,514	601,573

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, 2025

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
14.218	Community Development Block Grants/Entitlement Grants

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, 2025

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 2025 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 2025 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.

KEVIN M. FRITZ
JON E. CORNAIRE
MICHAEL R. FITCH
GREGORY S. LACINA

ROBERT E. RALSTON
(1927 - 1988)
BERT J. PITTMAN, JR.
(1944 - 2019)
D. BRUCE SHEALY
(RETIRED)

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 statement of financial position as of June 30, 2025, 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 December 15, 2025.

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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mental Health Resource Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which

could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Rebsten & Capuz P.A.

December 15, 2025

**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, 2025. 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, 2025.

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.

Rabitan & Capry P.A.

December 15, 2025