

GATEWAY BEHAVIORAL HEALTH SERVICES
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

GATEWAY BEHAVIORAL HEALTH SERVICES

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ROBERT BAKER and ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Community Service Board
Gateway Behavioral Health Services
Brunswick, Georgia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gateway Behavioral Health Services, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Gateway Behavioral Health Services' basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gateway Behavioral Health Services, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 through 6), ERS Schedule of Proportionate Share of the Net Pension Liability (page 40), ERS Schedule of Contributions (page 41), SEAD-OPEB Schedule of Proportionate Share of the Net OPEB Liability (Asset) (page 43), SEAD-OPEB Schedule of Contributions (page 44), SHBP-OPEB Schedule of Proportionate Share of the Net OPEB Liability (page 46), and SHPB-SEAD Schedule of Contributions (page 47) be presented to supplement the basic financial

statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

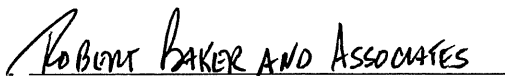
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gateway Behavioral Health Services' basic financial statements. The accompanying financial information listed as "Other Information" in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison information, the schedule of state contractual assistance, schedule of cash flows and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, the schedule of state contractual assistance, the schedule of cash flows and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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 10, 2020, on our consideration of the Gateway Behavioral Health Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Gateway Behavioral Health Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Gateway Behavioral Health Services' internal control over financial reporting and compliance.

ROBERT BAKER and ASSOCIATES



Certified Public Accountants

Albany, Georgia

December 10, 2020

GATEWAY BEHAVIORAL HEALTH SERVICES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Fiscal Year Ended June 30, 2020

The management of Gateway Behavioral Health Services presents the following Management's discussion and analysis to provide an objective and easily readable analysis of Gateway Behavioral Health Services' financial activities. The analysis provides summary financial information for Gateway Behavioral Health Services and should be read in conjunction with Gateway Behavioral Health Services' financial statements.

Gateway Behavioral Health Services (Gateway) provides comprehensive mental health, developmental disabilities, and addictive diseases services (MH/DD/AD) to Bryan, Camden, Chatham, Effingham, Glynn, Liberty, Long, and McIntosh counties in the State of Georgia. Gateway is a public agency and instrumentality of the State of Georgia organized under section 37-2-6 of the Official Code of Georgia Annotated (OCGA), originally created by Georgia House Bill 100 in 1994 and recreated by Georgia House Bill 498 in 2002.

Community Service Boards, such as Gateway, are created by state statute as public agencies to govern publicly funded programs for mental health, developmental disabilities and addictive diseases services. (OCGA Section 37-2-6 (a)).

Gateway's administrative offices are co-located in Brunswick, Georgia (Glynn County) and Savannah, Georgia (Chatham County) with services provided at over 40 different service sites in the 4,000 square mile, eight county service area. Services include, but are not limited to, outpatient, peer support, clubhouse programs, community outreach, crisis stabilization, residential, and supported employment. Approximately 48% of Gateway's funding comes in the form of State Contracted Services through DBHDD. Most of its remaining funding (41%) comes in the form of Fee-For-Service, primarily Medicaid (29%) and secondarily State Fee-For-Service (12%).

For fiscal year 2020, Gateway was under the management of DBHDD which assumed such responsibility in 2013. The Commissioner of the Department of Behavioral Health and Developmental Disabilities (DBHDD), with the concurrence of the Governor has chosen to continue the appointment of the Manager that is acting as Gateway's CEO without a local governing board.

OVERVIEW OF THE FINANCIAL STATEMENTS

Gateway Behavioral Health Services' basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. The *Government-wide financial statements* present an overall picture of Gateway Behavioral Health Services' financial position and results of operations. The *Fund financial statements* present financial information for Gateway Behavioral Health Services' major funds. The *Notes to the financial statements* provide additional information concerning Gateway Behavioral Health Services' finances that are not disclosed in the Government-wide or Fund financial statements.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Gateway Behavioral Health Services only operates Governmental Activities which are supported by federal and state grants, Medicaid and other revenues. The Board does not have any fiduciary or proprietary funds.

The **statement of net position** presents information on all assets and liabilities of Gateway Behavioral Health Services, with the difference between assets and liabilities reported as net position. Net position are reported in three categories; 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental Activities.

The **statement of activities** presents information on all revenues and expenses of Gateway Behavioral Health Services and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by Gateway Behavioral Health Services. Governmental Activities provided by Gateway Behavioral Health Services include Mental Health, Developmental Disabilities, Addictive Disease, and TANF Programs.

Fund financial statements present financial information for governmental funds, proprietary funds, and fiduciary funds. These financial statements provide financial information for the major funds of Gateway Behavioral Health Services. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures, and changes in Fund Balance** for all governmental funds. **Comparative statements of revenues and expenditures to budget** are provided in the required supplementary information for Gateway Behavioral Health Services' Grants and Contracts that ended during the Fiscal Year. *Fund financial statements* provide more detailed information about Gateway Behavioral Health Services' activities. Individual funds are established by Gateway Behavioral Health Services to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of State and federal grants.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of Gateway Behavioral Health Services. The government-wide financial statements provide an overall picture of Gateway Behavioral Health Services' financial standing. These statements are comparable to private-sector companies and give a good understanding of Gateway Behavioral Health Services' overall financial health and how Gateway Behavioral Health Services paid for the various activities, or functions, provided by Gateway Behavioral Health Services. All assets of Gateway Behavioral Health Services are reported in the **statement of net position**. All liabilities, including future employee benefits obligated but not paid by Gateway Behavioral Health Services, are included. The **statement of activities** includes depreciation on all long lived assets of Gateway Behavioral Health Services, but transactions between the different functions of Gateway Behavioral Health Services have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of Gateway Behavioral Health Services. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to the Financial Statements provide additional detail concerning the financial activities and financial balances of Gateway Behavioral Health Services. Additional information about the accounting practices of Gateway Behavioral Health Services is included in the *Notes to the Financial Statements*.

FINANCIAL HIGHLIGHTS

Total assets of Gateway Behavioral Health Services exceeded total liabilities by \$7,549,851. Unrestricted net position for Governmental Activities was \$2,784,621. The net investment in Capital Assets was of \$4,765,230. Total liabilities were \$20,958,575, which includes total Non-Current Liabilities of \$16,262,889, which are Compensated Absences of \$232,364 Leases Payable of \$5,086,580, Notes Payable of \$9,374,275, Due to DBHDD-Special Operating Advance of \$1,089,998, Net Pension Liability of \$323,149, and Net OPEB Liability of \$156,523.

FINANCIAL ANALYSIS OF THE GATEWAY BEHAVIORAL HEALTH SERVICES

The following schedule provides a summary of the assets, liabilities and net position of Gateway Behavioral Health Services:

	Net Position Governmental Activities		Percentage Increase (Decrease)
	2020	2019	
Current Assets	\$ 11,847,730	\$ 14,371,860	(17.56%)
Capital Assets	18,414,944	12,994,761	41.71%
Deferred Outflows	<u>373,300</u>	<u>650,199</u>	(<u>42.59%</u>)
Total Assets and Deferred Outflows	\$ <u>30,635,974</u>	\$ <u>28,016,820</u>	<u>9.35%</u>
Current Liabilities	\$ 4,695,686	\$ 3,849,783	21.97%
Non-Current Liabilities	16,262,889	17,588,552	(7.54%)
Deferred Inflows	<u>2,127,548</u>	<u>2,235,369</u>	(<u>4.82%</u>)
Total Liabilities and Deferred Inflows	\$ <u>23,086,123</u>	\$ <u>23,673,704</u>	(<u>2.48%</u>)
Net Position			
Investment in Capital Assets	\$ 4,765,230	\$ 4,683,018	1.76%
Unrestricted	<u>2,784,621</u>	(<u>339,902</u>)	<u>919.24%</u>
Total Net Position	\$ <u>7,549,851</u>	\$ <u>4,343,116</u>	<u>73.83%</u>

Total net position for Governmental Activities increased \$3,206,735 in FY2020.

The following is a schedule of the changes in net position of Gateway Behavioral Health Services:

	Changes in Net Position Governmental Activities		Percentage Increase (Decrease)
	2020	2019	
Revenues			
Operating Grants and Contributions	\$ 19,084,247	\$ 18,237,890	4.64%
Charges for Services	<u>24,119,145</u>	<u>22,177,557</u>	<u>8.75%</u>
Total Revenues	\$ <u>43,203,392</u>	\$ <u>40,415,447</u>	<u>6.90%</u>
Expenses			
Personal Costs	\$ 30,416,848	\$ 29,427,753	3.36%
Other	<u>9,579,809</u>	<u>9,717,631</u>	(<u>1.42%</u>)
Total Expenses	\$ <u>39,996,657</u>	\$ <u>39,145,384</u>	<u>2.17%</u>
Increase/(Decrease) in Net Position	\$ <u>3,206,735</u>	\$ <u>1,270,063</u>	<u>152.49%</u>

Governmental Revenues exceeded Expenses for FY2020 by \$3,206,735.

FUND FINANCIAL INFORMATION

Governmental Funds

General Fund

Gateway Behavioral Health Services' General Fund is the main operating fund of Gateway Behavioral Health Services. It is used to account for all financial resources that are not restricted by externally imposed requirements. As of June 30, 2020, total assets were \$11.8 million and total liabilities were \$4.6 million. The ending unassigned fund balance was \$7,274,284. The total uses of funds of \$45,957,417 exceeded the total source of funds of \$43,205,272 by \$2,752,145.

BUDGETS

Annual budgets for all programs are prepared on the modified accrual basis of accounting. The budgets are amended during the fiscal year to reflect changes in operations. Expenditures are monitored on a monthly basis to comply with funding limits and programmatic intent. Most DBHDD Contracts and one State Contracted Services budget (the HIV 602) fall under the "expense reimbursement" category and budget revisions are done as changes in operational categories of expenses exceed budgeted line items.

DEBT MANAGEMENT

Governmental Activities Debt

The Long-Term Debt listed on the Governmental Financial statement includes Compensated Absences Payable to employees upon termination of \$232,364, Lease Payables of \$5,086,580, Notes Payable of \$9,374,275, Special Operating Advance from DBHDD of \$1,089,998, Net Pension Liability of \$323,149, and Net OPEB Liability of \$156,523. The Compensated Absences contain an amount that includes an accrual for payroll taxes that would also be payable upon termination.

OTHER FINANCIAL INFORMATION

Gateway's financial position has improved remarkably over the past five (5) fiscal years. Total Net Position has increased by \$7.2 million with the unrestricted portion increasing \$5.6 million. Total Revenues have increased to \$43 million annually from \$29 million in fiscal year 2015. The 48% increase has mainly been the result of expanded services and improved funding by the Department of Behavioral Health and Developmental Disabilities (DBHDD). That funding increased from \$12.4 million in FY 2015 to \$24.1 million in FY 2020.

Fiscal year 2020 strategic initiatives were recovery focused, fiscally sound, and centered on quality of care with measured outcomes. Despite the shutdown of day programs in April through June 2020 due to the coronavirus, DBHDD insured that there was not a decrease in funding in the last quarter of the fiscal year, enabling Gateway to retain staff and keep all other services open with the exception of day programs. The day programs have reopened in fiscal year 2021.

Construction was completed on a 22,000 square foot, 30-bed Behavioral Health Crisis Center in Savannah. The project is financed through a fifteen (15) year loan with the debt being serviced through an \$8 million annual operating budget. Recruitment and training began in February 2020, and the first patients were served at the end of June 2020.

The second year class of the community based Psychiatry Residency program began in late June 2020 with eight (8) additional physicians joining the seven (7) residents, who are now in their second year of training. Work is underway to provide a Child & Adolescent Fellowship program for fourth year residents interested in the specialty service.

In the subsequent fiscal year, Gateway has received \$800k in CARES Act funding to cover extra cost due to the coronavirus and to replace lost income. With the oversight and guidance of the DBHDD, the leadership team at Gateway is confident that the sound financial condition will be maintained in FY 2021. Gateway's future outlook is for steady and consistent growth, providing high quality services as the State's safety net provider for Coastal Georgia.

GATEWAY BEHAVIORAL HEALTH SERVICES

STATEMENTS OF NET POSITION

June 30, 2020

ASSETS	<u>GATEWAY BEHAVIORAL HEALTH SERVICES</u>	<u>DISTINCTIVE HOUSING SOLUTIONS INC.</u>	<u>TOTAL</u>
Current Assets			
Cash	\$ 7,586,735	\$ 984,716	\$ 8,571,451
Restricted Cash	1,436,434	2,500	1,438,934
Accounts Receivable	1,371,083	6,932	1,378,015
Due from DBHDD	1,311,611	-	1,311,611
Prepaid Expenses	<u>141,867</u>	<u>6,974</u>	<u>148,841</u>
Total Current Assets	\$ <u>11,847,730</u>	\$ <u>1,001,122</u>	\$ <u>12,848,852</u>
Capital Assets - Net	\$ <u>18,414,944</u>	\$ <u>4,718,878</u>	\$ <u>23,133,822</u>
Other Assets			
Reserve Deposits	\$ -	\$ <u>110,877</u>	\$ <u>110,877</u>
Total Assets	\$ <u>30,262,674</u>	\$ <u>5,830,877</u>	\$ <u>36,093,551</u>
Deferred Outflow of Resources			
Pension Related Items	\$ 60,361	\$ -	\$ 60,361
OPEB Related Items	<u>312,939</u>	<u>-</u>	<u>312,939</u>
Total Deferred Outflow of Resources	\$ <u>373,300</u>	\$ <u>-</u>	\$ <u>373,300</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 2,078,069	\$ 6,468	\$ 2,084,537
Payroll Liabilities	617,574	-	617,574
Notes Payable	415,284	272,046	687,330
Leases Payable	210,009	-	210,009
Due to DBHDD:			
Operating Advance	727,805	-	727,805
Special Operating Advance	60,000	-	60,000
Compensated Absences	<u>586,945</u>	<u>-</u>	<u>586,945</u>
Total Current Liabilities	\$ <u>4,695,686</u>	\$ <u>278,514</u>	\$ <u>4,974,200</u>
Non-Current Liabilities			
Notes Payable	\$ 9,374,275	\$ 4,214,893	\$ 13,589,168
Leases Payable	5,086,580	-	5,086,580
Security Deposits	-	2,500	2,500
Due to DBHDD - Special Operating Advance	1,089,998	-	1,089,998
Compensated Absences	232,364	-	232,364
Net Pension Liability	323,149	-	323,149
Net OPEB Liability	<u>156,523</u>	<u>-</u>	<u>156,523</u>
Total Non-Current Liabilities	\$ <u>16,262,889</u>	\$ <u>4,217,393</u>	\$ <u>20,480,282</u>
Total Liabilities	\$ <u>20,958,575</u>	\$ <u>4,495,907</u>	\$ <u>25,454,482</u>
Deferred Inflow of Resources			
Pension Related Items	\$ 61,628	\$ -	\$ 61,628
OPEB Related Items	<u>2,065,920</u>	<u>-</u>	<u>2,065,920</u>
Total Deferred Inflow of Resources	\$ <u>2,127,548</u>	\$ <u>-</u>	\$ <u>2,127,548</u>
NET POSITION			
Investment in Capital Assets	\$ 4,765,230	\$ 231,939	\$ 4,997,169
Unrestricted	<u>2,784,621</u>	<u>1,103,031</u>	<u>3,887,652</u>
Total Net Position	\$ <u>7,549,851</u>	\$ <u>1,334,970</u>	\$ <u>8,884,821</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

GATEWAY BEHAVIORAL HEALTH SERVICES

STATEMENTS OF ACTIVITIES

For The Fiscal Year Ended June 30, 2020

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Total</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:				
Mental Health	\$ 25,749,339	\$ 13,700,862	\$ 14,504,915	\$ 2,456,438
Developmental Disabilities	7,051,264	7,975,467	1,339,149	2,263,352
Addictive Disease	4,323,267	1,004,660	1,886,539	(1,432,068)
TANF	1,369,016	132,570	1,353,644	117,198
Other Programs	<u>1,503,771</u>	<u>1,305,586</u>	<u>-</u>	(<u>198,185</u>)
Gateway Behavioral Health Services	\$ 39,996,657	\$ 24,119,145	\$ 19,084,247	\$ 3,206,735
Distinctive Housing Solutions, Inc.	<u>658,686</u>	<u>818,800</u>	<u>-</u>	<u>160,114</u>
	\$ <u>40,655,343</u>	\$ <u>24,937,945</u>	\$ <u>19,084,247</u>	
		Change in Net Position		\$ 3,366,849
		Net Position - Beginning of Year		<u>5,517,972</u>
		Net Position - End of Year		\$ <u>8,884,821</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

GATEWAY BEHAVIORAL HEALTH SERVICES
BALANCE SHEETS - GOVERNMENTAL FUNDS

June 30, 2020

	<u>GATEWAY BEHAVIORAL HEALTH SERVICES</u>	<u>DISTINCTIVE HOUSING SOLUTIONS INC.</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 7,586,735	\$ 984,716	\$ 8,571,451
Restricted Cash	1,436,434	2,500	1,438,934
Accounts Receivable	1,371,083	6,932	1,378,015
Due from DBHDD	1,311,611	-	1,311,611
Prepaid Expenses	141,867	6,974	148,841
Other Assets	<u>-</u>	<u>110,877</u>	<u>110,877</u>
Total Assets	\$ <u>11,847,730</u>	\$ <u>1,111,999</u>	\$ <u>12,959,729</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts Payable	\$ 2,078,069	\$ 6,468	\$ 2,084,537
Payroll Liabilities	617,574	-	617,574
Due to DBHDD	1,877,803	-	1,877,803
Security Deposits	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Total Current Liabilities	\$ <u>4,573,446</u>	\$ <u>8,968</u>	\$ <u>4,582,414</u>
FUND BALANCE			
Unassigned	\$ <u>7,274,284</u>	\$ <u>1,103,031</u>	\$ <u>8,377,315</u>
Total Fund Balance	\$ <u>7,274,284</u>	\$ <u>1,103,031</u>	\$ <u>8,377,315</u>
Total Liabilities and Fund Balance	\$ <u>11,847,730</u>	\$ <u>1,111,999</u>	\$ <u>12,959,729</u>

GATEWAY BEHAVIORAL HEALTH SERVICES

RECONCILIATION OF THE BALANCE SHEETS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2020

	<u>GATEWAY BEHAVIORAL HEALTH SERVICES</u>	<u>DISTINCTIVE HOUSING SOLUTIONS INC.</u>	<u>TOTAL</u>
Total Fund Balance of Governmental Funds	\$ 7,274,284	\$ 1,103,031	\$ 8,377,315
Capital assets used in government activities are not financial resources and therefore, are not reported in the Governmental Fund.	18,414,944	4,718,878	23,133,822
Deferred outflows of resources are not due and payable in the current period and therefore, are not reported in the Governmental Funds.	373,300	-	373,300
Net pension liability is not due and payable in the current period and, therefore, is not reported in the Governmental Funds.	(323,149)	-	(323,149)
Net OPEB liability is not due and payable in the current period and, therefore, is not reported in the Governmental Funds.	(156,523)	-	(156,523)
Deferred inflows of resources are not financial resources and therefore, are not reported in the Governmental Funds.	(2,127,548)	-	(2,127,548)
Capitalized Lease payables are not due in the current period and, therefore, are not reported in the Governmental Funds	(5,296,589)	-	(5,296,589)
Notes payable are not financial resources and, therefore are not reported in the Governmental Funds.	(9,789,559)	(4,486,939)	(14,276,498)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the Government Funds.	(<u>819,309</u>)	-	(<u>819,309</u>)
Total Net Position of Governmental Activities	\$ <u>7,549,851</u>	\$ <u>1,334,970</u>	\$ <u>8,884,821</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.