

GATEWAY BEHAVIORAL HEALTH SERVICES

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2020

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	
	<u>GATEWAY BEHAVIORAL HEALTH SERVICES</u>	<u>DISTINCTIVE HOUSING SOLUTIONS, INC.</u>	<u>TOTAL</u>
REVENUES			
Department of Behavioral Health and Developmental Disabilities			
State Contracted Services	\$ 15,265,062	\$ -	\$ 15,265,062
State Contracted Fee for Services	4,998,135	-	4,998,135
Contracts	5,514,402	-	5,514,402
County Non-Participating	1,008,600	-	1,008,600
Outpatient Medicare Fees	195,968	-	195,968
Outpatient Medicaid Fees	4,770,191	-	4,770,191
Client Fees	651,791	-	651,791
DDDS Work Activity	21,879	-	21,879
Other Fees	14,109	-	14,109
Other Local Funds	78,220	-	78,220
Private Insurance	116,222	-	116,222
DD Waiver	7,707,840	-	7,707,840
Contracts	1,859,613	-	1,859,613
Other Federal Funds	978,678	-	978,678
Other Income	24,562	-	24,562
Rental Revenue	-	668,285	668,285
Other Income	-	3,270	3,270
Interest Income	-	5,469	5,469
Gain on Sale of Property	-	720,531	720,531
TOTAL REVENUES	\$ 43,205,272	\$ 1,397,555	\$ 44,602,827
EXPENDITURES			
Personal Service Costs:			
Salaries and Hourly Wages	\$ 8,542,713	\$ -	\$ 8,542,713
Fringe Benefits	3,756,868	-	3,756,868
Contract Labor and Services	18,655,963	-	18,655,963
Total Personal Service Costs	\$ 30,955,544	\$ -	\$ 30,955,544
Other Expenses:			
Building and Equipment	\$ 6,174,442	\$ 225,783	\$ 6,400,225
Motor Vehicle Expense	761,872	-	761,872
Supplies and Materials	446,623	1,195	447,818
Food Supplies	510,107	-	510,107
Medical Supplies	131,312	-	131,312
Insurance and Bonding	74,076	31,022	105,098
Pharmaceuticals	704,700	-	704,700
Repairs and Maintenance	477,995	160,712	638,707
Utilities	502,220	93,781	596,001
Printing	31,781	-	31,781
Travel	346,056	-	346,056
Rent	1,093,676	-	1,093,676
Contracts	239,444	121,503	360,947
Telecommunications	586,337	137	586,474
Training	192,893	-	192,893
Transportation	17,922	-	17,922
Computer Software	600,763	-	600,763
Personal Allowance	16,379	-	16,379
Postage	21,049	-	21,049
Direct Client Benefits	1,141,077	-	1,141,077
Work Activity Salaries	18,343	-	18,343
Interest Expense	629,980	61,778	691,758
Other Operating Expenditures	282,826	2,921	285,747
TOTAL EXPENDITURES	\$ 45,957,417	\$ 698,832	\$ 46,656,249

GATEWAY BEHAVIORAL HEALTH SERVICES

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS - CONTINUED

For The Fiscal Year Ended June 30, 2020

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	
	<u>GATEWAY BEHAVIORAL HEALTH SERVICES</u>	<u>DISTINCTIVE HOUSING SOLUTIONS INC.</u>	<u>TOTAL</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (<u>2,752,145</u>)	\$ <u>698,723</u>	\$ (<u>2,053,422</u>)
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	\$ 215,000	\$ 271,515	\$ 486,515
Principal Payments	(<u>404,842</u>)	(<u>539,250</u>)	(<u>944,092</u>)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (<u>189,842</u>)	\$ (<u>267,735</u>)	\$ (<u>457,577</u>)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	\$ (2,941,987)	\$ 430,988	\$ (2,510,999)
FUND BALANCE - BEGINNING OF THE YEAR	<u>10,216,271</u>	<u>672,043</u>	<u>10,888,314</u>
FUND BALANCE - END OF THE YEAR	\$ <u><u>7,274,284</u></u>	\$ <u><u>1,103,031</u></u>	\$ <u><u>8,377,315</u></u>

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

GATEWAY BEHAVIORAL HEALTH SERVICES
STATEMENT OF CHANGES IN COMBINED FUND BALANCE

For The Fiscal Year Ended June 30, 2020

	UNASSIGNED FUND	ASSIGNED FUND	
	GATEWAY BEHAVIORAL <u>HEALTH SERVICES</u>	DISTINCTIVE HOUSING <u>SOLUTIONS, INC.</u>	<u>TOTAL</u>
FUND BALANCE - JULY 1, 2019	\$ 10,216,271	\$ 672,043	\$ 10,888,314
ADDITIONS:			
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(<u>2,941,987</u>)	<u>430,988</u>	(<u>2,510,999</u>)
TOTAL FUND BALANCE AND ADDITIONS	\$ <u>7,274,284</u>	\$ <u>1,103,031</u>	\$ <u>8,377,315</u>
FUND BALANCE - JUNE 30, 2020	\$ <u>7,274,284</u>	\$ <u>1,103,031</u>	\$ <u>8,377,315</u>

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

GATEWAY BEHAVIORAL HEALTH SERVICES

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2020

	<u>GATEWAY BEHAVIORAL HEALTH SERVICES</u>	<u>DISTINCTIVE HOUSING SOLUTIONS INC.</u>
Net Change in Fund Balance - Total Governmental Funds	\$ (2,941,987)	\$ 430,988
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. These amounts are detailed as follows:</p>		
Capital Asset Disposals	-	(574,369)
Capital Outlay	5,982,675	225,783
Depreciation	(562,492)	(190,023)
<p>Capital Lease principal payments are not due and payable in the current period and, therefore, are not reported as expenses in Governmental Funds. Capital Lease proceeds are not financial resources and are not reported as revenue in the Statement of Activities. These amounts are detailed as follows:</p>		
Loan Proceeds	(215,000)	(271,515)
Note Principal Payments	404,842	539,250
<p>Pension expenses reported in the Statement of Activities do not require the uses of current financial resources and, therefore are not reported as expenditures in Governmental Funds.</p>		
	62,592	-
<p>OPEB expenses reported in the Statement of Activities do not require the uses of current financial resources and therefore, are not reported as expenditures in Governmental Funds.</p>		
	598,549	-
<p>Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in Governmental Funds.</p>		
	(122,444)	-
Change in Net Position of Governmental Activities	\$ <u>3,206,735</u>	\$ <u>160,114</u>

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

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Summary of Significant Account Policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Community Service Board conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB) or, where applicable, the Financial Accounting Standards Board (FASB).

The accounting policies of Gateway Behavioral Health Services are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Effective July 1, 2019, Gateway Behavioral Health Services adopted the following GASB Statements:

GASB Statement 84, *Fiduciary Activities*. This statement was issued January 2017 to establish criteria for identifying fiduciary activities of all state and local governments. GASB 84 was implemented for the fiscal year ended June 30, 2020 and there was no impact to the Community Service Board's financial statements.

GASB Statement 90, *Majority Equity Interest - an amendment of GASB Statements No. 14 ad No. 61*. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB 90 was implemented for the fiscal year ended June 30, 2020 and there was no impact to the Community Service Board's financial statements.

FUTURE ADOPTION OF GASB PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not effective as of June 30, 2020:

GASB Statement 87, *Leases*. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement 87 will be effective for the fiscal year ending June 30, 2021.

GASB Statement 91, *Conduit Debt Obligations*. This statement was issued May 2019 to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement 91 will be effective for the fiscal year ending June 30, 2022.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Community Service Board will implement new GASB pronouncements no later than the required effective date. The Community Service Board is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to their financial statements.

REPORTING ENTITY

As a result of legislation passed by the Georgia General Assembly known as House Bill 100, responsibility for most Mental Health, Developmental Disabilities and Addictive Disease were transferred from County Boards of Health to Community Service Boards as of July 1, 1994. A closeout process was followed and upon Georgia Department Human Resources' approval, assets and the related Fund Balance were transferred from the Board of Health to the successor agency. These financial statements report only the financial activities of Gateway Behavioral Health Services. The Board does not exercise any authority over any other entity which would require inclusion in these financial statements as required by GASB 14, the financial reporting entity.

GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Agency. Governmental activities are normally supported by client fees and State Contracted Services from the Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD).

The Statement of Activities reports the expenses of a given function or activity and are offset by program revenues. Direct expenses are those that are clearly identifiable to activities within a specific function or identifiable program. Program revenues include 1.) Charges to clients for services provided by the Agency, and 2.) Grants and contributions that are restricted to meeting the operational requirement of a particular function or identifiable program as specified by DBHDD and other granting agencies. Intra/Inter agency revenues and expenses are not reflected in the Statement of Activities.

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures only when payment is due.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

BASIS OF PRESENTATION

The financial transactions of the Community Service Board are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

GASB Statement 34 *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments* sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Community Service Board electively added funds, as major funds, which either had debt outstanding or specific community focus. The non-major governmental funds are combined in a single column in the fund financial statements. The Community Service Board has no non-major governmental funds.

Governmental Funds

The measurement focus of the Governmental Funds (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the Community Service Board:

- The General Fund accounts for all of the Community Service Board's services and is the primary operating unit of the Community Service Board.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

Accrual

Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Under the modified basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the following 3 months. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt and compensated absences, if any, are recognized when due.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

FUND BALANCE

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Community Service Board's highest level of decision-making authority, the Community Service Board. A formal resolution of the Community Service Board is required to establish, modify, or rescind a fund balance commitment. The Community Service Board reports assigned fund balance for amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual amount remaining that does not meet any other criterion.

When the Community Service Board incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Community Service Board's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

NET POSITION - Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Community Service Board has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The Community Service Board applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net position is available.

Gateway Behavioral Health Services has no proprietary or fiduciary funds.

DEFERRED OUTFLOW/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Community Service Board has two types of items that qualify for reporting in this category; (1) it is the change in proportion and differences between employer contributions and proportionate share of contributions for pensions and, (2) the Community Service Board's contributions subsequent to the measurement date. These amounts are deferred and will be recognized as an outflow in the applicable period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. The Community Service Board has one type of item that qualifies for reporting in this category; the net difference between projected and actual earnings on pension plan investments. This amount is deferred and will be recognized as an inflow of resources in the period in which the amount becomes available.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

CAPITAL ASSETS AND DEPRECIATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

Capital assets are recorded as follows for the Statement of Net Position and Statement of Activities:

The Community Service Board's capital assets with useful lives of more than one year are stated at historical cost. Donated assets are stated at fair value on the date of the donation. The Community Service Board capitalizes all assets with a cost of \$5,000 or more as purchased. The cost of normal repairs and maintenance that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	30
Furniture and Other Equipment	5
Vehicles	5

COMPENSATED ABSENCES - Effective June 4, 2013, Gateway's policy was changed to:

Paid Time Off (PTO)

1. Paid Time Off is earned on a semi-monthly basis by salaried employees in permanent, working test or provisional status.
2. A full time employee will earn one-half of their monthly PTO at the end of each pay period if the employee works forty (40) hours or more in each pay period.
3. PTO is accrued and carried over at the following rates:
 - a. 0-35 months inclusive.....10 hours at end of each month; 40 hours carried over at year end.
 - b. 36-59 months inclusive.....12 hours at the end of each month; 80 hours carried over at year end.
 - c. 60 months and over.....14 hours at end of each month; 120 hours carried over at year end.The sick leave balances of staff hired prior to September 1, 2010 will be available for use under the terms of Family and Medical Leave.
4. Eligible employees begin accruing PTO at the appropriate increased rate on the first day of the month following the completion of the required months of service.
5. Part-time hourly employees are not eligible to earn leave.
6. A full-time employee in pay status for less than forty (40) hours during a pay period earns no PTO for that pay period.
7. PTO is not earned by employees on emergency, hourly, temporary, or intermittent appointments.
8. PTO may accumulate to a total of 480 hours (60 work days).
9. Any PTO earned in excess of 480 hours will be forfeited.

Family Medical Leave

1. Eligible employees may take medical leave time as provided by the Family and Medical Leave Act of 1993 and in conjunction with Gateway policies.
2. Family and Medical Leave is available to employees who:
 - a. Have been employed for at least (1) year; and
 - b. Have worked at least 1,250 hours of service during the twelve (12) month period that precedes the leave.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Eligible employees are entitled to twelve (12) weeks of Family and Medical Leave during any twelve (12) month period for the following reasons:
 - a. The birth of a child of the employee;
 - b. The placement of a child with the employee for adoption or foster care;
 - c. Care of the employee's child, spouse or parent who has a serious health condition; or
 - d. A serious health condition which makes the employee unable to perform the essential functions of the employee's position.
 - e. Eligible employee with a spouse, son, daughter, parent on covered active duty or call to active duty status of an Armed Service member or Armed Service reservist.
4. The twelve (12) month period leave year is a "rolling" twelve (12) month period measured backwards from the date leave is to begin.

Compensated absences are accrued and recorded as a liability on the government-wide financial statements. The annual change in the liability is reflected in the Statement of Activities.

PENSIONS - For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employee's Retirement System of Georgia (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LEGAL COMPLIANCE - BUDGETARY RESTRICTIONS - Budgets are developed annually as part of the grant agreements. Provisions are made for revision of the budgets during the fiscal year. The budgeted amounts shown in the accompanying statements reflect the original and final revised budgets for each grant. All budgets are prepared on the modified accrual basis of accounting.

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

Certain significant estimates in this financial statement include:

- The collectability of consumer receivables.
- Medicaid revenue and receivables.
- Depreciation expense on Agency owned assets.
- Current portion of compensated absences payable.

OPERATING LEASES - The Agency leases its facilities under operating leases. The leases are generally for the fiscal year and must be approved at the beginning of each individual year. Rent expense was \$1,093,676 for the year ended June 30, 2020.

CONTINGENCIES - The Agency's nature of business is such that it ordinarily results in a certain amount of litigation. In the opinion of management for the Agency, there is no litigation in which the outcome will have a material effect on the financial statements.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

RISK MANAGEMENT - All equipment, furniture and fixtures and vehicles held by Gateway Behavioral Health Services are insured through the Georgia Department of Administrative Services (GA DOAS). The Agency is exposed to various risk of loss related to torts; theft or damage to and destruction of assets; errors and omissions; natural disasters; and worker injuries for which the Agency carries insurance through the Georgia Department of Administrative Services. The insurance provides for the transfer of risk from the Agency for all major programs. The Agency's risk is constituted by a maximum \$500 deductible for each occurrence. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts did not exceed insurance coverage for the current year.

NOTE 2 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2020, are summarized as follows:

As reported in the Statement of Net Position:

Cash	\$	7,586,735
Cash - Restricted		<u>1,436,434</u>
	\$	<u>9,023,169</u>
Cash deposited with financial institutions	\$	<u>9,191,422</u>

Interest rate risk. The Community Service Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk - deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, the Community Service Board did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable of \$1,371,083 consists of client fees, private-pay insurance, Medicaid, Medicare, and other contracts.

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - DUE TO/FROM DBHDD

The Agency has accounts payable due to and accounts receivable due from the Georgia Department of Behavioral Health and Developmental Disabilities as follows:

<u>Program Number</u>	<u>Program Summary</u>	<u>Due From</u>	<u>Due To</u>
DBHDD Master Agreement #44100-265-02620209104			
100	Mental Health Services - Adult	\$ 55,655	\$ -
DBHDD Master Agreement #44100-265-9072019104			
400	Developmental Disabilities Services	\$ 29,762	\$ -
DBHDD Master Agreement #44100-265-0262019114			
619	Ready for Work - Outpatient - SSBG	\$ 16,320	\$ -
624	Ready for Work - Residential - SAPT	11,122	-
625	Ready for Work - Residential - TANF	39,600	-
626	Ready for Work - Residential - State	8,800	-
630	Ready for Work - Transitional Housing	4,000	-
632	Ready for Work - Residential - SSBG	<u>30,800</u>	-
	Subtotal	\$ <u>196,059</u>	\$ -
	Special Advances Payable	\$ -	\$ 1,149,998
	Operating Advance	-	<u>727,805</u>
	Subtotal	\$ -	\$ <u>1,877,803</u>
OTHER CONTRACTS:			
BHCC			
#44100-026-0000114218		\$ 524,237	\$ -
Adolescent Addictive Diseases Clubhouse Services			
#44100-906-0000137067		\$ 30,528	\$ -
ACT Services			
#44100-906-0000133938		\$ 67,567	\$ -
Intensive Case Management (ICM)			
#44100-261-0000132428		\$ 31,284	\$ -
System of Care			
#44100-026-0000141906		\$ 35,175	\$ -
CM Services			
#44100-265-0000131246		\$ 2,400	\$ -

GATEWAY BEHAVIORAL HEALTH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - DUE TO/ FROM DBHDD - CONTINUED

Program Number	Program Summary	<u>Due From</u>	<u>Due To</u>
Georgia APEX Project (GAP) #44100-026-0000133072		\$ 18,972	\$ -
Georgia APEX Expansion (CHAT) #44100-026-0000128230		\$ 24,101	\$ -
Crisis Respite Apartments #44100-026-0000130432		\$ 14,935	\$ -
Housing Outreach Coordinator #44100-026-0000141430		\$ 6,026	\$ -
Forensic Apartments #44100-026-0000145220		\$ 103,987	\$ -
Psychiatric Residency Program #44100-026-0000134710		\$ 250,000	\$ -
Supported Employment/Supported Education #44100-026-0000126657		\$ 4,340	\$ -
Mental Health Awareness Training #44100-026-0000141905		\$ 2,000	\$ -
Subtotal		\$ <u>1,115,552</u>	\$ -
TOTAL		\$ <u>1,311,611</u>	\$ <u>1,877,803</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions &</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
Land and Buildings	\$ 13,305,056	\$ 5,637,339	\$ -	\$ 18,942,395
Leasehold Improvements	2,264,435	39,320	-	2,303,755
Equipment, Furniture and Fixtures	877,526	306,016	-	1,183,542
Vehicles	<u>726,158</u>	<u>-</u>	<u>-</u>	<u>726,158</u>
	\$ 17,173,175	\$ 5,982,675	\$ -	\$ 23,155,850
Accumulated Depreciation Governmental Activities	(<u>4,178,414</u>)	(<u>562,492</u>)	<u>-</u>	(<u>4,740,906</u>)
Capital Assets, Net	\$ <u>12,994,761</u>	\$ <u>5,420,183</u>	\$ -	\$ <u>18,414,944</u>