

GATEWAY BEHAVIORAL HEALTH SERVICES

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - CONTINUED

For The Fiscal Year Ended June 30, 2020

STATE OF GEORGIA DBHDD <u>GRANT/CONTRACT</u>	<u>GRANT/ CONTRACT AMOUNT</u>	<u>REVENUE RECEIVED DURING GRANT PERIOD</u>	<u>FIXED RATE PAYMENTS OR EXPENDITURES DURING GRANT PERIOD</u>	<u>DUE (TO) FROM DBHDD @ END OF GRANT PERIOD</u>
OTHER CONTRACTS - CONTINUED:				
Forensic Apartments #44100-026-0000093543	\$ 435,000	\$ 288,369	\$ 288,369	\$ -
Forensic Apartments #44100-026-0000145220	\$ 435,937	\$ -	\$ 103,987	\$ 103,987
Psychiatric Residency Program #44100-026-0000134710	\$ 1,000,000	\$ 750,000	\$ 1,000,000	\$ 250,000
Supported Employment/Supported Education #44100-026-0000126657	\$ 30,149	\$ 51,515	\$ 55,855	\$ 4,340
Mental Health Awareness Training #44100-026-0000124246	\$ 8,000	\$ 2,000	\$ 2,000	\$ -
Mental Health Awareness Training #44100-026-0000141905	\$ <u>8,000</u>	\$ <u>2,000</u>	\$ <u>4,000</u>	\$ <u>2,000</u>
Subtotal	\$ <u>9,562,325</u>	\$ <u>4,398,850</u>	\$ <u>5,514,402</u>	\$ <u>1,115,552</u>
TOTAL	\$ <u>25,043,279</u>	\$ <u>19,467,853</u>	\$ <u>20,779,464</u>	\$ <u>1,311,611</u>

GATEWAY BEHAVIORAL HEALTH SERVICES

SCHEDULE OF CASH FLOWS

For The Fiscal Year Ended June 30, 2020

	GATEWAY BEHAVIORAL HEALTH SERVICES	DISTINCTIVE HOUSING SOLUTIONS INC.	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
CHANGE IN NET POSITION	\$ 3,206,735	\$ 160,114	\$ 3,366,849
Adjustments to reconcile net income to net cash Provided by Operating Activities:			
Depreciation Expense	562,492	190,023	752,515
(Increase)/Decrease in Accounts Receivable	238,484	10,962	249,446
(Increase)/Decrease in Prepaid Expenses	(40,706)	40	(40,666)
(Increase)/Decrease in Deferred Outflow	276,899	-	276,899
Increase/(Decrease) in Accounts Payable	541,689	(4,733)	536,956
Increase/(Decrease) in Other Liabilities	(3,831)	-	(3,831)
Increase/(Decrease) in Compensated Absences Payable	122,444	-	122,444
Increase/(Decrease) in Deferred Inflows	(107,821)	-	(107,821)
Increase/(Decrease) in Net Pension Liability	(48,283)	-	(48,283)
Increase/(Decrease) in Net OPEB Liability	(781,936)	-	(781,936)
Increase/(Decrease) in DBHDD Advances	(120,001)	-	(120,001)
Gain on Sale of Capital Assets	<u> -</u>	<u>(141,776)</u>	<u>(141,776)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	\$ <u>3,846,165</u>	\$ <u>214,630</u>	\$ <u>4,060,795</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Capital Assets	\$ -	\$ 725,611	\$ 725,611
Purchases of Property, Plant and Equipment	(5,982,675)	(225,783)	(6,208,458)
Increase in Reserve Deposits	<u> -</u>	<u>(18,410)</u>	<u>(18,410)</u>
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	\$ (<u>5,982,675</u>)	\$ <u>481,418</u>	\$ (<u>5,501,257</u>)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan Proceeds	\$ 215,000	\$ 271,515	\$ 486,515
Principal Payments	(<u>404,842</u>)	(<u>539,250</u>)	(<u>944,092</u>)
NET CASH FLOWS PROVIDED/(USED) BY FINANCING ACTIVITIES	\$ (<u>189,842</u>)	\$ (<u>267,735</u>)	\$ (<u>457,577</u>)
NET INCREASE (DECREASE) IN CASH	\$ (2,326,352)	\$ 428,313	\$ (1,898,039)
CASH - BEGINNING OF THE YEAR	<u>11,349,521</u>	<u>558,903</u>	<u>11,908,424</u>
CASH - END OF THE YEAR	\$ <u>9,023,169</u>	\$ <u>987,216</u>	\$ <u>10,010,385</u>
NOTES TO CASH FLOW STATEMENT:			
Interest Paid	\$ 629,980	\$ 61,778	\$ 691,758
Income Tax Paid	\$ -	\$ -	\$ -

GATEWAY BEHAVIORAL HEALTH SERVICES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Fiscal Year Ended June 30, 2020

<u>FEDERAL GRANTOR</u>	<u>CFDA NUMBER</u>	<u>PROGRAM NUMBER</u>	<u>EXPENDITURES</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Georgia Department of Behavioral Health and Developmental Disabilities:			
CMHS Block Grant	93.958	44100-265-0262020104	\$ <u>645,360</u>
SAPT Block Grant	93.959	44100-265-0262020104	\$ 796,062
		44100-265-0262020114	133,464
		44100-026-0000117215	69,259
		44100-906-0000137067	<u>306,251</u>
			\$ <u>1,305,036</u>
Social Services Block Grant	93.667	44100-265-9072020104	\$ 321,373
		44100-265-0262020114	<u>574,380</u>
			\$ <u>895,753</u>
TANF	93.558	44100-265-0262020114	\$ <u>520,200</u>
Projects of Regional and National Significance	93.243	44100-906-0000124246	\$ 4,000
		44100-906-0000141905	<u>2,000</u>
			\$ <u>6,000</u>
Total U.S. Department of Health and Human Services			\$ <u>3,372,349</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs:			
Shelter Plus Care	14.238	GA0166L4B011809	\$ 579,622
Emergency Solutions Grant	14.231	Multiple	<u>144,754</u>
Total U.S. Department of Housing and Urban Development			\$ <u>724,376</u>
TOTAL			\$ <u>4,096,725</u>

GATEWAY BEHAVIORAL HEALTH SERVICES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For The Fiscal Year Ended June 30, 2020

Notes to Schedule:

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Gateway Behavioral Health Services under programs of the federal government for the year ended June 30, 2020. 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). Because the schedule presents only a selected portion of the operations of Gateway Behavioral Health Services, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Gateway Behavioral Health Services.

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Gateway Behavioral Health Services did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

OTHER REPORTS

ROBERT BAKER and ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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 Community Service Board
Gateway Behavioral Health Services
Brunswick, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Gateway Behavioral Health Services' basic financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Gateway Behavioral Health Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gateway Behavioral Health Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Gateway Behavioral Health Services' 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.

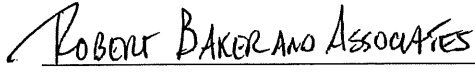
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gateway Behavioral Health Services' 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 determination of financial statement amounts. 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.

ROBERT BAKER and ASSOCIATES



Certified Public Accountants

Albany, Georgia

December 10, 2020

ROBERT BAKER and ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Gateway Behavioral Health Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Gateway Behavioral Health Services' major federal programs for the fiscal year ended June 30, 2020. Gateway Behavioral Health Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Gateway Behavioral Health Services' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Gateway Behavioral Health Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Gateway Behavioral Health Services' compliance.

Opinion on Each Major Federal Program

In our opinion, the Gateway Behavioral Health Services, complied, in all material respects, with the types of 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, 2020.

Report on Internal Control over Compliance

Management of Gateway Behavioral Health Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Gateway Behavioral Health Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal

program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Gateway Behavioral Health Services' 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 federal program 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 federal program 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.

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. Accordingly, this report is not suitable for any other purpose.

ROBERT BAKER and ASSOCIATES



Certified Public Accountants
Albany, Georgia
December 10, 2020

GATEWAY BEHAVIORAL HEALTH SERVICES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified not
 considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial
 statements noted? ___ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified not
 considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are
 required to be reported in accordance
 with the Uniform Guidance, Section 200.516? ___ yes X no

Identification of major programs:

<u>CFDA Number (s)</u>	<u>Name of Federal Program of Cluster</u>
93.959	SAPT Block Grant

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

Auditee qualified as low-risk auditee? X yes ___ no

GATEWAY BEHAVIORAL HEALTH SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For The Fiscal Year Ended June 30, 2020

Section II - Financial Statement Findings

SIGNIFICANT DEFICIENCIES

AUDITOR REFERENCE
NUMBER

-NONE-

Section III - Federal Award Findings and Questioned Costs

-NONE-

GATEWAY BEHAVIORAL HEALTH SERVICES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Fiscal Year Ended June 30, 2020

SIGNIFICANT DEFICIENCIES

AUDITOR REFERENCE
NUMBER

-NONE-