

San Luis Valley Behavioral Health Group, Inc.

**Auditor's Report and
Consolidated Financial Statements**

June 30, 2020 and 2019

San Luis Valley Behavioral Health Group, Inc.
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June 30, 2020 and 2019

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rfarmer, llc
a certified public accounting and consulting firm

Independent Auditor's Report

Board of Directors
San Luis Valley Behavioral Health Group, Inc

We have audited the accompanying consolidated financial statements of San Luis Valley Behavioral Health Group, Inc. (the "Group") and its members, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group and its members as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming our opinions on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position as of June 30, 2020 and 2019, and the consolidated statements of activities and cash flows for the years then ended are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other record used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating financial statements are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

rfarmer, llc

October 5, 2020

San Luis Valley Behavioral Health Group, Inc.
Consolidated Statements of Financial Position
June 30, 2020 and 2019

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents	\$ 4,729,607	\$ 4,007,814
Investments	3,737,504	3,504,150
Other receivables	1,870,358	533,074
Prepaid expenses	34,612	63,514
Total Current Assets	<u>10,372,082</u>	<u>8,108,552</u>
Investments		
Progressive Health Options	12,778	12,778
Health Colorado	1,140,000	840,000
Total Investments	<u>1,152,778</u>	<u>852,778</u>
Other Assets		
Note Receivable- Long Term Portion	1,176,000	1,218,000
Property and equipment, net	8,098,762	7,661,722
Total Other Assets	<u>9,274,762</u>	<u>8,879,722</u>
TOTAL ASSETS	<u><u>20,799,622</u></u>	<u><u>17,841,052</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	731,018	202,122
Accrued Expenses	366,331	302,274
Rental Deposits	14,085	14,245
Deferred Revenues	110,546	372,651
Current Portion of Long-Term Debt	2,146,603	54,225
Total Current Liabilities	<u>3,368,584</u>	<u>945,517</u>
Long-term Debt, Excluding Current Portion	<u>-</u>	<u>140,404</u>
TOTAL LIABILITIES	<u>3,368,584</u>	<u>1,085,921</u>
TOTAL NET ASSETS- Without donor restrictions	<u>17,431,038</u>	<u>16,755,132</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 20,799,622</u></u>	<u><u>\$ 17,841,052</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

San Luis Valley Behavioral Health Group, Inc.
Consolidated Statements of Activities
For the years ended June 30, 2020 and 2019

SUPPORT AND REVENUE	2020	2019
Support		
Grants and Contracts	\$ 2,989,341	\$ 2,698,101
Revenue		
Net Client Service Revenue	12,935,013	11,368,236
Local Government	206,507	179,381
TOTAL SUPPORT AND REVENUE	16,130,861	14,245,718
EXPENSES		
Personnel	11,292,669	8,429,485
Client	1,654,831	1,528,731
Occupancy	580,476	668,692
Operating	1,593,221	2,842,218
Other Expense	670,251	743,955
Professional Fees	610,761	691,645
TOTAL EXPENSES	16,402,210	14,904,729
OPERATING INCOME (LOSS)	(271,349)	(659,011)
OTHER INCOME		
Gain (Loss) on Sale of Assets	(1,897)	3,869
Unrealized Gain (Loss) From Investments	(214,961)	90,154
Interest Income	213,331	161,435
Lease income	342,888	325,523
Other Income	184,317	1,392,308
Undistributed income (loss) members	423,581	-
TOTAL OTHER INCOME	947,259	1,973,290
CHANGE IN NET ASSETS	675,910	1,314,280
NET ASSETS, BEGINNING OF YEAR	16,755,133	15,440,853
NET ASSETS, END OF YEAR	\$ 17,431,043	\$ 16,755,133

The accompanying notes to financial statements
are an integral part of these statements.

San Luis Valley Behavioral Health Group, Inc.
Consolidated Statements of Cash Flows
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 675,908	\$ 1,314,278
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Depreciation	502,496	576,657
(Increase) Decrease in:		
Accounts receivable	(1,337,285)	238,826
Prepaid Expenses	29,787	53,533
Increase (Decrease) in:		
Accounts payable	528,896	150,986
Accrued expenses	64,056	71,023
Deferred revenue	(262,105)	98,790
Rental deposits	(160)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>201,594</u>	<u>2,504,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investments	(600,000)	(800,000)
Unrestricted donation	-	1,002
Purchase of fixed assets	(615,179)	(308,632)
Collections on note receivable	42,000	96,104
Noncash contribution	(399,000)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,572,179)</u>	<u>(1,011,526)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principle payments on long term debt	(54,225)	(50,731)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>2,092,378</u>	<u>(50,731)</u>
Net increase (decrease) in cash and cash equivalents	721,793	1,441,836
Cash and cash equivalents, beginning of year	4,007,814	2,565,978
Cash and cash equivalents, end of year	<u>\$ 4,729,607</u>	<u>\$ 4,007,814</u>

The accompanying notes to financial statements
are an integral part of these statements.

San Luis Valley Behavioral Health Group, Inc.
Notes to Financial Statements
June 30, 2020 and 2019

Note 1 Significant Accounting Policies

The San Luis Valley Behavioral Health Group, Inc. ("SLVBHG") is organized as a not-for-profit corporation under statutes of the State of Colorado. SLVBHG has been granted exemption from taxation under section 501(c)(3) of the Internal Revenue Code. SLVBHG, through its members, serves six counties in the San Luis Valley providing services in each of the following categories:

- Behavioral Health Counseling and Treatment
- Addiction Treatment Programs
- Community Corrections Program
- Retired Senior Citizen Volunteer Program
- Youth Service Programs
- Substance Abuse Programs

These service areas are funded by patient (client) fees, federal awards, state service reimbursement contracts, state grants, county and other local sources.

Basis of Accounting:

The financial statements of SLVBHG have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Classification of Net Assets:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its ASC 958. Under FASB ASC 958, SLVBHG is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The assets, liabilities, and net assets of SLVBHG are reported in net asset classes as follows:

- a) Net Assets Without Donor Restrictions: Net assets without donor restrictions are resources over which the Board of Directors (the Board) has discretionary control including those net assets invested in property and equipment at the direction of the Board.
- b) Net Assets with Donor Restrictions: Net assets with donor restrictions are subject to donor-imposed stipulation that may or will be met by actions of SLVBHG and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, these net assets are reclassified to net assets without donor restrictions and reported within the statement of activities.

In addition, some net assets with donor restrictions are limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of SLVBHG. As of June 30, 2020, and 2019, there were no net assets with donor restrictions.

Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of SLVBHG and its members, San Luis Valley Community Mental Health Center ("SLVCMHC"), and San Luis Valley Asset Management Corporation after eliminations of all material intercompany accounts, transactions and profits. SLVBHG, as well as its members, operates on a fiscal year ending June 30.

Cash & Cash Equivalents:

Cash and cash equivalents include temporary investments in highly liquid instruments with a maturity of three months or less, including amounts whose use is limited by board designation or other arrangements.

Investments:

Investments are composed of publicly-traded equities, common stock, and mutual funds and are carried at fair value.

Fair Value of Financial Instruments:

All financial instruments are carried at amounts that approximate estimated fair value. FASB ASC 820, *Fair Value Measurement* (ASC 820), established a framework for measuring fair value. That framework provided a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that SLVBHG can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

For the years ended June 30, 2020 and 2019, all financial instruments were considered to be Level 1 inputs under the fair value hierarchy.

Contributions:

In accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Entities*, as amended, contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions depending on the nature of the restrictions. Under FASB ASC 958, contributions that are required to be reported as net assets with restrictions are then reclassified to net assets without restrictions upon expiration of time restrictions or satisfaction of donor restrictions.

Donated Materials and Services:

SLVBHG records the value of donated goods or services when there is an objective basis available to measure their value. Donated services of a professional or skilled nature are presented at the estimated value of such services. Donated materials and equipment are reflected in the accompanying statements at their estimated value at date of receipts.

During 2019-20, San Luis Valley Asset Management Corporation was donated a medical coach for use in providing medical and behavioral services to those suffering from substance abuse. The coach will be used to reach individuals in outlying service areas.

Board of Directors serves without compensation. The value of these services SLVBHG's is not recorded in the financial statements. No amounts have been reflected in the statements for these contributed services since the contribution of these services did not create or enhance non-financial assets or require specialized skills.

Property & Equipment:

Property and equipment acquisitions are recorded at cost. It is SLVBHG's policy to capitalize all acquisitions having a cost of \$5,000 or greater. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Interest cost incurred on the borrowed funds during the period of construction of capital assets is capitalized as a component of the

cost of acquiring those assets. For the years ended June 30, 2020 and 2019, no such interest was capitalized, as there were no qualifying amounts.

Compensated Absences:

SLVBHG's policy is to accrue a liability for earned but unpaid vacation time. These accrued liabilities have been recorded on the balance sheet as of year-end.

Net Client Service Revenue:

SLVBHG, through its members, has agreements with third-party payors that provide for payments to the Center at amounts different than its established rates. Payment arrangements include prospectively determined rates per unit of service, reimbursed costs and capitation payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Charity care is not included.

Charity Care:

SLVBHG provides care to patients who meet Department of Mental Health "Uniform Ability to Pay" guidelines. Under those guidelines, clients receive services without charge or at amounts based upon clients established level of income. Client billings are recorded in the financial statements net of the charity component.

Income Taxes:

SLVBHG is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Under Colorado State Statutes, any organization receiving exemption from Federal income taxes is also exempt from Colorado income taxes.

Each of the members is also a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

Accounting for Income Taxes:

SLVBHG has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of SLVBHG, management believes that its income tax filing positions and deductions are well documented and supported.

As of June 30, 2020, SLVBHG had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of June 30, 2020, SLVBHG had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that SLVBHG's tax returns will not be challenged by the taxing authorities and that SLVBHG will not be subject to additional tax, penalties, and interest as a result of such challenge. At June 30, 2020, the periods that remain open to examination under federal statute are for the tax years ended June 30, 2017 through 2019.

The Internal Revenue Service has classified SLVBHG and its members as publicly supported organizations.

Operating Income:

The statement of activities includes the term "operating income." Changes in unrestricted net assets that are excluded from operating income, consistent with industry practice, include investment income, which is primarily interest, unrealized gains and losses on investments and undistributed earnings from other investments, including investments in partnerships.

Use of Estimates:

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification:

Certain 2018-19 amounts have been reclassified to conform to the 2019-20 presentation.

Note 2 Liquidity

It is management's intent to have an adequate amount of cash available to pay all bills currently and maintain an adequate reserve for unknown expenses or other cash outlays. Any excess cash is invested for a short period to earn interest that will be used for day to day activities. As such, the company will sweep all available cash into overnight deposits.

Note 3 Investments

Under SLVBHG's adopted investment policy, the Board of Directors shall invest and manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the company.

Investments as of June 30, 2020 and 2019 are summarized as follows:

	2020		2019	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Marketable Securities:				
Cash	\$ 548,092	\$ 548,092	\$ 148,653	\$ 148,653
Equities and Stocks	912,088	1,177,678	789,832	1,063,270
Mutual Funds	24,847	832	24,847	3,867
Fixed Income (REIT and Preferred Stock)	1,799,387	2,010,902	2,168,876	2,288,360
Total Marketable Securities	<u>\$ 3,284,414</u>	<u>\$ 3,737,504</u>	<u>\$ 3,132,208</u>	<u>\$ 3,504,150</u>

The following schedule summarizes the investment return in the statement of activities for the year ended June 30:

	2020	2019
Interest and dividends	\$ 148,634	\$ 111,669
Unrealized gains (losses)	(214,960)	86,707
Total investment return	<u>\$ 66,326</u>	<u>\$ 198,376</u>

Note 4 Other Receivables

Other receivables include the following:

	2020	2019
Contracts, Other Third Parties and Grants	\$ 868,287	\$ 533,074
Health Colorado, Inc.	1,002,071	-
	<u>\$ 1,870,358</u>	<u>\$ 533,074</u>

Note 5 Property & Equipment

A summary of property and equipment at June 30 is as follows:

	2020	2019
Land	\$ 425,046	\$ 377,479
Buildings	11,225,203	10,853,312
Vehicles	838,842	621,264
Equipment	967,220	738,676
	13,456,311	12,590,731
Less: Accumulated Depreciation	(5,357,549)	(4,929,009)
Total Property and Equipment (Net):	\$ 8,098,762	\$ 7,661,722

Note 6 Operating Leases

SLVBHG has several non-cancelable operating leases, primarily for copiers, that expire at various dates. These leases generally have terms of 39-60 months. One lease is currently month to month. Rental expenses for these leases totaled approximately \$11,000 and \$9,822 for the years ended June 30, 2020 and 2019, respectively.

Note 7 Employee Benefit Plan

Effective October 1, 2008 San Luis Valley Behavioral Health Group, Inc. adopted a 401 (k) plan for the benefit of qualifying employees. The plan covers all employees who have attained the age of 21 and have completed six (6) months of service. The qualified employee must elect out of the 401 (k) plan; otherwise, 3% will be withheld from the qualifying participant. Deferral amounts contributed by qualifying employees can be no more than the maximum amount set by law. Catch-up contributions are allowed for qualifying employees that are at least age 50 or will attain age 50 before the end of the calendar year. The employer has elected to make safe harbor matching contributions. Safe harbor matching contributions will be made that are equal to 100% of your salary deferrals that do not exceed 5% of your compensation. The safe harbor contribution is 100% vested as is the qualifying employees' deferrals.

The plan year is January through December. For the plan year ended December 31, 2019, the qualifying employee and employer contributions totaled \$634,962. For the year ended December 31, 2018 the qualifying employee and employer contributions totaled \$471,262.

Note 8 Related Party Transactions

Some of the members lease buildings, vehicles, and equipment from another member. The amount of lease expense was \$198,916 and \$249,586 for the years ended June 30, 2020 and 2019, respectively. In addition, one of the members provides administrative services to the other members. The amount of administrative services was \$1,431,811 for the year ended June 30, 2020 and \$1,727,607 for the year ended June 30, 2019.

Note 9 Financial Instruments

Concentrations of Credit Risk from Patient and Third-party Payors:

SLVBHG is located in the San Luis Valley, Colorado. SLVBHG and its members grant credit without collateral to its patients, many of who are local residents and are insured under third-party payors agreements.

Concentrations of Credit Risk from Cash Deposits in Excess of Insured Limits:

SLVBHG and its members maintain cash balances at several financial institutions located in southern Colorado. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times the amounts may exceed the \$250,000 coverage. SLVBHG does not believe it is exposed to any significant credit risk on its cash balances.

Note 10 Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

A significant portion of SLVBHG and its members' support is provided by State and Federal grants and contracts. Lack of funding for some of these grants and contracts would have a significant adverse impact on operations; however, the entities do not expect such a decrease in funding.

Revenue Concentration:

Approximately 62% and 59% of SLVCMHC's unrestricted revenues for the years ended June 30, 2020 and 2019, were through the contracts with the Office of Behavioral Health and Health Colorado, Inc. The contracts are for behavioral and substance abuse services to those who qualify for those services.

Note 11 Contingencies & Commitments

SLVBHG and/or its members participate in State and Federal grants and contracts. These grants and programs may be subject to compliance audits by the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although management believes such amounts, if any, to be immaterial.

Note 12 Long Term Debt

During 2019-20, Asset Management received a Payroll Protection Program (PPP) loan in the amount of \$2,146,603. The loan was obtained through a local financial institution as part of the federal governments program to help small businesses due to the nationally declared pandemic. The loan is being administrated by the Small Business Administration (SBA). The loan matures April 20, 2022, calls for monthly payment of \$120,802 including interest beginning November 20, 2020, is at 1%, and is unsecured. The PPP loan is forgivable if the loan proceeds are spent within a

certain number of weeks and were spent for qualifying expenses. The loan may be forgiven when the applicable information to support how the loan proceeds were spent are reviewed and approved by the SBA. At that time, the loan will be recognized as forgiveness of debt income.

At year-end the SBA has not determined if Asset Management had met the requirements to have the debt forgiven, but management is certain the loan proceeds were spent as required and the loan will be forgiven.

Note 13 Lease Agreement

As of May 1, 2018, San Luis Valley Asset Management entered into a lease agreement to lease a building for \$7,345 per month, beginning June 1, 2018 and ending May 1, 2023. The lease will automatically renew annually unless one of the parties decides not to renew the lease. Written notice is to be given to the other party 30 days prior to the end of any annual lease term. The lessee is limited in how the building can be utilized by the lessee. The lessee also has to maintain a certain amount of liability insurance. Other restrictions, if any, are listed in the lease agreement.

Note 14 Subsequent Events

Subsequent events have been evaluated through the date the financial statements were available to be issued. No additional disclosures are required.

San Luis Valley Behavioral Health Group, Inc.
Consolidating Statement of Financial Position
June 30, 2020

	San Luis Valley Community Mental Health Center	San Luis Valley Asset Management Corporation	San Luis Valley Behavioral Health Group, Inc.	Eliminations	Consolidating
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 4,909,277	\$ (49,795)	\$ (129,875)	\$ -	\$ 4,729,607
Investments	-	3,737,504	-	-	3,737,504
Accounts receivable:					
Due from related party	-	2,146,603	-	(2,146,603)	-
Other receivables	1,870,358	-	-	-	1,870,358
Prepaid Expenses	31,704	-	2,908	-	34,612
Total Current Assets	6,811,340	5,834,312	(126,967)	(2,146,603)	10,372,082
Investments					
San Luis Valley Asset Management	-	-	12,939,392	(12,939,392)	-
San Luis Valley Community Mental Health Center	-	-	4,672,312	(4,672,312)	-
Progressive Health Options	12,778	-	-	-	12,778
Health Colorado	1,140,000	-	-	-	1,140,000
Total Investments	1,152,778	-	17,611,704	(17,611,704)	1,152,778
Other Assets					
Note Receivable	-	1,176,000	-	-	1,176,000
Property and equipment, net	-	8,098,762	-	-	8,098,762
Total Other Assets	-	9,274,762	-	-	9,274,762
TOTAL ASSETS	7,964,118	15,109,074	17,484,737	(19,758,307)	20,799,622
LIABILITIES AND NET ASSET					
LIABILITIES					
Current Liabilities					
Accounts payable	731,312	4,024	(4,318)	-	731,018
Accrued expenses	303,345	4,970	58,016	-	366,331
Rental Deposits	-	14,085	-	-	14,085
Deferred Revenues	110,546	-	-	-	110,546
Due to related parties	2,146,603	-	-	(2,146,603)	-
Current portion of long-term debt	-	2,146,603	-	-	2,146,603
Total Current Liabilities	3,291,806	2,169,682	53,698	(2,146,603)	3,368,584
TOTAL LIABILITIES	3,291,806	2,169,682	53,698	(2,146,603)	3,368,584
TOTAL NET ASSETS- Without donor restrictions	4,672,312	12,939,392	17,431,039	(17,611,704)	17,431,038
TOTAL LIABILITIES AND NET ASSETS	\$ 7,964,118	\$ 15,109,074	\$ 17,484,737	\$ (19,758,307)	\$ 20,799,622

San Luis Valley Behavioral Health Group, Inc.
Consolidating Statement of Financial Position
June 30, 2019

	San Luis Valley Community Mental Health Center	San Luis Valley Asset Management Corporation	San Luis Valley Behavioral Health Group, Inc.	Eliminations	Consolidating
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 3,501,470	636,284	\$ (129,940)	\$ -	\$ 4,007,814
Investments	-	3,504,150	-	-	3,504,150
Other receivables	533,074	-	-	-	533,074
Prepaid Expenses	51,887	-	11,627	-	63,514
Total Current Assets	4,086,431	4,140,435	(118,313)	-	8,108,553
Investments:					
San Luis Valley Asset Management	-	-	12,726,008	(12,726,008)	-
San Luis Valley Community Mental Health Center	-	-	4,214,037	(4,214,037)	-
Progressive Health Options	12,778	-	-	-	12,778
Health Colorado, Inc.	840,000	-	-	-	840,000
Total Investments	852,778	-	16,940,045	(16,940,045)	852,778
Other Assets					
Note Receivable	-	1,218,000	-	-	1,218,000
Property and equipment, net	-	7,661,722	-	-	7,661,722
Total Other Assets	-	8,879,722	-	-	8,879,722
TOTAL ASSETS	4,939,209	13,020,157	16,821,732	(16,940,045)	17,841,053
LIABILITIES AND NET ASSET					
LIABILITIES					
Current Liabilities					
Accounts Payable	114,680	83,055	4,388	-	202,123
Accrued Expenses	237,842	2,218	62,214	-	302,274
Rental Deposits	-	14,245	-	-	14,245
Deferred Revenues	372,651	-	-	-	372,651
Current portion of long-term debt	-	54,225	-	-	54,225
Total Current Liabilities	725,173	153,743	66,602	-	945,518
Long-term debt, excluding current portion	-	140,404	-	-	140,404
TOTAL LIABILITIES	725,173	294,147	66,602	-	1,085,922
TOTAL NET ASSETS- Without donor restrictions	4,214,036	12,726,010	16,755,131	(16,940,045)	16,755,132
TOTAL LIABILITIES AND NET ASSETS	\$ 4,939,209	\$ 13,020,157	\$ 16,821,732	\$ (16,940,045)	\$ 17,841,053

San Luis Valley Behavioral Health Group, Inc.
Consolidating Statement of Activities
For the year ended June 30, 2020

	San Luis Valley Community Mental Health Center	San Luis Valley Asset Management Corporation	San Luis Valley Behavioral Health Group, Inc.	Eliminations	Consolidating
SUPPORT AND REVENUE					
Support					
Grants and Contracts	\$ 2,989,341	\$ -	\$ -	\$ -	\$ 2,989,341
Revenue					
Net Client Service Revenue	12,935,013	-	-	-	12,935,013
Local Government	206,507	-	-	-	206,507
TOTAL SUPPORT AND REVENUE	16,130,861	-	-	-	16,130,861
EXPENSES					
Program Services					
Personnel	9,939,979	136,095	1,216,597	-	11,292,671
Client	1,654,831	-	-	-	1,654,831
Occupancy	636,219	110,497	32,676	(198,916)	580,476
Operating	2,911,641	6,832	106,559	(1,431,811)	1,593,221
Other Expenses	-	617,988	52,263	-	670,251
Professional Fees	590,553	742	19,466	-	610,761
TOTAL EXPENSES	15,733,224	872,154	1,427,561	(1,630,727)	16,402,212
Operating Income (Loss)	397,637	(872,154)	(1,427,561)	1,630,727	(271,351)
OTHER INCOME					
Gain (Loss) on Sale of Assets	-	(1,897)	-	-	(1,897)
Unrealized Gain (Loss) from Investments	-	(214,961)	-	-	(214,961)
Interest and Dividend Income	2,197	211,134	-	-	213,331
Administrative Fee Income	-	-	1,431,811	(1,431,811)	-
Lease Income	-	541,804	-	(198,916)	342,888
Gain (Loss) from Members	-	-	671,659	(671,659)	-
Other Income	33,860	150,457	-	-	184,317
Donations	24,581	399,000	-	-	423,581
TOTAL OTHER INCOME	60,638	1,085,537	2,103,470	(2,302,386)	947,259
Change in Net Assets	458,275	213,383	675,909	(671,659)	675,907
NET ASSETS, BEGINNING OF YEAR	4,214,037	12,726,009	16,755,130	(16,940,044)	16,755,133
NET ASSETS, END OF YEAR	\$ 4,672,312	\$ 12,939,392	\$ 17,431,039	\$ (17,611,703)	\$ 17,431,038

San Luis Valley Behavioral Health Group, Inc.
Consolidating Statement of Activities
For the year ended June 30, 2019

	San Luis Valley Community Mental Health Center	San Luis Valley Asset Management Corporation	San Luis Valley Behavioral Health Group, Inc.	Eliminations	Consolidating
SUPPORT AND REVENUE					
Support					
Grants and Contracts	\$ 2,698,101	\$ -	\$ -	\$ -	\$ 2,698,101
Revenue					
Net Client Service Revenue	11,368,236	-	-	-	11,368,236
Local Government	179,381	-	-	-	179,381
TOTAL SUPPORT AND REVENUE	14,245,718	-	-	-	14,245,718
EXPENSES					
Program Services					
Personnel	8,250,105	128,832	1,531,812	(1,481,265)	8,429,485
Client	1,528,732	-	-	-	1,528,731
Occupancy	544,057	106,404	20,624	(2,392)	668,692
Operating	3,136,207	16,120	174,942	(485,051)	2,842,218
Other Expenses	-	705,148	38,807	-	743,955
Professional Fees	686,191	561	13,380	(8,486)	691,645
TOTAL EXPENSES	14,145,293	957,065	1,779,565	(1,977,194)	14,904,729
Operating Income (Loss)	100,425	(957,065)	(1,779,565)	1,977,194	(659,011)
OTHER INCOME					
Gain (Loss) on Sale of Assets	-	3,869	-	-	3,869
Unrealized Gain or (Loss) from Investments	3,446	86,708	-	-	90,154
Interest and Dividend Income	49,766	111,669	-	-	161,435
Administrative Fee Income	-	-	1,727,607	(1,727,607)	-
Lease Income	-	575,109	-	(249,586)	325,523
Other Income	1,177,431	214,877	-	-	1,392,308
Undistributed Income (Loss) Members	-	-	1,366,236	(1,366,236)	-
TOTAL OTHER INCOME	1,230,643	992,232	3,093,843	(3,343,429)	1,973,289
Change in Net Assets	1,331,069	35,167	1,314,278	(1,369,235)	1,314,279
NET ASSET, BEGINNING OF YEAR	2,882,969	12,690,842	15,440,852	(15,573,810)	15,440,853
NET ASSETS, END OF YEAR	\$ 4,214,038	\$ 12,726,009	\$ 16,755,130	\$ (16,943,045)	\$ 16,755,132

San Luis Valley Behavioral Health Group, Inc.
Consolidating Statement of Cash Flows
For the year ended June 30, 2020

	San Luis Valley Community Mental Health Center	San Luis Valley Asset Management Corporation	San Luis Valley Behavioral Health Group, Inc.	Eliminations	Consolidating
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 458,275	\$ 213,383	\$ 675,909	\$ (671,659)	\$ 675,908
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:					
Depreciation	-	502,496	-	-	502,496
Undistributed Earnings in Partnerships/Members	-	-	(671,659)	671,659	-
(Increase) Decrease in:					
Accounts receivable	(1,337,285)	-	-	-	(1,337,285)
Prepaid expenses	20,183	885	8,719	-	29,787
Increase (Decrease) in:					
Accounts payable	616,632	(79,031)	(8,705)	-	528,896
Accrued expenses	65,503	2,752	(4,199)	-	64,056
Deferred revenues	(262,105)	-	-	-	(262,105)
Rent deposits	-	(160)	-	-	(160)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(438,796)	640,325	65	-	201,594
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investments	(300,000)	(300,000)	-	-	(600,000)
Purchase of fixed assets	-	(615,179)	-	-	(615,179)
Due (from) to related parties	- 2,146,603	(2,146,603)	-	-	-
Non cash contribution	-	(399,000)	-	-	(399,000)
Collections on note receivable	-	42,000	-	-	42,000
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,846,603	(3,418,782)	-	-	(1,572,179)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from debt	-	2,146,603	-	-	2,146,603
Principle payments on debt	-	(54,225)	-	-	(54,225)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	2,092,378	-	-	2,092,378
Net increase (decrease) in cash and cash equivalents	1,407,807	(686,079)	65	-	721,793
Cash and cash equivalents, beginning of year	3,501,470	636,284	(129,940)	-	4,007,814
Cash and cash equivalents, end of year	\$ 4,909,277	\$ (49,795)	\$ (129,875)	\$ -	\$ 4,729,607

San Luis Valley Behavioral Health Group, Inc.
Consolidating Statement of Cash Flows
For the year ended June 30, 2019

	San Luis Valley Community Mental Health Center	San Luis Valley Asset Management Corporation	San Luis Valley Behavioral Health Group, Inc.	Eliminations	Consolidating
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 1,331,069	\$ 35,167	\$ 1,314,278	\$ (1,366,236)	\$ 1,314,278
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:					
Depreciation	-	576,657	-	-	576,657
Undistributed earnings in members	-	-	(1,366,236)	1,366,236	-
(Increase) Decrease in:					
Accounts receivable	238,826	-	-	-	238,826
Prepaid expenses	17,281	885	35,367	-	53,533
Increase (Decrease) in:					
Accounts payable	53,636	79,358	17,992	-	150,986
Accrued expenses	60,310	1,655	9,058	-	71,023
Deferred revenues	98,790	-	-	-	98,790
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,799,912	693,722	10,459	-	2,504,093
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investments	-	(800,000)	-	-	(800,000)
Decrease in investments	1,002	-	-	-	1,002
Purchase of fixed assets	-	(308,632)	-	-	(308,632)
Collections on note receivable	-	96,104	-	-	96,104
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,002	(1,012,528)	-	-	(1,011,526)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principle payments on debt	-	(50,731)	-	-	(50,731)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	(50,731)	-	-	(50,731)
Net increase (decrease) in cash and cash equivalents	1,800,914	(369,537)	10,459	-	1,441,836
Cash and cash equivalents, beginning of year	1,700,556	1,005,821	(140,399)	-	2,565,978
Cash and cash equivalents, end of year	\$ 3,501,470	\$ 636,284	\$ (129,940)	\$ -	\$ 4,007,814