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AN EQUAL OPPORTUNITY EMPLOYER

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January 23, 2024

Board of Directors
Mental Health Association in Indiana, Inc.
d/b/a Mental Health America of Indiana
Marion County, Indiana

We have reviewed the audit report of Mental Health Association in Indiana, Inc. d/b/a Mental Health America of Indiana, which was opined upon by Alerding CPA Group, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Mental Health America in Indiana, Inc. d/b/a Mental Health America of Indiana as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Alerding CPA Group prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020



MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

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JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mental Health Association in Indiana, Inc.
Indianapolis, Indiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mental Health Association in Indiana, Inc. (the "Association"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 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 of 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 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 Mental Health Association in Indiana, Inc. as of June 30, 2021 and 2020, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is 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 records 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of Federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 records 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 schedule of expenditures of Federal awards is fairly stated, in all material respects, in relation to the consolidated 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 September 28, 2022, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Association's internal control over financial reporting and compliance.



Indianapolis, Indiana
September 28, 2022

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 984,789	\$ 447,454
Investments	1,174,912	962,708
Program and grants receivable	1,398,604	957,620
Prepaid expenses	13,582	16,238
Property and equipment, net	<u>1,295,803</u>	<u>1,392,991</u>
Total assets	<u>\$ 4,867,690</u>	<u>\$ 3,777,011</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 484,286	\$ 276,224
Accrued expenses	243,115	188,392
Deferred revenue	703,293	403,374
Notes payable	<u>331,043</u>	<u>719,139</u>
Total liabilities	1,761,737	1,587,129
Net Assets Without Donor Restrictions	<u>3,105,953</u>	<u>2,189,882</u>
Total liabilities and net assets	<u>\$ 4,867,690</u>	<u>\$ 3,777,011</u>

See accompanying Notes to Consolidated Financial Statements.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Support and Revenues:		
Contract revenues:		
Public services	\$ 560,522	\$ 362,499
Memberships and affiliate dues	<u>94,915</u>	<u>58,083</u>
Total contract revenues	<u>655,437</u>	<u>420,582</u>
Contributions:		
Government professional services contracts and grants	5,331,758	2,880,088
Corporate and private grants	241,376	179,393
Other contributions	<u>138,387</u>	<u>87,438</u>
Total contributions	<u>5,711,521</u>	<u>3,146,919</u>
Other support:		
Special events	-0-	174,312
Other income	<u>73,977</u>	<u>24,673</u>
Total other support	<u>73,977</u>	<u>198,985</u>
Total contributions and other support	<u>5,785,498</u>	<u>3,345,904</u>
Total support and revenues before investment income	6,440,935	3,766,486
Interest and investment income, net	<u>213,010</u>	<u>19,550</u>
Total support and revenues	<u>6,653,945</u>	<u>3,786,036</u>
Expenses:		
Program services	5,341,632	3,185,797
Management and general	379,851	351,554
Fundraising	<u>16,391</u>	<u>156,986</u>
Total expenses	<u>5,737,874</u>	<u>3,694,337</u>
Change in net assets	916,071	91,699
Net Assets, Without Donor Restrictions, Beginning of Year	<u>2,189,882</u>	<u>2,098,183</u>
Net Assets, Without Donor Restrictions, End of Year	<u>\$ 3,105,953</u>	<u>\$ 2,189,882</u>

See accompanying Notes to Consolidated Financial Statements.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	2021				2020 Total
	Program Services	Management and General	Fundraising	Totals	
Labor and Benefits:					
Salaries	\$ 1,473,186	\$ 252,535	\$ 6,000	\$ 1,731,721	\$ 1,498,606
Employee benefits	185,676	40,772	614	227,062	193,200
Payroll taxes and expense	116,315	22,086	494	138,895	134,754
Total labor and benefits	1,775,177	315,393	7,108	2,097,678	1,826,560
Other Expenses:					
Payments to consumers	128,504	-0-	-0-	128,504	97,247
Contracted professional services	170,817	2,562	2,559	175,938	304,211
Public education	287,503	-0-	-0-	287,503	238,731
Trainings	178,654	-0-	-0-	178,654	304,975
Depreciation	164,644	1,000	743	166,387	129,045
Occupancy	51,543	1,850	334	53,727	52,137
Professional fees	1,772,678	237	-0-	1,772,915	119,145
Interest expense	16,968	1,828	-0-	18,796	26,792
Travel	9,986	200	-0-	10,186	32,781
Technology support	259,230	15,250	251	274,731	152,256
Maintenance	115,029	1,519	272	116,820	42,209
Insurance	19,111	1,287	202	20,600	19,601
Web based software fees	115,714	17,206	4,102	137,022	83,717
Telephone	55,368	7,831	97	63,296	26,050
Bank fees	1,972	7,167	604	9,743	4,854
Office and program supplies	160,531	778	93	161,402	81,257
Special events	599	-0-	-0-	599	91,470
Other	57,604	5,743	26	63,373	61,299
Total expenses	\$ 5,341,632	\$ 379,851	\$ 16,391	\$ 5,737,874	\$ 3,694,337

See accompanying Notes to Consolidated Financial Statements.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total
Labor and Benefits:				
Salaries	\$ 1,236,761	\$ 232,765	\$ 29,080	\$ 1,498,606
Employee benefits	149,678	38,067	5,455	193,200
Payroll taxes and expense	111,409	20,361	2,984	134,754
Total labor and benefits	1,497,848	291,193	37,519	1,826,560
Other Expenses:				
Payments to consumers	97,247	-0-	-0-	97,247
Contracted professional services	281,942	7,272	14,997	304,211
Public education	238,681	-0-	50	238,731
Trainings	304,975	-0-	-0-	304,975
Depreciation	127,587	667	791	129,045
Occupancy	49,174	2,513	450	52,137
Professional fees	118,053	197	895	119,145
Interest expense	20,490	6,302	-0-	26,792
Travel	30,721	521	1,539	32,781
Technology support	144,238	7,589	429	152,256
Maintenance	40,376	1,514	319	42,209
Insurance	18,224	1,178	199	19,601
Web based software fees	64,585	14,006	5,126	83,717
Telephone	22,941	2,969	140	26,050
Bank fees	2,078	2,447	329	4,854
Office and program supplies	77,842	2,862	553	81,257
Special events	119	-0-	91,351	91,470
Other	48,676	10,324	2,299	61,299
Total expenses	\$ 3,185,797	\$ 351,554	\$ 156,986	\$ 3,694,337

See accompanying Notes to Consolidated Financial Statements.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 916,071	\$ 91,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of note payable	(362,300)	-0-
Depreciation	166,387	129,045
Net realized gains on investments	(61,157)	(6,137)
Net unrealized (gains) losses on investments	(142,689)	3,233
Changes in operating assets and liabilities:		
Program and grants receivable	(440,984)	(310,111)
Prepaid expenses	2,656	(1,372)
Accounts payable	208,062	(45,262)
Accrued expenses	54,723	38,190
Deferred revenue	<u>299,919</u>	<u>290,265</u>
Net cash provided by operating activities	<u>640,688</u>	<u>189,550</u>
Cash Flows from Investing Activities:		
Capital expenditures	(69,199)	(143,455)
Proceeds from sale of investments	12,928	11,250
Purchase of investments	<u>(21,286)</u>	<u>(27,664)</u>
Net cash used in investing activities	<u>(77,557)</u>	<u>(159,869)</u>
Cash Flows from Financing Activities:		
Borrowings on note payable	-0-	362,300
Principal payments on notes payable	<u>(25,796)</u>	<u>(25,465)</u>
Net cash provided by (used in) financing activities	<u>(25,796)</u>	<u>336,835</u>
Net increase	537,335	366,516
Cash and Cash Equivalents, Beginning of Year	<u>447,454</u>	<u>80,938</u>
Cash and Cash Equivalents, End of Year	<u>\$ 984,789</u>	<u>\$ 447,454</u>
Supplemental Disclosure of Cash Flow Information:		
Cash payments for interest	<u>\$ 18,796</u>	<u>\$ 26,792</u>

See accompanying Notes to Consolidated Financial Statements.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. DESCRIPTION OF THE REPORTING ENTITY

The consolidated financial statements include the accounts of Mental Health Association in Indiana, Inc. (“MHA”) d/b/a Mental Health America of Indiana (“MHA”), which includes the accounts of Indiana Mental Health Memorial Foundation, Inc. (the “Foundation”) and Community Addiction Services of Indiana, Inc., known as Emberwood Center (“Emberwood”), collectively referred to as the “Association”. The Association is headquartered in Indianapolis, Indiana serving the needs of the mental health community in Indiana.

The financial statements are presented on a consolidated basis because of common control. All significant intercompany transactions and balances have been eliminated in consolidation. The consolidated financial statements do not include the accounts of any of the affiliated county chapters that are not under the direct control of the Association. Those chapters elect their own independent Board of Directors, conduct their own service programs and maintain their own separate financial accounts.

The programs and services provided by the Association include the following:

- The Association’s Advocacy and Public Education programs work for the mental health of all citizens and for the victory over mental illness through public education, advocacy and public health reform.
- Emberwood promotes growth, respect and integrity through community-based services to address the cycle of addiction with individuals and families.
- Indiana Center for Children and Families (“ICCF”) provides assessment and therapeutic services for children, adolescents and families.
- Indiana Affiliation of Recovery Residences (“INARR”) creates, evaluates and improves standards and measures of quality for all levels of recovery residences.
- Indiana Credentialing Association on Alcohol and Drug Addiction (“ICAADA”) is a membership organization for addictions professionals, providing training and credentialing.
- Indiana Coalition to Reduce Underage Drinking (“ICRUD”) creates healthier and safer environments by reducing the accessibility and availability of alcohol to underage persons.
- Indiana Addiction Issues Coalition, Inc. (“IAIC”) advocates on behalf of people with addictive disorders by promoting recovery through advocacy, public education and service.
- Infancy Onward, Inc., formerly known as Indiana Association of Infant and Toddler Mental Health, Inc. (“IAITMH”) advances the conditions which provide an early start toward optimal mental health.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

- Depression and Bipolar Support Alliance Indiana, Inc. (“DBSAI”) educates and fosters self-help for patients and families; works to eliminate discrimination and stigma to improve access to care; and advocates for research toward the elimination of these illnesses.
- Junior Mental Health America of Indiana, Inc. (“JMHA”) serves as an educational forum for middle and high school students and provides volunteer and leadership opportunities for its members.
- Indiana Mental Health and Aging Coalition (IMHAC) enhances the mental health of older adults in Indiana through public education, training, and advocacy by improving access to mental health services and providing a forum of cooperation and collaboration for aging and mental health networks.
- Indiana National Organization on Fetal Alcohol Syndrome (INOFAS) educates the public about alcohol risks during pregnancy to reduce fetal alcohol spectrum disorders.
- The Foundation has been a conduit for individuals and organizations to fund mental health advocacy and programming for over 50 years.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Association in the preparation of its consolidated financial statements are summarized below:

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Association uses the following accounts to distinguish among restrictions:

Net Assets Without Donor Restrictions

Net assets without donor restrictions include all contributions received, without donor restrictions, and revenues and expenses for the general operation of the Association.

Net Assets With Donor Restrictions

Net assets with donor restrictions include contributions that have donor-imposed restrictions that limit the use for a specific purpose, limit the use for a future time period, or require the funds to be held in perpetuity. When a donor’s restriction is met, restricted net assets are reclassified to net assets without donor restrictions through the release of restrictions in the Statements of Activities and Changes in Net Assets. There were no donor restricted net assets at June 30, 2021 and 2020.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires Management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. Significant estimates made in the preparation of the Association's consolidated financial statements include the collectability of program and grants receivable, the useful lives of property and equipment, and the classification of expenses among functional categories.

Cash and Cash Equivalents

Cash and cash equivalents represent amounts held in checking and money market accounts. All liquid investments with original maturity dates of three months or less are classified as cash equivalents.

Support and Revenue Recognition

Contributions and Other Support

Contributions and other support are reported as increases in net assets with and without donor restrictions based upon whether the donor has imposed any restrictions. The Association records contributions restricted by donors as increases in net assets without donor restrictions if the restrictions are satisfied in the same reporting period in which the support and revenue is recognized. Support and revenue is reported as with donor restricted revenue if the donor stipulates specific limitations as to the use of the contribution, including passage of time or other terms limiting its uses. When a donor restriction is satisfied or expires, net assets with donor restrictions are released to net assets without donor restrictions.

Revenues from Contracts with Customers

The Association derives its contract revenues primarily from government professional services contracts and grants, which are typically cost reimbursement-based and, accordingly, revenue is recognized as reimbursable expenditures are incurred. Public services revenue is recognized in the reporting period the service is provided. Contract revenues are recognized in an amount reflecting the consideration the Association is entitled in exchange for the services. Incidental items that are immaterial in the context of the contract are recognized as expense. The Association does not have any significant financing components as payment is received at or shortly after customers are invoiced. Costs incurred to obtain a contract are expensed as incurred.

Disaggregation of Revenues from Contracts with Customers

All of the Association's revenues are from performance obligations satisfied at a point in time and, accordingly, no revenues are from performance obligations satisfied over time.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Performance Obligations

Revenues are recognized at the point in time when the contract performance obligations are satisfied as performances occur and services are provided.

Variable Consideration

The nature of the Association's business and customer contracts does not give rise to significant variables of the total amount of the contract price.

Program Receivables

Program receivables are reported at the amount invoiced, net of an allowance for doubtful accounts. The Association, on a periodic basis, evaluates its program receivables and establishes an allowance for doubtful accounts based on past write-offs, collections, and current credit conditions. There was no allowance for doubtful accounts as of June 30, 2021 and 2020.

Medicaid

Reimbursement for services rendered to Medicaid program beneficiaries includes discounts from established rates, fee schedules, and cost reimbursement methodologies with certain limitations. Laws and regulations governing Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulator's action including fines, penalties, and/or exclusion from the Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates may change in the near term.

Approximately 1% of public service revenues were from participation in state-sponsored Medicaid programs for the years ended June 30, 2021 and 2020.

Property, Equipment and Depreciation

Purchased property and equipment are recorded at cost. Items donated are recorded at the assets estimated fair value as of the date of donation. Costs of improvements are capitalized and costs of repairs and maintenance are expensed as incurred. Depreciation is recorded over the estimated useful lives of the assets utilizing the straight-line method. The lives of these assets range from three (3) to thirty (30) years.

Functional Expenses

Expenses are functionally classified as Program Services, Management and General, and Fundraising. Classifications are based on actual direct expenditures, cost allocations determined by estimates of time spent by Association personnel, and other allocations as determined by Management.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Income Taxes

The Association is exempt from Federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state law. Accordingly, no provision has been made for Federal or state income taxes.

Management of the Association evaluates all significant tax positions to ensure compliance with the exempt purpose of the Association as required by U.S. GAAP, including consideration of any unrelated business income tax. As of June 30, 2021, Management does not believe the Association has taken any tax positions that are not in compliance with the exempt purpose of the Association. The Association's Federal and state tax returns remain open and subject to examination beginning with the tax year ended June 30, 2018.

Subsequent Events

Subsequent events have been evaluated through September 28, 2022, which is the date the consolidated financial statements were available for issuance.

3. LIQUIDITY AND AVAILABILITY

At June 30, 2021 and 2020, financial assets available for future general expenditures within one year from the dates of the Consolidated Statements of Financial position consist of the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 984,789	\$ 447,454
Investments	1,174,912	962,708
Program and grants receivable	<u>1,398,604</u>	<u>957,620</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,558,305</u>	<u>\$ 2,367,782</u>

The Association's liquidity objective is to maintain adequate liquid assets to fund near-term operating needs and maintain sufficient reserves to provide reasonable assurance that obligations will be discharged as soon as they become due.

The Association receives support and revenues through cost reimbursement contracts and grants which are ongoing, major, and central to its annual operations to meet cash needs for general operations. For the years ended June 30, 2021 and 2020, reimbursable contracts and grant revenue and support totaled \$5,331,758 and \$2,880,088, respectively.

The Association may receive funds that are restricted by donors for specified purposes or certain time periods. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

In the event of an unanticipated liquidity need, the Association has availability to borrow funds under a \$335,000 line of credit (Note 8).

4. CONTRACT ASSETS AND LIABILITIES

The Association's contract assets and liabilities consist of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program and grants receivable:		
Beginning of year	\$ 615,448	\$ 559,859
End of year	\$ 1,340,536	\$ 615,448
Deferred revenue:		
Beginning of year	\$ 362,669	\$ 64,121
End of year	\$ 186,279	\$ 362,669

5. FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which requires the Association to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels are defined by U.S. GAAP as a means of measuring fair value:

Level 1

Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs reflecting the entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

The asset's and liability's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Association has no liabilities measured at fair value and its assets measured at fair value on a recurring basis includes investments. The following is a description of the valuation methodology used for the Association's investments measured at fair market as of June 30, 2021. There has been no change in the methodology used as of June 30, 2021.

Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Association are deemed to be actively traded. A money market fund is an open-ended mutual fund that invests in short-term debt securities and commercial paper.

Equities

Valued at the daily closing prices report by the fund. Equities are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV; however, the funds trade on stock exchanges throughout the day, thus the transaction price could differ from the NAV.

Government Securities

Valued on the yield, which is the annualized percentage return that the purchaser will receive if the note is purchased on the day of the quotation at the ask price and held until maturity.

Corporate Bonds

Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on the yields currently available on comparable securities of issues with similar credit ratings.

Investments at June 30, 2021 and 2020 are measured at fair value based on the following levels:

	<u>2021</u>	<u>2020</u>
Level 1	\$ 1,058,719	\$ 860,432
Level 2	116,193	102,276
Level 3	-0-	-0-
	<u>\$ 1,174,912</u>	<u>\$ 962,708</u>

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

6. INVESTMENTS AND INTEREST AND INVESTMENT INCOME

The composition of investment securities at June 30, 2021 and 2020, consists of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 29,100	\$ 29,100	\$ 69,454	\$ 69,454
Corporate bonds	35,809	38,107	39,068	41,739
Government bonds	75,878	78,086	54,628	60,537
Equity securities	216,446	323,214	210,136	249,306
Equity mutual funds	352,601	434,409	246,866	250,547
Fixed income mutual funds	274,396	271,996	294,563	291,125
	\$ 984,230	\$ 1,174,912	\$ 914,715	\$ 962,708

Interest and investment income consist of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Interest and dividend income	\$ 22,092	\$ 27,896
Investment fees	(12,928)	(11,250)
Net realized gains	61,157	6,137
Net unrealized gains (losses)	142,689	(3,233)
	\$ 213,010	\$ 19,550

7. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consist of the following:

	2021	2020
Land and land improvements	\$ 294,697	\$ 294,697
Building and building improvements	1,828,485	1,752,376
Furniture and equipment	335,162	317,498
Capital assets in progress	-0-	24,575
	2,458,344	2,389,146
Less accumulated depreciation	1,162,541	996,155
	\$ 1,295,803	\$ 1,392,991

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. LINE OF CREDIT

At June 30, 2021 and 2020, the Association has \$335,000 of available borrowings under a line of credit with a bank and is subject to renewal on March 31, 2023. Borrowings under this facility bear interest at the bank's prime rate plus 1% (4.25% at June 30, 2021). The line of credit is secured by substantially all assets of the Association. There were no outstanding borrowings on the line of credit as of June 30, 2021 and 2020.

9. NOTES PAYABLE

Notes payable at June 30, 2021 and 2020 include the following:

	<u>2021</u>	<u>2020</u>
Note payable to bank; 4.9%, payable in monthly installments of \$1,471 including interest through November 2030.	\$ 132,545	\$ -0-
Note payable to bank; 5.2%, payable in monthly installments of \$1,447 including interest through April 2030.	122,361	132,963
Note payable to bank; 5.2%, payable in monthly installments of \$900 including interest through April 2030.	76,137	82,734
Note payable under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"), forgiven in 2021.	-0-	362,300
Note payable to bank; refinanced in 2021.	-0-	141,142
	<u>\$ 331,043</u>	<u>\$ 719,139</u>

The notes payable to bank are secured by substantially all assets of the Association, including mortgages on real estate, and contain prepayment penalties.

During May 2020, the Association secured a \$362,300 loan from a bank under the SBA's PPP loan program. Under the terms of the program, the loan was forgivable if the Association met the forgiveness conditions. On June 28, 2021, the Association was notified the SBA approved full forgiveness of the principal balance and, accordingly, loan forgiveness of \$362,300 was recorded as a contribution and is reported within governmental professional service contracts and grants on the Statement of Activities and Changes in Net Assets for the year ended June 30, 2021.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Future principal payments of notes payable at June 30, 2021 are as follows:

Years Ending June 30,	
2022	\$ 29,455
2023	31,009
2024	32,611
2025	34,368
2026	36,183
Thereafter	<u>167,417</u>
	<u>\$ 331,043</u>

10. 401(K) PROFIT SHARING PLAN

The Association has a 401(k) Profit Sharing Plan which covers substantially all employees who meet certain eligibility requirements and provides for a tax deferred profit sharing contribution by the Association and an employee elective contribution. With respect to the employee contribution, a participant's contributions may not exceed the maximum amount allowed as determined by the Internal Revenue Code. As of June 30, 2021 and 2020, the Association has accrued \$10,535 and \$4,910, respectively, toward funding the employer elective profit sharing contribution. Pension expense for the years ended June 30, 2021 and 2020 was \$13,734 and \$9,002, respectively.

11. CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

The Association maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed Federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Program and Grants Receivable and Support and Revenues

At June 30, 2021 and for the year then ended, 70% of program and grants receivable were from one (1) grantor and 98% of support and revenues were from two (2) grantors.

At June 30, 2020 and for the year then ended, 70% of program and grants receivable and 55% of support and revenues were from one (1) grantor.

SUPPLEMENTARY INFORMATION

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2021

ASSETS

	MHA	Foundation	Emberwood	Consolidating Eliminations	Consolidated Totals
Assets:					
Cash and cash equivalents	\$ 984,789	\$ -0-	\$ -0-	\$ -0-	\$ 984,789
Investments	1,174,912	-0-	-0-	-0-	1,174,912
Program and grants receivable	1,126,068	-0-	272,536	-0-	1,398,604
Intercompany receivables	2,084,226	293,045	399,163	(2,776,434)	-0-
Prepaid expenses	13,582	-0-	-0-	-0-	13,582
Property and equipment, net	1,249,099	-0-	46,704	-0-	1,295,803
Total assets	\$ 6,632,676	\$ 293,045	\$ 718,403	\$ (2,776,434)	\$ 4,867,690

LIABILITIES AND NET ASSETS

Liabilities:					
Accounts payable	\$ 362,144	\$ -0-	\$ 122,142	\$ -0-	\$ 484,286
Intercompany payables	2,776,434	-0-	-0-	(2,776,434)	-0-
Accrued expenses	204,369	-0-	38,746	-0-	243,115
Deferred revenue	453,863	-0-	249,430	-0-	703,293
Notes payable	331,043	-0-	-0-	-0-	331,043
Total liabilities	4,127,853	-0-	410,318	(2,776,434)	1,761,737
Net Assets Without Donor Restrictions	2,504,823	293,045	308,085	-0-	3,105,953
Total liabilities and net assets	\$ 6,632,676	\$ 293,045	\$ 718,403	\$ (2,776,434)	\$ 4,867,690

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2021

	<u>MHAI</u>	<u>Foundation</u>	<u>Emberwood</u>	<u>Consolidating Eliminations</u>	<u>Consolidated Totals</u>
Support and Revenues:					
Contract revenues:					
Public services	\$ 518,924	\$ -0-	\$ 41,598	\$ -0-	\$ 560,522
Memberships and affiliate dues	94,915	-0-	-0-	-0-	94,915
Total contract revenues	<u>613,839</u>	<u>-0-</u>	<u>41,598</u>	<u>-0-</u>	<u>655,437</u>
Contributions:					
Government professional services contracts and grants	4,330,877	-0-	1,000,881	-0-	5,331,758
Corporate and private grants	240,626	-0-	750	-0-	241,376
Other contributions	138,251	-0-	136	-0-	138,387
Total contributions	<u>4,709,754</u>	<u>-0-</u>	<u>1,001,767</u>	<u>-0-</u>	<u>5,711,521</u>
Other support:					
Special events	-0-	-0-	-0-	-0-	-0-
Other income	486,953	-0-	400	(413,376)	73,977
Total other support	<u>486,953</u>	<u>-0-</u>	<u>400</u>	<u>(413,376)</u>	<u>73,977</u>
Total contributions and other support	<u>5,196,707</u>	<u>-0-</u>	<u>1,002,167</u>	<u>(413,376)</u>	<u>5,785,498</u>
Total support and revenues before investment income	<u>5,810,546</u>	<u>-0-</u>	<u>1,043,765</u>	<u>(413,376)</u>	<u>6,440,935</u>
Interest and investment income, net	213,010	-0-	-0-	-0-	213,010
Total support and revenues	<u>6,023,556</u>	<u>-0-</u>	<u>1,043,765</u>	<u>(413,376)</u>	<u>6,653,945</u>
Expenses:					
Program services	4,801,652	-0-	953,356	(413,376)	5,341,632
Management and general	379,851	-0-	-0-	-0-	379,851
Fundraising	16,391	-0-	-0-	-0-	16,391
Total expenses	<u>5,197,894</u>	<u>-0-</u>	<u>953,356</u>	<u>(413,376)</u>	<u>5,737,874</u>
Total change in net assets	825,662	-0-	90,409	-0-	916,071
Net Assets, Beginning of Year	<u>1,679,161</u>	<u>293,045</u>	<u>217,676</u>	<u>-0-</u>	<u>2,189,882</u>
Net Assets, End of Year	<u>\$ 2,504,823</u>	<u>\$ 293,045</u>	<u>\$ 308,085</u>	<u>\$ -0-</u>	<u>\$ 3,105,953</u>

See Independent Auditor's Report on pages 1 - 2.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

SCHEDULE OF FEDERAL, STATE AND LOCAL GOVERNMENT GRANT AWARDS YEAR ENDED JUNE 30, 2021

Grantor or Pass-Through Grantor Program Name	Indiana State Board of Accounts Classification	CFDA No.	MHAI		Emberwood	
			Earned	Disbursed	Earned	Disbursed
<u>State of Indiana, Family and Social Services Administration, Division of Mental Health and Addiction</u>						
Substance Abuse Prevention and Treatment	Federal Grant Passed through State	93.959			\$ 397,960	\$ 434,796
Substance Abuse Prevention and Treatment (Performance)	Federal Grant Passed through State	93.959			62,260	62,260
Substance Abuse Prevention and Treatment	State and Local	N/A			58,360	58,360
Recovery Works	State and Local	N/A			15,000	15,000
Coalition to Reduce Underaged Drinking and Collegiate Action Network	Federal Grant Passed through State	93.959	\$ 288,999	\$ 288,999		
Indiana Addictions Issues Coalition	Federal Grant Passed through State	93.959	84,588	76,839		
Fetal Alcohol Spectrum Disorders Prevention	Federal Grant Passed through State	93.959	132,190	132,190		
SAPT Block Grant (Technical Assistance) Addiction Treatment Waitlist Platform	Federal Grant Passed through State	93.959	44,135	42,000		
Suicide Prevention Plan Grant	Federal Grant Passed through State	93.958	110	-0-		
Depression & Bipolar Support Alliance Indiana	Federal Grant Passed through State	93.958	40,000	40,000		
Mental Health Ombudsman	Federal Grant Passed through State	93.958	38,877	34,999		
Recovery Hubs	Federal Grant Passed through State	93.788	2,478,075	2,478,073		
Recovery Residence Technical Assistance & Certification	Federal Grant Passed through State	93.788	228,799	212,440		
Peer Infrastructure	Federal Grant Passed through State	93.788	31,286	31,144		
Recovery Residence Expansion	Federal Grant Passed through State	93.788	64,867	64,867		
Workforce Development	Federal Grant Passed through State	93.788	64,220	27,420		
State Opioid Response Grant 2 Addiction Treatment Waitlist Platform	Federal Grant Passed through State	93.788	39,809	39,809		
Partnership for Success	Federal Grant Passed through State	93.243	2,500	2,500		
Overdose to Data Action	Federal Grant Passed through State	93.136	105,842	105,842		
Workforce Development CCDGB	Federal Grant Passed through State	93.575	234,830	233,225		
Crisis Counseling	Federal Grant Passed through State	93.982	48,103	48,103		
Crisis Counseling Assistance and Training Program	Federal Grant Passed through State	97.032	48,103	48,103		
<u>State of Indiana, Indiana Criminal Justice Institute</u>						
Crime Victim Assistance	Federal Grant Passed through State	16.575	399,614	398,630		
<u>United States of America, Department of Health and Human Services, Substance Abuse and Mental Health Services Administration</u>						
Building Recovery Networks	Direct Federal Grant	93.243	64,968	63,857		
<u>State of Indiana, Governor's Council for People with Disabilities</u>						
Administration of Consumer Investment Fund	Fee for Service	N/A	30,000	30,000		
Total Government Professional Services Contracts and Grants			\$ 4,469,915	\$ 4,399,040	\$ 533,580	\$ 570,416

See Independent Auditor's Report on pages 1 - 2.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity ID Number	Federal Expenditures
Department of Health and Human Services:			
State of Indiana, Family and Social Services Administration			
Division of Mental Health and Addiction:			
Coalition to Reduce Underage Drinking and Collegiate Action Network	93.959	27975	\$ 288,999
Indiana Addictions Issues Coalition	93.959	19159	84,588
Substance Abuse Prevention and Treatment	93.959	41571	518,333
Fetal Alcohol Spectrum Disorders Prevention	93.959	17710 & 47448	132,190
SAPT Block Grant (Technical Assistance) Addiction Treatment Waitlist Platform	93.959	44576	44,135
Total Block Grants for Prevention and Treatment of Substance Abuse	93.959		<u>1,068,245</u>
Partnership for Success	93.243	20162	2,500
Total Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		<u>2,500</u>
Suicide Prevention	93.958	33701	110
Depression & Bipolar Support Alliance Indiana	93.958	34316	40,000
Mental Health Ombudsman	93.958	26121	38,877
Total Block Grants for Community Mental Health Services	93.958		<u>78,987</u>
Peer Infrastructure	93.788	29038	31,286
Workforce Development	93.788	19159 & 49897	64,220
Recovery Hubs	93.788	30347	2,478,073
Recovery Residence Expansion	93.788	43576	64,867
Recovery Residence Technical Assistance & Certification	93.788	43576	228,799
DMHA Waitlist II	93.788	50702	39,809
Total Opioid STR	93.788		<u>2,907,053</u>
Workforce Development CCDGB	93.575	39361	234,830
Total Child Care and Development Grant	93.575		<u>234,830</u>
Crisis Counseling	93.982	46658	48,103
Total Mental Health Disaster Assistance and Emergency Mental Health	93.982		<u>48,103</u>
State of Indiana, Department of Health:			
Overdose to Data Action - Rural Focus	93.136	51766	105,842
Total Injury Prevention and Control Research State and Community Based Programs	93.136		<u>105,842</u>
Direct Federal Award:			
Building Recovery Networks	93.243	H79TI080302	64,968
Total Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		<u>64,968</u>
Department of Justice:			
State of Indiana, Indiana Criminal Justice Institute:			
Crime Victim Assistance	16.575	00237	399,614
Department of Homeland Security:			
State of Indiana, Family and Social Services Administration			
Division of Mental Health and Addiction:			
Crisis Counseling	97.032	46658	48,103
Total Expenditures of Federal Awards			<u>\$ 4,958,245</u>

See Notes to Schedule of Expenditures of Federal Awards.

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

Note 1: Basis of Presentation

This schedule includes the Federal awards activity of the Association and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic consolidated financial statements.

Note 2: Summary of Significant Accounting Policies:

Accrual basis: Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain expenditures are not allowable or are limited as to reimbursement.

Indirect cost rate: The Association has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through identifying numbers: Pass-through entity identifying numbers are presented where available.

Note 3: Subrecipients

Of the Federal expenditures presented in the schedule, the Association did not provide Federal awards to subrecipients.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Mental Health Association in Indiana, Inc.
Indianapolis, Indiana

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 consolidated financial statements of the Mental Health Association in Indiana, Inc. (the "Association"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 28, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 over financial reporting 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 Association's consolidated 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 consolidated 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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alending CPA Group

Indianapolis, Indiana
September 28, 2022



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

Board of Directors
Mental Health Association in Indiana, Inc.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Mental Health Association in Indiana, Inc.'s (the "Association") 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 Association's major Federal programs for the year ended June 30, 2021. The Association's 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 Association's 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 Association's compliance with those requirements and performing other such 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 Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the Association 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 Association's 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 Association's internal control over compliance.

A deficiency in internal control over compliance 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, 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 combination of control 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.



Indianapolis, Indiana
September 28, 2022

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2021

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified?
reported Yes None

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified?
reported Yes None

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 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.788	Opioid STR

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

Auditee qualified as low-risk auditee? Yes No

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) YEAR ENDED JUNE 30, 2021

Findings Required to be Reported by Government Auditing Standards

<u>Reference Number</u>	<u>Finding</u>	<u>Questioned Costs</u>
	None	

Findings Required to be Reported by 2 CFR 200.516(a)

<u>Reference Number</u>	<u>Finding</u>	<u>Questioned Costs</u>
	None	

MENTAL HEALTH ASSOCIATION IN INDIANA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

There were no findings or questioned costs reported during the 2020 audit.