

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mental Health Center of North Iowa, Inc.
Mason City, Iowa

We have audited the accompanying statements of financial position of the Mental Health Center of North Iowa, Inc. (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mental Health Center of North Iowa, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Potter & Brant, P.L.C.

Potter & Brant, P.L.C.
Certified Public Accountants
Clear Lake, Iowa
November 15, 2012

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

| ASSETS | 2012 | 2011 |
|--|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash in bank | \$ 372,859 | \$ 323,610 |
| Receivables: | | |
| Patient fees | 349,398 | 388,164 |
| Less allowance for doubtful accounts | (180,000) | (200,000) |
| Grants | 21,931 | 20,895 |
| Contractual receivables from counties | 90,197 | 74,653 |
| Service projects | 12,580 | 9,260 |
| Interest | 1,538 | 2,979 |
| Cost report settlements | 487,400 | 242,700 |
| Prepaid expenses | 38,801 | 25,926 |
| Investments | 315,540 | 709,865 |
| Total current assets | <u>1,510,244</u> | <u>1,598,052</u> |
| PROPERTY AND EQUIPMENT, at cost | | |
| Land | 2,000 | 2,000 |
| Land improvements | 35,161 | 35,161 |
| Buildings | 809,794 | 806,020 |
| Furniture, fixtures and equipment | 652,473 | 659,347 |
| | <u>1,499,428</u> | <u>1,502,528</u> |
| Less accumulated depreciation | (1,270,217) | (1,226,117) |
| Property and equipment - net | <u>229,211</u> | <u>276,411</u> |
| OTHER ASSETS | | |
| Investments | 130,134 | 125,185 |
| Total other assets | <u>130,134</u> | <u>125,185</u> |
| TOTAL ASSETS | <u>\$ 1,869,589</u> | <u>\$ 1,999,648</u> |

See accompanying notes and auditor's report.

| LIABILITIES AND NET ASSETS | 2012 | 2011 |
|--|--------------------------------|--------------------------------|
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 210,226 | \$ 103,016 |
| Accrued expenses | <u>50,571</u> | <u>49,847</u> |
| Total current liabilities/total liabilities | <u>260,797</u> | <u>152,863</u> |
| NET ASSETS | | |
| Unrestricted: | | |
| Board designated for property and equipment | 310,607 | 334,060 |
| Board designated for special projects | 124,600 | 124,097 |
| Board designated for emergency services | 115,623 | 114,493 |
| Board designated for MHC/CSS projects | 92,414 | 91,511 |
| Board designated for Peer Helper | 833 | 825 |
| Undesignated | <u>948,884</u> | <u>1,123,290</u> |
| Total unrestricted | <u>1,592,961</u> | <u>1,788,276</u> |
| Temporarily restricted | 14,565 | 57,245 |
| Permanently restricted | <u>1,266</u> | <u>1,264</u> |
| Total net assets | <u>1,608,792</u> | <u>1,846,785</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 1,869,589</u></u> | <u><u>\$ 1,999,648</u></u> |

See accompanying notes and auditor's report.

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2012 and 2011

| | 2012 | 2011 |
|--|------------------|------------------|
| UNRESTRICTED NET ASSETS | | |
| Unrestricted public support and revenue: | | |
| Unrestricted public support: | | |
| Counties: | | |
| Cerro Gordo | \$ 206,575 | \$ 240,276 |
| Floyd | 48,909 | 50,700 |
| Franklin | - | 6,850 |
| Hancock | 34,023 | 34,390 |
| Mitchell | 32,328 | 32,622 |
| Winnebago | 32,598 | 27,213 |
| Worth | 22,794 | 23,727 |
| Grants | 51,886 | 152,027 |
| Contributions | 65 | 262 |
| Total unrestricted public support | 429,178 | 568,067 |
| Unrestricted revenue: | | |
| Third-party reimbursements | 1,660,432 | 1,407,534 |
| Net investment income | 13,200 | 27,541 |
| Loss on disposal of fixed assets | (284) | - |
| Cost report settlement | 244,700 | 126,203 |
| Other | 6,173 | 13,733 |
| Total unrestricted revenue | 1,924,221 | 1,575,011 |
| Total unrestricted public support and revenue | 2,353,399 | 2,143,078 |
| Net assets released from restrictions | 42,745 | 1,177 |
| Total unrestricted public support and revenue and net assets released from restrictions | 2,396,144 | 2,144,255 |
| Expenses: | | |
| Program services | 1,800,536 | 1,739,851 |
| Management and general | 790,923 | 810,260 |
| Fundraising | - | - |
| Total expenses | 2,591,459 | 2,550,111 |
| Decrease in unrestricted net assets | (195,315) | (405,856) |
| TEMPORARILY RESTRICTED NET ASSETS | | |
| Net investment income | 65 | 195 |
| Net assets released from restrictions | (42,745) | (1,177) |
| Decrease in temporarily restricted net assets | (42,680) | (982) |
| PERMANENTLY RESTRICTED NET ASSETS | | |
| Net investment income | 2 | 6 |
| Increase in permanently restricted net assets | 2 | 6 |
| Decrease in net assets | (237,993) | (406,832) |
| Prior year adjustment | - | 123,200 |
| Net assets, beginning of year | 1,846,785 | 2,130,417 |
| Net assets, end of year | \$ 1,608,792 | \$ 1,846,785 |

See accompanying notes and auditor's report.

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2012 and 2011

| | 2012 | 2011 |
|--|------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Decrease in net assets | \$ (237,993) | \$ (406,832) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 74,121 | 72,982 |
| Provision for doubtful accounts | (20,000) | (100,000) |
| Loss on disposal of fixed assets | 284 | - |
| Unrealized (gain)/loss on investments | 2,896 | (8,131) |
| Change in assets and liabilities: | | |
| (Increase) decrease in receivables | (224,393) | 532,466 |
| (Increase) decrease in prepaid expenses | (12,875) | 8,037 |
| Increase in accounts payable | 107,210 | 24,397 |
| Increase (decrease) in accrued expenses | 724 | (8,916) |
| Net cash provided by (used in) operating activities | (310,026) | 114,003 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale of investments | 888,758 | 766,196 |
| Purchase of property and equipment | (27,205) | (34,554) |
| Purchase of investments | (502,278) | (733,190) |
| Net cash provided by (used in) investing activities | 359,275 | (1,548) |
| Net increase in cash | 49,249 | 112,455 |
| CASH | | |
| Beginning of year | 323,610 | 211,155 |
| End of year | \$ 372,859 | \$ 323,610 |

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 1. Summary of Significant Accounting Policies

Organization and Nature of Activities: Mental Health Center of North Iowa, Inc. (the Center) is a nonprofit organization providing diagnosis and treatment of general psychiatric and psychological disorders in Cerro Gordo, Floyd, Hancock, Mitchell, Winnebago, and Worth Counties in Iowa.

Cash and Cash Equivalents: The Center considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. The Center had no cash equivalents as of June 30, 2012 and 2011.

Accounts Receivable and Allowance for Doubtful Accounts: Accounts receivable are stated at the amount management expects to collect on outstanding balances. The Center maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments on the outstanding accounts receivable. The allowance is maintained at a level considered appropriate based on past experience in the collection of accounts receivable and analysis of outstanding balances. The Center's credit risks have been anticipated and management believes that adequate provision has been made for doubtful accounts. Write-offs are recorded when, in the judgement of management, a receivable is considered uncollectible.

Investments: Investments are carried at market value. Realized and unrealized gains and losses on investments are recorded in the statement of activities.

Depreciation: Depreciation of property and equipment is computed by the straight-line method, with a half-year's depreciation charged in the year of acquisition and in the year of disposal. Estimated useful lives were assigned as follows:

| | <u>Years</u> |
|-----------------------------------|--------------|
| Land improvements | 10 - 40 |
| Buildings | 7 - 50 |
| Furniture, fixtures and equipment | 3 - 15 |

The Center's policy is to capitalize items exceeding \$500 with a life expectancy of three or more years, unless they are clearly repair and maintenance items. Purchased assets are recorded at cost and donated assets are recorded at fair value.

Basis of Presentation: Net assets and revenues, expenses, gains and losses are classified as unrestricted, temporarily restricted, or permanently restricted, based on the existence and/or nature of any donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

Unrestricted - all amounts over which the Board of Directors and management have discretionary control. The Board of Directors has designated funds for property and equipment to cover future costs for remodeling and expansion of facilities. Special project savings are designated by the Board of Directors for financing deficit budgets, building and equipment capital expenditures and hiring of a full-time psychiatrist. Furniture and fixtures savings are designated by the Board of Directors for purchases of furniture and fixtures.

Temporarily Restricted - The Miles Pothast Memorial is restricted by an agreement with the donor's wife that she will make the final decisions as to the use of the money. Plans for the proceeds include sponsoring continuing education workshops. Excess donations received for the 50th Anniversary Celebration have been temporarily restricted for educational materials for the Center. Also, several donations were received for specific program expenses. Also, the

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Center received funds in 1997 that were restricted for the purchase of a van. See the following schedule for temporarily restricted balances as of:

| | 06/30/12 | 06/30/11 |
|--|------------------|------------------|
| Memorials | \$ 5,193 | \$ 5,546 |
| 50th Anniversary Celebration - education materials | 572 | 572 |
| Survivor of Suicide and Columbia Teen Screen | 1,000 | 1,000 |
| Suicide Prevention | 1,800 | 1,800 |
| Magellan Telehealth Grant | - | 42,327 |
| Van | 6,000 | 6,000 |
| | <u>\$ 14,565</u> | <u>\$ 57,245</u> |

Permanently Restricted - The Hayward Goodspeed Memorial is restricted by the donor's will for the purchase of psychological books with 90% of the income earned each year. The remaining 10% is to be added to the account balance and cannot be distributed until such time as the Center should cease operations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions: The Center has adopted FASB *Accounting Standards Codification* 958 (Formerly SFAS No. 116), *Accounting for Contributions Received and Contributions Made*. Gifts of cash and other assets are reflected as contributions in the accompanying statements at their estimated fair market value at the date of receipt. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

The Center also receives the use of donated facilities for various programs, which have not been valued as of June 30, 2012 or June 30, 2011.

Contributions of services are recognized as revenues if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by persons possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the financial statements for contributed services, since they are not significant to the Center.

Income Recognition: Income from grants and the United Way is recognized at the time the Center has done everything necessary to establish its rights to the income.

Functional Allocation of Expenses: The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to the programs and supporting services receiving benefit from the expenditures.

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates include annual depreciation, the carrying value of property and equipment, and receivable for cost report settlements. Accordingly, actual results could materially differ from those estimates.

Income Tax Status: There is no provision for income tax expense or liability since the organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization recognizes tax benefits only to the extent that the Organization believes it is "more likely than not" that its tax positions will be sustained upon examination by taxing authorities. Management believes that all of the positions taken on its federal income tax returns would more likely than not be sustained upon examination. The Organization's tax returns for 2009, 2010, and 2011, are subject to possible federal examination, generally for three years after they are filed.

Reclassifications: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Note 2. Investments

Investments as of June 30, 2011 are stated at fair value and consist of the following:

| | <u>Cost</u> | <u>Fair Value</u> | <u>Unrealized Gain (Loss)</u> |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Certificates of Deposit | \$ 434,388 | \$ 434,388 | \$ - |
| Money Market Fund | 275,477 | 275,477 | - |
| Mutual Funds | <u>120,852</u> | <u>125,185</u> | <u>4,333</u> |
| | <u>\$ 830,717</u> | <u>\$ 835,050</u> | 4,333 |
| Plus: Prior Years' Unrealized Loss | | | <u>3,798</u> |
| Current Year Unrealized Gain | | | <u>\$ 8,131</u> |

Investments as of June 30, 2012 are stated at fair value and consist of the following:

| | <u>Cost</u> | <u>Fair Value</u> | <u>Unrealized Gain (Loss)</u> |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Certificates of Deposit | \$ 305,762 | \$ 305,762 | \$ - |
| Money Market Fund | 9,778 | 9,778 | - |
| Mutual Funds | <u>128,697</u> | <u>130,134</u> | <u>1,437</u> |
| | <u>\$ 444,237</u> | <u>\$ 445,674</u> | 1,437 |
| Plus: Prior Years' Unrealized Gain | | | <u>(4,333)</u> |
| Current Year Unrealized Loss | | | <u>\$ (2,896)</u> |

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

A summary of the investments as of June 30, 2012 and 2011 is as follows:

| | Certificates of Deposit | Money Market Fund | Mutual Funds | Total |
|------------------------------------|----------------------------|----------------------|-------------------|-------------------|
| End of year balance, June 30, 2010 | \$ 620,707 | \$ 129,734 | \$ 109,484 | \$ 859,925 |
| Purchases and donations | 434,388 | 282,304 | - | 716,692 |
| Unrealized gain on investments | - | - | 8,131 | 8,131 |
| Interest and dividends | 7,627 | 1,301 | 7,570 | 16,498 |
| Redemptions and transfers | (628,334) | (137,862) | - | (766,196) |
| End of year balance, June 30, 2011 | 434,388 | 275,477 | 125,185 | 835,050 |
| Purchases and donations | 202,723 | 284,247 | - | 486,970 |
| Unrealized loss on investments | - | - | (2,896) | (2,896) |
| Interest and dividends | 6,330 | 1,133 | 7,845 | 15,308 |
| Redemptions and transfers | (337,679) | (551,079) | - | (888,758) |
| End of year balance, June 30, 2012 | <u>\$ 305,762</u> | <u>\$ 9,778</u> | <u>\$ 130,134</u> | <u>\$ 445,674</u> |

Note 3. Fair Value Measurements

FASB *Accounting Standards Codification* 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB *Accounting Standards Codification* 820 are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables present by level, within the fair value hierarchy, the Center's investments at fair value, as of June 30, 2012 and June 30, 2011. As required by FASB *Accounting Standards Codification* 820, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

| Description | <u>6/30/2012</u> Quoted Prices in Active Markets for Identical Assets (Level 1) | <u>6/30/2011</u> Quoted Prices in Active Markets for Identical Assets (Level 1) |
|------------------------|---|---|
| Short-term Investments | \$ 315,540 | \$ 709,865 |
| Long-term Investments | 130,134 | 125,185 |
| Total | <u>\$ 445,674</u> | <u>\$ 835,050</u> |

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

The Center recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2012 and 2011.

Short-term and long-term Level 1 assets are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

Note 4. Net Investment Income

Investment return is summarized as follows:

| | <u>Period Ending June 30,</u> | |
|---------------------------------------|-------------------------------|------------------|
| | <u>2012</u> | <u>2011</u> |
| Interest income | \$ 8,317 | \$ 12,042 |
| Dividend income | 7,846 | 7,569 |
| Unrealized gain (loss) on investments | (2,896) | 8,131 |
| | <u>\$ 13,267</u> | <u>\$ 27,742</u> |

Note 5. Commitments and Contingencies

The Center leases office space in Cerro Gordo County and is required to pay a portion of the real estate taxes. The minimum lease obligations, excluding real estate taxes, are as follows:

| | <u>Period Ending</u> | |
|--|----------------------|-----------|
| | <u>June 30,</u> | |
| | 2013 | \$ 26,400 |
| | 2014 | 26,400 |
| | 2015 | 15,400 |
| | Thereafter | - |

Rent expenses under all leases for the years ended June 30, 2012 and 2011 were \$35,790 and \$40,191, respectively.

During 2012, a former employee filed a lawsuit in Federal Court claiming age discrimination. The Center feels confident in defending the claim and it is management's opinion that no significant loss will result from the lawsuit.

Note 6. Self-Insurance

The Center is required by Iowa law to have its employees covered by unemployment insurance. The Iowa Workforce Development has granted the Center the privilege of funding its own unemployment benefits. Total unemployment benefits paid for the years ended June 30, 2012 and 2011, were \$0 and \$11,305, respectively.

Note 7. Concentration of Credit Risk

Financial instruments that potentially subject the Center to concentration of credit risk consist primarily of temporary cash investments. As of June 30, 2012, the Center maintained funds deposited at a commercial bank that exceeded the Federal Deposit Insurance Corporation (FDIC) limit in the amount of \$91,643.

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 8. Evaluation of Subsequent Events

The Center has evaluated subsequent events through November 15, 2012, the date which the financial statements were available to be issued.

Note 9. Restatement

The Center identified and recorded corrections to the financial statements in the current fiscal year. Prior year balances were restated which resulted in a net increase in net assets of \$119,500 and \$123,200 as of June 30, 2011 and 2010, respectively. A summary of the transactions and the impact of the restatements are illustrated below:

In 2011 and 2010, no receivable was recorded or revenue recognized for the Center's cost report settlement amount due to unknown circumstances affecting the potential amount of the revenue to be received. In the current year, enough information has been gathered to reasonably estimate the amount of the potential revenue.

| | <u>As Previously Reported</u> | <u>Adjustments</u> | <u>As Restated</u> |
|---|-----------------------------------|--------------------|---------------------|
| Statement of Financial Position: | | | |
| Accounts receivable | \$ 295,951 | \$ 242,700 | \$ 538,651 |
| All other assets | 1,460,997 | - | 1,460,997 |
| Total assets | <u>\$ 1,756,948</u> | <u>\$ 242,700</u> | <u>\$ 1,999,648</u> |
| | | | |
| Total liabilities | \$ 152,863 | \$ - | \$ 152,863 |
| Unrestricted | 1,545,576 | 242,700 | 1,788,276 |
| Temporarily restricted | 57,245 | - | 57,245 |
| Permanently restricted | 1,264 | - | 1,264 |
| Total liabilities and net assets | <u>\$ 1,756,948</u> | <u>\$ 242,700</u> | <u>\$ 1,999,648</u> |
| | | | |
| Statement of Activities: | | | |
| Unrestricted public support and revenue and net assets released from restrictions | \$ 2,024,755 | \$ 119,500 | \$ 2,144,255 |
| Expenses | (2,550,111) | - | (2,550,111) |
| Change in temporarily restricted net assets | (982) | - | (982) |
| Change in permanently restricted net assets | 6 | - | 6 |
| Prior period adjustment | - | 123,200 | 123,200 |
| Change in net assets | <u>\$ (526,332)</u> | <u>\$ 242,700</u> | <u>\$ (283,632)</u> |

SUPPLEMENTAL INFORMATION

MENTAL HEALTH CENTER OF NORTH IOWA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2012 and 2011

| | 2012 | | | Total |
|--|---------------------|------------------------|-------------|---------------------|
| | Program Services | Management and General | Fundraising | |
| Salaries | \$ 814,357 | \$ 461,799 | \$ - | \$ 1,276,156 |
| Payroll taxes | 60,588 | 34,650 | - | 95,238 |
| Employee benefits | 98,901 | 104,845 | - | 203,746 |
| Total salaries and related expenses | 973,846 | 601,294 | - | 1,575,140 |
| Professional fees | - | 43,993 | - | 43,993 |
| Anasazi and other fees | 1,190 | 60,382 | - | 61,572 |
| ProFiler training | - | - | - | - |
| Continued education | 47,356 | 1,871 | - | 49,227 |
| Insurance | 14,948 | 7,932 | - | 22,880 |
| Office supplies and postage | 25,540 | 12,270 | - | 37,810 |
| Program supplies | 19,710 | - | - | 19,710 |
| Rent | 32,040 | - | - | 32,040 |
| Telephone and utilities | 41,494 | 10,362 | - | 51,856 |
| Repairs and maintenance | 29,639 | 4,835 | - | 34,474 |
| Depreciation | 56,149 | 17,972 | - | 74,121 |
| Service and outreach travel | 11,397 | 4,166 | - | 15,563 |
| Provision for doubtful accounts | - | 20,142 | - | 20,142 |
| Staff recruiting | 21,780 | - | - | 21,780 |
| Psychiatric services | 518,782 | - | - | 518,782 |
| Contract services | - | - | - | - |
| Periodicals, publications and miscellaneous services | 341 | 349 | - | 690 |
| C.M.H.C. Association dues | 2,670 | 280 | - | 2,950 |
| Meetings and forums | - | 912 | - | 912 |
| Miscellaneous | 3,654 | 4,163 | - | 7,817 |
| Total expenses | \$ 1,800,536 | \$ 790,923 | \$ - | \$ 2,591,459 |

See accompanying notes and auditor's report.

2011

| Program Services | Management and General | Fundraising | Total |
|---------------------|---------------------------|-------------|---------------------|
| \$ 785,392 | \$ 451,662 | \$ - | \$ 1,237,054 |
| 66,792 | 38,051 | - | 104,843 |
| 150,391 | 111,634 | - | 262,025 |
| 1,002,575 | 601,347 | - | 1,603,922 |
| 761 | 78,058 | - | 78,819 |
| - | 9,538 | - | 9,538 |
| - | 31,026 | - | 31,026 |
| 61,110 | 1,170 | - | 62,280 |
| 15,713 | 3,624 | - | 19,337 |
| 29,472 | 13,404 | - | 42,876 |
| 1,548 | - | - | 1,548 |
| 37,611 | - | - | 37,611 |
| 40,448 | 11,027 | - | 51,475 |
| 65,450 | 8,963 | - | 74,413 |
| 55,423 | 17,559 | - | 72,982 |
| 13,773 | 4,416 | - | 18,189 |
| - | (7,081) | - | (7,081) |
| 2,196 | 2,080 | - | 4,276 |
| 391,829 | - | - | 391,829 |
| 762 | 26,283 | - | 27,045 |
| 1,202 | - | - | 1,202 |
| - | - | - | - |
| - | 3,370 | - | 3,370 |
| 19,978 | 5,476 | - | 25,454 |
| <u>\$ 1,739,851</u> | <u>\$ 810,260</u> | <u>\$ -</u> | <u>\$ 2,550,111</u> |

See accompanying notes and auditor's report.