

GRANT BUDGET

(BUDGET PAGE 1)

Mental Health Cooperative - Overall

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the grant period.

Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹ (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE MATCH ³	TOTAL PROJECT
1	Salaries ²	\$4,252,500.00	\$0.00	\$4,252,500.00
2	Benefits & Taxes	\$1,082,532.00	\$0.00	\$1,082,532.00
4, 15	Professional Fee/ Grant & Award ²	\$4,000.00	\$0.00	\$4,000.00
5	Supplies	\$12,000.00	\$0.00	\$12,000.00
6	Telephone	\$23,332.00	\$0.00	\$23,332.00
7	Postage & Shipping	\$0.00	\$0.00	\$0.00
8	Occupancy	\$0.00	\$0.00	\$0.00
9	Equipment Rental & Maintenance	\$62,492.00	\$0.00	\$62,492.00
10	Printing & Publications	\$500.00	\$0.00	\$500.00
11, 12	Travel/ Conferences & Meetings ²	\$42,635.00	\$0.00	\$42,635.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$12,800.00	\$0.00	\$12,800.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost (0% of S&B)	\$498,109.00	\$0.00	\$498,109.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$5,990,900.00	\$0.00	\$5,990,900.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <https://www.tn.gov/assets/entities/finance/attachments/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

GRANT BUDGET

(BUDGET PAGE 1)

EPS

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the grant period.

Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹ (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE MATCH ³	TOTAL PROJECT
1	Salaries ²	\$1,846,400.00	\$0.00	\$1,846,400.00
2	Benefits & Taxes	\$461,600.00	\$0.00	\$461,600.00
4, 15	Professional Fee/ Grant & Award ²	\$0.00	\$0.00	\$0.00
5	Supplies	\$0.00	\$0.00	\$0.00
6	Telephone	\$0.00	\$0.00	\$0.00
7	Postage & Shipping	\$0.00	\$0.00	\$0.00
8	Occupancy	\$0.00	\$0.00	\$0.00
9	Equipment Rental & Maintenance	\$0.00	\$0.00	\$0.00
10	Printing & Publications	\$0.00	\$0.00	\$0.00
11, 12	Travel/ Conferences & Meetings ²	\$0.00	\$0.00	\$0.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$0.00	\$0.00	\$0.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost (0% of S&B)	\$200,400.00	\$0.00	\$200,400.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$2,508,400.00	\$0.00	\$2,508,400.00

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GRANT BUDGET LINE-ITEM DETAIL

(BUDGET PAGE 2)

SALARIES						AMOUNT
Name	Title	Salary	x	Percentage of Time		
Lawless, Carly	Registered Nurse Lead EPS	88,583.32	x	100%	\$	88,583.32
Mikel, Suzanne	Registered Nurse - EPS	85,724.31	x	100%	\$	85,724.31
Williams, Margaret	Registered Nurse Lead EPS	81,770.81	x	100%	\$	81,770.81
Washington, Tekisha	Crisis Supervisor	75,801.04	x	100%	\$	75,801.04
Armentrout, Lewis	Registered Nurse - EPS	74,822.84	x	100%	\$	74,822.84
Crockett, Christopher	Crisis Counselor	73,523.76	x	100%	\$	73,523.76
Moore, Rachel	Crisis Counselor	61,304.23	x	100%	\$	61,304.23
Wright, Kelly	Triage Counselor	60,871.53	x	100%	\$	60,871.53
Hammer, Jonathan	Crisis Supervisor	60,418.02	x	100%	\$	60,418.02
Johnson, Lisa	Crisis Counselor	57,547.69	x	100%	\$	57,547.69
Kelly, Melanie	Crisis Counselor	57,115.00	x	100%	\$	57,115.00
Myrick, Andrew	Crisis Counselor	56,374.34	x	100%	\$	56,374.34
Wolf, Taylor	Crisis Counselor	56,170.95	x	100%	\$	56,170.95
Hicks, Christina	Crisis Counselor	55,779.52	x	100%	\$	55,779.52
Vanbergen, Ruth	Sr. VP EPS	210,201.48	x	26%	\$	54,652.38
Amos-Luckett, Sharron	Triage Supervisor	54,119.90	x	100%	\$	54,119.90
Baker, Lorissa	Crisis Counselor	53,812.99	x	100%	\$	53,812.99
Burchfield, Alexis	Crisis Counselor	53,299.72	x	100%	\$	53,299.72
Castleman, Brighton	Crisis Counselor	51,251.15	x	100%	\$	51,251.15
Ivens, Rissa	Medical Director EPS	333,618.62	x	15%	\$	50,042.79
Summers, Kira	Triage Counselor	47,774.67	x	100%	\$	47,774.67
Williams, Dominique	Triage Counselor	45,915.35	x	100%	\$	45,915.35
Arnold, Todd	Mental Health Technician	43,917.12	x	100%	\$	43,917.12
Polk, Marvell	Mental Health Technician	43,841.88	x	100%	\$	43,841.88
Cole, Samantha	Mental Health Technician	42,962.40	x	100%	\$	42,962.40
Snell, Shatira	Triage Counselor	42,783.87	x	100%	\$	42,783.87
Catlin, Chelsea	Triage Counselor	41,746.27	x	100%	\$	41,746.27
Banks, Sydney	PRN Mental Health Technician	39,780.00	x	100%	\$	39,780.00
Bostic, Quenitra	Mental Health Technician	38,188.80	x	100%	\$	38,188.80
Sweat, Keshonna	Mental Health Technician	38,188.80	x	100%	\$	38,188.80
Allen, Lachelle	Mental Health Technician	37,797.29	x	100%	\$	37,797.29
Scarlett, Nathan	PRN Mental Health Technician	35,802.00	x	100%	\$	35,802.00
Cockrill, Darcy	Advanced Practice Nurse	162,930.86	x	18%	\$	29,327.56
Holmes, Elizabeth	Administrative Manager	55,386.00	x	100%	\$	55,386.00
ROUNDED TOTAL					\$	1,846,400.00

GRANT BUDGET

(BUDGET PAGE 1)

PIC

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the grant period.

Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹ (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE MATCH ³	TOTAL PROJECT
1	Salaries ²	\$1,759,200.00	\$0.00	\$1,759,200.00
2	Benefits & Taxes	\$439,800.00	\$0.00	\$439,800.00
4, 15	Professional Fee/ Grant & Award ²	\$4,000.00	\$0.00	\$4,000.00
5	Supplies	\$6,000.00	\$0.00	\$6,000.00
6	Telephone	\$17,000.00	\$0.00	\$17,000.00
7	Postage & Shipping	\$0.00	\$0.00	\$0.00
8	Occupancy	\$0.00	\$0.00	\$0.00
9	Equipment Rental & Maintenance	\$42,292.00	\$0.00	\$42,292.00
10	Printing & Publications	\$500.00	\$0.00	\$500.00
11, 12	Travel/ Conferences & Meetings ²	\$16,635.00	\$0.00	\$16,635.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$0.00	\$0.00	\$0.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost (0% of S&B)	\$207,773.00	\$0.00	\$207,773.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$2,493,200.00	\$0.00	\$2,493,200.00

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² Applicable detail follows this page if line-item is funded.

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GRANT BUDGET LINE-ITEM DETAIL

(BUDGET PAGE 2)

SALARIES							AMOUNT
Name - Title	Salary	x	Percentage of Time	+	# of Months Working		
Counselor Crisis CIT	5,453.81	x	100%	x	12	\$	65,445.67
Counselor Crisis CIT	5,544.00	x	100%	x	12	\$	66,528.05
Counselor Crisis CIT	5,186.79	x	100%	x	12	\$	62,241.48
Counselor Crisis CIT	4,811.61	x	100%	x	12	\$	57,739.35
Counselor Crisis CIT	4,777.03	x	100%	x	12	\$	57,324.40
Counselor Crisis CIT	4,495.22	x	100%	x	12	\$	53,942.62
Counselor Crisis CIT	4,986.23	x	100%	x	12	\$	59,834.81
Counselor Crisis CIT	4,668.11	x	100%	x	12	\$	56,017.33
Counselor Crisis CIT	4,635.26	x	100%	x	12	\$	55,623.14
Counselor Crisis CIT	4,841.00	x	100%	x	12	\$	58,092.05
Counselor Crisis CIT	4,462.37	x	100%	x	12	\$	53,548.42
Counselor Crisis CIT	4,564.39	x	100%	x	12	\$	54,772.68
Counselor Crisis CIT	4,564.39	x	100%	x	12	\$	54,772.68
Counselor Crisis CIT	4,564.39	x	100%	x	12	\$	54,772.68
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Counselor Crisis CIT	4,873.00	x	100%	x	12	\$	58,476.00
Co-Response Supervisor	5,425.00	x	100%	x	12	\$	65,100.00
Co-Response Supervisor	4,987.50	x	100%	x	12	\$	59,850.00
Co-Response Supervisor	5,741.94	x	100%	x	12	\$	68,903.30
Co-Response Supervisor	5,384.00	x	100%	x	12	\$	64,608.00
PIC Follow-up Coord	3,376.75	x	100%	x	12	\$	40,521.00
PIC Follow-up Coord	3,376.75	x	100%	x	12	\$	40,521.00
Director Co-Response Svcs	9,187.50	x	90%	x	12	\$	99,225.00
Sr. VP PR & Community Dev - Interim	17,506.37	x	20%	x	12	\$	42,015.29
ROUNDED TOTAL						\$	1,759,200.00

PROFESSIONAL FEE/ GRANT & AWARD	AMOUNT
	\$4,000.00
ROUNDED TOTAL	\$ 4,000.00

TRAVEL/ CONFERENCES & MEETINGS	AMOUNT
	\$ 16,635.00
ROUNDED TOTAL	\$ 16,635.00

GRANT BUDGET

(BUDGET PAGE 1)

REACH

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the grant period.

Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹ (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE MATCH ³	TOTAL PROJECT
1	Salaries ²	\$646,900.00	\$0.00	\$646,900.00
2	Benefits & Taxes	\$181,132.00	\$0.00	\$181,132.00
4, 15	Professional Fee/ Grant & Award ²	\$0.00	\$0.00	\$0.00
5	Supplies	\$6,000.00	\$0.00	\$6,000.00
6	Telephone	\$6,332.00	\$0.00	\$6,332.00
7	Postage & Shipping	\$0.00	\$0.00	\$0.00
8	Occupancy	\$0.00	\$0.00	\$0.00
9	Equipment Rental & Maintenance	\$20,200.00	\$0.00	\$20,200.00
10	Printing & Publications	\$0.00	\$0.00	\$0.00
11, 12	Travel/ Conferences & Meetings ²	\$26,000.00	\$0.00	\$26,000.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$12,800.00	\$0.00	\$12,800.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost (0% of S&B)	\$89,936.00	\$0.00	\$89,936.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$989,300.00	\$0.00	\$989,300.00

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GRANT BUDGET LINE-ITEM DETAIL

(BUDGET PAGE 2)

SALARIES					AMOUNT
Name - Title	Salary	x	Percentage of Time		
REACH Co-Response TL	Kelsey Taylor	70,391.88	x	100%	\$ 70,391.88
REACH Director	Michael Randolph	124,306.88	x	10%	\$ 12,430.69
REACH Crisis Co-Res Counselor	Kiara Haynes	56,000.00	x	100%	\$ 56,000.00
REACH Crisis Co-Res Counselor	Tonya Wilburn	59,962.50	x	100%	\$ 59,962.50
REACH Crisis Co-Res Counselor	Marry Morrow	56,393.53	x	100%	\$ 56,393.53
REACH Crisis Co-Res Counselor	Katelyn Johnston	55,000.00	x	100%	\$ 55,000.00
REACH Crisis Co-Res Counselor	OPEN	60,000.00	x	100%	\$ 60,000.00
REACH Follow Up Coordinator	Jeremy Reese (New Hire)	52,531.25	x	100%	\$ 52,531.25
REACH Follow Up Coordinator	OPEN (closed for now after increasing Jeremy's FTE)	52,531.25	x	0%	\$ -
REACH Crisis Co-Res Counselor - FY26 NEW	OPEN	60,000.00	x	100%	\$ 60,000.00
REACH Crisis Co-Res Counselor - FY26 NEW	OPEN	60,000.00	x	100%	\$ 60,000.00
REACH Crisis Co-Res Supervisor - FY26 NEW	OPEN	70,391.88	x	100%	\$ 70,391.88
On Call		33,800.00	x	100%	\$ 33,800.00
			x		\$ -
ROUNDED TOTAL					\$ 646,900.00

PROFESSIONAL FEE/ GRANT & AWARD	AMOUNT
ROUNDED TOTAL	\$ -

TRAVEL/ CONFERENCES & MEETINGS	AMOUNT
ROUNDED TOTAL	\$ -

SPECIFIC ASSISTANCE TO INDIVIDUALS	AMOUNT
ROUNDED TOTAL	\$ -

BUSINESS ASSOCIATE AGREEMENT

This agreement is initiated by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (METRO)**, a metropolitan form government organized and existing under the laws and constitution of the State of Tennessee ("**Metro**" or "**Covered entity**") and **Mental Health Cooperative, Inc** ("**Business Associate**").

SECTION 1 – DEFINITIONS

- a. **Business Associate.** "Business Associate" shall generally have the same meaning as the term "Business Associate" in 45 CFR § 160.103, and in reference to the party to this agreement, shall mean **Mental Health Cooperative, Inc.**
- b. **Covered Entity.** "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR § 160.103, and in reference to the party to this agreement, shall mean **Metro**, which must fall under one of the following categories:
 - (1) A health plan.
 - (2) A health care clearinghouse.
 - (3) A health care provider who transmits any health information in electronic form in connection with a transaction covered by this subchapter.
- c. **Disclosure.** "Disclosure" means the release, transfer, provision of access to, or divulging in any manner of information outside the entity holding the information.
- d. **Electronic Media.** "Electronic Media" shall have the same meaning as set forth in 45 CFR § 160.103.
- e. **Employer.** "Employer" is defined as it is in 26 U.S.C. § 3401(d).
- f. **Genetic Information.** "Genetic Information" shall have the same meaning as set forth in 45 CFR § 160.103.
- g. **HITECH Standards.** "HITECH Standards" means the privacy, security and security Breach notification provisions under the Health Information Technology for Economic and Clinical Health (HITECH) Act, Final Rule of 2013, and any regulations promulgated thereunder.

- h. **Individual.** "Individual" shall have the same meaning as set forth in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- i. **Person.** "Person" means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.
- j. **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- k. **Protected Health Information.** "Protected Health Information" or "PHI":
 - (1) Shall have the same meaning as set forth in 45 CFR § 160.103.
 - (2) Includes, as set forth in 45 CFR § 160.103, any information, *now also including genetic information*, whether oral or recorded in any form or medium, that:
 - (i) Is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and
 - (ii) Relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual.
- l. **Required By Law.** "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
- m. **Secretary.** "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- n. **Security Rule.** "Security Rule" shall mean the Standards for Security of Individually Identifiable Health Information at 45 CFR part 160 and subparts A and C of part 164.
- o. **Subcontractor.** "Subcontractor" means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

- p. **Transaction.** “Transaction” shall have the same meaning as set forth in 45 CFR § 160.103.
- q. **Catch-all definition.** Terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Health Information Technology Act of 2009, as incorporated in the American Recovery and Reinvestment Act of 2009 (“HITECH Act”), implementing regulations at 45 Code of Federal regulations Parts 160-164 and any other current and future regulations promulgated under HIPAA or the HITECH Act.

SECTION 2 - OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- a. **Permitted Uses of Protected Health Information.** Business Associate shall not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law. Business Associate may: 1) use and disclose PHI to perform its obligations under its contract with Metro; (2) use PHI for the proper management and administration of Business Associate; and (3) disclose PHI for the proper management and administration of Business Associate, if such disclosure is required by law or such disclosure is authorized by Metro.
- b. **Safeguards.** Business Associate shall use appropriate administrative, physical and technical safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement. Business Associate shall develop and implement policies and procedures that comply with the Privacy Rule, Security Rule, and the HITECH Act. The Business Associate must obtain satisfactory assurances that any subcontractor(s) will appropriately safeguard PHI.
- c. **Mitigation.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- d. **Notice of Use or Disclosure, Security Incident or Breach.** Business Associate shall notify Metro of any use or disclosure of PHI by Business Associate not permitted by this Agreement, any Security Incident (as defined in 45 C.F.R. section 164.304) involving Electronic PHI, and any Breach of Protected Health Information within five (5) business days.

- (i) Business Associate shall provide the following information to Metro within ten (10) business days of discovery of a Breach except when despite all reasonable efforts by Business Associate to obtain the information required, circumstances beyond the control of the Business Associate necessitate additional time. Under such circumstances, Business Associate shall provide to Metro the following information as soon as possible and without unreasonable delay, but in no event later than thirty (30) calendar days from the date of discovery of a Breach:
 - (1) The date of the Breach;
 - (2) The date of the discovery of the Breach;
 - (3) A description of the types of PHI that were involved;
 - (4) identification of each individual whose PHI has been, or is reasonably believed to have been, accessed, acquired, or disclosed; and
 - (5) Any other details necessary to complete an assessment of the risk of harm to the Individual.
- (ii) Business Associate shall cooperate with Metro in investigating the breach and in meeting Metro's notification obligations under the HITECH Act and any other security breach notification laws.
- (iii) Business Associate agrees to pay actual costs for notification after a determination that the Breach is significant enough to warrant such measures.
- (iv) Business Associate agrees to establish procedures to investigate the Breach, mitigate losses, and protect against any future Breaches, and to provide a description of these procedures and the specific findings of the investigation to Metro in the time and manner reasonably requested by Metro.
- (v) Business Associate shall report to Metro any successful: (1) unauthorized access, use, disclosure, modification, or destruction of Electronic Protected Health Information; and (2) interference with Business Associate's information systems operations, of which Business Associate becomes aware.

- e. **Compliance of Agents.** Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Metro, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- f. **Access.** Business Associate agrees to provide access, at the request of Metro, and in the time and manner designated by Metro, to Protected Health Information in a Designated Record Set, to Metro or, as directed by Metro, to an Individual, so that Metro may meet its access obligations under 45 CFR § 164.524, HIPAA and the HITECH Act.
- g. **Amendments.** Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that Metro directs or agrees at the request of Metro or an Individual, and in the time and manner designated by Metro, so that Metro may meet its amendment obligations under 45 CFR § 164.526, HIPAA and the HITECH Act.
- h. **Disclosure of Practices, Books, and Records.** Business Associate shall make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Metro available to Metro, or at the request of Metro to the Secretary, in a time and manner designated by Metro or the Secretary, for purposes of determining Metro's compliance with the HIPAA Privacy Regulations.
- i. **Accounting.** Business Associate shall provide documentation regarding any disclosures by Business Associate that would have to be included in an accounting of disclosures to an Individual under 45 CFR § 164.528 (including without limitation a disclosure permitted under 45 CFR § 164.512) and under the HITECH Act. Business Associate shall make the disclosure Information available to Metro within thirty (30) days of Metro's request for such disclosure Information to comply with an individual's request for disclosure accounting. If Business Associate is contacted directly by an individual based on information provided to the individual by Metro and as required by HIPAA, the HITECH Act or any accompanying regulations, Business Associate shall make such disclosure Information available directly to the individual.
- j. **Security of Electronic Protected Health Information.** Business Associate agrees to: (1) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that it creates, receives, maintains or transmits on behalf of Metro; (2) ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it; and (3) report to Metro any security incident of which it becomes aware.

- k. **Minimum Necessary.** Business Associate agrees to limit its uses and disclosures of, and requests for, PHI: (a) when practical, to the information making up a Limited Data Set; and (b) in all other cases subject to the requirements of 45 CFR 164.502(b), to the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request.
- l. **Compliance with HITECH Standards.** Business Associate shall comply with the HITECH Standards as specified by law.
- m. **Compliance with Electronic Transactions and Code Set Standards:** If Business Associate conducts any Standard Transaction for, or on behalf, of Metro, Business Associate shall comply, and shall require any subcontractor or agent conducting such Standard Transaction to comply, with each applicable requirement of Title 45, Part 162 of the Code of Federal Regulations. Business Associate shall not enter into, or permit its subcontractor or agents to enter into, any Agreement in connection with the conduct of Standard Transactions for or on behalf of Metro that:
 - (i) Changes the definition, Health Information condition, or use of a Health Information element or segment in a Standard;
 - (ii) Adds any Health Information elements or segments to the maximum defined Health Information Set;
 - (iii) Uses any code or Health Information elements that are either marked “not used” in the Standard’s Implementation Specification(s) or are not in the Standard’s Implementation Specifications(s); or
 - (iv) Changes the meaning or intent of the Standard’s Implementations Specification(s).
- n. **Indemnity.** Business Associate shall indemnify and hold harmless Metro, its officers, agents and employees from and against any claim, cause of action, liability, damage, cost or expense, including attorneys’ fees, arising out of or in connection with any non-permitted use or disclosure of Protected Health Information or other breach of this Agreement by Business Associate or any subcontractor or agent of the Business Associate.

SECTION 3 - OBLIGATIONS OF METRO

- a. Metro shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate’s use or disclosure of Protected Health Information.

- b. Metro shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Metro has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

SECTION 4 – TERM, TERMINATION AND RETURN OF PHI

- a. **Term.** The Term of this Agreement shall be effective when file in the office of the Metropolitan Clerk and shall terminate when all of the Protected Health Information provided by Metro to Business Associate, or created or received by Business Associate on behalf of Metro, is destroyed or returned to Metro, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this section. The maximum length of the effective term of the contract is sixty (60) months from the effective date.
- b. **Termination for Cause.** Upon Metro's knowledge of a material breach by Business Associate, Metro shall provide an opportunity for Business Associate to cure the breach or end the violation. Metro may terminate this Agreement between Metro and Business Associate if Business Associate does not cure the breach or end the violation within fourteen (14) days. In addition, Metro may immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not feasible.
- c. **Obligations on Termination.**
 - (i) Except as provided in subsection (ii), upon termination of this Agreement, for any reason, Business Associate shall return or destroy as determined by Metro, all Protected Health Information received from Metro, or created or received by Business Associate on behalf of Metro. This provision shall apply to Protected Health Information that is in the possession of subcontractor or agents of the Business Associate. Business Associate shall retain no copies of the Protected Health Information. Business Associate shall complete such return or destruction as promptly as possible, but no later than sixty (60) days following the termination or other conclusion of this Agreement. Within such sixty (60) day period, Business Associate shall certify on oath in writing to Metro that such return or destruction has been completed.

- (ii) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Metro notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information. If Metro does not agree that return or destruction of Protected Health Information is infeasible, subparagraph (i) shall apply. Business Associate shall complete these obligations as promptly as possible, but no later than sixty (60) days following the termination or other conclusion of this Agreement.

Section 5 – Miscellaneous

- a. **Regulatory References.** A reference in this Agreement to a section in HIPAA or the HITECH Act means the section as in effect or as amended, and for which compliance is required.
- b. **Amendment.** The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Metro to comply with the requirements of HIPAA or the HITECH Act and any applicable regulations in regard to such laws.
- c. **Survival.** The respective rights and obligations of Business Associate shall survive the termination of this Agreement.
- d. **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Metro to comply with HIPAA or the HITECH Act or any applicable regulations in regard to such laws.
- e. **Governing Law.** The validity, construction, and effect of this Agreement and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. Tennessee law shall govern regardless of any language in any attachment or other document that Business Associate may provide.
- f. **Venue.** Any action between the parties arising from this Agreement shall be maintained in the courts of Davidson County, Tennessee.



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Department of Finance
700 President Ronald Reagan Way, STE 201
Nashville, Tennessee 37210

Metropolitan Government of Nashville and Davidson County Recipient of Metro Grant Funding Certifications of Assurance

As a condition of receipt of this funding, the Recipient assures that it will comply fully with the provisions of the following laws.

- The Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. Section 12116;
- Title VI of the Civil Rights Act of 1964, as amended which prohibits discrimination on the basis of race, color, and national origin;
- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;

CERTIFICATION REGARDING LOBBYING - Certification for Contracts, Grants, Loans, and Cooperative Agreements

By accepting this funding, the signee hereby certifies, to the best of his or her knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

Michelle Schafer
SIGNED WITH PEN/INK
03/08/2025 14:25:43

Signature of Authorized Representative

Name: Michelle Schafer

Title: CEO

Agency Name: Mental Health Cooperative

Date: 7/8/2025

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



Department of Finance
700 President Ronald Reagan Way, STE 201
Nashville, Tennessee 37210

**Metropolitan Government of Nashville and Davidson County
Recipient of Metro Grant Funding
Non-Profit Grants Manual Receipt Acknowledgement**

As a condition of receipt of this funding, the recipient acknowledges the following:

- Receipt of the Non-Profit Grants Manual, updated February 2, 2023, issued by the Division of Grants and Accountability. Electronic version can be located at the following: [Non-Profit Grant Resources](#)
- The recipient has read, understands and hereby affirms that the agency will adhere to the requirements and expectations outlined within the Non-Profit Grants Manual.
- The recipient understands that if the organization has any questions regarding the Non-Profit Grants Manual or its content, they will consult with the Metro department that awarded their grant.

**Note to Organizations: Please read the Non-Profits Grants Manual carefully to ensure that you understand the requirements and expectations before signing this document.*

A handwritten signature in cursive script that reads "Michelle Schafer". The signature is written in black ink on a white background. There is a small, faint rectangular stamp or watermark over the signature.

Signature of Authorized Representative

Name: Michelle Schafer

Title: CEO

Agency Name: Mental Health Cooperative

Date: 7/8/2025

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
C - 1130
ATLANTA, GA 30301

DEPARTMENT OF THE TREASURY

Date: JAN 8 1993

MENTAL HEALTH COOPERATIVE INC
C/O WILLIAM H NEELY
424 CHURCH STREET SUITE 2800
NASHVILLE, TN 37219

Employer Identification Number:
58-2018687 ←
Contact Person:
ARIEANE H. BARRS
Contact Telephone Number:
(404) 331-0930
Accounting Period Ending:
June 30
Foundation Status Classification:
509(a)(1)
Advance Ruling Period Begins:
August 21, 1992
Advance Ruling Period Ends:
June 30, 1997
Addendum Applies:
Yes

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

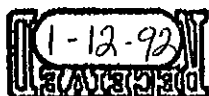
Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we



Letter 1045(DO/CG)

MENTAL HEALTH COOPERATIVE INC.

will no longer treat you as a publicly supported organization; grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social securities taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

Contributions to you are deductible by donors beginning August 21, 1992.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of

MENTAL HEALTH COOPERATIVE INC

the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

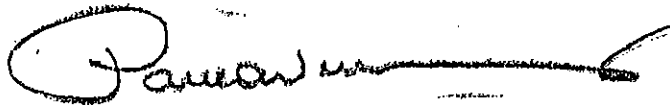
Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

MENTAL HEALTH COOPERATIVE INC

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Paul Williams", with a long horizontal flourish extending to the right.

Paul Williams
District Director

Enclosure(s):
Addendum
Form 872-C

2531 0103

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STATE OF TENNESSEE

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CHARTER

OF

BRYANT J. HARRIS
SECRETARY OF STATE MENTAL HEALTH COOPERATIVE, INC.

The undersigned, having capacity to contract and acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, as amended, adopts the following charter for such corporation:

1. The name of the corporation is Mental Health Cooperative, Inc.

2. The corporation is a public benefit corporation.

3. The corporation is not a religious corporation.

4. The street address and zip code of the corporation's initial registered office is 1 NationsBank Plaza, M-2, Nashville, Tennessee 37239, c/o Michael D. McKay; the county in which such office is located is Davidson. The name of its initial registered agent at the office shall be Michael D. McKay.

5. The name and address of the incorporator of the corporation is:

Michael D. McKay
1 NationsBank Plaza
M-2
Nashville, Tennessee 37239

6. The street address and zip code of the principal office of the corporation is 1 NationsBank Plaza, M-2, Nashville, Tennessee 37239.

7. The corporation is not for profit.

8. The corporation shall not have members.

9. The purpose or purposes for which the corporation is organized are:

(a) to provide individuals in Davidson County, Tennessee with immediate access to the highest quality mental health services appropriate to their specific needs by engaging in the following activities:

(i) implementing service programs, including but not limited to assessment/clinical evaluation, mobile crisis response; emergency psychiatric services, outreach

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STATE OF TENNESSEE Services and case management, in the community which will benefit individuals with mental health needs;

1992 AUG 21 AM 9 11

BRYAN L. ...
SECRETARY OF STATE
capabilities;

(ii) establishing a computerized data base to increase accountability, efficiency, and reporting capabilities;

(iii) administering the authorization/certification process that determines consumer eligibility for publicly-funded services and level of care;

MAR 18 1993

(iv) interfacing with mental health consumers and family members to respond, in a proactive manner, to community mental health needs by improving the quality of existing mental health services and/or the planning and development of new mental health services;

(v) monitoring and improving the cost-effectiveness of mental health services;

(vi) advocating for the rights of individuals with mental health needs and for those individuals, programs, and agencies which serve these needs; and

(vii) assuming on-going responsibility and accountability for each individual enrolled in the publicly-funded case management system.

(b) exclusively charitable, educational and/or scientific within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor provision to such section).

10. The corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status (1) As a corporation which is exempt from Federal income taxation as an organization described in Section 501(c)(3) of the Code (or any successor provision to such section), or (2) as a corporation to which contributions are deductible under Section 170, 2055 and 2522 of the Code (or any successor provisions to such sections).

11. No part of the net earnings of the corporation shall inure to the benefit of or be distributed to its directors, officers, or other private individuals, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 9 hereof.

12. No substantial part of the activities of the corporation shall consist of attempts to influence legislation by propaganda or otherwise; nor shall it in any manner or to any extent participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or

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 in opposition to any candidate for public office, nor shall the corporation engage in any activities that are unlawful under applicable Federal, state, or local laws.

13. Upon the dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, distribute all assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an organization or organizations described in Section 501(c)(3) of the Code (or any successor provision to such Section), or to the federal government or a state or local government, as the board of directors shall determine.

14. A director of the corporation shall not be liable to the corporation for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision does not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for a distribution that is unlawful. If Tennessee law is amended or modified to authorize corporate action eliminating or further limiting the personal liability of directors, then the liability of a director of the corporation shall thereupon be eliminated or limited; without the necessity of further amendment of this Charter, to the fullest extent permitted by Tennessee law. Any repeal or modification of the provisions of this Article 14 shall not adversely affect any right of protection of a director of the corporation existing at the time of such repeal or modification.

Dated this 19th day of August, 1992.

Michael D. McKay
 Michael D. McKay, Incorporator

Details



MENTAL HEALTH COOPERATIVE, INC.

275 CUMBERLAND BEND DRIVE NASHVILLE TN 37228

JENIFER FELTS

(615) 743-1408

www.mhc-tn.org

Status: Active

CO Number: CO4173

Registration Date: 02/23/2001

Renewal Date: 12/31/2025

Purpose

Mental Health Cooperative Inc. (MHC) provides integrated health services that include behavioral health care, primary health care, addiction services, and community-based care management. MHC also provides emergency psychiatric services that include mobile crisis response, crisis stabilization, and partners in care outreach. Services are provided to adults with serious mental illness and child & youth with serious emotional disorders.

Financials (27)	▼
Officers (4)	▼
Charity Events (0)	▼



Secretary of State Tre Hargett

Tre Hargett was elected by the Tennessee General Assembly to serve as Tennessee’s 37th secretary of state in 2009 and re-elected in 2013, 2017, 2021, and 2025. Secretary Hargett is the chief executive officer of the Department of State with oversight of more than 300 employees. He also serves on 16 boards and commissions, on two of which he is the presiding member. The services and oversight found in the Secretary of State's office reach every department and agency in state government.



Details



MENTAL HEALTH COOPERATIVE, INC.

275 CUMBERLAND BEND DRIVE NASHVILLE TN 37228

JENIFER FELTS

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Financials (27)	▼
Officers (4)	▼
Charity Events (0)	▼

Tennessee Code Unannotated

State Comptroller

State Treasurer

Title VI Information

Public Records Policy and Records Request Form



SUBSCRIBE

MENTAL HEALTH COOPERATIVE, INC.

Entity Type: Nonprofit Corporation

Formed in: TENNESSEE

Term of Duration: Perpetual

Religious Type: Non-Religious

Benefit Type: Public Benefit Corporation

Status: Active

Control Number: 000256586

Initial Filing Date: 8/21/1992 9:11:00 AM

Fiscal Ending Month: June

AR Due Date: 10/01/2025

Registered Agent

DAVID K WILSON

275 CUMBERLAND BEND

NASHVILLE, TN 37228

Principal Office Address

275 CUMBERLAND BEND DRIVE

NASHVILLE, TN 37228

Mailing Address

275 CUMBERLAND BEND DRIVE

NASHVILLE, TN 37228

AR Standing: Good	RA Standing: Good	Other Standing: Good	Revenue Standing: Good
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History (42)

**MENTAL HEALTH COOPERATIVE, INC.
AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

As of and for the Years Ended June 30, 2024 and 2023

And Reports of Independent Auditor

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
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Report of Independent Auditor

To the Board of Directors
Mental Health Cooperative, Inc. and Affiliates
Nashville, Tennessee

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mental Health Cooperative, Inc. and Affiliates (a nonprofit organization) ("MHC"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MHC as of June 30, 2024 and 2023, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of MHC to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MHC's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 MHC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MHC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 24 through 27 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 consolidating information has been subjected to the auditing procedures applied in the audits 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 consolidating information 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 November 25, 2024 on our consideration of MHC'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 solely 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 effectiveness of MHC's 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 MHC's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Nashville, Tennessee
November 25, 2024

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,819,484	\$ 12,093,626
Investments	76,925,342	70,979,910
Accounts receivable, net	13,635,715	14,004,278
Prepaid expenses and other	1,249,205	928,174
Inventory	943,764	824,924
Funds held for consumers	3,080,603	3,215,667
Total Current Assets	<u>100,654,113</u>	<u>102,046,579</u>
Property and Equipment:		
Land	5,288,333	3,944,086
Buildings, improvements, and housing	17,604,621	16,477,992
Office equipment	9,414,397	7,364,927
Leasehold improvements	11,391,774	5,254,573
Furniture and fixtures	1,106,446	925,095
Construction-in-progress	2,517,878	4,534,078
	47,323,449	38,500,751
Less accumulated depreciation	<u>(16,352,838)</u>	<u>(14,226,537)</u>
Property and Equipment, Net	<u>30,970,611</u>	<u>24,274,214</u>
Other Assets:		
Other assets, net	175,078	188,466
Interest rate swap	662,763	839,564
Operating right-of-use assets, net	3,443,287	3,608,406
Total Other Assets	<u>4,281,128</u>	<u>4,636,436</u>
Total Assets	<u>\$ 135,905,852</u>	<u>\$ 130,957,229</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,870,090	\$ 2,417,801
Accrued payroll and related costs	7,774,504	7,653,994
Current portion of note payable, net of debt issuance costs	210,931	187,331
Funds held for consumers	3,080,603	3,215,667
Lease liability	1,025,277	1,027,378
Total Current Liabilities	<u>13,961,405</u>	<u>14,502,171</u>
Long-Term Liabilities:		
Lease liability, net of current portion	2,496,001	2,649,946
Note payable, net of debt issuance costs	8,141,500	8,352,431
Total Long-Term Liabilities	<u>10,637,501</u>	<u>11,002,377</u>
Total Liabilities	<u>24,598,906</u>	<u>25,504,548</u>
Net Assets:		
Without donor restrictions - controlling interest	108,789,468	102,887,980
Without donor restrictions - noncontrolling interest	<u>(178,389)</u>	<u>(131,079)</u>
Total Net Assets Without Donor Restrictions	<u>108,611,079</u>	<u>102,756,901</u>
Net assets with donor restrictions - controlling interest	2,695,867	2,695,780
Total Net Assets	<u>111,306,946</u>	<u>105,452,681</u>
Total Liabilities and Net Assets	<u>\$ 135,905,852</u>	<u>\$ 130,957,229</u>

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

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Care management revenue, net	\$ 45,421,853	\$ -	\$ 45,421,853
Contract revenue, other	20,409,613	-	20,409,613
Pharmacy revenue, net	14,629,834	-	14,629,834
Grant revenue	14,948,633	-	14,948,633
Supportive housing revenue	2,293,738	-	2,293,738
Investment income, net	7,421,348	-	7,421,348
Other income	1,098,713	38,497	1,137,210
Physical health revenue, net	327,350	-	327,350
Rent revenue	634,935	-	634,935
Releases from restriction	38,410	(38,410)	-
Total Revenue and Other Support	<u>107,224,427</u>	<u>87</u>	<u>107,224,514</u>
Expenses:			
Program Services:			
Mental health services	66,458,809	-	66,458,809
Pharmacy	15,372,062	-	15,372,062
Supportive housing	1,749,433	-	1,749,433
Physical health services	914,021	-	914,021
Utilize health	1,018,482	-	1,018,482
Total Program Services	<u>85,512,807</u>	<u>-</u>	<u>85,512,807</u>
General and administrative	<u>15,857,442</u>	<u>-</u>	<u>15,857,442</u>
Total Expenses	<u>101,370,249</u>	<u>-</u>	<u>101,370,249</u>
Change in net assets	5,854,178	87	5,854,265
Net assets, beginning of year	<u>102,756,901</u>	<u>2,695,780</u>	<u>105,452,681</u>
Net assets, end of year	<u>108,611,079</u>	<u>2,695,867</u>	<u>111,306,946</u>
Net assets attributable to noncontrolling interest	<u>(178,389)</u>	<u>-</u>	<u>(178,389)</u>
Net assets attributable to controlling interest	<u>\$ 108,789,468</u>	<u>\$ 2,695,867</u>	<u>\$ 111,485,335</u>

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

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Care management revenue, net	\$ 45,415,406	\$ -	\$ 45,415,406
Contract revenue, other	19,970,775	-	19,970,775
Pharmacy revenue, net	14,528,499	-	14,528,499
Grant revenue	11,630,143	-	11,630,143
Supportive housing revenue	1,928,458	-	1,928,458
Investment income, net	6,745,210	-	6,745,210
Other income	1,310,025	26,662	1,336,687
Physical health revenue, net	356,192	-	356,192
Rent revenue	651,235	-	651,235
Releases from restriction	26,749	(26,749)	-
Total Revenue and Other Support	<u>102,562,692</u>	<u>(87)</u>	<u>102,562,605</u>
Expenses:			
Program Services:			
Mental health services	59,448,030	-	59,448,030
Pharmacy	14,810,063	-	14,810,063
Supportive housing	1,421,469	-	1,421,469
Physical health services	740,963	-	740,963
Utilize health	686,747	-	686,747
Total Program Services	<u>77,107,272</u>	<u>-</u>	<u>77,107,272</u>
General and administrative	<u>15,024,948</u>	<u>-</u>	<u>15,024,948</u>
Total Expenses	<u>92,132,220</u>	<u>-</u>	<u>92,132,220</u>
Change in net assets	10,430,472	(87)	10,430,385
Net assets, beginning of year	<u>92,326,429</u>	<u>2,695,867</u>	<u>95,022,296</u>
Net assets, end of year	<u>102,756,901</u>	<u>2,695,780</u>	<u>105,452,681</u>
Net assets attributable to noncontrolling interest	<u>(131,079)</u>	<u>-</u>	<u>(131,079)</u>
Net assets attributable to controlling interest	<u>\$ 102,887,980</u>	<u>\$ 2,695,780</u>	<u>\$ 105,583,760</u>

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

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services					Total Program Services	General and Administrative	Total
	Mental Health Services	Pharmacy	Supportive Housing	Physical Health Services	MHC UH			
Salaries and benefits	\$ 59,010,406	\$ 760,790	\$ -	\$ 554,865	\$ 744,033	\$ 61,070,094	\$ 6,744,556	\$ 67,814,650
Cost of goods sold	-	14,246,748	-	-	-	14,246,748	-	14,246,748
Legal and professional	633,865	42,033	1,749,433	65,234	82,643	2,573,208	2,348,153	4,921,361
Purchased services	869,024	7,823	-	1,944	91,720	970,511	2,102,143	3,072,654
Depreciation and amortization	1,898,846	19,885	-	16,517	28,177	1,963,425	175,781	2,139,206
Dues and subscriptions	48,179	26,623	-	16,427	56,004	147,233	1,683,601	1,830,834
Motor vehicle operations	1,763,678	-	-	33	4,112	1,767,823	52,278	1,820,101
Insurance	65,000	-	-	-	-	65,000	1,130,401	1,195,401
Communications and shipping	442,746	8,974	-	-	480	452,200	527,777	979,977
Facility rent	545,811	-	-	-	-	545,811	423,413	969,224
Supplies	711,732	47,181	-	79,453	4,148	842,514	109,298	951,812
Other	72,010	212,005	-	101,182	7,165	392,362	302,672	695,034
Interest expense	-	-	-	-	-	-	257,369	257,369
Independent living and consumer needs	206,881	-	-	-	-	206,881	-	206,881
Respite expenses	190,631	-	-	-	-	190,631	-	190,631
Denials and write-offs	-	-	-	78,366	-	78,366	-	78,366
	<u>\$ 66,458,809</u>	<u>\$ 15,372,062</u>	<u>\$ 1,749,433</u>	<u>\$ 914,021</u>	<u>\$ 1,018,482</u>	<u>\$ 85,512,807</u>	<u>\$ 15,857,442</u>	<u>\$ 101,370,249</u>

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

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services					Total Program Services	General and Administrative	Total
	Mental Health Services	Pharmacy	Supportive Housing	Physical Health Services	MHC UH			
Salaries and benefits	\$ 52,481,368	\$ 711,765	\$ -	\$ 520,831	\$ 390,312	\$ 54,104,276	\$ 7,063,588	\$ 61,167,864
Cost of goods sold	-	13,731,082	-	-	-	13,731,082	-	13,731,082
Legal and professional	875,684	87,488	1,421,469	5,951	216,350	2,606,942	2,273,276	4,880,218
Purchased services	1,042,439	10,192	-	1,761	30,320	1,084,712	1,851,049	2,935,761
Depreciation and amortization	1,765,755	17,037	-	12,741	14,955	1,810,488	129,533	1,940,021
Dues and subscriptions	8,257	27,237	-	14,367	30,924	80,785	1,242,342	1,323,127
Motor vehicle operations	1,229,928	-	-	-	202	1,230,130	40,537	1,270,667
Insurance	65,000	-	-	-	-	65,000	1,031,232	1,096,232
Facility rent	513,270	-	-	-	-	513,270	365,815	879,085
Communications and shipping	411,035	9,597	-	-	-	420,632	456,797	877,429
Supplies	645,442	32,327	-	58,388	1,324	737,481	87,954	825,435
Other	175,040	183,338	-	70,471	2,360	431,209	221,640	652,849
Interest expense	-	-	-	-	-	-	261,185	261,185
Independent living and consumer needs	152,904	-	-	-	-	152,904	-	152,904
Respite expenses	81,908	-	-	-	-	81,908	-	81,908
Denials and write-offs	-	-	-	56,453	-	56,453	-	56,453
	<u>\$ 59,448,030</u>	<u>\$ 14,810,063</u>	<u>\$ 1,421,469</u>	<u>\$ 740,963</u>	<u>\$ 686,747</u>	<u>\$ 77,107,272</u>	<u>\$ 15,024,948</u>	<u>\$ 92,132,220</u>

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

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 5,854,265	\$ 10,430,385
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	2,122,367	1,928,336
Amortization of debt issuance costs	12,268	12,268
Amortization of goodwill	6,079	6,079
Amortization of right-of-use assets	10,761	5,606
Provision for uncollectible receivables	4,770,749	1,658,200
Net realized and unrealized gain on investments	(4,992,430)	(4,001,389)
Net loss (gain) on interest rate swap	176,801	(235,044)
Loss (gain) on disposal	4,269	(710)
Noncash lease expense	8,506	68,111
Changes in operating assets and liabilities:		
Accounts receivable	(4,402,186)	(2,667,154)
Prepaid expenses and other	(321,031)	(295,093)
Inventory	(118,840)	(257,112)
Other assets	7,309	8,008
Accounts payable and accrued expenses	(547,711)	1,599,581
Accrued payroll and related costs	120,510	991,246
Net cash flows from operating activities	<u>2,711,686</u>	<u>9,251,318</u>
Cash flows from investing activities:		
Purchase of investments	(62,320,256)	(24,234,350)
Proceeds from sale of investments	61,367,254	22,102,451
Purchase of property and equipment	(8,823,033)	(5,214,857)
Net cash flows from investing activities	<u>(9,776,035)</u>	<u>(7,346,756)</u>
Cash flow from financing activities:		
Principal payments on finance lease obligations	(10,194)	(4,799)
Net receipts for funds held for consumers	(135,064)	928,130
Payments on long-term debt	(199,599)	(228,799)
Net cash flows from financing activities	<u>(344,857)</u>	<u>694,532</u>
Net change in cash and cash equivalents	(7,409,206)	2,599,094
Cash and cash equivalents, beginning of year	15,309,293	12,710,199
Cash and cash equivalents, end of year	<u>\$ 7,900,087</u>	<u>\$ 15,309,293</u>
Cash and cash equivalents consist of the following:		
Cash and cash equivalents	\$ 4,819,484	\$ 12,093,626
Funds held for consumers	3,080,603	3,215,667
	<u>\$ 7,900,087</u>	<u>\$ 15,309,293</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 234,340</u>	<u>\$ 243,311</u>

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

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Nature of activities and significant accounting policies

General – Mental Health Cooperative, Inc. is a not-for-profit organization that provides individuals with immediate access to mental health services through mobile crisis response, emergency psychiatric services, clinical evaluation, outreach services, and care management, and serves adults with severe mental illness and children with serious emotional challenges with locations across Tennessee. Mental Health Cooperative, Inc. also owns a membership interest in an on-site pharmacy and an on-site physical health services provider. The pharmacy operates as a single member limited liability company under the name NPS Pharmacy, LLC (“NPS”). The physical health services provider was formed in February 2013, as a single member limited liability company and operates under the name Integrated Health Cooperative, LLC (“IHC”). Mental Health Cooperative, Inc. purchased the assets of Mymedmatch, Inc. d/b/a Utilize Health in December 2020 and formed MHC UH, Inc. (“UH”). UH is a for profit corporation owned 97% by Mental Health Cooperative, Inc. (see Note 17).

Principles of Consolidation – The consolidated financial statements include the accounts of Mental Health Cooperative, Inc.; NPS; IHC; and UH (collectively, “MHC”). All significant inter-entity transactions and balances have been eliminated in consolidation.

Basis of Presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, net assets of MHC and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of MHC and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions also include net assets subject to donor-imposed stipulations that they be maintained permanently by MHC. Generally, donors of these assets may permit MHC to use all or part of the income earned for general or specific purposes. As of June 30, 2024 and 2023, MHC had no permanently donor-restricted net assets.

Cash and Cash Equivalents – For purposes of the consolidated statements of cash flows, MHC considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Investments – Investments are reported at their fair values in the accompanying consolidated statements of financial position. See Note 5 for discussion on fair value measurements. Investment income and unrealized gains and losses are reported as changes in unrestricted net assets unless the use of income has been restricted by the donor.

Prepaid Expenses and Other – Prepaid expenses at June 30, 2024 and 2023 are primarily comprised of advance payments for insurance and licensing fees.

Inventory – Inventory is stated at the lower of cost or market using the weighted average method. Inventory is primarily comprised of pharmacy medications and supplies.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Nature of activities and significant accounting policies (continued)

Accounts Receivable and Bad Debts – The majority of accounts receivable are due under fee-for-service contracts from third party payers, such as insurance companies. Receivables are generally collected within industry norms for third party payers. MHC reports accounts receivable net of an allowance for credit losses. The allowance for credit losses is based on MHC's assessment of the collectability of customer accounts receivable. The allowance for credit losses is based on the Company's assessment of the collectability of customer accounts receivable. In accordance with Accounting Standards Codification ("ASC") Topic 326: *Financial Instruments – Credit Losses*, the Company makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Company establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery.

Property and Equipment – Property and equipment is recorded at cost. Expenditures for ordinary maintenance and repairs are charged to expense. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation is provided over the estimated useful lives of the respective assets (ranging from 3 to 40 years) using the straight-line method.

Income Taxes – MHC, with the exception of UH, is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. UH incurred a net loss during the years ended June 30, 2024 and 2023. MHC recorded a full valuation allowance of the deferred tax benefit generated from UH's net operating loss carryforward at June 30, 2024 and 2023. Accordingly, no provision for income tax has been made in the accompanying consolidated financial statements.

Contributions – Contributions are recognized when the donor makes a promise to give to MHC, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and other support and expenses during the period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements – In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326)* and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. MHC adopted this new accounting standard effective July 1, 2023 and all of the related amendments using the modified retrospective method. The adoption of this guidance did not have a material impact on MHC's consolidated financial statements.

Subsequent Events – MHC evaluated subsequent events through November 25, 2024, when these consolidated financial statements were available to be issued.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Revenue recognition

MHC follows FASB ASC Topic 606, *Revenue from Contracts with Customers*, which requires an entity to recognize revenue when it transfers the promised goods or services to a customer in an amount that reflects consideration to which the entity expects to be entitled to in exchange for those goods and services.

MHC recognizes revenue for services in accordance with the following five steps outlined in ASC 606:

- Identification of the contract or contracts with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction prices
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when or as MHC satisfies a performance obligation

MHC has analyzed the provisions of ASC 606 and has concluded the following:

Care Management – MHC provides services to adults with serious mental illness and adolescents and children with a mental illness and emotional disorders. Care management services for these individuals are primarily administered to covered persons enrolled in TennCare's Health Link Program ("THL") through participating provider agreements with managed care organizations. MHC is compensated for its services in accordance with the agreed rates as included in the participating provider agreements. In addition, MHC also provides physical health services and pharmacy services primarily to these same individuals. Care management revenue, physical health revenue, and pharmacy revenue are reported at established rates, net of contractual adjustments, charity assistance services, and provision for bad debts. Third party contractual revenue adjustments under government reimbursement programs are accrued on an estimated basis in the period the related services are rendered.

Contract Revenue – MHC provides crisis walk-in services and mobile crisis response services to adults, adolescents, and children in Middle Tennessee. These crisis services are funded through the TennCare managed care organizations and are paid on a per member, per month basis based on the total TennCare enrollment in Metro Davidson County. MHC also provides therapy services, compensated in accordance with agreed rates from participating providers. MHC has several contracts and agreements with Metro Davidson County agencies for services at either agreed monthly or per consumer rates, or on a cost reimbursement arrangement. Under the THL program, MHC also receives incentive payments through participating providers based on agreed-upon quality and efficiency metrics.

Supportive Housing Revenue – MHC operates the Supportive Housing program that assists clients in stabilization from their behavioral health symptoms by providing assistance in obtaining housing. Insurance companies pay on a per diem basis for each day a client is served. MHC subcontracts with various housing entities to provide the supportive housing services.

Consumer Fees – MHC operates facilities throughout Tennessee providing access to mental health services and physical health services. Such revenue is included in the net care management revenue, contract revenue, supportive housing revenue, and physical health revenue in the consolidated statements of activities. Revenue is recognized at a point in time as the consumer receives the benefit of MHC's services and when collectability is reasonably assured. See Note 1 for descriptions of case management, contract, and supportive housing revenue.

Pharmacy Services – MHC operates a pharmacy in its Nashville location primarily for consumers served. Such revenue is included in the net pharmacy revenue in the consolidated statement of activities. Revenue is recognized at a point in time as the consumer receives the prescribed medicine and when collectability is reasonably assured.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Revenue recognition (continued)

Contract Balances – Net consumer fees receivable consist of care management, other contract, supportive housing, and physical health receivables as well as pharmacy receivables and state incentive payment receivables and are recorded within net accounts receivable in the consolidated statements of financial position (see Note 4). State incentive payment receivables relate to payments from each managed care organization based on achievement of performance metrics outlined in each contract. All other consumer fees receivable represent amounts owed for services performed during the years ended June 30, 2024 and 2023, and are primarily related to managed care organizations and private insurance payments that are paid after the claim is submitted. Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. The allowance for credit losses is adjusted periodically based upon a review of outstanding receivables. Net consumer fees receivables are comprised of the following at June 30:

	2024	2023
Care management, supportive housing, and other contract receivable	\$ 17,899,630	\$ 14,410,202
State incentive payments	2,781,101	3,168,734
Pharmacy receivable	1,829,222	1,418,753
Physical health receivable	219,882	103,283
	<u>22,729,835</u>	<u>19,100,972</u>
Less allowance for credit losses	<u>(11,312,277)</u>	<u>(6,541,528)</u>
	<u><u>\$ 11,417,558</u></u>	<u><u>\$ 12,559,444</u></u>

Performance Obligations – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. MHC's contracts with customers do not typically include multiple performance obligations.

Variable Consideration/Payment Terms – MHC's contracts with customers generally do not result in variable consideration or contract modifications. MHC's THC provider agreements include variable consideration in the form of performance-based outcome incentive payments. These payments are based on calendar year performance periods. MHC recognizes this revenue at a point in time as outcomes are not determined until the end of a performance year. MHC's payment terms vary based on the rates provided by each managed care organization and type of service. The time between invoicing and when payment is due is not significant. MHC's contracts with customers do not generally result in significant obligations associated with returns, refunds, or warranties.

Disaggregation of Revenue – The table below depicts the disaggregation of revenue by service for the years ended June 30, and is consistent with how MHC evaluates consolidated financial performance:

	2024	2023
Care management revenue, net	\$ 45,421,853	\$ 45,415,406
Contract revenue, other	20,409,613	19,970,775
Pharmacy revenue, net	14,629,834	14,528,499
Supportive housing revenue	2,293,738	1,928,458
Physical health revenue, net	327,350	356,192
	<u><u>\$ 83,082,388</u></u>	<u><u>\$ 82,199,330</u></u>

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 3—Liquidity and availability of resources

MHC regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, MHC considers all expenditures related to its ongoing activities of providing programs and services to provide individuals with immediate access to mental health services as well as conduct of services undertaken to support those activities to be general expenditures. MHC maintains a line of credit with maximum borrowings of \$2,000,000 (see Note 8) with a financial institution that is drawn upon during the year to manage cash flow, if needed.

As a part of MHC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. MHC considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following at June 30:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,819,484	\$ 12,093,626
Investments	76,925,342	70,979,910
Accounts receivable, net	13,635,715	14,004,278
Total financial assets	95,380,541	97,077,814
Less amounts not available to be used for general expenditures within one year:		
Purpose and time restrictions	70,867	70,780
Financial assets available to meet general expenditures within one year	<u>\$ 95,309,674</u>	<u>\$ 97,007,034</u>

Note 4—Accounts receivable

Accounts receivable consists of the following at June 30:

	2024	2023
Care management, supportive housing, and other contract receivable	\$ 17,899,630	\$ 14,410,202
State incentive payments	2,781,101	3,168,734
Grants receivable from Tennessee Department of Mental Health and Substance Abuse Services	1,670,648	635,073
Pharmacy receivable	1,829,222	1,418,753
Physical health receivable	219,882	103,283
Other	547,509	809,761
	24,947,992	20,545,806
Less allowance for credit losses	<u>(11,312,277)</u>	<u>(6,541,528)</u>
	<u>\$ 13,635,715</u>	<u>\$ 14,004,278</u>

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 4—Accounts receivable (continued)

As of June 30, 2024 and 2023, MHC care management, supportive housing, and other contract receivables consisted primarily of third party payers under TennCare/Medicaid and Medicare contracts.

Mental health services bad debt expense, reported as a reduction to care management revenue on the consolidated statements of activities, totaled approximately \$4,100,000 and \$1,400,000 for the years ended June 30, 2024 and 2023, respectively. NPS bad debt expense reported as a reduction to pharmacy revenue on the consolidated statements of activities totaled approximately \$653,000 and \$288,000 for the years ended June 30, 2024 and 2023, respectively. In addition, physical health services bad debt expense, reported as a reduction to physical health revenue on the consolidated statements of activities totaled approximately \$134,000 and \$27,000 for the years ended June 30, 2024 and 2023, respectively.

Note 5—Investments

MHC records investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumption about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset, and the risk of nonperformance. A fair value hierarchy is used that prioritizes inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that MHC has the ability to access.

Level 2 – Inputs to the valuation methodology include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodology used at June 30, 2024 or 2023. A description of the valuation methodology used for assets measured at fair value is as follows:

U.S. Government Securities, Corporate Bonds, Foreign Bonds, Stocks, Mutual Funds, Exchange Traded Securities, Asset-backed Securities and Mortgage-backed Securities, and Other Short Term Investments – Valued at the closing price reported on the active market on which the individual securities are traded.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 5—Investments (continued)

The following table sets forth by level, within the fair value hierarchy, MHC's investments at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
U.S. government securities:				
Federal government agencies	\$ -	\$ 26,341	\$ -	\$ 26,341
U.S. Treasury	-	6,458,162	-	6,458,162
Total U.S. government securities	-	6,484,503	-	6,484,503
Corporate bonds:				
Banking/financial industry	-	2,416,460	-	2,416,460
Energy	-	534,293	-	534,293
Technology industry	-	161,173	-	161,173
Consumer staples	-	299,556	-	299,556
Consumer cyclical	-	110,092	-	110,092
Healthcare	-	646,912	-	646,912
Industrials	-	211,114	-	211,114
Communication	-	433,757	-	433,757
Total corporate bonds	-	4,813,357	-	4,813,357
Foreign bonds:				
Banking/financial industry	-	556,684	-	556,684
Healthcare	-	33,947	-	33,947
	-	590,631	-	590,631
Stocks:				
U.S. large cap	5,002,916	-	-	5,002,916
U.S. mid cap	5,428,890	-	-	5,428,890
U.S. small cap	2,713,958	-	-	2,713,958
International developed	2,586,107	-	-	2,586,107
Emerging markets	2,005,408	-	-	2,005,408
Other	1,122	-	-	1,122
	17,738,401	-	-	17,738,401
Mutual funds:				
Large cap blend	9,020,845	-	-	9,020,845
Mid cap blend	2,621,965	-	-	2,621,965
Large growth	2,196,172	-	-	2,196,172
Diversified emerging markets	2,103,324	-	-	2,103,324
Foreign large blend	4,457,338	-	-	4,457,338
Small blend	1,357,334	-	-	1,357,334
Other	973,130	-	-	973,130
Total exchange traded securities	22,730,108	-	-	22,730,108
Asset-backed securities and mortgage-backed securities	-	9,875,553	-	9,875,553
Other short-term investments	14,692,789	-	-	14,692,789
Total assets at fair value	\$ 55,161,298	\$ 21,764,044	\$ -	\$ 76,925,342

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 5—Investments (continued)

The following table sets forth by level, within the fair value hierarchy, MHC's investments at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
U.S. government securities:				
Federal government agencies	\$ -	\$ 1,835,253	\$ -	\$ 1,835,253
U.S. Treasury	-	1,652,503	-	1,652,503
Total U.S. government securities	-	3,487,756	-	3,487,756
Corporate bonds:				
Banking/financial industry	-	312,675	-	312,675
Energy	-	138,402	-	138,402
Technology industry	-	524,327	-	524,327
Consumer goods and retail	-	341,285	-	341,285
Healthcare	-	39,140	-	39,140
Industrials	-	237,607	-	237,607
Real estate	-	67,064	-	67,064
Total corporate bonds	-	1,660,500	-	1,660,500
Exchange traded securities:				
Large cap blend	13,101,037	-	-	13,101,037
Mid cap blend	1,651,052	-	-	1,651,052
High yield bond	823,892	-	-	823,892
Mid cap value	2,953,031	-	-	2,953,031
Consumer cyclical	4,388,686	-	-	4,388,686
Systematic trend	1,961,587	-	-	1,961,587
Corporate bond	1,633,392	-	-	1,633,392
Large value	7,710,723	-	-	7,710,723
Inflation-protected bond fund	531,545	-	-	531,545
Intermediate term bond fund	1,862,519	-	-	1,862,519
Long government bond fund	2,596,211	-	-	2,596,211
Europe stock	5,613,034	-	-	5,613,034
Intermediate government bond fund	1,103,605	-	-	1,103,605
Short-term bond fund	511,149	-	-	511,149
Ultrashort bond fund	517,654	-	-	517,654
Bank loan fund	780,127	-	-	780,127
Diversified emerging markets	938,605	-	-	938,605
Other	804,543	-	-	804,543
Total exchange traded securities	49,482,392	-	-	49,482,392
Other short-term investments	16,349,262	-	-	16,349,262
Total assets at fair value	\$ 65,831,654	\$ 5,148,256	\$ -	\$ 70,979,910

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

Note 6—Note payable

MHC entered into a term loan in June 2020 in the amount of \$9,222,500 to finance the purchase of land and building serving as its Nashville headquarters. The total purchase price was approximately \$10,850,000. The note matures in June 2027 and is secured by substantially all of MHC's business assets. This note requires monthly principal plus interest payments at a variable rate (6.80% at June 30, 2024). The principal payment amount increases annually, beginning at \$16,700 per month and eventually reaching \$19,700 per month.

Debt issuance costs related to the note payable are amortized on a straight-line basis over the term of the related borrowings, which approximates the interest method. Amortization expense for debt issuance costs, which is recorded within interest expense was \$12,268 for the years ended June 30, 2024 and 2023.

Maturities of the note payable are as follows for the years ending June 30:

2025	\$ 210,931
2026	216,931
2027	<u>7,924,569</u>
	<u>\$ 8,352,431</u>

Note 7—Interest rate swap agreement

MHC entered into an interest rate swap arrangement effective June 2020 with a financial institution which effectively fixed the interest rate on the variable rate note payable. The notional amount of the interest rate swap agreement, which matures in June 2027 was \$8,388,500 as of June 30, 2024.

MHC's purpose for entering into the swap arrangement was to hedge against the risk of interest rate increases on the variable interest rate note payable. The fair value of the swap agreement was \$662,763 and \$839,564 as of June 30, 2024 and 2023, respectively.

Note 8—Line of credit

At June 30, 2024 and 2023, MHC had a line of credit with maximum borrowings of \$2,000,000 and \$4,000,000, respectively. The line of credit has a variable interest rate based on the Wall Street Journal prime index rate (8.5% at June 30, 2024). Interest is payable monthly and all outstanding principal plus accrued unpaid interest is due in December 2025. There were no borrowings outstanding at June 30, 2024 or 2023.

Note 9—Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes or periods at June 30:

	2024	2023
Pre-arrest diversion crisis center, purpose restriction	\$ 2,625,000	\$ 2,625,000
Consumer needs, purpose restriction	<u>70,867</u>	<u>70,780</u>
	<u>\$ 2,695,867</u>	<u>\$ 2,695,780</u>

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 9—Net assets with donor restrictions (continued)

In September 2017, MHC entered into an agreement with the Tennessee Department of Mental Health and Substance Abuse Services, whereby funds were made available to MHC by the governmental agency to construct a pre-arrest diversion crisis center. Under the agreement, MHC is committed to operate the center program for 20 years or be liable for repaying the total amount of the original funds to the governmental agency which was provided to them. Management currently plans to operate the program for the specified terms of the agreement.

Consumer needs are funds that are to be used for consumers that cannot afford the services provided to them.

Note 10—Leases

MHC leases certain office space, vehicles, and equipment. MHC determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration.

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term if it is reasonably certain these options would be exercised by MHC. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of our lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, MHC uses the implicit rate when it is readily determinable. As most of MHC's leases do not provide an implicit rate, management uses MHC's incremental borrowing rate based on the information available at lease commencement to determine the present value of lease payments.

MHC'S lease agreements do not contain any material residual value guarantees or material restrictive covenants. MHC does not have leases where it is involved with the construction or design of an underlying asset. MHC has no material obligation for leases signed but not yet commenced as of June 30, 2024. MHC does not have any material sublease activities.

Practical Expedients Elected:

- MHC elected the three transition practical expedients that permit an entity to (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard.
- MHC has elected the practical expedient not to recognize leases with terms of 12 months or less on the consolidated balance sheet and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, short-term lease expense for the period does not reflect ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the year ended June 30, 2024.
- MHC has elected to account for lease and non-lease components as a single component.
- MHC has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Leases (continued)

Classification of ROU assets and lease liabilities is as follows as of June 30:

<u>Leases</u>	<u>Balance Sheet Classification</u>	<u>2024</u>	<u>2023</u>
Assets:			
Operating right-of-use assets	Operating right-of-use assets, net	\$ 3,443,287	\$ 3,608,406
Finance right-of-use assets	Office equipment	45,149	45,433
Total lease assets		<u>\$ 3,488,436</u>	<u>\$ 3,653,839</u>
Liabilities:			
Current:			
Operating right-of-use assets	Lease liability	\$ 1,013,049	\$ 1,017,416
Finance right-of-use assets	Lease liability	12,228	9,962
Noncurrent:			
Operating lease liabilities	Lease liability, net of current portion	2,462,200	2,614,133
Finance lease liabilities	Lease liability, net of current portion	33,801	35,813
Total lease liabilities		<u>\$ 3,521,278</u>	<u>\$ 3,677,324</u>

Future minimum lease payments as of June 30, 2024 are as follows:

<u>Years Ending June 30,</u>	<u>Operating</u>	<u>Finance</u>
2025	\$ 1,125,345	\$ 13,680
2026	1,001,692	13,680
2027	740,624	12,280
2028	356,161	7,655
2029	262,195	2,015
Thereafter	248,533	-
Total lease payments	3,734,550	49,310
Less interest	(259,301)	(3,281)
Present value of lease liabilities	<u>\$ 3,475,249</u>	<u>\$ 46,029</u>

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Leases (continued)

Required supplemental information relating to our leases is as follows for the year ended June 30:

	2024	2023
Operating:		
Operating building leases, included in facility rent	\$ 843,874	\$ 810,511
Operating equipment leases, included in purchased services	390,910	264,515
Operating vehicle leases, included in motor vehicle operations	94,018	86,877
Finance:		
Amortization of assets, included in depreciation and amortization	10,761	5,606
Interest, included in interest expense	1,443	761
Net operating and finance lease cost	<u>\$ 1,341,006</u>	<u>\$ 1,168,270</u>
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 1,294,396	\$ 1,106,057
Operating cash flows from finance leases	1,471	631
Financing cash flows from finance leases	10,194	4,799
Lease assets obtained in exchange for lease liabilities:		
Operating leases	1,002,011	4,628,206
Finance leases	10,477	50,443
Lease term and discount rate:		
(in years)		
Weighted average remaining lease term - operating leases	4.01	4.72
Weighted average remaining lease term - finance leases	3.74	4.40
Weighted average discount rate - operating leases	3.81%	3.49%
Weighted average discount rate - finance leases	3.66%	3.42%

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Leases (continued)

In June 2020, MHC purchased the land and building it had been leasing for its Nashville headquarters. As part of the purchase, MHC assumed noncancelable tenant leases through 2030. Subsequent to the purchase, MHC leased additional space within the building through 2025. Future minimum rental receipts for these lease commitments as of June 30, 2024 are as follows:

Years Ending June 30,

2025	\$ 495,091
2026	472,803
2027	510,920
2028	510,920
2029	510,920
Thereafter	383,190
	<u>\$ 2,883,844</u>

Rental income from tenant leases for the years ended June 30, 2024 and 2023 amounted to approximately \$635,000 and \$651,000, respectively.

Note 11—Retirement plans

MHC maintains a 403(b) plan for eligible employees. Employees are eligible to participate in the plan upon hire. Under this plan, employees may elect to contribute a percentage of their earnings on a pretax basis to be invested in one of several alternatives. Additionally, MHC makes matching and profit sharing contributions on behalf of eligible employees. The maximum annual contribution is limited by existing Internal Revenue Service regulations. During 2024 and 2023, MHC contributed approximately \$2,025,000 and \$1,958,000, respectively, to the plan. Plan liabilities of approximately \$190,000 and \$188,000 at June 30, 2024 and 2023, respectively, are included in accrued payroll and related costs on the consolidated statements of financial position.

In addition, MHC sponsors a nonqualified deferred compensation plan. The Executive 457(b) Retirement Plan of Mental Health Cooperative, Inc. (the “457(b) Plan”) was established to provide deferred compensation for a select group of management or highly-compensated employees to accumulate retirement assets. The 457(b) Plan enables participants to defer income on a pre-tax basis. At June 30, 2024 and 2023, MHC held assets of approximately \$973,000 and \$805,000, respectively, that are included in investments, which are designated by MHC to pay future 457(b) Plan liabilities of approximately \$973,000 and \$805,000, respectively, which are included in accrued payroll and related costs on the consolidated statements of financial position.

Note 12—Funds held for consumers

MHC acts as representative payee of Social Security funds for the benefit of certain consumers. As representative payee, MHC makes disbursements of funds in accordance with Social Security guidelines for the benefit of the respective consumer. For the years ended June 30, 2024 and 2023, MHC held \$3,080,603 and \$3,215,667, respectively, for the benefit of its consumers.

Note 13—Charity care assistance

MHC provides certain mental health services to individuals who do not have insurance or other means to pay for their care. These services represent charity care and are not reported as revenue. The value of charity care provided by MHC during the years ended June 30, 2024 and 2023 was approximately \$182,000 and \$41,000, respectively.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 14—Risk of loss

MHC is exposed to various risks of loss including medical malpractice, general liability, errors and omissions, and other situations. MHC purchases commercial insurance for the significant risk of loss.

Note 15—Concentrations

MHC receives a substantial amount of its revenues from services provided to consumers covered by TennCare supported managed care organizations. Additionally, MHC receives a significant amount of support from government grants and contracts. A significant reduction in the level of these revenues, if this were to occur, may have an effect on MHC's programs and activities. In addition, the funding received by MHC from governmental agencies is subject to audit and retroactive adjustment. However, management does not expect the results of any audits to have a significant impact on government funding received.

During 2024 and 2023, MHC maintained deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC"). At June 30, 2024 and 2023, accounts held at FDIC insured institutions were insured up to \$250,000. Excess uninsured balances at MHC were approximately \$7,711,000 and \$14,435,000 at June 30, 2024 and 2023, respectively.

At June 30, 2024 and 2023, investments were managed by brokerage and investment companies with account balances totaling \$76,925,342 and \$70,979,910, respectively. Investments in the account are invested in various securities. Investments are generally not insured by FDIC or any other government agency and are subject to investment risk, including loss of principal. Investments are insured by the Securities Investor Protection Corporation, which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

Note 16—Related parties

MHC has contracts with members of its Board of Directors for consulting services. Additionally, a law firm affiliated with a member of the Board of Directors provides legal services to MHC. Total amounts remitted for legal services were approximately \$332,000 and \$232,000 for the years ended June 30, 2024 and 2023, respectively. Amounts paid under the consulting agreements were approximately \$120,000 and \$114,000 for the years ended June 30, 2024 and 2023, respectively. None of these transactions are considered to be individually significant to MHC's consolidated financial statements.

MHC uses the services of a financial institution, which has one officer that serves on MHC's Board of Directors. These services include the term loan note and interest rate swap described in Notes 6 and 7 and general banking services.

Note 17—MHC UH, Inc.

In December 2020, MHC acquired substantially all of the assets and operations of Mymedmatch, Inc. d/b/a Utilize Health, through an asset purchase agreement that was, in effect, a business combination. The total purchase price was \$300,000, which resulted in goodwill of \$60,789. The fair value of the noncontrolling interest on the date of acquisition was \$15,789.

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 17—MHC UH, Inc. (continued)

In November 2023, Mental Health Cooperative, Inc. has converted amounts due from UH totaling \$2,294,503 in addition to \$86,527 of additional contribution into 1,208,645 shares of UH common stock. As a result of this transaction, Mental Health Cooperative, Inc. owns 97% of UH.

Following is a schedule depicting the change in consolidated net assets without donor restrictions attributable to MHC UH, Inc.

	Total	Controlling Interest	Noncontrolling Interest
Balance June 30, 2022	\$ (762,128)	\$ (682,821)	\$ (79,307)
Change in net assets from activities	(1,187,423)	(1,135,651)	(51,772)
Balance June 30, 2023	(1,949,551)	(1,818,472)	(131,079)
Contribution	2,381,030	2,381,030	-
Change in net assets from activities	(1,364,608)	(1,317,298)	(47,310)
Balance June 30, 2024	<u>\$ (933,129)</u>	<u>\$ (754,740)</u>	<u>\$ (178,389)</u>

Note 18—Land purchase

In March 2024, MHC entered into a Purchase and Sale Agreement to purchase land in Murfreesboro, Tennessee for \$1,341,000 to construct a building for its services in Rutherford County, Tennessee. The purchase is recorded as land on the consolidated statements of financial position.

SUPPLEMENTARY INFORMATION

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

	Mental Health Cooperative, LLC	NPS Pharmacy, LLC	Integrated Health Cooperative, LLC	MHC UH, INC.	Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 2,496,483	\$ 2,133,732	\$ 155,089	\$ 34,180	\$ -	\$ 4,819,484
Investments	76,925,342	-	-	-	-	76,925,342
Accounts receivable, net	12,907,031	687,053	41,631	-	-	13,635,715
Prepaid expenses and other	8,755,129	6,569	5,853	9,561	(7,527,907)	1,249,205
Inventory	-	943,764	-	-	-	943,764
Funds held for consumers	3,080,603	-	-	-	-	3,080,603
Total Current Assets	104,164,588	3,771,118	202,573	43,741	(7,527,907)	100,654,113
Property and Equipment:						
Land	5,288,333	-	-	-	-	5,288,333
Buildings, improvements, and housing	17,604,621	-	-	-	-	17,604,621
Office equipment	9,176,301	68,796	30,589	138,711	-	9,414,397
Leasehold improvements	11,281,110	73,077	32,857	4,730	-	11,391,774
Furniture and fixtures	1,089,817	14,211	2,418	-	-	1,106,446
Construction in progress	2,517,878	-	-	-	-	2,517,878
	46,958,060	156,084	65,864	143,441	-	47,323,449
Less accumulated depreciation	(16,095,699)	(152,229)	(65,864)	(39,046)	-	(16,352,838)
Property and Equipment, Net	30,862,361	3,855	-	104,395	-	30,970,611
Other Assets:						
Other assets, net	136,072	-	-	39,006	-	175,078
Interest rate swap	662,763	-	-	-	-	662,763
Right-of-use assets, net	3,443,287	-	-	-	-	3,443,287
Investment in affiliates	(3,654,048)	-	-	-	3,654,048	-
Total Other Assets	588,074	-	-	39,006	3,654,048	4,281,128
Total Assets	\$ 135,615,023	\$ 3,774,973	\$ 202,573	\$ 187,142	\$ (3,873,859)	\$ 135,905,852
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 1,581,100	\$ 2,556,423	\$ 4,177,961	\$ 1,082,513	\$ (7,527,907)	\$ 1,870,090
Accrued payroll and related costs	7,594,278	116,420	26,048	37,758	-	7,774,504
Current portion of note payable, net of debt issuance costs	210,931	-	-	-	-	210,931
Funds held for consumers	3,080,603	-	-	-	-	3,080,603
Lease liability	1,025,277	-	-	-	-	1,025,277
Total Current Liabilities	13,492,189	2,672,843	4,204,009	1,120,271	(7,527,907)	13,961,405
Long-Term Liabilities:						
Lease liability, net of current portion	2,496,001	-	-	-	-	2,496,001
Note payable, net of debt issuance costs	8,141,500	-	-	-	-	8,141,500
Total Long-Term Liabilities	10,637,501	-	-	-	-	10,637,501
Total Liabilities	24,129,690	2,672,843	4,204,009	1,120,271	(7,527,907)	24,598,906
Net Assets:						
Without donor restrictions - controlling interest	108,789,466	1,102,130	(4,001,436)	(933,129)	3,832,437	108,789,468
Without donor restrictions - noncontrolling interest	-	-	-	-	(178,389)	(178,389)
Total Net Assets Without Donor Restrictions	108,789,466	1,102,130	(4,001,436)	(933,129)	3,654,048	108,611,079
Net assets with donor restrictions - controlling interest						
	2,695,867	-	-	-	-	2,695,867
Total Net Assets	111,485,333	1,102,130	(4,001,436)	(933,129)	3,654,048	111,306,946
Total Liabilities and Net Assets	\$ 135,615,023	\$ 3,774,973	\$ 202,573	\$ 187,142	\$ (3,873,859)	\$ 135,905,852

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

	Mental Health Cooperative, LLC	NPS Pharmacy, LLC	Integrated Health Cooperative, LLC	MHC UH, INC.	Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 6,040,130	\$ 4,105,112	\$ 1,905,862	\$ 42,522	\$ -	\$ 12,093,626
Investments	70,979,910	-	-	-	-	70,979,910
Accounts receivable, net	13,152,952	792,611	58,715	-	-	14,004,278
Prepaid expenses and other	11,625,305	16,767	6,303	3,958	(10,724,159)	928,174
Inventory	-	824,924	-	-	-	824,924
Funds held for consumers	3,215,667	-	-	-	-	3,215,667
Total Current Assets	105,013,964	5,739,414	1,970,880	46,480	(10,724,159)	102,046,579
Property and Equipment:						
Land	3,944,086	-	-	-	-	3,944,086
Buildings, improvements, and housing	16,477,992	-	-	-	-	16,477,992
Office equipment	7,239,836	68,796	30,589	25,706	-	7,364,927
Leasehold improvements	5,143,909	73,077	32,857	4,730	-	5,254,573
Furniture and fixtures	908,466	14,211	2,418	-	-	925,095
Construction in progress	4,534,078	-	-	-	-	4,534,078
	38,248,367	156,084	65,864	30,436	-	38,500,751
Less accumulated depreciation	(13,994,763)	(150,946)	(65,864)	(14,964)	-	(14,226,537)
Property and Equipment, Net	24,253,604	5,138	-	15,472	-	24,274,214
Other Assets:						
Other assets, net	143,381	-	-	45,085	-	188,466
Interest rate swap	839,564	-	-	-	-	839,564
Right-of-use assets, net	3,608,406	-	-	-	-	3,608,406
Investment in affiliates	(3,297,309)	-	-	-	3,297,309	-
Total Other Assets	1,294,042	-	-	45,085	3,297,309	4,636,436
Total Assets	\$ 130,561,610	\$ 5,744,552	\$ 1,970,880	\$ 107,037	\$ (7,426,850)	\$ 130,957,229
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 2,047,524	\$ 3,746,391	\$ 5,314,535	\$ 2,033,510	\$ (10,724,159)	\$ 2,417,801
Accrued payroll and related costs	7,497,575	102,063	31,278	23,078	-	7,653,994
Current portion of note payable, net of debt issuance costs	187,331	-	-	-	-	187,331
Funds held for consumers	3,215,667	-	-	-	-	3,215,667
Lease liability	1,027,378	-	-	-	-	1,027,378
Total Current Liabilities	13,975,475	3,848,454	5,345,813	2,056,588	(10,724,159)	14,502,171
Long-Term Liabilities:						
Lease liability, net of current portion	2,649,946	-	-	-	-	2,649,946
Note payable, net of debt issuance costs	8,352,431	-	-	-	-	8,352,431
Total Long-Term Liabilities	11,002,377	-	-	-	-	11,002,377
Total Liabilities	24,977,852	3,848,454	5,345,813	2,056,588	(10,724,159)	25,504,548
Net Assets:						
Without donor restrictions - controlling interest	102,887,978	1,896,098	(3,374,933)	(1,949,551)	3,428,388	102,887,980
Without donor restrictions - noncontrolling interest	-	-	-	-	(131,079)	(131,079)
Total Net Assets	102,887,978	1,896,098	(3,374,933)	(1,949,551)	3,297,309	102,756,901
Net assets with donor restrictions - controlling interest						
	2,695,780	-	-	-	-	2,695,780
Total Net Assets	105,583,758	1,896,098	(3,374,933)	(1,949,551)	3,297,309	105,452,681
Total Liabilities and Net Assets	\$ 130,561,610	\$ 5,744,552	\$ 1,970,880	\$ 107,037	\$ (7,426,850)	\$ 130,957,229

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES **CONSOLIDATING STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2024

	Mental Health Cooperative, LLC	NPS Pharmacy, LLC	Integrated Health Cooperative, LLC	MHC - UH	Eliminations	Consolidated
Revenue and Other Support:						
Care management revenue, net	\$ 45,421,853	\$ -	\$ -	\$ -	\$ -	\$ 45,421,853
Contract revenue, other	20,409,613	-	-	-	-	20,409,613
Pharmacy revenue, net	-	14,629,834	-	-	-	14,629,834
Grant revenue	14,948,633	-	-	-	-	14,948,633
Supportive housing revenue	2,293,738	-	-	-	-	2,293,738
Investment income, net	4,774,701	-	-	-	2,646,647	7,421,348
Other income	1,388,714	-	-	-	(251,504)	1,137,210
Physical health revenue, net	-	-	327,350	-	-	327,350
Rent revenue	634,935	-	-	-	-	634,935
Total Revenue and Other Support	89,872,187	14,629,834	327,350	-	2,395,143	107,224,514
Expenses:						
Program Services:						
Mental health services	66,458,809	-	-	-	-	66,458,809
Pharmacy	-	15,372,062	-	-	-	15,372,062
Supportive housing	1,749,433	-	-	-	-	1,749,433
Physical health services	-	-	914,021	-	-	914,021
Utilize health	-	-	-	1,361,108	(342,626)	1,018,482
Total Program Services	68,208,242	15,372,062	914,021	1,361,108	(342,626)	85,512,807
General and administrative	15,762,370	51,740	39,832	3,500	-	15,857,442
Total Expenses	83,970,612	15,423,802	953,853	1,364,608	(342,626)	101,370,249
Change in net assets	5,901,575	(793,968)	(626,503)	(1,364,608)	2,737,769	5,854,265
Net assets, beginning of year	105,583,758	1,896,098	(3,374,933)	(1,949,551)	3,297,309	105,452,681
Contribution of net assets	-	-	-	2,381,030	(2,381,030)	-
Net assets, end of year	111,485,333	1,102,130	(4,001,436)	(933,129)	3,654,048	111,306,946
Net assets attributable to noncontrolling interest	-	-	-	(178,389)	-	(178,389)
Net assets attributable to controlling interest	\$ 111,485,333	\$ 1,102,130	\$ (4,001,436)	\$ (754,740)	\$ 3,654,048	\$ 111,485,335

MENTAL HEALTH COOPERATIVE, INC. AND AFFILIATES **CONSOLIDATING STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

	Mental Health Cooperative, LLC	NPS Pharmacy, LLC	Integrated Health Cooperative, LLC	MHC - UH	Eliminations	Consolidated
Revenue and Other Support:						
Care management revenue, net	\$ 45,415,406	\$ -	\$ -	\$ -	\$ -	\$ 45,415,406
Contract revenue, other	19,970,775	-	-	-	-	19,970,775
Pharmacy revenue, net	-	14,528,499	-	-	-	14,528,499
Grant revenue	11,630,143	-	-	-	-	11,630,143
Supportive housing revenue	1,928,458	-	-	-	-	1,928,458
Investment income, net	4,938,287	-	-	-	1,806,923	6,745,210
Other income	1,761,877	(25,360)	-	-	(399,830)	1,336,687
Physical health revenue, net	-	-	356,192	-	-	356,192
Rent revenue	651,235	-	-	-	-	651,235
Total Revenue and Other Support	86,296,181	14,503,139	356,192	-	1,407,093	102,562,605
Expenses:						
Program Services:						
Mental health services	59,448,030	-	-	-	-	59,448,030
Pharmacy	-	14,810,063	-	-	-	14,810,063
Supportive housing	1,421,469	-	-	-	-	1,421,469
Physical health services	-	-	740,963	-	-	740,963
Utilize health	-	-	-	1,186,784	(500,037)	686,747
Total Program Services	60,869,499	14,810,063	740,963	1,186,784	(500,037)	77,107,272
General and administrative	14,944,525	44,671	35,113	639	-	15,024,948
Total Expenses	75,814,024	14,854,734	776,076	1,187,423	(500,037)	92,132,220
Change in net assets	10,482,157	(351,595)	(419,884)	(1,187,423)	1,907,130	10,430,385
Net assets, beginning of year	95,101,601	2,247,693	(2,955,049)	(762,128)	1,390,179	95,022,296
Net assets, end of year	105,583,758	1,896,098	(3,374,933)	(1,949,551)	3,297,309	105,452,681
Net assets attributable to noncontrolling interest	-	-	-	(131,079)	-	(131,079)
Net assets attributable to controlling interest	\$ 105,583,758	\$ 1,896,098	\$ (3,374,933)	\$ (1,818,472)	\$ 3,297,309	\$ 105,583,760

COMPLIANCE INFORMATION

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Directors
Mental Health Cooperative, Inc. and Affiliates
Nashville, Tennessee

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 Mental Health Cooperative, Inc. and Affiliates (“MHC”) a nonprofit organization, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered MHC’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 MHC’s internal control. Accordingly, we do not express an opinion on the effectiveness of MHC’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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MHC’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 MHC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MHC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Nashville, Tennessee
November 25, 2024



CERTIFICATE OF LIABILITY INSURANCE

Attachment H

DATE (MM/DD/YYYY)

7/2/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, LLC 6967 S River Gate Dr Ste 200 Midvale UT 84047	CONTACT NAME: Desiree Gribble, CIC, CISR PHONE (A/C, No, Ext): 801-924-1400 E-MAIL ADDRESS: cerrequests@ajg.com FAX (A/C, No):
INSURED Mental Health Cooperative, Inc. 275 Cumberland Bend Nashville TN 37228	INSURER(S) AFFORDING COVERAGE INSURER A: Allmerica Financial Benefit Insurance Co INSURER B: Hanover Insurance Company INSURER C: WCF National Insurance Company INSURER D: Hanover American Insurance Company INSURER E: Palomar Excess and Surplus Insurance Company INSURER F: Vantage Risk Specialty
	NAIC # 41840 22292 40517 36064 16754 35378

COVERAGES

CERTIFICATE NUMBER: 657733920

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Physical Abuse GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			LZ5D391528-09 ZH4A88804011	4/1/2025 4/1/2025	4/1/2026 4/1/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			AW5A88804410	4/1/2025	4/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D B F	UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED RETENTION \$			L35A825460-09 UH4A88804211 P03HC0000080320	4/1/2025 4/1/2025 4/1/2025	4/1/2026 4/1/2026 4/1/2026	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/>	N / A	3069703	4/1/2025	4/1/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D D E	Professional Liability Professional Liability Fiduciary Liability			L35A825459-09 L35D242118-10 CPPLMLP25002400	4/1/2025 4/1/2025 4/1/2025	4/1/2026 4/1/2026 4/1/2026	Per Occurrence \$1,000,000 Aggregate \$3,000,000 Limit: \$1,000,000 Ret \$5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Cyber Liability:- Policy# CYB10794696301; Eff Date: 4/1/2025 - Exp Date:- 4/1/2026; Carrier: Houston Casualty Company; Limits: Aggregate- \$5,000,000

CERTIFICATE HOLDER

CANCELLATION

Metro Public Health Department
Attn: Anidolee Melville-Chester
2500 Charlotte Avenue
Nashville, . TN 37209

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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