SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
MIAMI, FLORIDA

INDEPENDENT AUDITOR'S
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.

JUNE 30, 2019

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THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Florida Behavioral Health Network, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of South Florida Behavioral Health Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Florida Behavioral Health Network, Inc. as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards and State financial assistance as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650 Rules of the Auditor General of the State of Florida, the Schedule of Related Party Transaction Adjustments, the Schedule of State Earnings, Cost Center Actual Expenses and Revenues, Bed-Day Availability Payments as required by the Florida Department of Children and Families (the "Department"), *Florida Administrative code 65E-14, Drug Abuse and mental health services,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material aspects, in relation to the 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 December 5, 2019 on our consideration South Florida Behavioral Health Network, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of South Florida Behavioral Health Network, Inc.'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 South Florida Behavioral Health Network, Inc.'s internal control over financial reporting and compliance.

Thomas & Company CPA, PA
Cooper City, FL
December 5, 2019

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2019

ASSETS		
Current Assets		
Cash and Cash Equivalent	$	8,280,592
Restricted Cash		4,000,000
Grants Receivable		8,747,266
Prepaid Expenses		1,087,555
Accounts Receivable - Other		86,942
Total Current Assets		22,202,355
Non-Current Assets		
Furniture & Equipment		132,708
Computer Hardware & Software		335,646
Leasehold Improvement		19,062
Less: Acccumulated Depreciation/Amortization		(468,442)
Total Furniture and Equipment, Net		18,974
Other Assets		
Security Deposits		29,486
TOTAL ASSETS	$	22,250,815
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Subcontracted Grants Payable	$	9,650,360
Accounts Payable and Accrued Expenses		3,677,404
Deferred Revenue		7,836,963
Total Current Liabilities		21,164,727
TOTAL LIABILITIES		21,164,727
NET ASSETS		
Unrestricted		1,086,088
TOTAL NET ASSETS		1,086,088
TOTAL LIABILITIES AND NET ASSETS	$	22,250,815

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES
June 30, 2019

		UNRESTRICTED
REVENUE AND SUPPORT		
Government Contracts and Grants	$	93,061,493
Other Contributions		364,563
TOTAL REVENUE AND SUPPORT	$	93,426,056
OPERATING EXPENSES		
Program Services		89,433,932
Management & General		3,914,843
TOTAL OPERATING EXPENSES	$	93,348,775
CHANGE IN NET ASSETS		77,281
NET ASSETS AT THE BEGINNING OF YEAR		1,008,807
NET ASSETS AT THE END OF YEAR	$	1,086,088

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Residential	Crisis Stabilization	Case Management	Outreach	Outpatient	SA Detoxification	Crisis Support	Medical Services	Prevention	Short Term Residential
Personnel Costs										
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payroll Taxes & Employee Benefits	-	-	-	-	-	-	-	-	-	-
Total Personnel Costs	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-
Professional Fee	-	-	-	-	-	-	-	-	-	-
Management Information System	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Office Supplies and Expenses	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Subcontracted Grants	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329	$ 3,379,547
Total Other Expenses	22,457,644	10,621,835	4,661,036	2,441,832	3,476,125	2,459,431	4,144,613	2,733,408	3,681,329	3,379,547
Grand Total Expenses	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329	$ 3,379,547

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (Cont.)
FOR THE YEAR ENDED JUNE 30, 2019

	Intervention	Incidental Expenses	Assessments	FACT Team	In-Home On-site Services	CCST	Other Program Services	Total Program Services	Management & General	TOTAL
Personnel Costs										
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ 260,576	260,576	$ 2,707,791	$ 2,968,367
Payroll Taxes & Employee Benefits	-	-	-	-	-	-	37,897	37,897	542,574	580,471
Total Personnel Costs	-	-	-	-	-	-	298,473	298,473	3,250,365	3,548,838
Other Expenses										
Occupancy	-	-	-	-	-	-	496	496	210,552	211,048
Professional Fee	-	-	-	-	-	-	1,841,889	1,841,889	80,893	1,922,782
Management Information System	-	-	-	-	-	-	-	-	120,062	120,062
Travel	-	-	-	-	-	-	22,025	22,025	63,664	85,689
Insurance	-	-	-	-	-	-	4,925	4,925	18,482	23,407
Office Supplies and Expenses	-	-	-	-	-	-	17,775	17,775	167,401	185,176
Miscellaneous	-	-	-	-	-	-	69,104	69,104	3,424	72,528
Subcontracted Grants	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 1,232,589	$ 14,982,895	87,179,245	$ -	$ 87,179,245
Total Other Expenses	1,718,826	1,945,611	863,408	2,959,946	3,419,170	1,232,589	16,939,109	89,135,459	664,478	89,799,937
Grand Total Expenses	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 1,232,589	$ 17,237,582	$ 89,433,932	$ 3,914,843	$ 93,348,775

The Accompanying notes are an integral part of this financial statements

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	$	77,281
Adjustment to reconcile change in net assets		
Add : Depreciation & Amortization		21,195
(Increase) / Decrease in Grants Receivable		(2,221,735)
(Increase) / Decrease in Restricted Cash		(4,000,000)
(Increase) / Decrease in Prepaid Expenses		(953,483)
(Increase) / Decrease in Accounts Receivable - Other		206,327
Increase / (Decrease) in Accounts Payable and Accrued Expenses		3,204,368
Increase / (Decrease) in Grant Payable		(278,893)
Increase / (Decrease) in Deferred Revenue		4,881,268
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$	936,328
NET INCREASE IN CASH		**936,328**
Cash at the beginning of the Year		7,344,264
Cash at the end of the Year	**$**	**8,280,592**

Note 1: NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization.

South Florida Behavioral Health Network, Inc. (the "Organization") was established as a Florida non-profit corporation in 1996. The purpose of the Organization is to coordinate the availability and quality of the treatment and support services related to substance abuse, mental health and co-occurring disorders

Basis of Presentation

A summary of significant accounting policies follows in the accompanying financial statements as presented below. The accompanying financial statements were prepared in accordance with FASB ASC 958, Financial Statements of Not-For-Profit Organizations. This pronouncement requires not-for-profit organizations to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets – That part of net assets that is neither permanently restricted nor temporarily restricted by donor – imposed stipulations.

Temporarily Restricted Net Assets – That part of net assets resulting from contributions, grants, and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or by actions of the Organization that satisfy those stipulations.
Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions upon satisfaction of the donor stipulations.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently and therefore, neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Contributions - The Organization recognizes immediately as support (income) all unconditional contributions received and makes an important distinction between restrictions and conditions. The Organization accounts for its government grants as exchange transactions.

Donated Materials and Services - Donated materials, if significant, are recorded as contributions at their estimated fair values at date of receipt. Donated services are recognized when there is an objective basis to measure the value of such services and such services create or enhance a non-financial asset or the service requires specialized skills that would be purchased if not provided by donation.

Note 1: NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment, Net
Property and equipment are stated at historical cost, less accumulated depreciation. Donated property and equipment are recorded at their estimated fair value at the date of donation.

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Furniture and fixtures	5 Years
Equipment	5 Years

Cost of major additions and improvements that extend the life of the asset are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

The Organization reviews assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. A determination of impairment, if any, is made based on the estimates of undiscounted future cash flows.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is considering implementing the new accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC740, income taxes. Using the guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by taxing authorities, it also provides guidance for the de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2019, the organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Tax years that remain subject to examination by federal authorities are June 30, 2019, June 30, 2018 and June 30, 2017.

Note 1: NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and Cash Equivalents consists of cash held in checking and money market accounts and is considered highly liquid. At various times during the fiscal year, the Organization's cash balance exceeded the federally insured limits. As of June 30, 2019, cash balance was $12,280,592. Management believes the organization is not exposed to any significant credit risk on cash and cash equivalents.

Basis of Accounting

The Organization uses the accrual method of accounting as prescribed by Generally Accepted Accounting Principles in the United States of America.

Fixed Assets

Fixed Assets valued in excess of $1,000 are capitalized. Fixed Assets are valued at cost when purchased or estimated fair value at date of donation and are depreciated using the straight-line method over their estimated useful lives of five to seven years. In the absence of donor restrictions in the use of donated fixed assets, the Organization records such donations as unrestricted revenue in the period received. As of June 30, 2019, The Organization has following Assets:

Computer Hardware & Software	335,646
Furniture, Fixtures & Equipment	132,708
Leasehold Improvement	19,062
Total	487,416
Less: Accumulated Depreciation	(468,442)
Total Fixed Assets	$ 18,974

Depreciation and Amortization Expense for the year ended June 30, 2019 was $21,195.

Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments: Cash, accounts receivable, and accounts payable. The Carrying amounts reported in the statement of financial position approximated fair values because of the short maturities of these instruments.

Note 2: SUBCONTRACTED GRANT PAYABLE

Subcontracted Grant Payable is funds due to subcontractors as of June 30, 2019, which totaled $9,650,360

Note 3: DEFERRED REVENUE

At June 30, 2019, $7,836,963 was received from grants but not earned during the 2019 fiscal year. The entire amount of unearned funds was carried forward to the 2020 fiscal year by the Florida Department of Children and Families and accordingly presented as deferred revenue in the accompanying statement of financial position. This amount also includes the money received for the Building Project (Note 14).

Note 4: COMMITMENTS AND CONTINGENCIES

The Organization leases office space from Hines REIT Airport Corporate Center, L.L.C. It is a ten-year lease, that commenced January 1, 2011 and ends December 31, 2020. The first five months of the lease period were offered at no cost to the Organization and starting with the first six months, the monthly lease payment for year 1 is $15,360 as follows: Base Rental $5,282 and Common Areas Maintenance is $10,079. However, the monthly lease expense for year one is $18,162 due to the lease rebate for the first five months. The base rent will increase $4,527 per year and the Common Area Maintenance is expected to increase by 3% each year.

The approximate minimum future annual rental commitments under operating leases as of June 30, 2019 are as follows:

Year	Amount
2020	$ 358,116

Note 5: PASS-THROUGH ENTITY

The Organization is contracted by the State of Florida Department of Children and Families to act as a Managing Entity (ME) for the services to be provided under subcontracts.

Note 6: ECONOMIC DEPENDENCY

The Organization's program service revenues are derived mostly from contracts with the State of Florida Department of Children and Families. Majority of the revenues related to these contracts are for direct services provided through subcontracts with providers. The Organization's ability to continue operating is primarily predicated on funding from governmental agencies and is expected to continue.

Note 7: GRANT RECEIVABLES

Grants receivable consists of amounts due from a governmental agency for services. The carrying amount of Grants receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all Grants receivable balances and based on an assessment of current collectability, estimates the portion of the balance, if any that will not be collected. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. The Organization considers all of the receivables to be collectible at June 30, 2019.

Note 8: CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at one bank located in South Florida. The accounts at the institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2019, cash balances of the Organization exceeded insured limits. The Organization derived 96% of its revenue from a contract with the State of Florida Department of Children and Families (DCF). Accordingly, the Organization's ability to continue operating is dependent on funding from DCF, which is expected to continue.

Note 9: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Note 10: MATCHING FUNDS

The Organization is responsible for meeting the match requirements per its contract with the State of Florida Department of Children and Families. The Organization meets this requirement by contractually requiring the individual subcontracted agencies to meet the match requirements. The Chief Financial Officer verifies that each subcontracted agency has met their match requirements.

Note 11: RELATED PARTY TRANSACTIONS

There are no related party transactions.

Note 12: DEFINED CONTRIBUTION PLAN

One of the retirement benefits that Organization provides to the employees is a 403 (b) Thrift Plan. It is a Defined Contribution Plan and is administered by Mutual of America. Any employee who is 21 or older is eligible to participate in the plan if the employee has completed one year of service with the agency. Employees can contribute any percentage of their salary up to the maximum permitted by the law. 48 employees are currently enrolled in the plan. During the fiscal year ended June 30, 2019 the Employee contribution was $144,058. The Employer contribution during the fiscal year was $163,009.

Note 13: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 5, 2019 the date which the financial statements were available to be issued. There are no significant subsequent events to report.

Note 14: BUILDING PROJECT

Description

The Board of County Commissioners of Miami-Dade adopted a resolution on July 20, 2004, authorizing the issuance of $2.926 Billion in general obligation bonds for capital projects (Building Better Communities General Obligation Bond Program). The Organization contracted with Board of County Commissioners of Miami-Dade County & the Board of trustees of the Public Health Trust of Miami Dade (PHT) on June 5, 2019 to renovate a facility located at 2200 NW 7 Avenue, Miami , Florida for a Mental Health Diversion Facility. This agreement accomplishes a variety of non-custodial treatment and support services which will provide a full continuum of care and assist in diverting individuals with mental illnesses from the criminal justice system.

Cost

The total estimated project cost is $39,129,822. The funding of the project consists of: (1) Funding from the Building Better Communities General Obligation Bond Program in the amount of approximately, $31,129,822 and (2) Funding from the Public Health Trust of Miami-Dade County in the amount of $8,000,000.

Sublease Agreement and Other Terms

The Organization and Miami-Dade County entered into a five (5) year sublease agreement On May 1, 2019, for the space at 2200 NW 7 Avenue, Miami, Florida with two (5) year renewal options. The space is leased at $1 per year. For at least 25 years from the completion of the project or expiration of the Sub-lease agreement with Miami-Dade County for the project or the expiration of the Grantee's sublease agreement with Miami-Dade County for the property, the grantee shall use the facility and/or equipment acquired and/or improved under the Project for activities benefiting the public and no other purposes. The Grantee agrees to: (1) maintain the Project (2) keep the Project open to all Miami-Dade County Residents; and (3) allow all Miami Dade County Residents equal access and use of the Project.

Note 15: RESTRICTED CASH

The Organization received $4,000,000 of advanced funding from Miami Dade County on June 20, 2019, for the Project mentioned in Note 14. The liability for the unearned funds is classified as deferred revenue.

Note 16: ACCOUNTING PRONOUNCEMENTS

Financial Statement Presentation of Not-for-Profit Entities In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Organization's financial statements for fiscal years beginning after December 15, 2021. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption.

Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Year Ended June 30, 2019

Federal/State Agency Pass-through Entity Federal Program/State Project	Federal CFDA/ State CSFA Number	Contract Number	Contract Term	Reimbursable/ Disbursements/ Expenses	Grants to Subcontracted Providers
Federal Awards					
U.S. Department of Health and Human Services					
Passed through the Florida Department of Children and Families					
Block Grants for Community Mental Health Services	93.958	KH225	7/1/17-6/30/19	$ 46,233,102	$ 44,083,444
Medical Assistance Program	93.778	KH225	7/1/17-6/30/19	885,968	885,968
Projects for Assistance in Transition from Homelessness	93.150	KH225	7/1/17-6/30/19	448,997	448,997
Children's Health Insurance Program	93.767	KH225	7/1/17-6/30/19	81,611	81,611
Children with Serious Emotional Disturbances	93.104	KH225	7/1/17-6/30/19	108,525	108,525
Block Grants for Prevention and Treatment of Substance Abuse	93.959	KH225	7/1/17-6/30/19	34,190,588	32,632,855
Temporary Assistance for Needy Families	93.558	KH225	7/1/17-6/30/19	1,668,845	1,668,845
State Targeted Response to the Opioid Crisis Grants	93.788	KH225	7/1/17-6/30/19	1,890,228	1,806,358
Mental Health Disaster Assistance and Emergency Mental Health	93.982	KH225	7/1/17-6/30/19	375,000	375,000
Total Federal Awards				85,882,864	82,091,603
State Financial Assistance					
State of Florida Department of Children and Families					
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	KH225	7/1/17-6/30/19	99,358	-
SAMH Community Services	60.153	KH225	7/1/17-6/30/19	955,000	955,000
Community Forensic Beds and Competency Restoration Training	60.114	KH225	7/1/17-6/30/19	3,558,494	3,221,393
Total State Financial Assistance				4,612,852	4,176,393
Total Federal Awards and State Financial Assistance				**$ 90,495,716**	**$ 86,267,996**

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2019

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal and state award programs for South Florida Behavioral Health Network, Inc., for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General of the State of Florida. Because this schedule presents only a selected portion of the operation of the South Florida Behavioral Health Network, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the South Florida Behavioral Health Network, Inc.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, Cost principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Federal Indirect Rate

South Florida Behavioral Health Network, Inc. does not have an established federal indirect cost rate. As a result, South Florida Behavioral Health Network, Inc. did elect to use the 10 percent de-minimis indirect cost rate.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Revenues From Grantee	Related Party	Allocation of Related Party Transactions Adjustment State-Designated Cost Centers				
		1	2	3	.....	Total
Rent						
Services						
Interest						
Other						
Total Revenue From Grantee						
Expenses Associated with Grantee Transactions						
Personnel Services						
Depreciation						
Interest						
Other						
Total Associated Expenses						
Related Party Transaction Adjustment						

NONE

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2019

1	**Total Expenditures**	$	-
2	**Less Other State and Federal Funds**		-
3	**Less Non-Match SAMH Funds**		-
4	**Less Unallowable Costs per 65E-14, F.A.C.**		-
5	**Total Allowable Expenditures** (Sum of lines 1, 2, 3, and 4)		-
6	**Maximum Available Earnings** (Line 5 times 75%)		-
7	**Amount of State Funds Requiring Match**		-
8	**Amount Due to Department (If Negative)** (Subtract line 7 from line 6)		-

NOTE:

South Florida Behavioral Health Network, Inc. has met their match requirements through match provided by their subcontractors. Management has received Schedule of State Earnings from each subcontractor indicating that their individual match has been met.

AUDIT SCHEDULE

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

AGENCY: South Florida behavioral Health Network, Inc.

CONTRACT #: KH225

From 7/1/2018 to 6/30/19

PART I: ACTUAL FUNDING SOURCES & REVENUES

	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
FUNDING SOURCES & REVENUES A	Residential	Crisis Stabilization	Case Management	Outreach	Outpatient	SA Detoxification	Crisis Support	Medical Services	Prevention
IA. TOTAL STATE SAMH FUNDING									
(1) From the Region funding contract	$ 22,457,644	$ 8,174,018	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329
	$ -						$ -	$ -	
	$ -							$ -	
IB. OTHER GOVT. FUNDING									
(1) Other State Agency Funding	$			$	$		$	$	
(2) Medicaid	$			$	$		$	$	
(3) Local Government	$	$ 2,447,817		$	$		$	$	
(4) Federal Grants and Contracts	$			$	$		$	$	
(5) In-kind from local govt. only	$			$	$		$	$	
TOT. OTHER GOVT. FUNDING =	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329
IC. ALL OTHER REVENUES									
(1) 1st & 2nd Party Payments	$			$	$		$	$	
(2) 3rd Party Payments (except Medicare)	$			$	$		$	$	
(3) Medicare	$			$	$		$	$	
(4) Contributions and Donations	$			$	$		$	$	
(5) Other - Interest & Misc.	$			$	$		$	$	
(6) Refunds									
(7) In-kind	$			$	$		$	$	
TOT. ALL OTHER REVENUES =	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PROJECTED FUNDING =	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329

AUDIT SCHEDULE

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

AGENCY: South Florida behavioral Health Network, Inc.

CONTRACT #: KH225

From 7/1/2018 to 6/30/19

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	Short Term Residential	Intervention	Incidental Expenses	Assessments	FACT Team	In-Home On-Site Services	Other Program Services	Total Program Services	ADMINISTRATION G	Total Funding (F+G) H
IA. TOTAL STATE SAMH FUNDING										
(1) From the Region funding contract	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 15,215,484	$ 83,731,428	$3,791,419	$87,522,847
										$0
										$0
										$0
									$0	$0
										$0
IB. OTHER GOVT. FUNDING										$0
(1) Other State Agency Funding								$ -	$0	$0
(2) Medicaid									$0	$0
(3) Local Government							$ 2,672,167	$ 5,119,984	$116,478	$5,236,462
(4) Federal Grants and Contracts							$ 247,658	$ 247,658		$247,658
(5) In-kind from local govt. only									$	$
TOT. OTHER GOVT. FUNDING =	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 18,135,309	$ 89,099,070	$ 3,907,897	$ 93,006,967
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments								$ -	$0	$0
(2) 3rd Party Payments (except Medicare)								$ -	$0	$0
(3) Medicare								$ -	$0	$0
(4) Contributions and Donations								$ -	$11,116	$11,116
(5) Other - Interest & Misc.							$ 407,972	$ 407,972	$0	$407,972
(6) Refunds								$ -		$0
(7) In-kind								$ -	$	$
TOT. ALL OTHER REVENUES =	$ -	$ -	$ -	$ -	$ -	$ -	$ 407,972	$ 407,972	$ 11,116	$ 419,088
TOTAL PROJECTED FUNDING =	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 18,543,281	$ 89,507,042	$ 3,919,013	$ 93,426,056

PART II: PROJECTED EXPENSES

EXPENSE CATEGORIES A	STATE-DESIGNATED SAMH COST CENTERS STATE SAMH-FUNDED COST CENTERS Residential	Crisis Stabilization	Case Management	Outreach	Outpatient	SA Detoxification	Crisis Support	Medical Services	Prevention
IIA. PERSONNEL EXPENSES									
(1) Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(2) Fringe Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PERSONNEL EXPENSES =	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
IIB. OTHER EXPENSES									
(1) Building Occupancy	$								
(2) Professional Services	$								
(3) Travel	$								
(4) Equipment	$								
(5) Food Services	$								
(6) Medical and Pharmacy	$								
(7) Subcontracted Grants	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329
(8) Insurance	$								
(9) Interest Paid	$								
(10) Operating Supplies & Expenses	$								
(11) Other -Training and Program Activities	$								
(12) Donated Items	$								
TOTAL OTHER EXPENSES =	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329
TOT. PERSONNEL & OTH. EXP. =	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329
IIC. DISTRIBUTED INDIRECT COSTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(a) Other Support Costs (Optional)	$ -								
(b) Administration	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOT. DISTR'D INDIRECT COSTS =	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PROJECTED OPER. EXPENSES =	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329
IID. UNALLOWABLE COSTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
IIE. TOTAL SAMH LINES OF CREDIT EQUIVALENT =	$			$	$		$	$	
TOT. ALLOWABLE PROJ'D OPERATING EXP., Excluding SAMH Credit Equivalent =	$ 22,457,644	$ 10,621,835	$ 4,661,036	$ 2,441,832	$ 3,476,125	$ 2,459,431	$ 4,144,613	$ 2,733,408	$ 3,681,329

IIF. CAPITAL EXPENDITURES

IIG. BUDGET NARRATIVE (attach separate set of workpapers)

PART III: CERTIFICATION

I certify the above to be an accurate projection and in agreement with this agency's records and with the terms of this agency's contract with the department.

Signature - Stephen Zuckerman, Chief Financial Officer

PART II: PROJECTED EXPENSES

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS / STATE SAMH-FUNDED COST CENTERS								ADMINISTRATION	Total Funding (F+G)
A	Short Term Residential	Intervention	Incidental Expenses	Assessments	FACT Team	In-Home On-Site Services	Other Program Services	Total Program Services	G	H
IIA. PERSONNEL EXPENSES										
(1) Salaries		$ -	$ -	$ -	$ -	$ -	$ 260,576	$ 260,576	$2,707,791	$2,968,367
(2) Fringe Benefits		$ -	$ -	$ -	$ -	$ -	$ 37,897	$ 37,897	$ 542,574	$580,471
TOTAL PERSONNEL EXPENSES =		$ -	$ -	$ -	$ -	$ -	$ 298,473	$ 298,473	$3,250,365	$3,548,838
IIB. OTHER EXPENSES										
(1) Building Occupancy							$ 496	$ 496	210,552	$211,048
(2) Professional Services							$ 1,841,889	$ 1,841,889	80,893	$1,922,782
(3) Travel							$ 22,025	$ 22,025	63,664	$85,689
(4) Equipment								$ -	-	$0
(5) Food Services								$ -	-	$0
(6) Medical and Pharmacy								$ -	-	$0
(7) Subcontracted Grants	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 16,215,484	$ 87,179,245		$87,179,245
(8) Insurance							$ 4,925	$ 4,925	18,482	$23,407
(9) Interest Paid								$ -		$0
(10) Operating Supplies & Expenses							$ 28,108	$ 28,108	290,762	$318,870
(11) Other -Training and Program Activities							$ 58,771	$ 58,771	125	$58,896
(12) Donated Items										$0
TOTAL OTHER EXPENSES =	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 18,171,698	$ 89,135,459	$ 664,478	$ 89,799,937
TOT. PERSONNEL & OTH. EXP. =	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 18,470,171	$ 89,433,932	$ 3,914,843	$ 93,348,776
IIC. DISTRIBUTED INDIRECT COSTS	$ -	$ -	$ -	$ -	$ -	$ -				
(a) Other Support Costs (Optional)									$	$
(b) Administration	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOT. DISTR'D INDIRECT COSTS =	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
TOTAL PROJECTED OPER. EXPENSES =	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 18,470,171	$ 89,433,932	$ 3,914,843	$ 0.00
IID. UNALLOWABLE COSTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	XXXXXXXXX
IIE. TOTAL SAMH LINES OF CREDIT EQUIVALENT =									XXXXXXXXX	XXXXXXXXX
TOT. ALLOWABLE PROJ'D OPERATING EXP., Excluding SAMH Credit Equivalent =	$ 3,379,547	$ 1,718,826	$ 1,945,611	$ 863,408	$ 2,959,946	$ 3,419,170	$ 18,470,171	$ 89,433,932	$ 3,914,843	XXXXXXXXX
IIF. CAPITAL EXPENDITURES									$	

IIG. BUDGET NARRATIVE (attach separate set of workpapers)

PART III: CERTIFICATION

I certify the above to be an accurate projection and in agreement with this agency's records and with the terms of this agency's contract with the department.

Signature - Stephen Zuckerman, Chief Financial Officer

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Program	Cost Center	Avg. State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department (D-E)	Amount Paid for Services by the Department	Maximum $ Value of Units in Column F (F x C)	Amount Owed to Department (G-H or $0, whichever is greater)
A	B	C	D	E	F	G	H	I
Mental Health	**Crisis Stabilization Unit**	**369.41**	**22,127**		**22,127**	**8,174,018**	**8,174,018**	**-**
Substance Abuse	**Substance Abuse Detox**	**362.64**	**6,782**		**6,782**	**2,459,431**	**2,459,431**	**-**
Mental Health	**Short-term Residential Treatment**	**287.08**	**11,772**		**11,772**	**3,379,548**	**3,379,548**	**-**

Total Amount Owed to Department = 0

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
NOTE TO THE SCHEDULES OF STATE EARNINGS, COST CENTER ACTUAL EXPENSES AND REVENUE AND BED DAY AVAILABILITY PAYMENTS
For the Year Ended June 30, 2019

General

The Schedules of State Earnings, Cost Center Actual Expenses and Revenues and Bed-day Availability payments were prepared in accordance with the requirements included in the State Contracts

THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

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

To the Board of Directors of
South Florida Behavioral Health Network, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of South Florida Behavioral Health Network, Inc.(a nonprofit organization), which comprise of the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Florida Behavioral Health Network, Inc.'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Florida Behavioral Health Network, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Florida Behavioral Health Network, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas & Company CPA PA

Thomas & Company CPA, PA
Cooper City, FL
December 5, 2019

THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors
South Florida Behavioral Health Network, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited South Florida Behavioral Health Network, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *Department of Financial Services'* State Project Compliance Supplement that could have a direct and material effect on each of South Florida Behavioral Health Network, Inc.'s major federal programs and state projects for the year ended June 30, 2019. South Florida Behavioral Health Network, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and state statutes, regulations, and the terms and conditions of its Federal Awards and State Awards applicable to its Federal Programs and State Projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of South Florida Behavioral Health Network, Inc's major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of Florida Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance and State of Florida Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a Major Federal Program or State project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal Program and State project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program and State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of Florida Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal Program or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, and State of Florida Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Cooper City, FL
December 5, 2019

Thomas & Company CPA PA

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
Schedule of findings and questioned costs
For the year ended June 30, 2019

Summary of Auditor's Results

1. The Auditors report express an unmodified opinion on the general-purpose financial statements of South Florida Behavioral Health Network, Inc.

2. No Instances of noncompliance were disclosed during the audit of the financial statements as reported in the Independent Auditor's report on compliance and on Internal Control over Financial Reporting based on and Audit of the General-purpose financial statements performed in accordance with Government Auditing Standard

3. No instances of noncompliance material to the financial statements of South Florida Behavioral Health Network, Inc., were disclosed during the audit.

4. There was no reportable condition relating to the audit of a major federal program and state projects as reported in the independent auditor's report on compliance and internal control over compliance applicable to each major Federal Program and State Project.

5. The auditor's report on compliance for the major federal programs and state projects for the South Florida Behavioral Health Network, Inc., expresses an unmodified opinion. This is a low risk auditee.

6. The Programs/projects tested as major programs / projects included the following:

Federal Program	**Federal CFDA #**
Mental Health Disaster Assistance and Emergency Mental Health	93.982
Block Grants for Prevention and Treatment of Substance Abuse	93.959

State Project	**CSFA #**
State of Florida Department of Children and Families Community Forensic Beds and Competency Restoration	60.114

7. Dollar threshold used to distinguish between type A and Type B Program for Federal Awards $ 2,576,486

8. Dollar threshold used to distinguish between type A and Type B Program for State Awards $ 750,000

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SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
Schedule of findings and questioned costs (Cont.)
For the year ended June 30, 2019

A. Findings – Financial Statements	**- None**
Findings and questions costs	
B. Findings and questioned costs major Federal Programs	**- None**
C. Findings and Questioned costs major State Projects	**- None**
D. Summary of Schedule of prior Year findings	**- None**
E. Related Party Transaction	**- None**
F. No Management letter was issued	