

CITRUS HEALTH NETWORK, INC.

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Citrus Health Network, Inc.
Hialeah, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Citrus Health Network, Inc. (the "Center") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities and changes in net assets, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2020, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of the Center'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 the Center'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 the Center's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 18, 2020

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 16,847,073
Funds held for clients - social security benefits	298,382
Grants receivable - federal and non-federal awards	4,888,603
Accounts receivable - patients and third-party payers, net of allowance	3,614,291
Prepaid expenses	400,762
Inventory	337,249
TOTAL CURRENT ASSETS	<u>26,386,360</u>

PROPERTY AND EQUIPMENT, net	10,553,626
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OTHER ASSETS

Advances and loans to sponsored companies, net	236,407
Long term investments	415,100
Deposits and other assets	176,551
TOTAL OTHER ASSETS	<u>828,058</u>

TOTAL ASSETS	<u><u>37,768,044</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	8,704,830
Due to clients - social security benefits	298,382
Deferred revenue	3,556,090
Installment, line of credit, and other obligations including capital leases, current portion	439,574
	<u>12,998,876</u>

Installment and other obligations, including capital leases	9,021,499
	<u>22,020,375</u>

NET ASSETS

Without Donor Restriction	14,556,034
With Donor Restriction	1,191,635
TOTAL NET ASSETS	<u>15,747,669</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 37,768,044</u></u>
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The accompanying notes are an integral part of these financial statements.

CITRUS HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
PUBLIC SUPPORT			
Federal, State, and Local grants	\$ 144,067,365	\$ 140,000	\$ 144,207,365
TOTAL PUBLIC SUPPORT	144,067,365	140,000	144,207,365
COMMUNITY SUPPORT			
United Way	258,814	-	258,814
Contributed services	49,026	-	49,026
Contributions	212,051	78,848	290,899
TOTAL COMMUNITY SUPPORT	519,891	78,848	598,739
TOTAL SUPPORT	144,587,256	218,848	144,806,104
REVENUE			
Patient services, net	35,848,585	-	35,848,585
In-kind and other revenues	2,856,944	-	2,856,944
TOTAL REVENUE	38,705,529	-	38,705,529
TOTAL SUPPORT AND REVENUE	183,292,785	218,848	183,511,633
EXPENSES			
Program services	166,662,984	-	166,662,984
Support services	17,192,235	-	17,192,235
TOTAL EXPENSES	183,855,219	-	183,855,219
Change in net assets before investment income	(562,434)	218,848	(343,586)
Investment income	262,589	-	262,589
Net assets released from restrictions	257,213	(257,213)	-
CHANGE IN NET ASSETS	(42,632)	(38,365)	(80,997)
NET ASSETS AT BEGINNING OF YEAR	14,598,666	1,230,000	15,828,666
NET ASSETS AT END OF YEAR	\$ 14,556,034	\$ 1,191,635	\$ 15,747,669

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES AND COST CENTER EXPENSES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

Expense Categories	Program Services														Program Sub Total
	Case Management	CAT Teams	Community Support	Comprehensive Community Service Team	Crisis Stabilization	Child Welfare	Crisis Support	DJJ	Early Childhood	Fact Team	FERAS	Foster Care	Health Connect in Our Schools	Housing Programs	
A. Personnel Expenses															
(1) Salaries	\$ 1,231,401	\$ 789,457	\$ 1,711,543	\$ 778,791	\$ 4,685,519	\$ 8,894,327	\$ 2,232,414	\$ 307,229	\$ 792,006	\$ 1,524,865	\$ 104,448	\$ 2,859,293	\$ 1,798,614	\$ 2,743,483	\$ 30,453,390
(2) Fringe benefits	220,014	154,035	315,325	150,754	785,930	1,127,794	361,604	56,590	160,171	301,324	23,342	534,462	311,002	477,684	4,980,031
Total Personnel Expenses	1,451,415	943,492	2,026,868	929,545	5,471,449	10,022,121	2,594,018	363,819	952,177	1,826,189	127,790	3,393,755	2,109,616	3,221,167	35,433,421
B. Other expenses															
(1) Building occupancy	84,413	15,812	518,874	21,341	293,201	416,690	46,747	250	103,229	36,236	5,636	578,088	33,583	228,476	2,382,576
(2) Professional services	79	-	2,789	-	25,178	303,180	1,998	-	2,194	-	-	59,348	1,983	3,000	399,749
(3) Travel	14,720	3,319	996	5,019	2,411	94,094	12	-	7,715	1,520	858	30,342	15	31,371	192,392
(4) Equipment	4,837	233	13,668	441	32,601	232,120	5,642	-	-	2,002	171	1,278	334	14,462	307,789
(5) Food Services	695	213	198,656	168	296,340	-	2,000	-	799	3,466	-	5,892	908	2,092	511,229
(6) Medical & Pharmacy	1,268	308	986	-	251,635	-	30,235	-	216	14,538	-	5,288	20,232	45	324,751
(7) Subcontracted Services	882	-	146,569	-	48,193	36,891,676	112,213	-	18,500	39,480	-	1,319,702	1,479	1,388	38,580,082
(8) Insurance	27,171	4,446	18,445	9,475	55,991	1,231,450	15,287	1,171	4,341	12,531	5,497	21,339	10,706	49,258	1,467,108
(9) Interest	3,475	-	3,495	-	137,725	-	18,122	-	-	157	-	690	5,703	-	169,367
(10) Operating Supplies	10,614	8,920	30,585	3,383	155,646	194,642	17,244	1,232	4,333	12,705	167	21,467	16,703	27,551	505,192
(11) Other Expense - Client Cost	2,170	8,995	24,639	119,864	120,695	46,140,594	7,932	705	-	917,516	1,950	3,369	-	6,024,719	53,373,148
(12) Other Expense - E.H.R.	10,990	14,236	6,235	8,752	26,173	-	8,529	1,183	23,132	5,174	2,188	285,993	135,397	5,615	533,597
(13) Other Expense - Miscellaneous	5,794	5,492	8,962	3,761	21,219	51,265	2,788	1,991	9,319	1,070	67	4,791	3,062	24,123	143,704
(14) Other Expense - Transportation	17,800	32,822	47,695	32,051	24,254	-	19,043	355	-	44,285	4,095	54,982	3,146	64,881	345,409
(15) In-Kind	-	-	287,230	-	21,905	-	-	-	-	-	-	-	-	-	309,135
(16) Unallowable Costs	9,095	-	4,462	2,500	11,900	-	731	-	362	575	-	3,766	2,129	1,329	36,849
Total Other Expenses	194,003	94,796	1,314,286	206,755	1,525,067	85,555,711	288,523	6,887	174,140	1,091,255	20,629	2,396,335	235,380	6,478,310	99,582,077
Total Personnel and Other Expenses	1,645,418	1,038,288	3,341,154	1,136,300	6,996,516	95,577,832	2,882,541	370,706	1,126,317	2,917,444	148,419	5,790,090	2,344,996	9,699,477	135,015,498
C. Distributed Costs															
Other Support	99,893	63,386	203,701	63,482	426,403	2,405,820	175,931	22,631	68,738	178,071	9,061	353,039	143,029	187,929	4,401,114
Administration	124,518	79,012	253,918	79,131	531,520	3,015,748	219,302	28,210	85,684	221,970	11,295	440,072	178,289	228,047	5,496,716
Total Distributed Indirect Costs	224,411	142,398	457,619	142,613	957,923	5,421,568	395,233	50,841	154,422	400,041	20,356	793,111	321,318	415,976	9,897,830
Total Operating Expenses	1,869,829	1,180,686	3,798,773	1,278,913	7,954,439	100,999,400	3,277,774	421,547	1,280,739	3,317,485	168,775	6,583,201	2,666,314	10,115,453	144,913,328
D. Unallowable Costs															
Unallowable Costs	9,095	-	4,462	2,500	11,900	-	731	-	362	575	-	3,766	2,129	1,329	36,849
Allowable Operating Expenses	1,860,734	1,180,686	3,794,311	1,276,413	7,942,539	100,999,400	3,277,043	421,547	1,280,377	3,316,910	168,775	6,579,435	2,664,185	10,114,124	144,876,479
E. Capital Expenditures															
Capital Expenditures	\$ 39,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,656	\$ 91,360

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES AND COST CENTER EXPENSES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

Expense Categories	Program Services									Support Services				Combined Totals	
	Medical Services	Navigate	Outpatient	Pharmacy	Prevention Intervention	Residential Level I	Residential Level II	Ryan White	Short-term Residential Treatment	Program Sub Total	Program Total	General and Administrative	Other Support		Support Services Total
A. Personnel Expenses															
(1) Salaries	\$ 6,570,086	\$ 570,616	\$ 6,280,117	\$ 727,464	\$ 858,129	\$ 3,269,632	\$ 509,146	\$ 123,095	\$ 1,328,510	\$ 20,236,795	\$ 50,690,185	\$ 5,211,682	\$ 2,215,449	\$ 7,427,131	\$ 58,117,316
(2) Fringe benefits	1,046,421	109,327	841,260	116,817	159,854	524,569	80,570	16,826	225,779	3,121,423	8,101,454	911,171	399,550	1,310,721	9,412,175
Total Personnel Expenses	7,616,507	679,943	7,121,377	844,281	1,017,983	3,794,201	589,716	139,921	1,554,289	23,358,218	58,791,639	6,122,853	2,614,999	8,737,852	67,529,491
B. Other expenses															
(1) Building occupancy	841,000	29,877	188,592	24,275	20,885	404,622	78,118	24,488	133,766	1,745,623	4,128,199	115,634	595,746	711,380	4,839,579
(2) Professional services	8,617	-	17,663	19,967	55,967	68,632	1,050	-	5,241	177,137	576,886	429,368	337,307	766,675	1,343,561
(3) Travel	8,718	665	18,886	992	5,623	94	4,899	-	2,349	42,226	234,618	112,270	4,994	117,264	351,882
(4) Equipment	47,931	17	17,400	21,820	219	19,929	10,732	883	8,148	127,079	434,868	153,681	303,338	457,019	891,887
(5) Food Services	11,945	304	36,031	445	140	185,087	37,334	28	99,590	370,904	882,133	18,207	-	18,207	900,340
(6) Medical & Pharmacy	328,204	6	41,720	2,752,546	-	70,042	26,791	46,596	54,187	3,320,092	3,644,843	462	-	462	3,645,305
(7) Subcontracted Services	765,272	16,800	322,185	3,701	-	24,265	5,440	-	546	1,138,209	39,718,291	130,227	72,224	202,451	39,920,742
(8) Insurance	47,114	4,414	45,020	8,558	4,827	30,387	14,955	717	12,969	168,961	1,636,069	148,686	6,363	155,049	1,791,118
(9) Interest	6,430	-	61,738	7,725	-	4	-	-	-	75,897	245,264	40,623	31,262	71,885	317,149
(10) Operating Supplies	116,686	6,029	54,793	23,342	12,674	146,642	16,867	2,561	44,784	424,378	929,570	74,561	211,642	286,203	1,215,773
(11) Other Expense - Client Cost	6,748	3,459	-	-	16,341	65,168	6,169	28,088	7,443	133,416	53,506,564	6,102	-	6,102	53,512,666
(12) Other Expense - E.H.R.	569,610	996	30,741	3,103	3,691	18,041	9,260	13,712	2,182	651,336	1,184,933	72,617	697,416	770,033	1,954,966
(13) Other Expense - Miscellaneous	54,273	1,001	95,946	17,058	3,461	17,672	3,854	16	8,891	202,172	345,876	617,902	1,586,407	2,204,309	2,550,185
(14) Other Expense - Transportation	13,516	18,721	15,983	60,206	18,153	7,279	27,291	-	2,843	163,992	509,401	38,450	13,125	51,575	560,976
(15) In-Kind	-	-	-	1,828,681	-	65,461	39,502	-	-	1,933,644	2,242,779	-	-	-	2,242,779
(16) Unallowable Costs	4,528	-	6,574	445	1,171	5,000	501	-	1,800	20,019	56,868	224,970	4,982	229,952	286,820
Total Other Expenses	2,830,592	82,289	953,272	4,772,864	143,152	1,128,325	282,763	117,089	384,739	10,695,085	110,277,162	2,183,760	3,864,806	6,048,566	116,325,728
Total Personnel and Other Expenses	10,447,099	762,232	8,074,649	5,617,145	1,161,135	4,922,526	872,479	257,010	1,939,028	34,053,303	169,068,801	8,306,613	6,479,805	14,786,418	183,855,219
C. Distributed Costs															
Other Support	637,507	46,533	492,547	339,287	70,814	300,209	52,857	15,690	118,265	2,073,709	6,474,823	-	(6,474,823)	(6,474,823)	-
Administration	794,667	58,005	613,971	422,929	88,272	374,218	65,887	19,558	147,420	2,584,927	8,081,643	(8,081,643)	-	(8,081,643)	-
Total Distributed Indirect Costs	1,432,174	104,538	1,106,518	762,216	159,086	674,427	118,744	35,248	265,685	4,658,636	14,556,466	(8,081,643)	(6,474,823)	(14,556,466)	-
Total Operating Expenses	11,879,273	866,770	9,181,167	6,379,361	1,320,221	5,596,953	991,223	292,258	2,204,713	38,711,939	183,625,267	224,970	4,982	229,952	183,855,219
D. Unallowable Costs	4,528	-	6,574	445	1,171	5,000	501	-	1,800	20,019	56,868	224,970	4,982	229,952	286,820
Allowable Operating Expenses	11,874,745	866,770	9,174,593	6,378,916	1,319,050	5,591,953	990,722	292,258	2,202,913	38,691,920	183,568,399	-	-	-	183,568,399
E. Capital Expenditures	\$ 949,243	\$ -	\$ 139,940	\$ 2,831	\$ -	\$ 35,507	\$ -	\$ -	\$ -	\$ 1,127,521	\$ 1,218,881	\$ -	\$ 501,609	\$ 501,609	\$ 1,720,490

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (80,997)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	1,073,766
Change in allowance for doubtful accounts	334,678
(Increase) Decrease in assets:	
Grants receivable	181,972
Accounts receivable	(1,026,731)
Prepaid expenses	(400,762)
Advances and loans to sponsored companies, net	(61)
Inventory	1,448
Deposits and other assets	(45,027)
Increase in liabilities:	
Accounts payable and accrued expenses	2,158,845
Deferred revenue	3,164,825
Total adjustments	<u>5,442,953</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,361,956</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(108,969)
Property and equipment acquisitions, net of sales	(1,535,909)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,644,878)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from notes payable	3,528,400
Repayment of notes payable	(420,066)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,108,334</u>
 NET INCREASE IN CASH	 6,825,412
CASH AT BEGINNING OF YEAR	<u>10,021,661</u>
CASH AT YEAR END	<u><u>\$ 16,847,073</u></u>

SUPPLEMENTAL DISCLOSURES:

Interest paid	<u><u>\$ 317,147</u></u>
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The accompanying notes are an integral part of these financial statements.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Citrus Health Network, Inc. (the "Center") was incorporated in the State of Florida on October 2, 1978 as a not-for-profit corporation for the purpose of providing behavioral health services. In 2004, the Health Resources and Services Administration (HRSA) designated Citrus Health Network, a Federally Qualified Health Center (FQHC). Citrus currently provides comprehensive primary health and behavioral health care services.

On July 1, 2019, the Center was awarded a contract with the Department of Children and Families, and will be administered by a division of the Center, Family Care Network ("FCN").

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The Center is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions on the use of the net assets. The two net asset categories are as follows:

Net Assets Without Donor Restrictions

The portion of the net assets of the Center that can be used subject to the broad limits resulting from the nature of the Center, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Center in the normal course of business. The Center has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from contributions that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions

The portion of net assets of the Center that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Center's choices when using these resources because the Center has a fiduciary responsibility to its donors to follow the donors' instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of June 30, 2020, net assets with donor restrictions totaled \$1,191,635.

Restricted Contributions Whose Restrictions Are Met in the Same Reporting Period

Donor restricted contributions whose restrictions are met in the same reporting period, are reported as unrestricted within the unrestricted fund.

Property and Equipment

Property and equipment are recorded at cost. Depreciation, including the amortization of capitalized leases is provided for on the straight-line method over the estimated useful lives of the assets. Cost of major additions and improvements are capitalized and expenditures for maintenance and repairs which do not extend the useful life of the assets are expensed. Donated equipment is recorded at fair market value at the date of the gift.

Impairment of Long-Lived Assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2020, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by the individual possessing those skills and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Center is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Center qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at June 30, 2020. Tax years that are open under the statute of limitations remain subject to examination by the IRS. The Center is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2018.

Accounts Receivable

Accounts receivable are stated at the amount the Center expects to collect. The Center maintains allowances for doubtful accounts and for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial condition of the Center's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Center provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Center has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Cash and Cash Equivalents

The Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Third-Party Reimbursements

Net patient service revenue is reported at the estimated net realizable amounts from third-party payers. Because the Center is a federally qualified health center, the Center must prepare FQHC cost reports. These reports are subject to audit. Any adjustments to the cost reports are recorded in the year they become known.

Credit Risk

The Center may, from time to time, be subject to credit risk to its cash and cash equivalent investments, which are placed with high credit-quality financial institutions.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Administrative & Indirect Costs

Professional Support Services are allocated based on amounts budgeted by senior management and by way of analysis as to expenditures for each program. Main building costs are allocated by the square footage of each program. Pharmacy costs are allocated by prescriptions prescribed per program.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities that are financial instruments approximate the carrying values of such amounts.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of functional expenses. The financial statements report certain categories of expenses that are attributable to the program or supporting function of the Center, including certain administrative costs, depreciation, interest, and insurance. Allocation of such expenses is based upon the Center's personnel time and effort. Such estimates are determined by management.

New Accounting Pronouncement

The Center has adopted the FASB issued Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU provides guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue. The adoption of this standard did not result in changes to the financial statements of the Center.

Subsequent Events

The Center has evaluated subsequent events through December 18, 2020, which is the date the financial statements were available to be issued. (See Note 16).

NOTE 2 – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable from awards, patients, and third-party payers consist of the following as of June 20, 2020:

Grants receivable	<u>\$ 4,888,603</u>
Accounts receivable	5,911,150
Less: allowance for doubtful accounts	<u>(2,296,859)</u>
	<u>3,614,291</u>
	<u>\$ 8,502,894</u>

NOTE 3 – RELATED PARTIES/ ADVANCES AND LOANS TO SPONSORED COMPANIES

The amounts recorded as advances and loans to sponsored companies represent expenses paid on behalf of two affiliated organizations. The Center and these affiliated organizations share the same management and board of directors. There is no conflict of interest between the Center and these organizations since they operate within the same mission of Citrus Health Network. These advances will be repaid from future operations of the sponsored companies when funds are available and they obtain approval from the U.S. Department of Housing and Urban Development ("HUD").

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 – RELATED PARTIES/ ADVANCES AND LOANS TO SPONSORED COMPANIES (Continued)

The Center sponsors Buena Vista of Northwest Dade, Inc. ("Buena Vista"), a non-profit organization that owns and operates a housing facility for elderly and handicapped persons under HUD Section 202. As of June 30, 2020, the Center had an outstanding balance of \$264,248 due from Buena Vista used to fund operations. For the year ended June 30, 2020, Buena Vista had \$772,895 in total assets and \$378,380 in net assets. In addition, Buena Vista had \$127,893 in total revenues for the year ended June 30, 2020.

The Center also sponsors Northwest Dade Adult Residential Treatment Systems, Inc. ("NWDARTS"), a non-profit organization that owns and operates a multifamily residential apartment project for eligible families under HUD Section 202. At June 30, 2020, the amount due to the Center aggregated \$245,670, which has been fully allowed for. For the year ended June 30, 2020, NWDARTS had total assets of \$299,272 and an accumulated deficit of \$236,188. In addition, NWDARTS had \$154,740 in total revenues for the year ended June 30, 2020.

Due from Buena Vista	\$ 264,248
Due from NWDARTS	245,670
	<u>509,918</u>
Less: allowance for doubtful accounts	(273,511)
	<u><u>\$ 236,407</u></u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	<u>Estimated Useful Life</u>	
Land		\$ 2,294,312
Building and improvements	30 Years	13,455,289
Furniture, equipment and vehicles	5 Years	8,673,977
Leasehold improvements	5 Years	2,346,171
		<u>26,769,749</u>
Less: accumulated depreciation and amortization		(16,216,123)
Property and equipment, net		<u><u>\$ 10,553,626</u></u>

Property and equipment serve as collateral on installment and mortgages payable as indicated in Note 5.

Depreciation and amortization expense as of June 30, 2020 was \$1,073,766.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – INSTALLMENTS, MORTGAGES AND NOTES PAYABLE, LINE OF CREDIT AND CAPITAL LEASES

Installments and Other Obligations

On March 2018, the Center entered into a promissory note in the amount of \$5,200,000. The note bears interest at a fixed rate of 5%. The note requires one interest only payment followed by monthly consecutive principal and interest payments of \$41,321 until maturity March 2033. In addition, the promissory note has certain covenants, such as a minimum depository relationship, mandatory annual repayment terms, as well as debt service coverage ratio. The note is collateralized by real property.

\$ 4,670,199

On May 2018, the Center entered into a note payable with unrelated not for profit for the original amount of \$890,036. The note does not call for interest nor principal payments for the first 9 months. Beginning February 4, 2019 interest shall begin to accrue at a rate of 4.75% per annum. Beginning on March 4, 2019, there shall be monthly payments of principal and interest due in the amount of \$6,922. All unpaid interest and principal is due January 2034.

830,370

The Center received loan proceeds in the amount of \$3,518,400 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying organizations for amounts. The loan and accrued interest are forgivable after twenty-four weeks if the Center meets the parameters set by the program.

3,518,400

The Center entered into a loan in the form Economic Injury Disaster Loan. This Loan is under an existing Small Business Administration loan program. The amount was an advance on the Paycheck Protection Program.

10,000

\$ 9,028,969
Less current portion (313,492)
\$ 8,715,477

Less current portion
Long term portion

Installments and other obligations consist of the following:

<u>Fiscal years ending June 30,</u>	
2021	\$ 313,492
2022	3,857,816
2023	346,188
2024	363,725
2025	384,224
Thereafter	3,763,524
Total	<u>\$ 9,028,969</u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – INSTALLMENTS, MORTGAGES AND NOTES PAYABLE, LINE OF CREDIT AND CAPITAL LEASES (Continued)

Line of Credit

In March 2018, the Center obtained a revolving line of credit in the amount of \$2,500,000. The line of credit is callable on demand and matures in March of 2023. The Center will pay regular payments of all accrued unpaid interest due each payment date beginning April 2018. Interest is charged at the wall street journal prime rate plus 1% with a floor interest rate of 5.25%. In addition, the line of credit has certain covenants such as a minimum depository relationship, mandatory annual repayment terms as well as debt service coverage ratio. The note is collateralized by real property.

Both the promissory note and the line of credit are collateralized by substantially all the assets of the Center, as well as any future lease receipts within its properties. Both the promissory note and the line of credit have certain restrictive covenants some of which require audited financial statements within a prescribed time after fiscal year end as well as a specific debt to service ratio.

Capital Leases

The Center has acquired equipment under the provisions of long-term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized and included in equipment on the balance sheet. The leased equipment under capital leases as of June 30, 2020 has a cost of approximately \$677,000, respectively, with monthly consecutive principal and interest payments ranging between \$3,456 and \$9,643 until maturity July 2023. Amortization of the leased equipment is included in depreciation expense.

The following is a schedule of future minimum lease payments under the capital leases:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 157,190
2022	157,190
2023	157,190
2024	3,456
2025	3,456
Total	<u>478,482</u>
Less: Amount Attributable to Interest (5.99%)	<u>(46,378)</u>
Total	432,104
Less: Current Portion	<u>(126,082)</u>
Long-term Portion	<u><u>\$ 306,022</u></u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – INSTALLMENTS, MORTGAGES AND NOTES PAYABLE, LINE OF CREDIT AND CAPITAL LEASES (Continued)

Capital Leases (Continued)

Principal payments are due as follows for installments, other obligations, and capital leases:

<u>Fiscal years ending June 30,</u>	
2021	\$ 439,574
2022	4,008,575
2023	501,451
2024	363,725
2025	384,224
Thereafter	3,763,524
Total	<u>\$ 9,461,073</u>

NOTE 6 – SUPPORT AND REVENUES

Approximately 80% of the Center’s revenue is derived from federal, state, and local government grants for the year ended June 30, 2020. The current level of the Center’s operations and program services may be impacted or segments discontinued, if the funding is not renewed. The Center is dependent upon government support for its operation and the timeliness in which the grants are collected is essential to meet the normal cash flow needs of the Center. For financial statements purposes, grant revenue is recognized based on expenses incurred.

The Center provides primary care and behavioral health services to residents of Miami-Dade County. Most of these patients are classified as indigent and/or are covered by Medicaid.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Center has various non-cancelable operating leases for office equipment which expire at various dates through 2022 in the amount of approximately \$223,000 in 2021 and \$76,000 in 2022.

Rent expense for the year ended June 30, 2020 was approximately \$9,180,700. A substantial portion (approximately \$6,650,000) of the expense was payments that the Center paid on behalf of the individuals serviced by the Center.

NOTE 8 – CONTRIBUTED SERVICES

Contributed services recognized for the year ended June 30, 2020, in the amount of approximately \$49,026 represents in-kind services received from Miami-Dade School Board at no charge to support the Center's residential and day treatment programs.

NOTE 9 – STATE EXCLUDED COSTS

State excluded costs in the accompanying schedule of functional expenses totaled approximately \$287,000 for the year ended June 30, 2020.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – FAIR VALUE MEASUREMENTS

For the year ended June 30, 2020, the Center adapted FASB ASC, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

FASB ASC establishes a three-level valuation hierarchy for measurement and disclosure of fair value. The valuation hierarchy is based upon the transparency of inputs used to measure fair value. The three levels are as follows:

Level 1 – asset value is based on actual quoted prices in active markets for identical securities (market-to-market).

Level 2 – other significant observable inputs are used to arrive at fair value (including yield, quality, coupon rate, maturity, issue type, quoted prices for similar securities, prepayment speeds, trading characteristics, etc.).

Level 3 – significant unobservable inputs (including management’s own assumptions in determining the fair value of investments).

The Center’s investments are reported at fair value in the accompanying statements.

June 30, 2020

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments - Privately Held	\$ 415,100	\$ -	\$ -	\$ 415,100
	<u>\$ 415,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,100</u>

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Investments are recorded at cost. The Center’s management believes that the fair value of these investments approximate their cost.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)

A summary of the changes in Level 3 assets, measured at fair value on a recurring basis at June 30, 2020 is as follows:

Balance at beginning of year	\$ 266,000
Purchases (sales)	149,100
Sale	-
Balance at ending of year	<u><u>\$ 415,100</u></u>

NOTE 11 – INVESTMENTS

The Center holds interest in several Companies: Family Urgent Care Centers of South Florida Inc., Citrus Health Holding, Inc. and Florida Premier, Inc.

Health Choice Care, LLC

In 2015, the Center entered into a membership interest purchase agreement with Health Choice Care (“HCC”). HCC was formed as an Accountable Care Organization to contract with the Centers for Medicare and Medicaid services. The Center has an investment of 1,991 units in the amount of \$199,100 during fiscal year ended June 30, 2020.

Citrus Health Holdings, Inc. and Florida Premier

Citrus Health Holding, Inc. discontinued operations and the Center received their return of initial of investment of \$50,000 during the year ended June 30, 2017. The Center has an investment in Florida Premier, Inc. in the amount of \$16,000 as of June 30, 2020.

Pediatric and Family Urgent Care Centers of South Florida, Inc. and Pediatric Family Clinics

The Center has an investment in Pediatric and Family Urgent Care Centers of South Florida, Inc. and Pediatric Family Clinics in the amount of \$150,000 as of June 30, 2020.

At June 30, 2020, total investments amounted to \$415,100, which includes Pediatric and Family Urgent Care Centers of South Florida, Inc., Citrus Health Holding, Inc., Florida Premier, Inc., Health Choice Care, LLC.

NOTE 12 – LITIGATION

Counsel for the Center has indicated that there are several litigation cases pending against the Center. Counsel and management have indicated that the cases are covered by insurance. Management of the Center has indicated that an adjustment is not needed to these financial statements because any loss contingency would be covered by the Center’s liability insurance.

NOTE 13 – SUPPORT FROM OUTSIDE AGENCIES

The Center receives a substantial amount of its support from federal, state, and local government grants and contracts. Accordingly, the Center is subject to audit examination by its funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment may be required.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

In prior years, the County contributed \$2,000,000 towards the acquisition of a building, with the condition that the Center continues operating as a facility benefiting the public for at least 25 to 30 years. Accordingly, each year, \$70,000 will be released from restriction. The balance in donor restricted net assets at June 30, 2020 is \$1,191,635, and the assets are classified under property and equipment in the Statements of Financial Position.

In addition, the Center has \$31,635 in net assets with donor restrictions with a purpose restriction of welcome home packages. The assets are classified under cash in the Statement of Financial Position.

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Center’s financial assets as of June 30, 2020, reduced by amounts not available for general use within one year as of June 30, 2020 because of the contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash	\$ 16,847,073
Accounts receivable	3,614,291
Grants receivable	4,888,603
Inventory	337,249
Total financial assets	<u>25,687,216</u>
Less amounts not available to be used within one year:	
Cash: donor restricted	\$ (31,635)
	<u>(31,635)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>25,655,581</u></u>

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 16 – OTHER MATTERS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger continued economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Center, its performance, and its financial results.

SUPPLEMENTARY INFORMATION

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION - INTERDIVISIONAL
AS OF JUNE 30, 2020

	CHN	FCN	Total	Interdivisional Elimination	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 10,103,888	\$ 6,743,185	\$ 16,847,073	\$ -	\$ 16,847,073
Funds held for clients - social security benefits	-	298,382	298,382	-	298,382
Grants receivable - federal and non-federal awards	4,765,146	123,457	4,888,603	-	4,888,603
Accounts receivable - patients and third-party payers, net of allowance	3,614,291	-	3,614,291	-	3,614,291
Prepaid expenses	3,323	397,439	400,762	-	400,762
Inventory	316,539	20,710	337,249	-	337,249
Interdivisional receivable	547,239	-	547,239	(547,239)	-
TOTAL CURRENT ASSETS	19,350,426	7,583,173	26,933,599	(547,239)	26,386,360
PROPERTY AND EQUIPMENT, net	10,447,685	105,941	10,553,626	-	10,553,626
OTHER ASSETS					
Advances and loans to sponsored companies, net	236,407	-	236,407	-	236,407
Long term investments	415,100	-	415,100	-	415,100
Deposits and other assets	176,551	-	176,551	-	176,551
TOTAL OTHER ASSETS	828,058	-	828,058	-	828,058
TOTAL ASSETS	\$ 30,626,169	\$ 7,689,114	\$ 38,315,283	\$ (547,239)	\$ 37,768,044
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 5,770,236	\$ 2,934,594	\$ 8,704,830	\$ -	\$ 8,704,830
Due to clients - social security benefits	-	298,382	298,382	-	298,382
Deferred revenue	-	3,556,090	3,556,090	-	3,556,090
Installment, line of credit, and other obligations including capital leases, current portion	439,574	-	439,574	-	439,574
Interdivisional payables	-	547,239	547,239	(547,239)	-
TOTAL CURRENT LIABILITIES	6,209,810	7,336,305	13,546,115	(547,239)	12,998,876
Installment and other obligations, including capital leases	9,021,499	-	9,021,499	-	9,021,499
TOTAL LIABILITIES	15,231,309	7,336,305	22,567,614	(547,239)	22,020,375
NET ASSETS					
Without Donor Restriction	14,234,860	321,174	14,556,034	-	14,556,034
With Donor Restriction	1,160,000	31,635	1,191,635	-	1,191,635
TOTAL NET ASSETS	15,394,860	352,809	15,747,669	-	15,747,669
TOTAL LIABILITIES AND NET ASSETS	\$ 30,626,169	\$ 7,689,114	\$ 38,315,283	\$ (547,239)	\$ 37,768,044

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - INTERDIVISIONAL
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restriction			With Donor Restriction			Elimination	Total
	CHN	FCN	Total	CHN	FCN	Total		
SUPPORT AND REVENUE								
PUBLIC SUPPORT								
Federal, State, and Local grants	\$ 43,570,374	\$ 104,863,251	\$ 148,433,625	\$ -	\$ 140,000	\$ 140,000	\$ (4,366,260)	\$ 144,207,365
TOTAL PUBLIC SUPPORT	43,570,374	104,863,251	148,433,625	-	140,000	140,000	(4,366,260)	144,207,365
COMMUNITY SUPPORT								
United Way	258,814	-	258,814	-	-	-	-	258,814
Contributed services	49,026	-	49,026	-	-	-	-	49,026
Contribution	-	212,051	212,051	-	78,848	78,848	-	290,899
TOTAL COMMUNITY SUPPORT	307,840	212,051	519,891	-	78,848	78,848	-	598,739
TOTAL SUPPORT	43,878,214	105,075,302	148,953,516	-	218,848	218,848	(4,366,260)	144,806,104
REVENUE								
Patient services, net	35,848,585	-	35,848,585	-	-	-	-	35,848,585
In-kind and other revenues	2,432,625	424,319	2,856,944	-	-	-	-	2,856,944
TOTAL REVENUE	38,281,210	424,319	38,705,529	-	-	-	-	38,705,529
TOTAL SUPPORT AND REVENUE	82,159,424	105,499,621	187,659,045	-	218,848	218,848	(4,366,260)	183,511,633
EXPENSES								
Program services	71,085,152	99,944,092	171,029,244	-	-	-	(4,366,260)	166,662,984
Support services	11,770,667	5,421,568	17,192,235	-	-	-	-	17,192,235
TOTAL EXPENSES	82,855,819	105,365,660	188,221,479	-	-	-	(4,366,260)	183,855,219
Change in net assets before investment income	(696,395)	133,961	(562,434)	-	218,848	218,848	-	(343,586)
Investment income	262,589	-	262,589	-	-	-	-	262,589
Net assets released from restrictions	70,000	187,213	257,213	(70,000)	(187,213)	(257,213)	-	-
CHANGE IN NET ASSETS	(363,806)	321,174	(42,632)	(70,000)	31,635	(38,365)	-	(80,997)
NET ASSETS AT BEGINNING OF YEAR	14,598,666	-	14,598,666	1,230,000	-	1,230,000	-	15,828,666
NET ASSETS AT END OF YEAR	\$ 14,234,860	\$ 321,174	\$ 14,556,034	\$ 1,160,000	\$ 31,635	\$ 1,191,635	\$ -	\$ 15,747,669

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



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*

The Board of Directors of
Citrus Health Network, Inc.
Hialeah, 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 Citrus Health Network, Inc. (the “Center”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the notes to the financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’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 the Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida

December 18, 2020

CITRUS HEALTH NETWORK, INC.

SINGLE AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Citrus Health Network, Inc.
Hialeah, Florida

Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance of Citrus Health Network, Inc. (the "Center") for the year ended June 30, 2020, and the related notes (the financial statement).

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards and state financial assistance of the Center for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming and opinion on the financial statement. The accompanying Schedule of State Earnings, Schedule of Cost Center Actual Expenses and Revenues – Substance Abuse and Mental Health, and Schedule of Bed Day Availability Payments are presented for the purposes of additional analysis as required by South Florida Behavioral Health and Broward Behavioral Health Coalition and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates to directly from the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly, stated in all material respects, in relation to the financial statement as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 18, 2020



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

Board of Directors
Citrus Health Network, Inc.
Hialeah, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Citrus Health Network, Inc.’s (the “Center”), compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services’ State Projects Compliance Supplement*, that could have a direct and material effect on each of the Center’s major federal programs and state projects for the year ended June 30, 2020. The Center’s major federal programs and state projects are identified in the summary of auditors’ 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 projects applicable to its federal programs and state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Center’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 Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and 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 Center’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Center 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, 2020.

Report on Internal Control Over Compliance

Management of the Center 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 Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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 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 Center'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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 18, 2020

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<i>Federal Agency/ Program Title/ Pass-Through Grantor</i>	<i>Federal CFDA Number</i>	<i>Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
U.S. Department of Agriculture:						
Special Supplemental Nutrition Program for Women, Infants, and Children Program: Passed through Miami-Dade County Department of Health and Human Services	10.557	N/A	\$ 74,577	\$ -	\$ 74,577	\$ -
Total U.S. Department of Agriculture			<u>74,577</u>	<u>-</u>	<u>74,577</u>	<u>-</u>
U.S. Department of Housing and Urban Development:						
Community Development Block Grants Program: Passed through City of Hialeah	14.218	FY 2018-2019/FY 2019-2020	73,850	-	73,850	-
Emergency Solutions Grant Program: Passed through City of Hialeah	14.231	ESG FY2018-19 / FY2019-2020	247,079	-	247,079	-
Passed through City of Miami	14.231	HUD ESG FY2018-2019 / HUD ESG FY2019-2020	158,764	-	158,764	-
Passed through Miami-Dade County	14.231	ESG FY18-19/FY19-20	350,162	-	350,162	-
Passed through Miami-Dade County Homeless Trust	14.231	KP009-1	148,500	-	148,500	-
Passed through Miami-Dade County Homeless Trust	14.231	KP009-2	159,877	-	159,877	-
Program Total			<u>1,064,382</u>	<u>-</u>	<u>1,064,382</u>	<u>-</u>
Supportive Housing Program: Passed through Better Way of Miami Supportive Housing, Inc.	14.235	FL0218L4D001710 & FL0218L4D001811	204,404	-	204,404	-
Home Investment Partnerships Program: Passed through Miami-Dade County	14.239	FY 2018-2020	99,893	-	99,893	-
Continuum of Care Program: Passed through Miami-Dade County Homeless Trust	14.267	Various	117,223	-	117,223	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0176L4D001710 & FL0176L4D001811	309,583	-	309,583	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0184L4D001800 & FL0184L4D001710	288,023	-	288,023	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0227L4D001811	436,445	-	436,445	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0431L4D001807 & FL0431L4D1706	1,887,405	-	1,887,405	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0195L4D001811	2,541,312	-	2,541,312	-
Passed through Carrfour Coalition Lift	14.267	FL0587L4D001500	50,073	-	50,073	-
Program Total			<u>5,630,064</u>	<u>-</u>	<u>5,630,064</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>7,072,593</u>	<u>-</u>	<u>7,072,593</u>	<u>-</u>
U.S. Department of Transportation:						
Enhanced Mobility of Seniors and Individuals with Disabilities Program: Passed through Florida Department of Transportation	20.513	FY2019-2020	82,225	-	82,225	-
Total U.S. Department of Transportation			<u>82,225</u>	<u>-</u>	<u>82,225</u>	<u>-</u>
U.S. Department of Veteran Affairs:						
VA Supportive Services for Veteran Families Program: Passed through The Advocate Program	64.033	FY2018-19	36,324	-	36,324	-
Passed through The Advocate Program	64.033	FY2019-20	94,924	-	94,924	-
Program Total			<u>131,248</u>	<u>-</u>	<u>295,698</u>	<u>-</u>
Total U.S. Department of Veteran Affairs			<u>131,248</u>	<u>-</u>	<u>295,698</u>	<u>-</u>
U.S. Department of Health and Human Services:						
Enhance Safety of Children Affected by Substance Abuse Program: Passed through Miami IMPACT and Partner Project	93.087	N/A	-	762,357	762,357	419,216
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) Program: Passed through South Florida Behavioral Health Network	93.104	ME225-10-08	-	146,104	146,104	-
Mental Health Research Grants Program: Passed through Florida International University	93.242	N/A	28,586	-	28,586	-
Health Center Program: Direct - U.S. Department of Health and Human Services	93.224	H80CS04214	5,244,662	-	5,244,662	-
Substance Abuse and Mental Health Services Program: Direct - U.S. Department of Health and Human Services	93.243	5 H79 SM062314-04	148,733	-	148,733	-
Minority Health and Health Disparities Research Program: Passed through Health Choice Network	93.307	HCN-UM-SUCCESS	71,996	-	71,996	-
Promoting Safe and Stable Families Program: Passed through Florida Department of Children and Families	93.556	KJ138	-	2,394,580	2,394,580	1,585,988
Passed through Florida Department of Children and Families	93.556	KJ138 - MATCH	-	181,239	181,239	115,567
Program Total			<u>-</u>	<u>2,575,819</u>	<u>2,575,819</u>	<u>1,701,555</u>
Temporary Assistance for Needy Families Program: Passed through Miami-Dade County Homeless Trust	93.558	KP009-4	39,540	-	39,540	-
Passed through South Florida Behavioral Health Network	93.558	ME225 - TANF	87,881	-	87,881	-
Passed through Childnet, Inc.	93.558	N/A	41	-	41	-
Passed through Florida Department of Children and Families	93.558	KJ138	-	6,900,849	6,900,849	5,096,655
Passed through Florida Department of Children and Families	93.558	KJ138 - MATCH	-	5,973,244	5,973,244	4,450,474
Program Total			<u>127,462</u>	<u>12,874,093</u>	<u>13,001,555</u>	<u>9,547,129</u>
Child Care Development Fund (CCDF) Cluster: CCDF Block Grant Passed through Early Learning Coalition of Miami-Dade/Monroe	93.575	C19-18	734,119	-	734,119	-
Grants to States for Access and Visitation Program: Passed through Florida Department of Children and Families	93.597	KJ138	-	26,024	26,024	26,024

See accompanying notes to the schedules of state financial assistance and federal awards.

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<i>Federal Agency/ Program Title/ Pass-Through Grantor</i>	<i>Federal CFDA Number</i>	<i>Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
U.S. Department of Health and Human Services (Continued):						
Chafee Education and Training Vouchers (ETV) Program:						
Passed through Florida Department of Children and Families	93.599	KJ138	-	672,057	672,057	-
Passed through Florida Department of Children and Families	93.599	KJ138 - MATCH	-	175,393	175,393	-
Passed through Florida Department of Children and Families	93.599	KJ139	-	56,211	56,211	-
Passed through Florida Department of Children and Families	93.599	KJ139 - MATCH	-	14,672	14,672	-
Program Total			-	918,333	918,333	-
Head Start Program:						
Passed through Early Learning Coalition of Miami-Dade/Monroe	93.600	C18-05	66,272	-	66,272	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Passed through Florida Department of Children and Families	93.645	KJ138	-	1,706,732	1,706,732	1,453,330
Passed through Florida Department of Children and Families	93.645	KJ138 - MATCH	-	571,357	571,357	486,546
Program Total			-	2,278,089	2,278,089	1,939,876
Foster Care Title IV-E Program:						
Passed through Childnet, Inc.	93.658	N/A	24,620	-	24,620	-
Passed through Florida Department of Children and Families	93.658	KJ138	-	14,586,316	14,586,316	7,509,863
Passed through Florida Department of Children and Families	93.658	KJ138 - MATCH	-	33,099,882	33,099,882	15,267,488
Passed through Florida Department of Children and Families	93.658	KJ139	-	32,000	32,000	-
Passed through Florida Department of Children and Families	93.658	KJ139 - MATCH	-	297,101	297,101	-
Program Total			24,620	48,015,299	48,039,919	22,777,351
Adoption Assistance Program:						
Passed through Childnet, Inc.	93.659	CITI19TFC	40,657	-	40,657	-
Passed through Childnet, Inc.	93.659	N/A	496	-	496	-
Passed through Florida Department of Children and Families	93.659	KJ138	-	14,372,182	14,372,182	2,270,284
Passed through Florida Department of Children and Families	93.659	KJ138 - MATCH	-	8,873,119	8,873,119	1,106,317
Program Total			41,153	23,245,301	23,286,454	3,376,601
Social Services Block Grant Program:						
Passed through Childnet, Inc.	93.667	N/A	17,111	-	17,111	-
Passed through Florida Department of Children and Families	93.667	KJ138	-	4,004,711	4,004,711	861,731
Program Total			17,111	4,004,711	4,021,822	861,731
Child Abuse and Neglect State Grants Program:						
Passed through Florida Department of Children and Families	93.669	KJ138	-	176,068	176,068	105,502
Child Abuse and Neglect Discretionary Activities Program:						
Passed through Miami CARES Project	93.670	N/A	-	101,775	101,775	31,206
John H. Chafee Foster Care Program for Successful Transition to Adulthood Program:						
Passed through Florida Department of Children and Families	93.674	KJ138	-	1,566,156	1,566,156	187,317
Passed through Florida Department of Children and Families	93.674	KJ138 - MATCH	-	376,326	376,326	91,417
Program Total			-	1,942,482	1,942,482	278,734
Medical Assistance Program:						
Passed through South Florida Behavioral Health Network	93.778	ME225	504,850	-	504,850	-
Passed through Florida Department of Children and Families	93.778	KJ138	-	809,314	809,314	532,650
Passed through Florida Department of Children and Families	93.778	KJ138 - MATCH	-	809,377	809,377	532,691
Program Total			504,850	1,618,691	2,123,541	1,065,341
State Opioid Response Discretionary Grant Program:						
Passed through South Florida Behavioral Health Network	93.788	ME225-10-08 ASA	90,000	-	90,000	-
HIV Emergency Relief Project Grants Program:						
Passed through Miami-Dade County	93.914	BU3CHN29	130,994	-	130,994	-
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B) Program:						
Passed through Florida Department of Health in Miami-Dade County	93.917	DEX41	2,506	-	2,506	-
Block Grants for Community Mental Health Services Program:						
Passed through Broward Behavioral Health Coalition	93.958	34382	176,714	-	176,714	-
Passed through Broward Behavioral Health Coalition	93.958	34382 - MATCH	1,256,493	-	1,256,493	-
Passed through Childnet, Inc.	93.958	CITI19RAP	185,535	-	185,535	-
Passed through South Florida Behavioral Health Network	93.958	ME225-10-08	2,265,841	-	2,265,841	-
Passed through South Florida Behavioral Health Network	93.958	ME225-10-08 - MATCH	9,519,362	-	9,519,362	-
Program Total			13,403,945	-	13,403,945	-
Block Grants for Prevention and Treatment of Substance Abuse Program:						
Passed through South Florida Behavioral Health Network	93.959	ME225-10-08 ASA	235,429	-	235,429	-
Passed through South Florida Behavioral Health Network	93.959	ME225-10-08 CSA	1,509,280	-	1,509,280	-
Passed through South Florida Behavioral Health Network	93.959	ME225-10-08 CSA PPG	123,779	-	123,779	-
Program Total			1,868,488	-	1,868,488	-
Total U.S. Department of Health and Human Services			22,505,497	98,685,146	121,190,643	42,130,266
U.S. Department of Homeland Security						
Disaster Grants-Public Assistance (Presidentially Declared Disasters) Program:						
Passed through State of Florida Division of Emergency Management	97.036	N/A	72,439	-	72,439	-
Total U.S. Department of Homeland Security			72,439	-	72,439	-
Total Expenditures of Federal Awards and Passed Through			\$ 29,938,579	\$ 98,685,146	\$ 128,788,175	\$ 42,130,266

See accompanying notes to the schedules of state financial assistance and federal awards.

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

<i>State Agency/ Program Title/ Pass-Through Grantor</i>	<i>State CSFA Number</i>	<i>State Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
Department of Children and Families						
Homeless Special Projects Program:						
Direct - Department of Children and Families	60.027	KP008	\$ 140,800	\$ -	\$ 140,800	\$ -
Out-of-Home Supports Program:						
Direct - Department of Children and Families	60.074	KJ138	-	4,576,782	4,576,782	3,083,155
Passed through Childnet, Inc.	60.074	N/A	39,780	-	39,780	-
Program Total			<u>39,780</u>	<u>4,576,782</u>	<u>4,616,562</u>	<u>3,083,155</u>
Family Safety Program:						
Direct - Department of Children and Families	60.175	19010050	91,336	-	91,336	-
CBC-Purchase of Therapeutic services for Children Program:						
Direct - Department of Children and Families	60.183	KJ138	-	1,642,076	1,642,076	451,929
Community Substance Abuse and Mental Health Services Program:						
Passed through South Florida Behavioral Health Network	60.155	ME225-10-08	455,000	-	455,000	-
Total Department of Children and Families			<u>726,916</u>	<u>6,218,858</u>	<u>6,945,774</u>	<u>3,535,084</u>
Florida Housing Finance Corporation						
State Housing Initiatives Partnership Program:						
Passed through City of Miami Gardens	40.901	SHIP FY2018-2019 / FY2019-2020	20,160	-	20,160	-
Passed through City of Hialeah	40.901	FY2019-20 SHIP	59,550	-	59,550	-
Program Total			<u>79,710</u>	<u>-</u>	<u>79,710</u>	<u>-</u>
Total Florida Housing Finance Corporation			<u>79,710</u>	<u>-</u>	<u>79,710</u>	<u>-</u>
Department of Juvenile Justice						
Mental Health Services Program:						
Direct - Department of Juvenile Justice	80.011	10593	23,108	-	23,108	-
Total Department of Juvenile Justice			<u>23,108</u>	<u>-</u>	<u>23,108</u>	<u>-</u>
Total Expenditures of State Awards and Passed Through			<u>\$ 829,734</u>	<u>\$ 6,218,858</u>	<u>\$ 7,048,592</u>	<u>\$ 3,535,084</u>

See accompanying notes to the schedules of state financial assistance and federal awards.

CITRUS HEALTH NETWORK, INC.
NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE AND FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. BASIS OF PRESENTATION

The accompanying Schedules of State Financial Assistance and Federal Awards (the "Schedules") presents the activity of all state and federal award programs of the Center for the year ended June 30, 2020. All federal and state awards received directly from federal and state agencies, as well as federal and state awards received from other government agencies are included in the Schedules.

The information in the Schedules are 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* (Uniform Guidance) and the Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, *State Financial Assistance*. Because the Schedules present only a selected portion of the operations of the Center, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Center.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The Center has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITRUS HEALTH NETWORK, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
 FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Type of auditor's report issued on compliance for major programs: *Unmodified*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

Identification of major federal programs:

Federal Program or Cluster	CFDA Number	Expenditures
Continuum of Care Program	14.267	\$ 5,630,064
Temporary Assistance for Needy Families	93.558	\$13,001,555
Foster Care Title IV-E	93.658	\$48,039,919
Adoption Assistance	93.659	\$23,286,454
Social Services Block Grant	93.667	\$ 4,021,822

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? yes no

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS

None

SECTION IV - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

None

SECTION V - OTHER ISSUES

1. No management letter was issued for the year ended June 30, 2020.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal awards programs or State financial assistance projects.
3. No corrective action plan is required because there were no findings required to be reported under the Federal *OMB Circular Compliance Supplement* or the *Department of Financial Services' State Project Compliance Supplement*.

SUPPLEMENTARY INFORMATION

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>South Florida Behavioral Health Network</u>
1. Total Expenditures	\$ 183,855,199
2. Less Other State and Federal Funds	(153,767,624)
3. Less Non-Match SAMH Funds	(9,861,383)
4. Less Unallowable Costs Per 65E-14, FAC	<u>(286,820)</u>
5. Total Allowable Expenditures (Sum of lines 1,2,3, and 4)	<u>19,939,372</u>
6. Maximum Available Earnings (Line 5 times 75%)	14,954,529
7. Amount of State Funds Requiring Match	<u>4,878,591</u>
8. Amount Due to Department	<u><u>\$ -</u></u>

See accompanying note to the statement of functional expenses and cost center expenses, schedules of state earnings, revenues, and funding sources, and bed day availability.

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES- SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES -
PART II
FOR THE YEAR ENDED JUNE 30, 2020

Part II: Expense Categories

EXPENSE CATEGORIES	Case Management	Crisis Stabilization	Crisis Support/Emergency	Outreach	Residential I	Incidental Expenses	Short-term Residential	CSST (Indiv.)	Care Coordination	First Episode Team	Network Eval. & Delout.	Transition Voucher	CAT Team	FACT Team	Provider Proviso Projects	Other Bundled Projects	Mental Health Total	Crisis Support/Emergency	Outreach	Inpatient Detoxification	CCST (Indiv.)	Prevention - Indicated	Prevention - Selective	Prevention - Universal Direct	Care Coordination	Federal Project Grant	
	02	03	04	15	18	28	39	44	A4	A5	B1	B2	B4	B5	B6	C0	B	04	15	24	44	48	49	50	A4	A7	
IIA. PERSONNEL EXPENSES																											
(1) Salaries	\$ 72,642	\$ 3,353,212	\$ 2,198,202	\$ 30,869	\$ 256,345	\$ -	\$ 1,328,510	\$ 578,785	\$ 55,981	\$ 570,616	\$ -	\$ -	\$ 789,457	\$ 1,524,866	\$ 270,005	\$ 370,044	\$ 11,399,534	\$ 34,212	\$ 9,632	\$ 1,062,302	\$ 92,962	\$ 10,921	\$ 249,631	\$ 95,607	\$ 10,562	\$ 51,386	
(2) Fringe Benefits	16,843	558,259	355,071	5,620	43,030	-	225,779	112,519	10,191	109,377	-	-	154,035	301,324	47,570	63,855	2,003,433	6,533	1,754	180,102	18,747	1,881	42,994	16,467	1,923	7,338	
TOTAL PERSONNEL EXPENSES =	89,485	3,911,470	2,553,274	36,489	299,375	-	1,554,289	691,304	66,172	679,943	-	-	943,492	1,826,190	317,575	433,899	13,402,957	40,744	11,386	1,242,403	111,710	12,802	292,625	112,074	12,484	59,224	
IIIB. OTHER EXPENSES																											
(1) Building Occupancy	925	204,128	46,262	434	31,723	-	133,766	16,033	787	29,877	-	-	15,812	36,236	15,372	8,714	540,070	485	135	73,701	3,803	116	2,646	1,013	149	595	
(2) Professional Services	-	13,757	1,998	2	5,381	-	5,241	-	5	-	-	-	-	-	312	-	26,696	-	1	11,109	-	-	-	-	1	-	
(3) Travel	-	1,690	12	427	7	-	2,349	3,531	774	665	-	-	3,319	1,520	130	1,702	16,126	-	133	591	-	131	3,004	1,151	146	163	
(4) Equipment	-	23,199	5,638	-	1,562	-	8,148	411	-	17	-	-	233	2,002	1,843	171	43,225	4	-	7,559	30	-	-	-	-	-	
(5) Food Services	-	217,103	1,986	-	14,511	-	99,590	127	-	304	-	-	213	3,466	18,335	26	355,661	14	-	60,902	41	-	-	-	-	5	
(6) Medical and Pharmacy	-	190,033	30,235	-	5,491	-	54,187	-	-	6	3,000	-	308	14,538	13,218	1,919	312,936	-	-	45,384	-	-	-	-	-	371	
(7) Subcontracted Services	-	36,825	112,213	-	-	-	546	-	-	16,800	-	-	-	39,480	-	155	206,019	-	-	11,368	-	-	-	-	-	-	
(8) Insurance	294	39,501	15,085	561	2,382	-	12,969	6,928	1,017	4,416	-	-	4,446	12,531	3,074	6,060	109,265	202	175	13,416	602	58	1,333	510	192	109	
(9) Interest Paid	-	96,033	18,122	-	-	-	-	-	-	-	-	-	-	157	7,260	-	121,573	-	-	34,431	-	-	-	-	-	-	
(10) Operating Supplies & Expenses	11	110,455	17,011	27	11,497	-	44,786	2,553	48	6,029	-	-	8,920	12,705	8,720	7,669	230,432	233	8	36,471	737	282	6,437	2,466	9	1,451	
(11) Other-Bad Debt	1,475	159,765	31,804	9,219	8,480	586,189	23,145	74,411	16,719	24,177	-	23,892	61,545	411,075	14,437	97,135	1,543,467	2,250	2,877	30,039	11,980	174	3,972	1,521	3,154	17,187	
(12) Donated Items	-	10,953	-	-	5,132	-	-	-	-	-	-	-	-	-	-	-	16,085	-	-	10,953	-	-	-	-	-	-	
TOTAL OTHER EXPENSES =	2,705	1,103,443	280,367	10,670	86,168	586,189	384,726	103,995	19,350	82,290	3,000	23,892	94,796	533,711	82,702	123,551	3,521,534	3,187	3,329	335,923	17,192	761	17,392	6,661	3,651	19,882	
TOT. PERSONNEL & OTH. EXP. =	92,190	5,014,913	2,833,640	47,159	385,543	586,189	1,939,015	795,299	85,522	762,233	3,000	23,892	1,038,288	2,359,901	400,276	557,450	16,924,511	43,931	14,715	1,578,326	128,902	13,562	310,017	118,735	16,135	79,106	
IIIC. DISTRIBUTED INDIRECT COSTS																											
(a) Other Support Costs (Optional)	5,544	305,395	173,233	2,432	23,537	-	118,265	47,129	4,411	46,533	-	-	63,386	178,071	24,330	33,986	1,026,252	2,698	759	96,679	7,918	828	18,926	7,249	832	4,843	
(b) Administration	6,911	380,358	215,931	3,039	29,339	-	147,420	58,703	5,510	58,005	-	-	79,012	221,970	30,393	42,323	1,278,914	3,371	948	120,771	9,891	1,032	23,592	9,036	1,040	6,050	
TOT. DISTR'D INDIRECT COSTS =	12,455	685,753	389,164	5,471	52,876	-	265,685	105,832	9,922	104,538	-	-	142,398	400,041	54,722	76,309	2,305,166	6,069	1,707	217,449	17,809	1,860	42,519	16,284	1,872	10,894	
TOTAL ACTUAL OPER. EXPENSES =	\$ 104,645	\$ 5,700,666	\$ 3,222,804	\$ 52,630	\$ 438,419	\$ 586,189	\$ 2,204,700	\$ 901,131	\$ 95,444	\$ 866,771	\$ 3,000	\$ 23,892	\$ 1,180,686	\$ 2,759,942	\$ 454,998	\$ 633,758	\$ 19,229,677	\$ 50,000	\$ 16,422	\$ 1,793,442	\$ 146,711	\$ 15,422	\$ 352,536	\$ 135,020	\$ 18,007	\$ 90,000	
IIID. UNALLOWABLE COSTS	\$ 1,375	\$ 9,567	\$ 731	\$ -	\$ -	\$ -	\$ 1,800	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575	\$ -	\$ -	\$ 16,548	\$ -	\$ -	\$ 2,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOT. ALLOWABLE OPER. EXP. =	\$ 103,270	\$ 5,691,099	\$ 3,222,073	\$ 52,630	\$ 438,419	\$ 586,189	\$ 2,202,900	\$ 898,631	\$ 95,444	\$ 866,771	\$ 3,000	\$ 23,892	\$ 1,180,686	\$ 2,759,367	\$ 454,998	\$ 633,758	\$ 19,213,129	\$ 50,000	\$ 16,422	\$ 1,793,442	\$ 146,711	\$ 15,422	\$ 352,536	\$ 135,020	\$ 18,007	\$ 90,000	
IIIE. CAPITAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided D	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, whichever is greater) I
Children's Mental Health	Crisis Stabilization Unit	\$ 427	4,962	2,034	2,928	\$ 1,246,840	\$ 1,250,256	\$ -
Adult Mental Health	Crisis Stabilization Unit	\$ 427	5,029	753	4,276	\$ 1,821,977	\$ 1,825,639	\$ -
Adult Mental Health	Short Term Residential-SFBHN	\$ 257	10,600	5,110	5,490	\$ 1,409,210	\$ 1,411,534	\$ -
Adult Mental Health	Short Term Residential-BBHC	\$ 257	10,600	5,481	5,119	\$ 1,313,832	\$ 1,316,146	\$ -
Total Amount Owed to Department =								\$ -

See accompanying note to the statement of functional expenses and cost center expenses, schedules of state earnings, revenues, and funding sources, and bed day availability.

CITRUS HEALTH NETWORK, INC.

NOTES TO THE SCHEDULE OF STATE EARNINGS, SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES – SUBSTANCE ABUSE AND MENTAL HEALTH, AND SCHEDULE OF BED DAY AVAILABILITY PAYMENTS FOR THE YEAR ENDED JUNE 30, 2020

GENERAL

The Statement of Schedule of State Earnings, Revenues and Funding Sources, and Bed Day Availability Payments were prepared in accordance with the requirements in the South Florida Behavioral Network Contract ME-225-10-08 and 34882-17-5.