

**ASPIRE HEALTH PARTNERS, INC. AND AFFILIATES**  
**Consolidated Financial Statements**  
**June 30, 2021 and 2020**  
**With Independent Auditor's Report**

**Aspire Health Partners, Inc. and Affiliates**  
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**June 30, 2021 and 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Aspire Health Partners, Inc. and Affiliates:

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Aspire Health Partners, Inc. and Affiliates (the "Organization") which comprise the consolidated statements of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 consolidated financial statements are free from material misstatement.

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

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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aspire Health Partners, Inc. and Affiliates as of June 30, 2021, 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

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position and activities and changes in net assets, program/cost center actual revenues and expenses schedule, schedules of state earnings, bed-day availability payments, related-party transaction adjustments, and schedule of expenditures of federal awards, 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* (“Uniform Guidance”), are presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### *Successor Auditor*

The consolidated financial statements of the Organization for the year ended June 30, 2020 were audited by another auditor whose report dated November 24, 2020 expressed an unmodified opinion on those consolidated financial statements. We were not engaged to audit, review, or apply any procedures to the 2020 consolidated financial statements of the Organization and, accordingly, we do not express an opinion or any other form of assurance on the 2020 consolidated financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the Organization’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 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 Organization’s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

December 15, 2021

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statements of Financial Position**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 21,993,832	\$ 21,961,867
Cash and cash equivalents - designated for capital replacement	747,828	993,291
Short-term investments	203,049	399,143
Accounts receivable	10,759,900	10,186,890
Pharmacy inventory	742,828	691,080
Other current assets	<u>483,831</u>	<u>745,052</u>
Total current assets	<u>34,931,268</u>	<u>34,977,323</u>
Noncurrent assets		
Notes receivable	4,034,400	4,034,400
Investments - designated for capital replacement	24,026,090	20,477,012
Property, buildings, and equipment, net	37,372,401	38,037,472
Other assets	<u>292,717</u>	<u>288,225</u>
Total noncurrent assets	<u>65,725,608</u>	<u>62,837,109</u>
Total assets	<u>\$ 100,656,876</u>	<u>\$ 97,814,432</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,073,102	\$ 3,177,577
Accrued salaries and benefits	4,021,506	4,034,260
Current portion of deferred payroll taxes	202,734	-
Current portion of long-term debt	2,988,684	2,009,244
Current portion of unearned grant revenue	<u>612,852</u>	<u>868,874</u>
Total current liabilities	<u>10,898,878</u>	<u>10,089,955</u>
Noncurrent liabilities		
Interest rate swaps	522,512	783,242
Other liabilities	1,712,390	972,234
Unearned grant revenue, less current portion	190,235	1,399,286
Deferred payroll taxes, less current portion	163,939	427,691
Refundable advances	478,937	540,308
Long-term debt, less current portion and unamortized discount and issuance costs	<u>12,194,904</u>	<u>14,303,157</u>
Total noncurrent liabilities	<u>15,262,917</u>	<u>18,425,918</u>
Total liabilities	<u>26,161,795</u>	<u>28,515,873</u>
Net assets		
Without donor restrictions	71,208,054	65,561,699
With donor restrictions	<u>3,287,027</u>	<u>3,736,860</u>
Total net assets	<u>74,495,081</u>	<u>69,298,559</u>
Total liabilities and net assets	<u>\$ 100,656,876</u>	<u>\$ 97,814,432</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statements of Activities and Changes in Net Assets**  
**Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Revenues and support</b>		
Support		
Contributions, donations, and other support	\$ 134,275	\$ 93,964
In-kind support	312,042	303,042
Net assets released from restrictions	449,833	548,504
Total support	<u>896,150</u>	<u>945,510</u>
Revenues		
Client service revenue	29,408,655	29,857,723
Grant and contract revenue	70,686,149	69,121,265
Investment return	3,476,113	930,945
Rental and other income	580,245	1,368,618
Total revenue	<u>104,151,162</u>	<u>101,278,551</u>
Total revenues and support	<u>105,047,312</u>	<u>102,224,061</u>
<b>Expenses</b>		
Salaries	47,373,455	48,603,044
Medical and pharmacy	14,788,921	14,357,805
Employee benefits	11,334,197	8,742,261
Professional fees	6,115,879	8,342,180
Building occupancy	4,855,802	5,170,219
Depreciation	3,109,238	3,479,046
Food services	1,773,766	2,665,862
Direct client care	3,306,752	2,558,854
Other	2,095,744	1,506,555
Equipment costs	1,461,615	2,306,409
Insurance	1,987,743	1,331,373
Operating supplies	830,675	817,630
Interest expense	523,287	540,032
Travel	104,613	371,642
Total expenses	<u>99,661,687</u>	<u>100,792,912</u>
Income from operations	5,385,625	1,431,149
Change in fair value of interest rate swaps	<u>260,730</u>	<u>(186,484)</u>
Change in net assets without donor restrictions	5,646,355	1,244,665
Net assets released from restrictions	<u>(449,833)</u>	<u>(548,504)</u>
Change in net assets with donor restrictions	<u>(449,833)</u>	<u>(548,504)</u>
<b>Change in net assets</b>	5,196,522	696,161
<b>Net assets</b>		
Beginning of year	<u>69,298,559</u>	<u>68,602,398</u>
End of year	<u>\$ 74,495,081</u>	<u>\$ 69,298,559</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	<b>Program Activities</b>						
	<u>Residential Licensed</u>	<u>Inpatient Services</u>	<u>CSU/ARF</u>	<u>Housing</u>	<u>Outpatient Services</u>	<u>Crisis Support Emergency</u>	<u>Prevention, Intervention &amp; Outreach</u>
Salaries and related costs	\$ 6,529,011	\$ 4,254,664	\$ 10,141,706	\$ 1,717,639	\$ 14,852,122	\$ 3,651,407	\$ 3,765,150
Other operating costs	2,416,068	1,141,353	1,107,377	1,405,317	5,921,551	425,847	298,767
Medical and pharmacy	129,718	495,671	2,343,653	18,389	2,024,856	36,080	3,246
Professional services	163,404	765,920	3,036,499	43,097	349,953	329,997	309,079
Food services	360,302	389,851	425,863	558,530	2,890	27,299	1,475
Insurance	242,125	89,751	213,256	133,133	537,118	51,097	85,034
Interest expense	-	-	-	-	291,925	-	-
Travel	9,458	490	10,891	105	49,332	817	5,493
	<u>\$ 9,850,086</u>	<u>\$ 7,137,700</u>	<u>\$ 17,279,245</u>	<u>\$ 3,876,210</u>	<u>\$ 24,029,747</u>	<u>\$ 4,522,544</u>	<u>\$ 4,468,244</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Program Activities			Program Subtotal	Supporting Activities	Total Expenses
	FACT & CAT Teams	Pharmacy	Other		Administrative Services	
Salaries and related costs	\$ 2,331,331	\$ 941,421	\$ 4,689,662	\$ 52,874,113	\$ 5,833,539	\$ 58,707,652
Other operating costs	550,359	170,835	815,279	14,252,753	1,407,073	15,659,826
Medical and pharmacy	38,658	9,670,053	22,196	14,782,520	6,401	14,788,921
Professional services	19,753	81,676	224,865	5,324,243	791,636	6,115,879
Food services	555	-	-	1,766,765	7,001	1,773,766
Insurance	60,096	7,111	517,104	1,935,825	51,918	1,987,743
Interest expense	-	-	231,362	523,287	-	523,287
Travel	10,558	592	11,595	99,331	5,282	104,613
	<u>\$ 3,011,310</u>	<u>\$ 10,871,688</u>	<u>\$ 6,512,063</u>	<u>\$ 91,558,837</u>	<u>\$ 8,102,850</u>	<u>\$ 99,661,687</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	<b>Program Activities</b>						
	<b>Residential Licensed</b>	<b>Inpatient Services</b>	<b>CSU/ARF</b>	<b>Housing</b>	<b>Outpatient Services</b>	<b>Crisis Support Emergency</b>	<b>Prevention, Intervention &amp; Outreach</b>
Salaries and related costs	\$ 6,137,602	\$ 4,064,575	\$ 11,105,349	\$ 1,718,349	\$ 14,477,246	\$ 3,397,682	\$ 3,510,472
Other operating costs	2,370,742	987,128	1,663,289	1,500,573	5,521,596	395,086	352,411
Medical and pharmacy	155,030	467,886	1,399,515	17,110	2,154,064	30,924	4,060
Professional services	318,677	1,236,057	3,378,319	31,076	1,454,744	383,867	202,764
Food services	545,733	395,588	1,146,388	414,337	71,676	59,652	1,005
Insurance	172,390	70,289	166,986	100,419	255,629	38,004	66,912
Interest expense	-	-	-	-	286,320	-	-
Travel	13,296	539	29,127	4,892	164,392	3,511	33,027
	<u>\$ 9,713,470</u>	<u>\$ 7,222,062</u>	<u>\$ 18,888,973</u>	<u>\$ 3,786,756</u>	<u>\$ 24,385,667</u>	<u>\$ 4,308,726</u>	<u>\$ 4,170,651</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	Program Activities			Program Subtotal	Supporting Activities	Total Expenses
	FACT & CAT Teams	Pharmacy	Other		Administrative Services	
Salaries and related costs	\$ 1,926,734	\$ 914,884	\$ 4,741,582	\$ 51,994,475	\$ 5,350,830	\$ 57,345,305
Other operating costs	616,046	183,311	700,938	14,291,120	1,547,593	15,838,713
Medical and pharmacy	24,074	10,085,139	13,679	14,351,481	6,324	14,357,805
Professional services	5,047	50,446	380,358	7,441,355	900,825	8,342,180
Food services	9,097	-	-	2,643,476	22,386	2,665,862
Insurance	47,056	5,567	353,060	1,276,312	55,061	1,331,373
Interest expense	-	-	253,712	540,032	-	540,032
Travel	47,770	597	21,636	318,787	52,855	371,642
	<u>\$ 2,675,824</u>	<u>\$ 11,239,944</u>	<u>\$ 6,464,965</u>	<u>\$ 92,857,038</u>	<u>\$ 7,935,874</u>	<u>\$ 100,792,912</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating activities</b>		
Change in net assets	\$ 5,196,522	\$ 696,161
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,109,238	3,479,046
Amortization of debt issuance costs to interest expense	40,241	42,469
Amortization of bond discount to interest expense	4,521	4,474
Gain on sale of property, buildings, and equipment	(9,584)	-
Change in fair value of interest rate swaps	(260,730)	186,484
Change in unrealized return on investments	(2,181,189)	(25,711)
Changes in operating assets and liabilities		
Accounts receivable	(573,011)	1,771,068
Pharmacy inventory	(51,746)	(140,019)
Other assets	256,727	77,209
Accounts payable and accrued expenses	(104,475)	54,785
Accrued salaries and benefits	151,185	(769,546)
Other liabilities	740,156	(136,746)
Unearned revenue	-	444,021
Unearned grant revenue	(1,465,073)	1,399,286
Deferred payroll taxes	(224,957)	427,691
Refundable advances	(61,371)	540,308
Net cash provided by operating activities	<u>4,566,454</u>	<u>8,050,980</u>
<b>Investing activities</b>		
Change in investments	(1,171,794)	(713,607)
Change in assets whose use is limited	-	(9,225)
Proceeds from sale of property, buildings, and equipment	38,641	-
Purchases of property, buildings, and equipment	<u>(2,473,224)</u>	<u>(1,789,773)</u>
Net cash used in investing activities	<u>(3,606,377)</u>	<u>(2,512,605)</u>
<b>Financing activities</b>		
Payments on long term debt	<u>(1,173,575)</u>	<u>779,552</u>
Net cash provided by (used in) financing activities	<u>(1,173,575)</u>	<u>779,552</u>
Net change in cash and cash equivalents	(213,498)	6,317,927
<b>Cash and cash equivalents</b>		
Beginning of year	<u>22,955,158</u>	<u>16,637,231</u>
End of year	<u>\$ 22,741,660</u>	<u>\$ 22,955,158</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

# Aspire Health Partners, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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#### 1. NATURE OF ORGANIZATION

Aspire Health Partners, Inc. (“AHP”) and Affiliates (the “Organization”) is a not-for-profit behavioral healthcare system providing inpatient, clinical outpatient, rehabilitative, residential services and comprehensive mental health, and substance abuse treatment services. Its mission is to provide the people of Central Florida with compassionate, comprehensive, and cost-effective behavioral healthcare services that lead to successful living and healthy, responsible lifestyles.

AHP’s controlled affiliates include:

Lakeside Place, Inc. (“Lakeside Place”), which owns and operates an 18-unit residential facility for persons with disabilities. Financing for the construction of the building was obtained from the U.S. Department of Housing and Urban Development (“HUD”).

Aspire Health Partners Foundation, Inc. (the “Foundation”), is a charitable foundation established for the purpose of providing financial support to AHP and its programs.

T. D. Associates, Inc. (“TD”), currently primarily operates for the purpose of acquiring and leasing property to and generally supporting AHP and its programs.

Aspire Health Partners Properties, Inc. (“AHP-P”) engages in property acquisition and other fundraising activities on behalf of AHP’s programs.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Consolidation**

These consolidated financial statements include the accounts of AHP, Lakeside Place, the Foundation, TD and AHP-P, which are each affiliated with AHP through common management and control. All significant inter-organization accounts and transactions have been eliminated in the consolidation of the financial statements.

##### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). According to GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions. These assets may, however, be subject to Board designation. At June 30, 2021 and 2020, net assets without donor restrictions include funds designated by the Board of Directors for capital replacement and other purposes of approximately \$13,889,000 and \$14,743,000, respectively.

**Net Assets With Donor Restrictions:** Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization or by the passage of time, or endowments which neither expire by the passage of time or can be fulfilled or removed by actions of the Organization. At June 30, 2021 and 2020, there were no assets subject to permanent donor restrictions.

##### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**Functional Allocation of Expenses**

The Organization's policy is to allocate indirect costs between various departments based on labor hours, square footage, or other criteria. Personnel expenses are allocated based on labor hours. Maintenance and repairs, telecommunications, contracted services, depreciation and other expenses are allocated based on both labor hours and square footage.

**Cash and Cash Equivalents**

The Organization considers all unrestricted, highly liquid investments with a maturity of three months or less when purchased, except those classified as assets whose use is limited, to be cash equivalents.

**Cash and Cash Equivalents – Designated for Capital Replacement**

Cash and cash equivalents – designated for capital replacement represent amounts held aside for capital replacement projects as designated by the Board of directors.

**Accounts Receivable**

Accounts receivable are recognized at the amount that management expects to be collected based on established collection history using a payor specific portfolio approach and review of individual balances. Amounts that are not expected to be received representing contractual adjustments and implicit price concessions are recognized as a reduction to the related revenue. The Organization recognizes a separate allowance only when it determines there has been an unforeseeable change in the patient's, or resident's and/or their third-party payor's ability to pay subsequent to the delivery of services. These balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. There is no allowance recorded at June 30, 2021 or 2020.

The following is an approximated summary of accounts receivable at June 30:

	<u>2021</u>	<u>2020</u>
Payor Type		
Federal, state, local and other grantors and agencies	\$ 8,136,000	\$ 6,900,000
Managed care providers	978,000	1,368,000
Clients and other third party	768,000	1,113,000
Medicare	392,000	391,000
Other payors	446,000	263,000
Medicaid	40,000	152,000
Total accounts receivable	<u>\$ 10,760,000</u>	<u>\$ 10,187,000</u>

**Pharmaceutical Inventory**

Purchased pharmaceuticals are recorded in inventory at the lower of cost, determined using the first-in, first-out method, or net realizable value.

AHP also receives significant quantities of pharmaceuticals from donors who specify that they be dispensed only to specific clients. AHP has no discretion to dispense these drugs to other than the specified beneficiary clients. Accordingly, AHP does not record contribution income or related expenses for these transactions where it operates only as an agent between the donor and the specified beneficiary. Pharmaceuticals valued at approximately \$2,984,000 and \$2,949,000 were received from these donors during the years ended June 30, 2021 and 2020, respectively.

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**Investments**

Investments are reported on the consolidated statements of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined using the quoted closing or latest bid prices. Alternative investments are reported at fair value using the net asset value per share. Realized gains and losses are calculated based on proceeds received, less carrying value. The carrying value of securities sold is determined using the specific-identification method. Changes in net unrealized gains and losses represent the change in fair value of investments holdings during the period. Assets not restricted are included in short-term investments on the accompanying statements of financial position due to their ability to be liquidated. Investments - designated for capital replacement are considered long-term assets and are restricted for use in long-term capital projects.

**Property, Buildings, and Equipment**

Property, buildings, and equipment with an acquisition value in excess of \$1,000 are recorded at cost or, if donated, at estimated fair value on the date of donation. Depreciation is provided using the straight-line method over the estimated useful life of each class of depreciable asset ranging from 3 to 40 years.

Property, buildings, and equipment, and other long-lived assets are reviewed for impairment whenever changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized. No impairment losses were recognized during the years ended June 30, 2021 and 2020.

**Debt Issuance Costs**

Costs of obtaining long-term financing are netted against the related debt and are being amortized over the debt's term (see Note 5). Amortization of debt issuance costs is included in interest expense in the consolidated statements of activities and changes in net assets, and functional expenses. Debt issuance costs of approximately \$1,078,000 are presented, net of accumulated amortization of approximately \$289,000 and \$242,000, at June 30, 2021 and 2020, respectively. Amortization of debt issuance costs was approximately \$40,000 and \$42,000 for the years ended June 30, 2021 and 2020, respectively.

**Unearned Grant Revenue**

Grants received in advance of the expenditures incurred are recorded as unearned grant revenue. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the consolidated statements of financial position.

**Refundable Advances**

During the year ended June 30, 2020, the Organization received approximately \$540,000 of Medicare advance payments through the Medicare Accelerated and Advance Payment Program. Refundable advances represent remaining amounts owed under the advance program and is further described in Note 8.

**Revenue Recognition**

Revenue is primarily derived from services rendered to patients for inpatient psychiatric and substance abuse care, outpatient psychiatric care and residential treatment. The services provided by the Organization have no fixed duration and can be terminated by the patient or the facility at any time, and therefore, each treatment is its own stand-alone contract. Services ordered by a healthcare provider in an episode of care are not separately identifiable and therefore have been combined into a single performance obligation for each contract. The Organization recognizes revenue as its performance obligations are satisfied. The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits of the healthcare services provided. For inpatient services, the Organization recognizes revenue equally over the patient stay on a daily basis. For outpatient services, the Organization recognizes revenue equally over the number of treatments provided in a single episode of care. Typically, patients and third-party payors are billed within several days of the service being performed or the patient being discharged, and payments are due based on contract terms.

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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The Organization recognizes the amount of revenue it expects to collect over the period in which its performance obligations are met, net of implicit price concessions. Implicit price concessions represent the difference between amounts billed and amounts expected to be collected. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections. Revenues related to uninsured patients (including self-pay portions of coinsurance and uncompensated care) are the principal source of implicit price concessions. Estimated implicit price concessions of approximately \$2,611,377 and \$236,000 were recorded as a reduction to revenue for the years ended June 30, 2021 and 2020, respectively. Subsequent changes resulting from a patient's ability to pay are recorded as bad debt expense, which is included as a component of other operating expenses in the consolidated statements of activities and changes in net assets.

*Client Service Revenue*

Client service revenue is reported at the estimated net realizable amounts from residents, clients, third-party payors, and others at the time services are rendered. The Organization receives payments from the following sources for services rendered: (i) Florida state government under Florida Medicaid and other programs; (ii) commercial insurers; (iii) the federal government under the Medicare program administered by the Centers for Medicare and Medicaid Services ("CMS"); and (iv) individual patients and clients.

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from established rates. Payment arrangements include reimbursed costs, discounted charges, and per diem payments. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are included in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in future periods as final settlements are determined.

Charity care services are provided to clients who qualify under the criteria established by a state substance abuse and mental health contract. The charges foregone for services and supplies furnished under the Organization's charity care methodology for each of the years ended June 30, 2021 and 2020 was approximately \$5,334,000.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are most affected by payor mix.

*Grant and Contract Revenues*

AHP regularly receives grants of cash or assets. AHP makes a determination whether such grants constitute an exchange transaction or represent a contribution subject to conditions and restrictions. If it is an exchange transaction, the transaction is then accounted for under ASC 606 as services are provided, as expenditures are made, or as assets are consumed, which are all dependent upon the terms of the grant. Contributions subject to conditions are initially recorded as a liability and subsequently transferred to income as barriers to keeping the contributed assets are overcome through compliance with the arrangement's terms and conditions. Unearned grant revenue were approximately \$803,000 and \$2,265,000 at June 30, 2021 and 2020, respectively.

*Rental Revenue*

Rental revenue is recorded using the accrual method in the period in which occupancy rights and services are provided. Performance obligations are generally satisfied over a month or portion thereof based on length of occupancy, excluding net assets released from restrictions.

*Contributions*

Contributions are recorded at their estimated fair values on the date of receipt or when the donor makes an unconditional promise to give.

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Contributions are considered to be available for use unless specifically restricted by the donor. Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as an increase in net assets with donor restrictions. When a restriction is satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions in that period.

Numerous individuals volunteer their time and effort in support of AHP and its mission. When the Organization would ordinarily have had to pay for these services and there is an objectively determinable basis for measuring the cost that would have been paid, the Organization records the value of the volunteered services as support and expense in the period the services were provided. Otherwise, the volunteered services are not recorded. There were no volunteer services recorded during the years ended June 30, 2021 and 2020.

The Organization received donated use of facilities, which is necessary to support certain programs. Such support and the associated expenses are valued at their estimated fair value. The fair value of the donated use of facilities totaled approximately \$312,000 and \$303,000 for the years ended June 30, 2021 and 2020, respectively, and has been recorded as in-kind support in the accompanying consolidated statements of activities and changes in net assets.

The approximate composition of revenue and support is as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Payor Type		
Florida Department of Children and Families	\$ 40,322,000	\$ 40,298,000
Federal, state, local and other grantors and agencies	30,364,000	28,823,000
Managed care providers	13,255,000	11,964,000
Medicare	10,033,000	10,697,000
Clients and other third party	5,418,000	6,343,000
Investments and miscellaneous	3,926,000	2,031,000
Medicaid	703,000	853,000
Tenants	580,000	818,000
Donors	446,000	397,000
Total revenues and support	<u>\$ 105,047,000</u>	<u>\$ 102,224,000</u>

**Income Taxes**

AHP and each of its affiliates have been recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Accordingly, income earned in furtherance of their tax-exempt purposes is exempt from federal and state income taxes. Income from certain of the Organization's rental activities may be deemed unrelated to its tax-exempt purpose and, therefore, may be taxable. However, taxes on unrelated business activities have not been material to the consolidated financial statements.

GAAP prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Network in its tax returns. The Organization's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the IRC, the sustainability of some income tax positions taken by the Organization in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Organization has any material uncertain tax positions at September 30, 2020.

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In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

**Reclassifications**

Certain reclassifications have been made to the 2020 consolidated financial statements to conform to the 2021 presentation, and those reclassifications had no effect on the total assets, total liabilities or changes in net assets.

**Subsequent Events**

Management has evaluated subsequent events through December 15, 2021, the date the consolidated financial statements were available to be issued. Based on this evaluation, except as disclosed, no events or transactions have occurred that would require adjustment to, or disclosure in, the consolidated financial statements.

**3. INVESTMENTS**

The composition of investments at June 30 is as follows:

	<b>2021</b>	
	<u>Fair Value</u>	<u>Cost</u>
Equities	\$ 10,552,927	\$ 7,488,675
Fixed income	9,739,923	9,540,744
Mutual funds	3,034,065	2,788,731
Strategy funds	872,412	811,015
Real estate funds	<u>29,812</u>	<u>24,388</u>
	24,229,139	<u>\$ 20,653,553</u>
Less: Current portion (maturing within 12 months)	<u>(203,049)</u>	
Total long-term portion	<u>\$ 24,026,090</u>	
	<b>2020</b>	
	<u>Fair Value</u>	<u>Cost</u>
Equities	\$ 7,395,123	\$ 6,363,378
Fixed income	8,683,519	8,343,102
Mutual funds	3,331,838	3,271,057
Strategy funds	600,794	596,559
U.S. Government obligations	510,625	500,700
Certificates of deposit	256,032	256,032
Real estate funds	<u>98,224</u>	<u>170,130</u>
	20,876,155	<u>\$ 19,500,958</u>
Less: Current portion (maturing within 12 months)	<u>(399,143)</u>	
Total long-term portion	<u>\$ 20,477,012</u>	

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Total investment return for the years ended June 30 is approximately as follows:

	<u>2021</u>	<u>2020</u>
Dividend and interest income, less fees (of approximately \$142,000 in 2021 and \$126,000 in 2020)	\$ 480,000	\$ 613,000
Change in net unrealized investment gains	2,181,000	26,000
Net realized gains	<u>815,000</u>	<u>292,000</u>
	<u>\$ 3,476,000</u>	<u>\$ 931,000</u>

FASB ASC 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

*Level 2* - Inputs to the valuation methodology include:

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

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

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

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

The following are descriptions of the valuation methodologies used for investments measured at fair value:

Equity securities, exchange-traded certificates of deposit, U.S. Government obligations, mutual funds, and strategy funds are valued at the closing price reported on the most active market on which the individual securities and funds are traded (Level 1).

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings (Level 2).

Interest rate swaps are valued based on quoted data from the counterparty or swap consultant, derived with mathematical approximations of indirectly observable market data (Level 2).

The real estate funds are alternative investments valued at their net asset value per share as a practical expedient and, accordingly, are excluded from the fair value hierarchy.

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The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**4. PROPERTY, BUILDINGS, AND EQUIPMENT, NET**

Property, buildings, and equipment, net, are comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 7,625,827	\$ 7,625,827
Buildings and improvements	65,300,334	63,507,397
Furniture, equipment and vehicles	<u>11,700,349</u>	<u>10,360,895</u>
	84,626,510	81,494,119
Less: Accumulated depreciation	<u>(47,399,858)</u>	<u>(44,273,853)</u>
	37,226,652	37,220,266
Construction in progress	<u>145,749</u>	<u>817,206</u>
Total property, buildings and equipment, net	<u>\$ 37,372,401</u>	<u>\$ 38,037,472</u>

Depreciation and amortization expense was approximately \$3,100,000 and \$3,500,000 for the years ended June 30, 2021 and 2020, respectively. During the year ended June 30, 2020, the Organization changed its estimated useful life for several of the asset classes, accordingly the change has been accounted for prospectively. The change in estimated lives resulted in an increase in depreciation expense by approximately \$500,000.

**5. BORROWING ARRANGEMENTS AND OBLIGATIONS**

**Bonds**

In July 2008, the Organization issued Orange County Health Facilities Authority, Health Facility Variable Revenue and Refunding Bonds (“Series 2008 Bonds”) in the amount of \$16,220,000. Proceeds of the issuance were used for the defeasance of previous bonds, to pay off financial institution term loans, the funding of certain capital projects, and to pay certain costs of issuance.

The Series 2008 Bonds are due annually on July 1 through July 2027 and accrue interest at a variable rate determined weekly by the remarketing agent. The Indenture of Trust includes provisions for periodically adjusting the interest rate on the Series 2008 Bonds.

**Term Loan**

In November 2015, the Organization entered into a \$2,200,000 term loan agreement (the “Term Loan”) with a financial institution. The Organization used the loan proceeds to repay the outstanding balance on its existing construction loan in connection with its administrative building. The Term Loan is collateralized by real property. The Term Loan has a 4.39% interest rate and requires monthly principal and interest payments of \$21,925 until maturity in November 2025. The outstanding balance on the Term Loan was approximately \$1,053,000 and \$1,264,000 at June 30, 2021 and 2020, respectively.

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**PPP Loan**

In May 2020, the Organization secured a Small Business Administration loan from Seaside National Bank & Trust under the Payment Protection Program (“PPP Loan”) in the amount of \$10,000,000. The loan accrues interest at 1% annually and matures May 2022. On May 18, 2020, the Organization repaid approximately \$8,108,000 of the PPP Loan. The outstanding principal and interest of the PPP loan may qualify for full forgiveness if the funds are used for the approved purposes which include certain payroll and administrative costs. At September 30, 2020, management believes it will qualify for full forgiveness.

Subsequent to June 30, 2021, the Organization was informed that its application for forgiveness of \$1,891,690 of the PPP Loan was approved, and accordingly will record forgiveness of debt in the fiscal year 2022.

**New Market Tax Credit (“NMTC”) Loans**

During fiscal year 2017, the Organization obtained financing for construction and improvement of its real estate through the utilization of a New Market Tax Credit (“NMTC”) program under Section 45D of the IRC. NMTC program loans are intended to help finance the acquisition and expansion of certain qualified low-income community real property at a low interest rate and with the potential for future debt forgiveness. The terms of the NMTC financing provided, among other things, for loan proceeds of approximately \$5,940,000, bearing a fixed rate of approximately 2.5%. The borrowings are to be repaid in annual principal payments commencing in 2023 through maturity in 2046. In connection with the financing, the Organization made a leveraged loan to the NMTC lender, evidenced by a note receivable in the amount of \$4,034,400, which bears interest at a fixed rate of approximately 3.4%, and matures in lockstep with the repayment of the NMTC borrowings. The excess of the NMTC loan proceeds over the leverage loan approximates the value of the tax credits generated by the transaction. The Organization is required to maintain compliance with the regulations of the NMTC program for the initial seven-year period, after which there is a put/call option with a nominal exercise price that, if exercised, allows the Organization to acquire control of the NMTC lender and results in substantial cancelation of both the loan receivable and the loan payable.

The Organization’s net long-term debt arrangements consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Series 2008 bonds, variable rate (4.21% and 3.94% at June 30, 2021 and 2020, respectively), with interest payable monthly, plus annual principal payments	\$ 7,115,000	\$ 8,075,000
Term loan	1,052,826	1,263,510
Sub-CDE loan A	4,034,400	4,034,400
Sub-CDE loan B	1,905,600	1,905,600
PPP Loan	<u>1,891,690</u>	<u>1,891,690</u>
	15,999,516	17,170,200
Less current portion	<u>(2,988,684)</u>	<u>(2,009,244)</u>
	13,010,832	15,160,956
Less: Unamortized debt issuance costs	(789,086)	(826,436)
Less: Unamortized bond discount	<u>(26,842)</u>	<u>(31,363)</u>
	<u>\$ 12,194,904</u>	<u>\$ 14,303,157</u>

**Aspire Health Partners, Inc. and Affiliates**  
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Aggregate scheduled maturities of long-term debt, excluding forgiven debt, for each of the next five years and thereafter are approximately as follows:

2022	\$ 1,104,752
2023	1,154,595
2024	1,321,667
2025	1,456,091
2026	1,373,383
Thereafter	<u>7,697,338</u>
	<u>\$ 14,107,826</u>

Cash paid for interest for the years ended June 30, 2021 and 2020 was approximately \$446,000 and \$497,000, respectively.

**Capital Advance Arrangements**

The Organization has entered into various grant arrangements with federal, state and local governmental units and other grantors, which provide it the right to use certain property exclusively for specific programs for the benefit of populations with special needs. The arrangements generally provide for the transfer of the property to the Organization, subject to an obligation to use the property for the agreed-upon purpose.

The arrangements generally provide for no payments as long as the Organization is in compliance with the arrangement terms. Capital advance arrangements entered into prior to June 30, 2019 are presented in the consolidated financial statements as income in the period received and are initially classified as net assets with donor restrictions and released to net assets without donor restrictions ratably over the term of the obligation. Capital advance arrangements entered into after June 30, 2019 are initially recorded as a liability and subsequently transferred to income as barriers to keeping the contributed assets are overcome through compliance with the arrangement's terms and conditions. Upon the occurrence or existence of a default under the terms of any of these arrangements, the grantor could exercise remedies, including requiring all amounts advanced to be repaid.

A summary of net assets with donor restrictions by grantor for the years ended June 30 is approximately as follows:

	<u>2021</u>	<u>2020</u>
Housing and Urban Development	\$ 1,362,000	\$ 1,362,000
Orange County	480,000	683,000
Seminole County	515,000	515,000
City of Kissimmee	418,000	418,000
The Brian Foundation of Florida, Inc.	281,000	293,000
U.S. Department of Veteran Affairs	191,000	386,000
State of Florida - Department of Children and Families	<u>40,000</u>	<u>80,000</u>
Total capital advance obligations	<u>\$ 3,287,000</u>	<u>\$ 3,737,000</u>

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
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**6. INTEREST RATE SWAP AGREEMENTS**

The Organization entered into a swap agreement, effective August 2008 (“August Swap”), to hedge against increases in short-term interest rates. The August Swap fixes the rate of interest that the Organization pays on its Series 2008 Bonds at 3.49% and the rate that it receives interest at 67% of LIBOR. The August Swap has certain cancellation options and will expire in July 2027. The notional amount on the August Swap was \$3,082,500 and \$3,605,000 at June 30, 2021 and 2020, respectively. The fair value of the August Swap resulted in liabilities of approximately \$300,000 and \$437,000 at June 30, 2021 and 2020, respectively.

The Organization also entered into a swap agreement, effective December 2008 (“December Swap”), to hedge against increases in short-term interest rates. The December Swap fixes the rate of interest that the Organization pays on its Series 2008 Bonds at 2.18% and the rate that it receives interest at 67% of LIBOR. The December Swap has certain cancellation options and will expire in July 2027. The notional amount on the December Swap was \$4,032,500 and \$4,470,000 at June 30, 2021 and 2020, respectively. The fair value of the December Swap resulted in liabilities of approximately \$223,000 and \$346,000 at June 30, 2021 and 2020, respectively.

The consolidated statements of financial position reflect liabilities of approximately \$523,000 and \$783,000, representing the amount that would have to be paid to terminate the swap agreements at June 30, 2021 and 2020, respectively. Any payments made or received under the swap agreements are reflected as a decrease or increase in interest expense. The change in fair value of the swap agreements is reflected in the consolidated statements of activities and changes in net assets as change in fair value of interest rate swaps of approximately \$261,000 and \$(186,000) for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021, the Organization is exposed to the risk of counterparty nonperformance in the amount of the swap agreements’ fair value; however, counterparty nonperformance is not anticipated.

**7. NOTE RECEIVABLE**

In 2016, the Organization made a leveraged loan of \$4,034,400 to the Sub-Community Development Entity (“Sub-CDE” or the “Borrower”) as part of executing certain financing arrangements to fund a new capital construction expansion project (see Note 5). The note has a 3.43% interest rate and matures on December 31, 2046. Interest payments for the note receivable are paid annually every December.

Interest income for each of the years ended June 30, 2021 and 2020 was approximately \$138,000. Interest income receivable was approximately \$69,000 at June 30, 2021 and 2020.

**8. COMMITMENTS AND CONTINGENCIES**

**Concentrations and Credit Risk**

AHP receives most of its revenues from the Medicaid and Medicare programs, the Substance Abuse and Mental Health (“SAMH”) program administered by the Florida Department of Children and Families, and from various contracts with governmental units. Governmental funding for healthcare programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to service providers like the Organization. Changes in the reimbursement policies of the programs, as a result of legislative and regulatory actions, could adversely affect the Organization’s revenues.

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
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Grant and contract revenues for the years ended June 30 are comprised of the following:

	<u>2021</u>	<u>2020</u>
Florida Department of Children and Families (passed through Central Florida Cares Health System, Inc.)	\$ 40,322,227	\$ 40,297,959
Federal, State, and other contracts	20,086,458	17,220,911
Local government	<u>10,277,464</u>	<u>11,602,395</u>
	<u>\$ 70,686,149</u>	<u>\$ 69,121,265</u>

Financial instruments, which potentially subject AHP to concentrations of credit risk, principally consist of cash and cash equivalents, investments deposited in financial institutions in excess of federally insured limits, assets whose use is limited, interest rate swaps, and accounts receivable. No credit-related losses have been incurred, or are expected, related to deposits in financial institutions. Management believes that the concentrations of credit risk with respect to accounts receivable from governmental programs is mitigated by the taxing authority of the governmental entities funding the programs. Investments in marketable securities are subject to the customary credit and market risks and will fluctuate in value, and those fluctuations may be material.

**Professional Liability Claims**

The Organization is subject to various general liability and medical malpractice claims arising in the course of its operations. The Organization has purchased a commercial, general and professional liability policy based on occurrence. There are claims in various stages of litigation and the outcomes are not predictable with certainty. The consolidated statement of financial position at June 30, 2021 includes an accrual of for claims that management believes is adequate, based on the advice of legal counsel. These matters are subject to many uncertainties and it is possible that ultimate losses could exceed accrued amounts and insurance coverage limits. Such losses, in the event of an unfavorable outcome in these matters, could result in a material adverse effect on the Organization's financial position.

**Employee Benefit Plan**

The Organization has a 403(b) defined-contribution pension plan (the "Plan"), which covers substantially all of its employees. The Plan includes vesting provisions on employer contributions which require participants to be employed for three years to achieve full vesting. Employer contributions are made at the discretion of management, subject to the approval of the Board of Directors, and amounted to approximately \$662,000 and \$373,000 for the years ended June 30, 2021 and 2020, respectively.

**Regulatory Reviews and Settlements**

The Organization maintains various licenses and accreditations issued by regulatory agencies and other bodies. The regulatory agencies and certain third-party payors make periodic reviews of the Organization's compliance with laws and regulations resulting from its licensure and participation in various Substance Abuse and Mental Health, Medicaid, Medicare, Agency for Health Care Administration, and other programs. Management has recorded a provision for estimated regulatory settlements related to these reviews. The laws and regulations governing these programs are complex and are subject to interpretation, and noncompliance can result in significant regulatory action, including fines, penalties, and exclusion from the programs.

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
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**COVID-19**

In 2019, COVID-19 was identified as the cause of a disease outbreak that originated in China. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The effect of COVID-19 on the Organization's operational and financial performance will depend on future developments associated with this disease, which are uncertain and difficult to predict.

The Families First Coronavirus Response Act ("FFCRA") and the Coronavirus Aid, Relief, and Economic Security Act ("CARES") were signed into law on March 18, 2020 and March 27, 2020, respectively, to address the impact of COVID-19. As part of the CARES Act, the HHS Provider Relief Fund distributes funds to health care providers to help cover costs related to COVID-19. During the year ended June 30, 2020, the Organization received approximately \$1,947,000 through the HHS Provider Relief Fund. The funds received were initially recorded as unearned grant revenue in the Organization's consolidated statements of financial position. The Organization used approximately \$808,000 the funds for health care related expenses attributable to COVID-19 for the year ended June 30, 2020, and the remainder was utilized during the year ended June 30, 2021. These earned funds have been recognized as revenue and included in grant and contract revenues in the Organization's consolidated statements of activities and changes in net assets.

The CARES Act allows employers to defer the deposit and payment of the employer's share of Social Security taxes for pay periods beginning on March 27, 2020 and ending on December 31, 2020. Half of the deferred tax repayments are required to be paid on December 31, 2021, and the remaining balance is required to be paid by December 31, 2022. At June 30, 2021 and 2020, the Organization recorded deferred payroll taxes of approximately \$367,000 and \$428,000, respectively.

In response to COVID-19, the Center for Medicare & Medicaid Services ("CMS") expanded its Accelerated and Advance Payment Program to a broader group of Medicare providers. During the year ended June 30, 2020, the Organization received approximately \$540,000 of Medicare advance payments through the Medicare Accelerated and Advance Payment Program. These advances are interest free, so long as the repayment terms are met by the Organization. Repayment of these funds begins 365 days after the date the Organization received the advanced payments. After the 365-day period, CMS will begin withholding 25% of payments due to the Organization for current services billed to repay the advance payments for 11-months. At the end of the 11-month period, CMS will begin withholding 50% of payments due to the Organization for current services billed to repay the advance payments for six-months. The Organization has up to 29-months to fully repay any advance funds received, or the outstanding balance will begin to accrue interest at a rate of 4%. The Organization has presented the accelerated payments from CMS as refundable advances in the accompanying consolidated statements of financial position in the amount of approximately \$479,000 and \$540,000 for the years ended June 30, 2021 and 2020, respectively.

**Aspire Health Partners, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**9. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures on June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 21,993,832	\$ 21,961,867
Accounts receivable	10,759,900	10,186,890
Short-term investments	<u>203,049</u>	<u>399,143</u>
Total financial assets available within one year	32,956,781	32,547,900
Less: Amounts unavailable for general expenditures within one year		
Donor restricted for time or specific purposes	(3,287,027)	(3,736,860)
Board designated for operating reserves	<u>(13,889,000)</u>	<u>(14,743,000)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 15,780,754</u>	<u>\$ 14,068,040</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. Amounts due on long term obligations have not been reflected in the above table.

## **SUPPLEMENTARY INFORMATION**

## REPORT ON SUPPLEMENTARY INFORMATION

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Aspire Health Partners, Inc. and Affiliates:

We have audited the consolidated financial statements of Aspire Health Partners, Inc. and Affiliates as of and for the years ended June 30, 2021 and 2020, and our report thereon dated December 15, 2021, which contains an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information appearing on pages 25-28 is not a required part of the consolidated financial statements. The schedules on pages 29-32 through are presented for the purpose of additional analysis, as required by the State of Florida Department of Children and Families. The schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2021, appearing on pages 36-38 is presented for the purpose of additional analysis, as required by 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*. These schedules are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*WithumSmith+Brown, PC*

December 15, 2021

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

	<u>Aspire Health Partners, Inc.</u>	<u>Aspire Health Partners Foundation, Inc.</u>	<u>Lakeside Place, Inc.</u>	<u>Aspire Health Partners Properties, Inc.</u>	<u>T. D. Associates Inc.</u>	<u>Eliminations</u>	<u>Aspire Health Partners, Inc. and Affiliates Consolidated</u>
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$ 20,331,073	\$ -	\$ 5,937	\$ 130,715	\$ 1,526,107	\$ -	\$ 21,993,832
Cash and cash equivalents - designated for capital replacement	595,137	152,691	-	-	-	-	747,828
Short-term investments	203,049	-	-	-	-	-	203,049
Accounts receivable	10,756,195	-	3,705	-	-	-	10,759,900
Pharmacy inventory	742,828	-	-	-	-	-	742,828
Other current assets	423,802	56,885	3,144	-	-	-	483,831
Due from affiliates	<u>2,730,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,730,571)</u>	<u>-</u>
Total current assets	<u>35,782,655</u>	<u>209,576</u>	<u>12,786</u>	<u>130,715</u>	<u>1,526,107</u>	<u>(2,730,571)</u>	<u>34,931,268</u>
Noncurrent assets							
Investment in subsidiary	5,793,937	-	-	-	-	(5,793,937)	-
Notes receivable	4,034,400	-	-	-	-	-	4,034,400
Investments - designated for capital replacement	17,196,019	6,830,071	-	-	-	-	24,026,090
Property, buildings, and equipment, net	25,762,699	-	811,071	4,560,514	6,238,117	-	37,372,401
Other assets	<u>214,214</u>	<u>-</u>	<u>78,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,717</u>
Total noncurrent assets	<u>53,001,269</u>	<u>6,830,071</u>	<u>889,574</u>	<u>4,560,514</u>	<u>6,238,117</u>	<u>(5,793,937)</u>	<u>65,725,608</u>
Total assets	<u>\$ 88,783,924</u>	<u>\$ 7,039,647</u>	<u>\$ 902,360</u>	<u>\$ 4,691,229</u>	<u>\$ 7,764,224</u>	<u>\$ (8,524,508)</u>	<u>\$ 100,656,876</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

	<u>Aspire Health Partners, Inc.</u>	<u>Aspire Health Partners Foundation, Inc.</u>	<u>Lakeside Place, Inc.</u>	<u>Aspire Health Partners Properties, Inc.</u>	<u>T. D. Associates Inc.</u>	<u>Eliminations</u>	<u>Aspire Health Partners, Inc. and Affiliates Consolidated</u>
<b>Liabilities and Net Assets</b>							
Current liabilities							
Accounts payable and accrued expenses	\$ 2,971,300	\$ -	\$ 19,451	\$ 82,351	\$ -	\$ -	\$ 3,073,102
Accrued salaries and benefits	4,021,506	-	-	-	-	-	4,021,506
Current portion of deferred payroll taxes	202,734	-	-	-	-	-	202,734
Current portion of long-term debt	2,776,690	-	-	-	211,994	-	2,988,684
Current portion of unearned grant revenue	612,852	-	-	-	-	-	612,852
Due to affiliates	-	1,245,710	106,219	386,833	991,809	(2,730,571)	-
Total current liabilities	<u>10,585,082</u>	<u>1,245,710</u>	<u>125,670</u>	<u>469,184</u>	<u>1,203,803</u>	<u>(2,730,571)</u>	<u>10,898,878</u>
Noncurrent liabilities							
Interest rate swaps	522,512	-	-	-	-	-	522,512
Other liabilities	1,709,147	-	3,243	-	-	-	1,712,390
Unearned grant revenue, less current portion	190,235	-	-	-	-	-	190,235
Deferred payroll taxes, less current portion	163,939	-	-	-	-	-	163,939
Refundable advances	478,937	-	-	-	-	-	478,937
Long-term debt, less current portion and unamortized discount and issue costs	<u>6,138,451</u>	<u>-</u>	<u>-</u>	<u>5,227,485</u>	<u>828,968</u>	<u>-</u>	<u>12,194,904</u>
Total noncurrent liabilities	<u>9,203,221</u>	<u>-</u>	<u>3,243</u>	<u>5,227,485</u>	<u>828,968</u>	<u>-</u>	<u>15,262,917</u>
Total liabilities	<u>19,788,303</u>	<u>1,245,710</u>	<u>128,913</u>	<u>5,696,669</u>	<u>2,032,771</u>	<u>(2,730,571)</u>	<u>26,161,795</u>
Net assets							
Without donor restrictions	67,070,894	5,793,937	(588,853)	(1,005,440)	5,731,453	(5,793,937)	71,208,054
With donor restrictions	<u>1,924,727</u>	<u>-</u>	<u>1,362,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,287,027</u>
Total net assets	<u>68,995,621</u>	<u>5,793,937</u>	<u>773,447</u>	<u>(1,005,440)</u>	<u>5,731,453</u>	<u>(5,793,937)</u>	<u>74,495,081</u>
Total liabilities and net assets	<u>\$ 88,783,924</u>	<u>\$ 7,039,647</u>	<u>\$ 902,360</u>	<u>\$ 4,691,229</u>	<u>\$ 7,764,224</u>	<u>\$ (8,524,508)</u>	<u>\$ 100,656,876</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidating Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2021**

	<u>Aspire Health Partners, Inc.</u>	<u>Aspire Health Partners Foundation, Inc.</u>	<u>Lakeside Place, Inc.</u>	<u>Aspire Health Partners Properties, Inc.</u>	<u>T. D. Associates Inc.</u>	<u>Eliminations</u>	<u>Aspire Health Partners, Inc. and Affiliates Consolidated</u>
<b>Revenues and support</b>							
Support							
Contributions, donations, and other support	\$ 434,275	\$ -	\$ -	\$ -	\$ -	\$ (300,000)	\$ 134,275
In-kind support	312,042	-	-	-	-	-	312,042
Net assets released from restrictions	<u>449,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,833</u>
Total support	<u>1,196,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>896,150</u>
Revenue							
Net client service revenue	29,408,655	-	-	-	-	-	29,408,655
Grant and contract revenue	70,686,149	-	-	-	-	-	70,686,149
Change in net assets of the Foundation	1,175,997	-	-	-	-	(1,175,997)	-
Investment return	2,299,031	1,175,997	8	-	2,185	(1,108)	3,476,113
Rental and other income	<u>516,646</u>	<u>-</u>	<u>86,010</u>	<u>341,100</u>	<u>915,096</u>	<u>(1,278,607)</u>	<u>580,245</u>
Total revenue	<u>104,086,478</u>	<u>1,175,997</u>	<u>86,018</u>	<u>341,100</u>	<u>917,281</u>	<u>(2,455,712)</u>	<u>104,151,162</u>
Total support and revenue	<u>105,282,628</u>	<u>1,175,997</u>	<u>86,018</u>	<u>341,100</u>	<u>917,281</u>	<u>(2,755,712)</u>	<u>105,047,312</u>
<b>Expenses</b>							
Salaries	47,226,074	-	-	-	147,381	-	47,373,455
Medical and pharmacy	14,788,921	-	-	-	-	-	14,788,921
Employee benefits	11,334,197	-	-	-	-	-	11,334,197
Professional fees	6,105,789	-	19,901	15,000	-	(24,811)	6,115,879
Building occupancy	6,099,998	-	-	9,600	-	(1,253,796)	4,855,802
Depreciation	2,450,876	-	34,192	210,092	414,078	-	3,109,238
Food services	1,773,766	-	-	-	-	-	1,773,766
Direct client care	3,306,752	-	-	-	-	-	3,306,752
Other	1,937,259	-	69,102	300,000	89,383	(300,000)	2,095,744
Equipment costs	1,461,615	-	-	-	-	-	1,461,615
Insurance	1,591,473	-	10,030	50,000	336,240	-	1,987,743
Operating supplies	827,552	-	27	3,096	-	-	830,675
Interest	291,925	-	1,108	178,027	53,335	(1,108)	523,287
Travel	<u>104,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,613</u>
Total expenses	<u>99,300,810</u>	<u>-</u>	<u>134,360</u>	<u>765,815</u>	<u>1,040,417</u>	<u>(1,579,715)</u>	<u>99,661,687</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Consolidating Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2021**

	<u>Aspire Health Partners, Inc.</u>	<u>Aspire Health Partners Foundation, Inc.</u>	<u>Lakeside Place, Inc.</u>	<u>Aspire Health Partners Properties, Inc.</u>	<u>T. D. Associates Inc.</u>	<u>Eliminations</u>	<u>Aspire Health Partners, Inc. and Affiliates Consolidated</u>
Income (loss) from operations	5,981,818	1,175,997	(48,342)	(424,715)	(123,136)	(1,175,997)	5,385,625
Change in fair value of interest rate swaps	<u>260,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,730</u>
Change in net assets without donor restrictions	<u>6,242,548</u>	<u>1,175,997</u>	<u>(48,342)</u>	<u>(424,715)</u>	<u>(123,136)</u>	<u>(1,175,997)</u>	<u>5,646,355</u>
Net assets released from restriction	<u>(449,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(449,833)</u>
Change in net assets without donor restrictions	<u>(449,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(449,833)</u>
<b>Change in net assets</b>	5,792,715	1,175,997	(48,342)	(424,715)	(123,136)	(1,175,997)	5,196,522
<b>Net assets</b>							
Beginning of year	<u>63,202,906</u>	<u>4,617,940</u>	<u>821,789</u>	<u>(580,725)</u>	<u>5,854,589</u>	<u>(4,617,940)</u>	<u>69,298,559</u>
End of year	<u>\$ 68,995,621</u>	<u>\$ 5,793,937</u>	<u>\$ 773,447</u>	<u>\$ (1,005,440)</u>	<u>\$ 5,731,453</u>	<u>\$ (5,793,937)</u>	<u>\$ 74,495,081</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Program/Cost Center Actual Revenues and Expenses Schedule**  
**Year Ended June 30, 2021**

FUNDING SOURCES AND REVENUES	STATE-DESIGNATED SAMH COST CENTERS															
	STATE SAMH - FUNDED COST CENTERS															
	Residential Level II	Medical Services	Residential Level III	Case Management	Club House	CSU	FACT	IMC	CAT	R&B w/Super RTF Lv 2	R&B w/Super RTF Lv 3	Methadone	SRT	Prevention	FEP	Intervention
IA. STATE SAMH FUNDING	\$ 4,745,273	\$ 2,354,838	\$ 852,886	\$ 2,047,984	\$ 732,772	\$ 4,306,051	\$ 1,211,030	\$ 247,754	\$ 2,269,483	\$ 416,773	\$ 714,582	\$ 1,970,840	\$ 2,830,725	\$ 1,513,222	\$ 696,251	\$ 1,800,070
IB. OTHER GOVERNMENT FUNDING																
Other state funding	191,181	1,879,299	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LIP ACHA	-	-	-	-	-	1,678,143	-	-	-	-	-	-	411,053	-	-	-
Medicaid	(80)	101,206	-	125,580	62,249	(865)	35	65,690	-	-	630	46,029	60	-	48	(314)
Local government	995,959	39,744	-	45,845	41,689	2,932,431	-	-	128,025	10,473	43,990	82,157	-	1,274,700	-	-
Federal grants and contracts	202,270	27,247	5,996	-	-	566,927	-	-	-	30,000	-	3,321	-	-	-	-
In kind (local government only)	143,112	-	-	-	-	-	-	-	-	79,965	-	-	-	-	-	-
TOTAL OTHER GOVERNMENT FUNDING	1,532,442	2,047,496	5,996	171,425	103,938	5,176,636	35	65,690	128,025	120,438	44,620	131,507	411,113	1,274,700	48	(314)
IC. ALL OTHER FUNDING AND REVENUES																
First and third party fees	2,037,664	1,404,970	45,387	546,272	136,766	2,474,648	15	211,896	1,465	7,792	104,156	451,368	6,616	25	5,452	586
Medicare	-	103,492	-	(62)	45	12,557	-	2,310	-	-	-	60,299.00	(5,679)	-	128	-
Contributions and donations	-	-	999	-	9,450	-	-	-	-	-	-	-	-	12,000	-	-
Other	204,707	25,987	1,085	-	2,250	-	-	-	-	-	118,903	24,454	-	-	-	-
TOTAL ALL OTHER FUNDING AND REVENUES	2,242,371	1,534,449	47,471	546,210	148,511	2,487,205	15	214,206	1,465	7,792	223,059	536,121	937	12,025	5,580	586
TOTAL FUNDING	\$ 8,520,086	\$ 5,936,783	\$ 906,353	\$ 2,765,619	\$ 985,221	\$ 11,969,892	\$ 1,211,080	\$ 527,650	\$ 2,398,973	\$ 545,003	\$ 982,261	\$ 2,638,468	\$ 3,242,775	\$ 2,799,947	\$ 701,879	\$ 1,800,342

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Program/Cost Center Actual Revenues and Expenses Schedule**  
**Year Ended June 30, 2021**

STATE-DESIGNATED SAMH COST CENTERS											
STATE SAMH - FUNDED COST CENTERS							Total for Non- State-Funded SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Total Funding	
Marchman Detox	Outpatient	Outreach	Crisis Support/ Emergency	TASC	FIT Team	Total for State SAMH-Funded Cost Centers					Other SAMH
\$ 3,361,343	\$ 1,689,146	\$ 579,495	\$ 2,745,552	\$ 1,592,065	\$ 833,934	\$ 39,512,069	\$ -	\$ -	\$ 39,512,069	\$ 232,921.00	\$ 39,744,990
-	6,066	-	(480)	-	-	2,076,066	1,647,293	1,647,293	3,723,359	13,689	3,737,048
-	-	-	723,559	-	-	2,812,755	-	-	2,812,755	667,064	3,479,819
(1,913)	171,583	350	17,184	-	330	587,802	141,240	141,240	729,042	(26,268)	702,774
261,274	222,071	273	1,739,218	-	-	7,817,850	787,624	787,624	8,605,474	2,621,773	11,227,247
199,061	11,088	-	-	-	-	1,045,909	1,396,227	1,396,227	2,442,136	10,054,905	12,497,041
-	79,965	-	-	-	-	303,042	-	-	303,042	9,000	312,042
458,422	490,773	623	2,479,481	-	330	14,643,424	3,972,384	3,972,384	18,615,808	13,340,163	31,955,971
1,488,178	1,056,364	(137)	277,157	50	3,353	10,260,043	2,563,340	2,563,340	12,823,382	5,849,293	18,672,676
-	(4,284.00)	-	(136)	-	-	168,670	7,921,709	7,921,709	8,090,379	1,942,825	10,033,204
-	-	-	-	-	-	22,449	-	-	22,449	411,825	434,274
-	1,223	-	-	-	-	378,610	326,460	326,460	705,070	1,847,967	2,553,037
1,488,178	1,053,303	(137)	277,021	50	3,353	10,829,772	10,811,509	10,811,509	21,641,280	10,051,910	31,693,191
\$ 5,307,943	\$ 3,233,222	\$ 579,981	\$ 5,502,054	\$ 1,592,115	\$ 837,617	\$ 64,985,265	\$ 14,783,893	\$ 14,783,893	\$ 79,769,157	\$ 23,624,994	\$ 103,394,152

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Program/Cost Center Actual Revenues and Expenses Schedule**  
**Year Ended June 30, 2021**

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS															
	STATE SAMH - FUNDED COST CENTERS															
	Residential Level II	Medical Services	Residential Level III	Case Management	Club House	CSU	FACT	IMC	CAT	R&B w/Super RTF Lv 2	R&B w/Super RTF Lv 3	Methadone	SRT	Prevention	FEP	Intervention
<b>IIA. PERSONNEL EXPENSES</b>																
Salaries	\$ 3,681,039	\$ 1,927,434	\$ 313,287	\$ 1,275,427	\$ 390,732	\$ 4,887,607	\$ 537,906	\$ 225,840	\$ 1,326,427	\$ 217,976	\$ 387,213	\$ 720,140	\$ 1,346,714	\$ 1,582,666	\$ 352,524	\$ 891,344
Fringe benefits	917,529	489,539	77,277	329,450	103,866	1,186,928	137,531	55,693	329,466	54,481	99,795	178,211	330,057	395,626	89,724	230,075
<b>TOTAL PERSONNEL EXPENSES</b>	<b>4,598,568</b>	<b>2,416,973</b>	<b>390,564</b>	<b>1,604,877</b>	<b>494,598</b>	<b>6,074,535</b>	<b>675,437</b>	<b>281,533</b>	<b>1,655,893</b>	<b>272,457</b>	<b>487,008</b>	<b>898,351</b>	<b>1,676,771</b>	<b>1,978,292</b>	<b>442,248</b>	<b>1,121,419</b>
<b>IIB. OTHER EXPENSES</b>																
Building occupancy	1,490,989	468,682	126,742	102,901	85,394	816,844	79,786	10,396	164,867	90,650	215,742	94,004	115,687	113,609	69,067	50,146
Professional services	72,293	134,523	4,688	32,838	13,790	1,519,189	5,297	59	14,456	1,651	4,237	169,360	541,407	26,344	6,978	2,812
Travel	5,213	482	40	4,962	(56)	192	7,989	836	2,569	-	103	445	374	2,948	-	1,903
Equipment	70,666	15,414	11,525	19,576	45	22,018	15,116	2,537	53,957	16,573	16,391	18,190	3,546	20,446	8,330	9,392
Food services	679,612	152	24,376	4,448	7,290	564,035	500	-	55	49,637	14,142	-	228,159	228	-	-
Medical and pharmacy	105,560	1,575,840	2,896	5,826	1,606	601,539	37,413	699	1,245	320	7,262	340,765	299,346	106	10,798	1,858
Subcontracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	162,513	59,167	11,221	33,361	23,868	140,131	29,361	5,444	30,735	14,464	38,129	14,797	25,756	60,995	10,969	12,292
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating supplies and expenses	91,087	17,285	4,667	506,071	19,507	96,562	156,766	58,856	79,867	3,469	19,032	14,258	13,133	32,157	18,535	19,352
Donated items	143,112	-	-	-	-	-	-	-	-	79,965	-	-	-	-	-	-
<b>TOTAL OTHER EXPENSES</b>	<b>2,821,045</b>	<b>2,271,545</b>	<b>186,155</b>	<b>709,983</b>	<b>151,444</b>	<b>3,760,510</b>	<b>332,228</b>	<b>78,827</b>	<b>347,751</b>	<b>256,729</b>	<b>315,038</b>	<b>651,819</b>	<b>1,227,408</b>	<b>256,833</b>	<b>124,677</b>	<b>97,755</b>
<b>TOTAL PERSONNEL AND OTHER EXPENSES</b>	<b>7,419,613</b>	<b>4,688,518</b>	<b>576,719</b>	<b>2,314,860</b>	<b>646,042</b>	<b>9,835,045</b>	<b>1,007,665</b>	<b>360,360</b>	<b>2,003,644</b>	<b>529,186</b>	<b>802,046</b>	<b>1,550,170</b>	<b>2,904,179</b>	<b>2,235,125</b>	<b>566,925</b>	<b>1,219,174</b>
<b>IIC. DISTRIBUTED INDIRECT COSTS</b>																
Administrative	661,796	655,085	51,708	231,585	76,553	1,133,825	110,582	49,897	150,903	43,065	62,096	132,455	226,395	268,057	34,127	110,943
Other support	423,915	431,927	31,921	154,518	175,878	1,043,075	106,217	31,529	167,073	24,062	43,266	95,462	330,838	124,581	87,585	68,734
<b>TOTAL DISTRIBUTED INDIRECT COSTS</b>	<b>1,085,711</b>	<b>1,087,012</b>	<b>83,629</b>	<b>386,103</b>	<b>252,431</b>	<b>2,176,900</b>	<b>216,799</b>	<b>81,426</b>	<b>317,976</b>	<b>67,127</b>	<b>105,362</b>	<b>227,917</b>	<b>557,233</b>	<b>392,638</b>	<b>121,712</b>	<b>179,677</b>
<b>TOTAL ACTUAL OPERATING EXPENSES</b>	<b>8,505,324</b>	<b>5,775,530</b>	<b>660,348</b>	<b>2,700,963</b>	<b>898,473</b>	<b>12,011,945</b>	<b>1,224,464</b>	<b>441,786</b>	<b>2,321,620</b>	<b>596,313</b>	<b>907,408</b>	<b>1,778,087</b>	<b>3,461,412</b>	<b>2,627,763</b>	<b>688,637</b>	<b>1,398,851</b>
<b>IID. UNALLOWABLE COSTS</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ALLOWABLE OPERATING EXPENSES</b>	<b>\$ 8,505,324</b>	<b>\$ 5,775,530</b>	<b>\$ 660,348</b>	<b>\$ 2,700,963</b>	<b>\$ 898,473</b>	<b>\$ 12,011,945</b>	<b>\$ 1,224,464</b>	<b>\$ 441,786</b>	<b>\$ 2,321,620</b>	<b>\$ 596,313</b>	<b>\$ 907,408</b>	<b>\$ 1,778,087</b>	<b>\$ 3,461,412</b>	<b>\$ 2,627,763</b>	<b>\$ 688,637</b>	<b>\$ 1,398,851</b>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Program/Cost Center Actual Revenues and Expenses Schedule**  
**Year Ended June 30, 2021**

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS															
	STATE SAMH - FUNDED COST CENTERS										Total for Non-State-Funded SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Other Support Costs	Administration	Total Expenses
	Marchman Detox	Outpatient	Outreach	Crisis Support/ Emergency	TASC	FIT Team	Recovery Support	Federal Project Grant	Total for State SAMH-Funded Cost Centers	Other SAMH						
IIA. PERSONNEL EXPENSES																
Salaries	\$ 1,887,935	\$ 1,480,331	\$ 325,509	\$ 2,739,154	\$ 640,505	\$ 394,881	\$ -	\$ -	\$ 27,532,591	\$ 3,048,757	\$ 3,048,757	\$ 30,581,348	\$ 7,896,364	\$ 3,670,442	\$ 4,691,686	\$ 46,839,840
Fringe benefits	468,991	367,180	81,332	686,770	161,938	96,809	-	-	6,868,268	779,888	779,888	7,648,156	1,988,925	928,366	1,154,981	11,720,428
TOTAL PERSONNEL EXPENSES	2,356,926	1,847,511	406,841	3,425,924	802,443	491,690	-	-	34,400,859	3,828,645	3,828,645	38,229,504	9,885,289	4,598,808	5,846,667	58,560,268
IIB. OTHER EXPENSES																
Building occupancy	315,795	580,739	7,386	296,227	61,314	41,078	-	-	5,398,045	453,816	453,816	5,851,861	2,773,392	(553,331)	533,578	8,605,500
Professional services	841,568	8,078	91	327,505	3,598	154,278	-	-	3,885,040	167,728	167,728	4,052,768	1,046,593	213,745	792,683	6,105,789
Travel	10,325	189	911	8,492	642	2,544	-	-	51,103	8,158	8,158	59,261	28,477	11,595	5,282	104,615
Equipment	5,693	23,497	3,324	28,319	6,579	12,984	-	-	384,118	86,268	86,268	470,386	(238,393)	1,448,997	110,971	1,791,961
Food services	343,057	63,766	-	27,273	-	-	-	-	2,006,730	70,727	70,727	2,077,457	(237,707)	(72,986)	7,001	1,773,765
Medical and pharmacy	94,044	48,032	-	36,064	1,140	3,771	-	-	3,176,130	9,732,080	9,732,080	12,908,210	1,877,113	(2,804)	6,402	14,788,921
Subcontracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	47,370	60,258	7,212	48,653	9,040	14,120	-	-	859,856	83,670	83,670	943,526	475,195	120,834	51,919	1,591,474
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	276,452	-	-	276,452
Operating supplies and expenses	39,121	13,319	5,252	38,995	7,844	7,588	-	-	1,262,723	123,293	123,293	1,386,016	2,894,334	279,051	830,622	5,390,023
Donated items	-	79,965	-	-	-	-	-	-	303,042	-	-	303,042	9,000	-	-	312,042
TOTAL OTHER EXPENSES	1,696,973	877,843	24,176	811,528	90,157	236,363	-	-	17,326,787	10,725,740	10,725,740	28,052,527	8,904,456	1,445,101	2,338,458	40,740,542
TOTAL PERSONNEL AND OTHER EXPENSES	4,053,899	2,725,354	431,017	4,237,452	892,600	728,053	-	-	51,727,646	14,554,385	14,554,385	66,282,031	18,789,745	6,043,909	8,185,125	99,300,810
IIC. DISTRIBUTED INDIRECT COSTS																
Administrative	404,505	413,831	3,159	423,850	102,738	58,932	13,144	13,144	5,432,375	1,216,368	1,216,368	6,648,745	1,536,380	-	(8,185,125)	-
Other support	616,007	415,495	24,987	636,773	50,935	36,830	-	-	5,121,608	203,738	203,738	5,325,346	718,563	(6,043,909)	-	-
TOTAL DISTRIBUTED INDIRECT COSTS	1,020,512	829,326	28,146	1,060,623	153,673	95,762	13,144	13,144	10,553,983	1,420,106	1,420,106	11,974,091	2,254,943	(6,043,909)	(8,185,125)	-
TOTAL ACTUAL OPERATING EXPENSES	5,074,411	3,554,680	459,163	5,298,075	1,046,273	823,815	13,144	13,144	62,281,629	15,974,491	15,974,491	78,256,122	21,044,688	-	-	99,300,810
IIID. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ALLOWABLE OPERATING EXPENSES	\$ 5,074,411	\$ 3,554,680	\$ 459,163	\$ 5,298,075	\$ 1,046,273	\$ 823,815	\$ 13,144	\$ 13,144	\$ 62,281,629	\$ 15,974,491	\$ 15,974,491	\$ 78,256,122	\$ 21,044,688	\$ -	\$ -	\$ 99,300,810

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Schedule of State Earnings**  
**Year Ended June 30, 2021**

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Total expenditures for Aspire Health Partners, Inc.	\$ 99,300,810
Less: Other state and federal funds received	(30,449,887)
Less: Non-match SAMH funds received	(21,773,393)
Less: Unallowable costs per 65E-14, FAC	<u>(100,855)</u>
Total allowable expenditures	<u>\$ 46,976,675</u>
Maximum available earnings (75% of total allowable expenditures)	\$ 35,232,506
Less: Amount of state funds received requiring match	<u>(5,990,532)</u>
Excess match	<u>\$ 29,241,974</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates  
Schedule of Bed-Day Availability Payments  
Year Ended June 30, 2021**

<u>Program</u>	<u>Cost Center</u>	<u>State Contracted Rate</u>	<u>Total Units of Service Provided</u>	<u>Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies</u>	<u>Maximum # of Units eligible for Payment by Department</u>	<u>Amounts Paid for Services by the Department</u>	<u>Maximum \$ Value of Units in Column F</u>	<u>Amount Owed to Department</u>
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>(D-E)</u>	<u>G</u>	<u>(F x C)</u>	<u>(G-H or \$0, whichever is greater)</u>
Adult MH	Crisis Stabilization Unit	\$ 422	30,108	12,396	17,712	\$ 3,987,946	\$ 7,474,464	\$ -
Adult MH	Short-Term Residential Treatment	\$ 298	10,585	-	10,585	\$ 2,830,726	\$ 3,154,330	\$ -
Adult SA	Substance Abuse Detoxification	\$ 406	14,600	4,628	9,972	\$ 3,551,751	\$ 4,048,632	\$ -
Children's MH	Crisis Stabilization Unit	\$ 422	1,104	648	456	\$ 33,985	\$ 192,432	\$ -
Children's SA	Substance Abuse Detoxification	\$ 422	736	36	700	\$ 93,713	\$ 295,400	\$ -
Total Amount Owed to Department =							\$	\$ -

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Schedule of Related-Party Transaction Adjustments**  
**Year Ended June 30, 2021**

	<b>Allocation of Related Party Transactions Adjustment</b>									
	<b>State-Designated Cost Centers</b>									
	<b>Intervention</b>	<b>Outpatient Treatment</b>	<b>Medical Svs</b>	<b>Methadone Maintenance</b>	<b>Residential Level II</b>	<b>Prevention</b>	<b>FITT</b>	<b>TASC</b>	<b>Other SAMH</b>	<b>Total</b>
Revenues to grantee										
Rent	\$ 15,929	\$ 70,512	\$ 17,281	\$ 33,613	\$ 473,291	\$ 12,840	\$ 9,228	\$ 2,831	\$ 29,556	\$ 665,081
Expenses associated with grantee transactions										
Depreciation	7,525	33,312	8,164	15,880	223,596	6,066	4,360	1,338	13,963	314,204
Interest	951	4,208	1,031	2,006	28,245	766	551	169	1,764	39,691
Insurance and Other	10,390	45,996	11,272	21,926	308,733	8,376	6,020	1,847	19,280	433,840
Total associated expenses	18,866	83,516	20,467	39,812	560,574	15,208	10,931	3,354	35,007	787,735
Related party transaction adjustment	<u>\$ (2,937)</u>	<u>\$ (13,004)</u>	<u>\$ (3,186)</u>	<u>\$ (6,199)</u>	<u>\$ (87,283)</u>	<u>\$ (2,368)</u>	<u>\$ (1,703)</u>	<u>\$ (523)</u>	<u>\$ (5,451)</u>	<u>\$ (122,654)</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Contract / Pass-Through Award Number	Federal Expenditures Recognized
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Agriculture</b>			
<b>Indirect Programs</b>			
<b>Passed Through Florida Department of Elder Affairs-Adult Care Food Program</b>			
Child And Adult Care Food Program (ACFP-Entitlement Program)	10.558	Y6181	\$ 14,039
<b>Total U.S. Department of Agriculture</b>			<u>14,039</u>
<b>U.S. Department of Housing and Urban Development</b>			
Supportive Housing for Persons with Disabilities	14.181	N/A	1,362,300
Section 8 Housing Assistance Payments Program - Special Allocations	14.195	FL29-Q991-004	44,918
<b>Pass-through Seminole County, Florida</b>			
The Community Development Block Grants/Entitlement Grants (Bay House)	14.218	BayHouse	30,000
<b>Pass-through the City of Orlando Housing &amp; Development, Florida</b>			
The Community Development Block Grants/Entitlement Grants Program	14.218	CDGB40	6,945
The Community Development Block Grants/Entitlement Grants Program -PPWI	14.218	CDBG-19	50,416
Housing Opportunities for Persons with AIDS (HOPWA) Grants	14.241	Y17-605	737,932
Housing Opportunities for Persons with AIDS (HOPWA) Grants	14.241	C17605	311,741
<b>Pass-through Homeless Services Network of Central Florida, Inc.</b>			
Supportive Housing Program - SCC HOPE Seminole	14.235	FL0561L4H071500	36,141
Supportive Housing Program - SCC HOPE Seminole	14.235	FL0561L4H071500	81,161
Supportive Housing Program - HSN HOPE Seminole	14.235	COC-FL0561BL4H071702	29,441
<b>Total U.S. Department of Housing and Urban Development</b>			<u>2,690,995</u>
<b>U.S. Department of Transportation</b>			
FDOT- Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G0G16	125,236
<b>Total U.S. Department of Transportation</b>			<u>125,236</u>
<b>U.S. Department of Treasury (TREAS)</b>			
Coronavirus Relief Fund	21.019	Y20-2328	2,516,870
Coronavirus Relief Fund	21.019	Seminole County	100,000
Coronavirus Relief Fund	21.019	SAMH CAT SEM	83,333
Coronavirus Relief Fund	21.019	MHCAR SRT CARES	159,350
<b>Total U.S. Department of Transportation</b>			<u>2,859,553</u>
<b>Federal Communications Commission</b>			
COVID-19 Telehealth Program	32.006	GRA0000943	7,845
<b>Total Federal Communications Commission</b>			<u>7,845</u>
<b>U.S. Department of Veteran Affairs</b>			
<b>Direct Program</b>			
Alcohol/Drug Dependence and Rehab (VA Mens Res)	64.019	VA248-14-D-0218/P00005	(7,913)
<b>Direct Program</b>			
VA Homeless Providers Grant and Per Diem Program, Brev Res 238	64.024	PO# 675 C95092	44,220
VA Homeless Providers Grant and Per Diem Program, Brev Res 298	64.024	PO# 675 C95092	585,900
<b>Indirect Programs</b>			
<b>Pass-through Homeless Services Network of Central Florida, Inc.</b>			
VA Supportive Services for Veteran Families Program	64.033	18-14 FL-023 Orange P2	1,365,235
VA Supportive Services for Veteran Families Program	64.033	18-14 FL 023-Seminole P2	1,300,834
<b>Total U.S. Department of Veteran Affairs</b>			<u>\$ 3,288,276</u>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Contract / Pass-Through Award Number	Federal Expenditures Recognized
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Health and Human Services</b>			
<b>Substance Abuse and Mental Health Services Administration (SAMHSA)</b>			
<b>Pass-through: University of NY Grossman School of Medicine</b> NIH CTN 0097	93.279	20-A0-S3-003671	\$ 287,358
<b>Pass-through: University of Washington</b> CTN 0082	93.279	UWSC12065	99,511
<b>Pass-through: Seminole County, Florida</b> American Recovery & Reinvestment (ARRA)	93.711	LHZ71	69,849
<b>Pass-through Central Florida Cares Health System:</b> Projects for Assistance in Transition from Homelessness (PATH) Orange County, Florida	93.150	AHP22	255,489
Florida Linking Individuals Needing Care Project (FLINC)	93.243	FLINC19	
<b>Direct Program</b> Department of HHS: Positively Empowered Program	93.243	1H79T1080625-04	557,464
SAMHSA - Youth-Positively Empowered Program	93.243	1H79SP082177-01	41,436
<b>Direct Program</b> ACT Team Expansion & ENH Project	93.243	1H79SM080910-02	542,279
<b>Direct Program</b> CCBHC Expansion Grant	93.829	6H79SM083235-01M002	114,825
<b>Direct Program</b> Provider Relief Fund - General	93.498	N/A	1,946,473
<b>Pass-through:</b> <b>Orange County, Florida</b> HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	Y16-149A	325,111
<b>Pass-through Central Florida Cares Health System</b> Substance Abuse and Mental Health Services Program	93.959	AHP22	7,598,269
<b>Pass-through DCF</b> Florida Alcohol and Drug Abuse Association (FAADA-Vivitrol)	93.959	MOA-DCF	147,196
<b>Florida Department of Children and Families</b>			
<b>Pass-through Central Florida Cares Health System</b>			
Temporary Assistance for Needy Families (TANF)	93.558	AHP22	155,754
Medical Assistance Program- FACT	93.778	AFT22	289,140
Medical Assistance Program- PPG Orange	93.959	DFO21	129,319
Medical Assistance Program- PPG Seminole	93.959	DFS21	136,868
State Opioid Response Discretionary Grant	93.788	AHP22	2,718,031
Block Grant for Community Mental Health Services (FACT)	93.958	AFT22	142,044
Block Grant for Community Mental Health Services (FEMA)	93.958	FDR23	769
Block Grant for Community Mental Health Services (AMH, CMH)	93.958	AHP22	2,946,441
<b>Pass-through:</b> Orange County Healthy Start	93.994	MOA/Renew #2	22,995
Orange County Healthy Start	93.994	MOA/Amend #1	22,867
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 18,549,488</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 27,535,432</b>

See Independent Auditor's Report.

**Aspire Health Partners, Inc. and Affiliates**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year Ended June 30, 2021**

State of Florida Department of Children and Families	Agency or Pass-Through Number	Current Year Expenditures
<b>State Funds Subject to Section 215.97, Florida Statute</b>		
State Department Children & Families; Centralized Receiving System-60.163 (CRS)	ASC21	\$ 2,666,531
Florida Alcohol and Drug Abuse Association -OSCA - 22.022	MOA	1,154,387
State Department of Children and Families Community Forensic Beds Comp Rest Tng - 60.114	AHP22	<u>29,608</u>
		<u>3,850,526</u>
Total expenditures of federal awards and state financial assistance		<u>\$ 31,385,958</u>

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity of Aspire Health Partners, Inc. and Affiliates for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

**2. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. OTHER STATE FINANCIAL ASSISTANCE RECEIVED**

The Organization received funding from the State of Florida Department of Children and Families that were not subject to Section 215.97, Florida Statutes, as follows:

State of Florida Department of Children and Families	Agency or Pass-Through Number	Current Year Expenditures
<b>STATE PROJECTS</b>		
<b>Matching funds for Federal Programs:</b>		
State Matching Funds - 93.958 Block Grants for Community Mental Health Services	AHP22	\$ 11,452,601
State Matching Funds - 93.958 Block Grants for Community Mental Health Services (FEMA)	FDR23	4,124
State Matching Funds - 93.958 Block Grants for Community Mental Health Services (FACT)	AFT22	779,846
State Matching Funds - 93.958 Block Grants for Community Mental Health Services (CAT OSC/SEM/ORA)	ACT21	2,186,149
State Matching Funds - 93.959 Block Grant For Prevention and Treatment of Substance Abuse (ASA, AMH)	AHP22	<u>8,011,324</u>
Total state funds awarded for matching		<u>\$ 22,434,045</u>

See Independent Auditor's Report.

## 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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Aspire Health Partners, Inc. and Affiliates:

We have audited, 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, the consolidated financial statements of Aspire Health Partners, Inc. and Affiliates (the "Organization") which comprise the consolidated statements of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated December 15, 2021.

#### Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described above and would not necessarily 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 Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

December 15, 2021

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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Aspire Health Partners, Inc. and Affiliates:

#### Report on Compliance for Each Major Federal Program

We have audited Aspire Health Partners, Inc. and Affiliates' (the "Organization") 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 its major federal programs and state projects for the year ended June 30, 2021. The Organization'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 statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and state projects.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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; 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"); 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 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.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

#### Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred in the first paragraph of this section that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2021.

## 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 in the first paragraph of this section. In planning and performing our audit, we considered the Organization's internal control over compliance with the types of compliance requirements that could have a direct and material effect on a 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 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, as defined above. 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.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

December 15, 2021

**Aspire Health Partners, Inc. and Affiliates  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2021**

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes     No

Significant deficiencies identified?

Yes     None reported

Noncompliance material to financial statements noted?

Yes     No

Federal Awards Programs

Internal control over major federal programs:

Material weakness(es) identified?

Yes     No

Significant deficiencies identified?

Yes     None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes     No

Identification of major programs:

Name of Federal Program or Cluster

Assistance Listing Number

Supportive Housing for Persons with Disabilities

14.181

Housing Opportunities for Persons with Aids (HOPWA) Grants

14.241

Coronavirus Relief Funds

21.019

VA Supportive Service for Veteran Families Program

64.033

Provider Relief Funds

93.498

Substance Abuse and Mental Health Services Program

93.959

Dollar threshold used to distinguish between Type A and Type B programs

\$ 826,063

**Aspire Health Partners, Inc. and Affiliates  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS (Continued)**

State Projects

Identification of Major State Projects:

Name of Major State Project

CFSA Number

State Department Children & Families; Centralized Receiving System  
Florida Alcohol and Drug Abuse Association

60.163  
22.022

Auditee qualified as low-risk auditee?

X  Yes            No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV – PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN**

No matters were reported.