

ASPIRE HEALTH PARTNERS, INC. AND AFFILIATES
Consolidated Financial Statements
June 30, 2022 and 2021
With Independent Auditor's Reports

Aspire Health Partners, Inc. and Affiliates
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June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited 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, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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 statement of financial position and consolidating statement of activities and net assets, schedule of expenditures of federal awards for the year ended June 30, 2022, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of state financial assistance for the year ended June 30, 2022 are presented for purposes of additional analysis and 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 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 effectiveness of 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.

Withum Smith & Brown, PC

December 19, 2022

Aspire Health Partners, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 19,473,422	\$ 21,993,832
Cash and cash equivalents - designated for capital replacement	946,715	747,828
Short-term investments	-	203,049
Accounts receivable	12,164,275	10,759,900
Pharmacy inventory	934,954	742,828
Other current assets	313,817	483,831
Total current assets	<u>33,833,183</u>	<u>34,931,268</u>
Noncurrent assets		
Notes receivable	4,034,400	4,034,400
Investments - designated for capital replacement	21,485,117	24,026,090
Property, buildings, and equipment, net	37,334,127	37,372,401
Other assets	312,746	292,717
Total noncurrent assets	<u>63,166,390</u>	<u>65,725,608</u>
Total assets	<u>\$ 96,999,573</u>	<u>\$ 100,656,876</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,514,259	\$ 3,073,102
Accrued salaries and benefits	2,398,577	4,021,506
Current portion of deferred payroll taxes	389,626	202,734
Current portion of long-term debt	1,155,727	2,988,684
Current portion of unearned grant revenue	1,240,523	612,852
Total current liabilities	<u>7,698,712</u>	<u>10,898,878</u>
Noncurrent liabilities		
Interest rate swaps	132,360	522,512
Other liabilities	1,665,513	1,712,390
Unearned grant revenue, less current portion	640,496	190,235
Deferred payroll taxes, less current portion	-	163,939
Refundable advances	-	478,937
Long-term debt, less current portion and unamortized discount and issuance costs	11,076,662	12,194,904
Total noncurrent liabilities	<u>13,515,031</u>	<u>15,262,917</u>
Total liabilities	<u>21,213,743</u>	<u>26,161,795</u>
Net assets		
Without donor restrictions	72,646,309	71,208,054
With donor restrictions	3,139,521	3,287,027
Total net assets	<u>75,785,830</u>	<u>74,495,081</u>
Total liabilities and net assets	<u>\$ 96,999,573</u>	<u>\$ 100,656,876</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues and support		
Support		
Contributions, donations, and other support	\$ 198,165	\$ 134,275
In-kind support	324,642	312,042
Net assets released from restrictions	147,506	449,833
Total support	<u>670,313</u>	<u>896,150</u>
Revenues		
Client service revenue	26,930,256	29,408,655
Grant and contract revenue	70,557,606	70,686,149
Investment return, net	(2,747,755)	3,476,113
Rental and other income	2,857,036	580,245
Total revenue	<u>97,597,143</u>	<u>104,151,162</u>
Total revenues and support	<u>98,267,456</u>	<u>105,047,312</u>
Expenses		
Salaries	47,924,207	47,373,455
Medical and pharmacy	12,092,524	14,788,921
Employee benefits	11,675,667	11,334,197
Professional fees	4,277,274	6,115,879
Building occupancy	5,356,703	4,855,802
Depreciation	3,217,171	3,109,238
Food services	1,687,941	1,773,766
Direct client care	2,827,611	3,306,752
Other	2,177,663	2,095,744
Equipment costs	2,031,956	1,461,615
Insurance	2,121,241	1,987,743
Operating supplies	1,120,217	830,675
Interest expense	478,530	523,287
Travel	230,648	104,613
Total expenses	<u>97,219,353</u>	<u>99,661,687</u>
Income from operations	1,048,103	5,385,625
Change in fair value of interest rate swaps	<u>390,152</u>	<u>260,730</u>
Change in net assets without donor restrictions	1,438,255	5,646,355
Net assets released from restrictions	<u>(147,506)</u>	<u>(449,833)</u>
Change in net assets	1,290,749	5,196,522
Net assets		
Beginning of year	<u>74,495,081</u>	<u>69,298,559</u>
End of year	<u>\$ 75,785,830</u>	<u>\$ 74,495,081</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, 2022

	Program Activities						
	Residential Licensed	Inpatient Services	CSU/ARF	Housing	Outpatient Services	Crisis Support Emergency	Prevention, Intervention & Outreach
Salaries and related costs	\$ 5,708,586	\$ 4,999,492	\$ 10,410,522	\$ 1,868,656	\$ 15,870,117	\$ 4,444,565	\$ 3,558,934
Other operating costs	2,661,794	1,057,749	1,517,571	1,324,356	5,577,381	416,624	218,653
Medical and pharmacy	101,749	563,982	1,205,495	21,306	2,104,002	52,254	6,458
Professional services	275,016	499,326	1,483,398	56,001	278,929	285,158	131,882
Food services	392,076	364,089	176,469	553,199	54,395	134,590	548
Insurance	302,809	107,568	254,448	160,959	540,582	64,800	106,476
Interest expense	-	-	-	-	240,232	-	-
Travel	8,861	3,358	16,700	328	89,177	4,163	23,250
	<u>\$ 9,450,891</u>	<u>\$ 7,595,564</u>	<u>\$ 15,064,603</u>	<u>\$ 3,984,805</u>	<u>\$ 24,754,815</u>	<u>\$ 5,402,154</u>	<u>\$ 4,046,201</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, 2022

	Program Activities			Program Subtotal	Supporting Activities	Total Expenses
	FACT & CAT Teams	Pharmacy	Other		Administrative Services	
Salaries and related costs	\$ 2,305,146	\$ 850,323	\$ 3,906,938	\$ 53,923,279	\$ 5,676,595	\$ 59,599,874
Other operating costs	599,753	145,005	1,503,289	15,022,175	1,709,146	16,731,321
Medical and pharmacy	19,350	8,012,347	5,112	12,092,055	469	12,092,524
Professional services	33,077	82,128	274,988	3,399,903	877,371	4,277,274
Food services	3,716	-	409	1,679,491	8,450	1,687,941
Insurance	72,024	8,532	131,851	1,750,049	371,192	2,121,241
Interest expense	-	-	-	240,232	238,298	478,530
Travel	14,461	775	13,797	175,128	55,520	230,648
	<u>\$ 3,047,527</u>	<u>\$ 9,099,110</u>	<u>\$ 5,836,384</u>	<u>\$ 88,282,312</u>	<u>\$ 8,937,041</u>	<u>\$ 97,219,353</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						
	Residential Licensed	Inpatient Services	CSU/ARF	Housing	Outpatient Services	Crisis Support Emergency	Prevention, Intervention & Outreach
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 Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
Change in net assets	\$ 1,290,749	\$ 5,196,522
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,217,171	3,109,238
Amortization of debt issuance costs to interest expense	41,713	40,241
Amortization of bond discount to interest expense	4,474	4,521
Gain on sale of property, buildings, and equipment	-	(9,584)
Gain on forgiveness of debt	(1,891,690)	-
Change in fair value of interest rate swaps	(390,152)	(260,730)
Change in unrealized return on investments	3,887,272	(2,181,189)
Changes in operating assets and liabilities		
Accounts receivable	(1,404,375)	(573,011)
Pharmacy inventory	(192,128)	(51,746)
Other assets	149,987	256,727
Accounts payable and accrued expenses	(558,843)	(104,475)
Accrued salaries and benefits	(1,786,867)	151,185
Other liabilities	(46,877)	740,156
Unearned grant revenue	1,077,932	(1,465,073)
Deferred payroll taxes	186,892	(224,957)
Refundable advances	(478,937)	(61,371)
Net cash provided by operating activities	<u>3,106,321</u>	<u>4,566,454</u>
Investing activities		
Change in investments	(1,143,251)	(1,171,794)
Proceeds from sale of property, buildings, and equipment	-	38,641
Purchases of property, buildings, and equipment	<u>(3,178,897)</u>	<u>(2,473,224)</u>
Net cash used in investing activities	<u>(4,322,148)</u>	<u>(3,606,377)</u>
Financing activities		
Payments on long term debt	<u>(1,105,696)</u>	<u>(1,173,575)</u>
Net cash used in financing activities	<u>(1,105,696)</u>	<u>(1,173,575)</u>
Net change in cash and cash equivalents	(2,321,523)	(213,498)
Cash and cash equivalents		
Beginning of year	<u>22,741,660</u>	<u>22,955,158</u>
End of year	<u>\$ 20,420,137</u>	<u>\$ 22,741,660</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, 2022 and 2021

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, 2022 and 2021, net assets without donor restrictions include funds designated by the Board of Directors for capital replacement and other purposes of approximately \$12,616,000 and \$13,889,000, 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, 2022 and 2021, there were no assets subject to permanent donor restrictions.

Use of Estimates

The preparation of consolidated 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, 2022 and 2021

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, 2022 or 2021.

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

Payor Type	2022	2021
Federal, state, local and other grantors and agencies	\$ 9,717,000	\$ 8,136,000
Managed care providers	1,137,000	978,000
Clients and other third party	651,000	768,000
Medicare	234,000	392,000
Other payors	359,000	446,000
Medicaid	67,000	40,000
Total accounts receivable	\$ 12,165,000	\$ 10,760,000

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 \$2,175,000 and \$2,984,000 were received from these donors during the years ended June 30, 2022 and 2021, respectively.

Aspire Health Partners, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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 consolidated 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, 2022 and 2021.

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 \$331,000 and \$289,000, at June 30, 2022 and 2021, respectively. Amortization of debt issuance costs was approximately \$42,000 and \$40,000 for the years ended June 30, 2022 and 2021, 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 are further described in Note 8. All amounts were expended as of June 30, 2022.

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, 2022 and 2021

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 \$1,024,073 and \$2,611,377 were recorded as a reduction to revenue for the years ended June 30, 2022 and 2021, 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 Organization provided approximately \$8,591,000 in charity care services for acute care for the year ended June 30, 2022.

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 \$1,872,000 and \$803,000 at June 30, 2022 and 2021, respectively, and \$2,268,160 at July 1, 2020.

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. All rental revenue for the years ended June 30, 2022 and 2021 is derived from operating leases.

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Contributions

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

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, 2022 and 2021.

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 \$325,000 and \$312,000 for the years ended June 30, 2022 and 2021, 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:

Payor Type	2022	2021
Florida Department of Children and Families	\$ 41,960,000	\$ 40,322,000
Federal, state, local and other grantors and agencies	28,598,000	30,364,000
Managed care providers	8,340,000	13,255,000
Medicare	11,457,000	10,033,000
Clients and other third party	5,364,000	5,418,000
Investments and miscellaneous	(637,000)	3,926,000
Medicaid	1,770,000	703,000
Tenants	892,000	580,000
Donors	<u>523,000</u>	<u>446,000</u>
Total revenues and support	<u>\$ 98,267,000</u>	<u>\$ 105,047,000</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.

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GAAP prescribes requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Organization 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 Internal Revenue Code ("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 consolidated financial statements. Management does not believe that the Organization has any material uncertain tax positions at September 30, 2022.

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.

Subsequent Events

Management has evaluated subsequent events through December 19, 2022, 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:

	2022	
	<u>Fair Value</u>	<u>Cost</u>
Equities	\$ 6,411,991	\$ 5,544,554
Fixed income	9,606,602	10,595,187
Mutual funds / Exchange traded funds	4,578,622	4,662,591
Hedge funds	689,314	649,600
Commodities	179,464	90,765
Real estate funds	19,124	17,297
	<u>\$ 21,485,117</u>	<u>\$ 21,559,994</u>
	2021	
	<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	29,812	24,388
	<u>24,229,139</u>	<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>	

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

Dividend and interest income, less fees (of approximately \$154,000 in 2022 and \$142,000 in 2021)	\$ 561,000	\$ 480,000
Net unrealized investment gains (losses)	(3,887,273)	2,181,000
Net realized gains	<u>577,000</u>	<u>815,000</u>
	<u>\$ (2,749,273)</u>	<u>\$ 3,476,000</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 Organization 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, hedge funds, commodities and strategy funds: 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: Valued based on quoted data from the counterparty or swap consultant, derived with mathematical approximations of indirectly observable market data (Level 2).

Real Estate Funds: 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.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30:

	2022		
	Level 1	Level 2	Total
Financial Assets (Liabilities)			
Equities	\$ 6,411,991	\$ -	\$ 6,411,991
Fixed income	-	9,606,602	9,606,602
Mutual funds / exchange traded funds	4,578,622		4,578,622
Hedge Funds	689,314	-	689,314
Commodities	179,464	-	179,464
Real Estate Funds	19,124	-	19,124
	<u>\$ 11,878,515</u>	<u>\$ 9,606,602</u>	<u>\$ 21,485,117</u>
Interest rate swaps	<u>\$ -</u>	<u>\$ (132,360)</u>	<u>\$ (132,360)</u>
	2021		
	Level 1	Level 2	Total
Financial Assets (Liabilities)			
Equities	\$ 10,552,927	\$ -	\$ 10,552,927
Fixed income	-	9,739,923	9,739,923
Mutual funds / exchange traded funds	3,034,065	-	3,034,065
Strategy Funds	872,412	-	872,412
Real Estate Funds	29,812	-	29,812
	<u>\$ 14,489,216</u>	<u>\$ 9,739,923</u>	<u>\$ 24,229,139</u>
Interest rate swaps	<u>\$ -</u>	<u>\$ (522,512)</u>	<u>\$ (522,512)</u>

4. PROPERTY, BUILDINGS, AND EQUIPMENT, NET

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

	<u>2022</u>	<u>2021</u>
Land	\$ 7,625,827	\$ 7,625,827
Buildings and improvements	66,903,277	65,300,334
Furniture, equipment and vehicles	<u>12,350,703</u>	<u>11,700,349</u>
	86,879,807	84,626,510
Less: Accumulated depreciation	<u>(50,617,029)</u>	<u>(47,399,858)</u>
	36,262,778	37,226,652
Construction in progress	<u>1,071,349</u>	<u>145,749</u>
Total property, buildings and equipment, net	<u>\$ 37,334,127</u>	<u>\$ 37,372,401</u>

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Depreciation expense was approximately \$3,200,000 and \$3,100,000 for the years ended June 30, 2022 and 2021, respectively.

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 \$832,000 and \$1,053,000 at June 30, 2022 and 2021, respectively.

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. On July 20, 2021, the Organization was informed that its application for forgiveness of \$1,891,690 of the PPP Loan was approved, and accordingly recorded other income in the consolidated statement of activities and changes in net assets for the year ended 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 cancellation of both the loan receivable and the loan payable.

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

	<u>2022</u>	<u>2021</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	\$ 6,230,000	\$ 7,115,000
Term loan	832,130	1,052,826
Sub-CDE loan A	4,034,400	4,034,400
Sub-CDE loan B	1,905,600	1,905,600
PPP Loan	-	1,891,690
	<u>13,002,130</u>	<u>15,999,516</u>
Less Current portion	<u>(1,155,727)</u>	<u>(2,988,684)</u>
	11,846,403	13,010,832
Less: Unamortized debt issuance costs	(747,373)	(789,086)
Less: Unamortized bond discount	<u>(22,368)</u>	<u>(26,842)</u>
	<u>\$ 11,076,662</u>	<u>\$ 12,194,904</u>

Aggregate scheduled maturities of long-term debt, excluding forgiven debt, for each of the next five years and thereafter are approximately as follows:

2023	\$ 1,155,727
2024	1,322,942
2025	1,457,630
2026	1,368,491
2027	1,310,477
Thereafter	<u>6,386,862</u>
	<u>\$ 13,002,129</u>

Cash paid for interest for the years ended June 30, 2022 and 2021 was approximately \$390,000 and \$446,000, 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.

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

	<u>2022</u>	<u>2021</u>
Housing and Urban Development	\$ 1,362,000	\$ 1,362,000
Orange County	481,000	480,000
Seminole County	515,000	515,000
City of Kissimmee	418,000	418,000
The Brian Foundation of Florida, Inc.	269,000	281,000
U.S. Department of Veteran Affairs	95,000	191,000
State of Florida - Department of Children and Families	-	40,000
Total capital advance obligations	<u>\$ 3,140,000</u>	<u>\$ 3,287,000</u>

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 \$2,697,500 and \$3,082,500 at June 30, 2022 and 2021, respectively. The fair value of the August Swap resulted in liabilities of approximately \$109,000 and \$300,000 at June 30, 2022 and 2021, 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 \$3,532,500 and \$4,032,500 at June 30, 2022 and 2021, respectively. The fair value of the December Swap resulted in liabilities of approximately \$24,000 and \$223,000 at June 30, 2022 and 2021, respectively.

The consolidated statements of financial position reflect liabilities of approximately \$132,000 and \$523,000, representing the amount that would have to be paid to terminate the swap agreements at June 30, 2022 and 2021, 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 \$390,000 and \$261,000 for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022, 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, 2022 and 2021 was approximately \$138,000. Interest income receivable was approximately \$69,000 at June 30, 2022 and 2021.

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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.

Grant and contract revenues for the years ended June 30 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Florida Department of Children and Families (passed through Central Florida Cares Health System, Inc.)	\$ 41,959,504	\$ 40,322,227
Federal, State, and other contracts	17,925,489	20,086,458
Local government	<u>10,672,613</u>	<u>10,277,464</u>
	<u>\$ 70,557,606</u>	<u>\$ 70,686,149</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 statements of financial position at June 30, 2022 and 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 \$689,000 and \$662,000 for the years ended June 30, 2022 and 2021, respectively.

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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.

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 of 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. The balance is required to be paid by December 31, 2022. At June 30, 2021 and 2020, the Organization recorded deferred payroll taxes of approximately \$327,000.

During the year ended June 30, 2022, the Organization filed for the Employee Retention credit ("ERC") for approximately \$2.670,000 under the government orders test which provides eligibility based upon the full or partial suspended of operations due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19. Recognition of the revenue from the ERC will be recognized as received as the Organization has determined that collectability is not assured until receipt. As of June 30, 2022, the Organization received approximately \$335,000 of the credit which has been included in rental and other income, net of related expenses of approximately \$110,000, on the accompanying consolidated statement of activities.

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.

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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 for the years ended June 30, 2022 and 2021, respectively. All amounts were utilized in the year ended June 30, 2022.

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 19,473,422	\$ 21,993,832
Accounts receivable	12,164,275	10,759,900
Short-term investments	<u>-</u>	<u>203,049</u>
Total financial assets available within one year	31,637,697	32,956,781
Less: Amounts unavailable for general expenditures within one year		
Donor restricted for time or specific purposes	(3,139,521)	(3,287,027)
Board designated for operating reserves	<u>(12,616,000)</u>	<u>(13,889,000)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 15,882,176</u>	<u>\$ 15,780,754</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, 2022 and 2021, and our report thereon dated December 19, 2022, which contains an unmodified opinion on those consolidated financial statements, appears on pages 1 through 3. 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 26-29 is not a required part of the consolidated financial statements. The schedules on pages 30 through 36 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, 2022, appearing on pages 37 through 40 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 audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



December 19, 2022

Aspire Health Partners, Inc. and Affiliates
Consolidating Statement of Financial Position
June 30, 2022

	<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>
Assets							
Current assets							
Cash and cash equivalents	\$ 17,197,795	\$ -	\$ 2,031	\$ 108,854	\$ 2,164,742	\$ -	\$ 19,473,422
Cash and cash equivalents - designated for capital replacement	739,585	207,130	-	-	-	-	946,715
Accounts receivable	12,160,467	-	3,808	-	-	-	12,164,275
Pharmacy inventory	934,954	-	-	-	-	-	934,954
Other current assets	310,698	-	3,119	-	-	-	313,817
Due from affiliates	<u>4,104,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,104,262)</u>	<u>-</u>
Total current assets	<u>35,447,761</u>	<u>207,130</u>	<u>8,958</u>	<u>108,854</u>	<u>2,164,742</u>	<u>(4,104,262)</u>	<u>33,833,183</u>
Noncurrent assets							
Investment in subsidiary	4,827,856	-	-	-	-	(4,827,856)	-
Notes receivable	4,034,400	-	-	-	-	-	4,034,400
Investments - designated for capital replacement	15,615,061	5,870,056	-	-	-	-	21,485,117
Property, buildings, and equipment, net	25,788,362	-	783,943	4,352,181	6,409,641	-	37,334,127
Other assets	<u>229,749</u>	<u>-</u>	<u>82,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,746</u>
Total noncurrent assets	<u>50,495,428</u>	<u>5,870,056</u>	<u>866,940</u>	<u>4,352,181</u>	<u>6,409,641</u>	<u>(4,827,856)</u>	<u>63,166,390</u>
Total assets	<u>\$ 85,943,189</u>	<u>\$ 6,077,186</u>	<u>\$ 875,898</u>	<u>\$ 4,461,035</u>	<u>\$ 8,574,383</u>	<u>\$ (8,932,118)</u>	<u>\$ 96,999,573</u>

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Consolidating Statement of Financial Position
June 30, 2022

	<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>
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	\$ 2,412,455	\$ -	\$ 19,453	\$ 82,351	\$ -	\$ -	\$ 2,514,259
Accrued salaries and benefits	2,398,577	-	-	-	-	-	2,398,577
Current portion of deferred payroll taxes	389,626	-	-	-	-	-	389,626
Current portion of long-term debt	925,000	-	-	-	230,727	-	1,155,727
Current portion of unearned grant revenue	1,240,523	-	-	-	-	-	1,240,523
Due to affiliates	-	1,249,330	176,319	438,053	2,240,560	(4,104,262)	-
Total current liabilities	<u>7,366,181</u>	<u>1,249,330</u>	<u>195,772</u>	<u>520,404</u>	<u>2,471,287</u>	<u>(4,104,262)</u>	<u>7,698,712</u>
Noncurrent liabilities							
Interest rate swaps	132,360	-	-	-	-	-	132,360
Other liabilities	1,662,270	-	3,243	-	-	-	1,665,513
Unearned grant revenue, less current portion	640,496	-	-	-	-	-	640,496
Deferred payroll taxes, less current portion	-	-	-	-	-	-	-
Refundable advances	-	-	-	-	-	-	-
Long-term debt, less current portion and unamortized discount and issue costs	5,228,708	-	-	5,255,677	592,277	-	11,076,662
Total noncurrent liabilities	<u>7,663,834</u>	<u>-</u>	<u>3,243</u>	<u>5,255,677</u>	<u>592,277</u>	<u>-</u>	<u>13,515,031</u>
Total liabilities	<u>15,030,015</u>	<u>1,249,330</u>	<u>199,015</u>	<u>5,776,081</u>	<u>3,063,564</u>	<u>(4,104,262)</u>	<u>21,213,743</u>
Net assets							
Without donor restrictions	69,135,953	4,827,856	(685,417)	(1,315,046)	5,510,819	(4,827,856)	72,646,309
With donor restrictions	1,777,221	-	1,362,300	-	-	-	3,139,521
Total net assets	<u>70,913,174</u>	<u>4,827,856</u>	<u>676,883</u>	<u>(1,315,046)</u>	<u>5,510,819</u>	<u>(4,827,856)</u>	<u>75,785,830</u>
Total liabilities and net assets	<u>\$ 85,943,189</u>	<u>\$ 6,077,186</u>	<u>\$ 875,898</u>	<u>\$ 4,461,035</u>	<u>\$ 8,574,383</u>	<u>\$ (8,932,118)</u>	<u>\$ 96,999,573</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, 2022

	<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>
Revenues and support							
Support							
Contributions, donations, and other support	\$ 378,165	\$ -	\$ -	\$ -	\$ -	\$ (180,000)	\$ 198,165
In-kind support	324,642	-	-	-	-	-	324,642
Net assets released from restrictions	147,506	-	-	-	-	-	147,506
Total support	<u>850,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,000)</u>	<u>670,313</u>
Revenue							
Net client service revenue	26,930,256	-	-	-	-	-	26,930,256
Grant and contract revenue	70,557,606	-	-	-	-	-	70,557,606
Change in net assets of the Foundation	(966,079)	-	-	-	-	966,079	-
Investment return (loss)	(1,843,532)	(905,576)	8	-	1,345	-	(2,747,755)
Rental and other income	2,797,322	-	85,425	338,400	900,097	(1,264,208)	2,857,036
Total revenue	<u>97,475,573</u>	<u>(905,576)</u>	<u>85,433</u>	<u>338,400</u>	<u>901,442</u>	<u>(298,129)</u>	<u>97,597,143</u>
Total support and revenue	<u>98,325,886</u>	<u>(905,576)</u>	<u>85,433</u>	<u>338,400</u>	<u>901,442</u>	<u>(478,129)</u>	<u>98,267,456</u>
Expenses							
Salaries	47,743,518	-	-	-	180,689	-	47,924,207
Medical and pharmacy	12,092,524	-	-	-	-	-	12,092,524
Employee benefits	11,675,667	-	-	-	-	-	11,675,667
Professional fees	4,256,832	-	26,003	18,620	3,630	(27,811)	4,277,274
Building occupancy	6,583,502	-	-	9,600	-	(1,236,399)	5,356,703
Depreciation	2,533,843	-	34,727	208,333	440,268	-	3,217,171
Food services	1,687,941	-	-	-	-	-	1,687,941
Direct client care	2,827,611	-	-	-	-	-	2,827,611
Other	1,797,493	60,505	111,267	180,000	208,397	(180,000)	2,177,662
Equipment costs	2,031,956	-	-	-	-	-	2,031,956
Insurance	1,817,555	-	10,000	50,000	243,686	-	2,121,241
Operating supplies	1,116,657	-	-	3,560	-	-	1,120,217
Interest	255,490	-	-	177,892	45,148	-	478,530
Travel	230,390	-	-	-	258	-	230,648
Total expenses	<u>96,650,979</u>	<u>60,505</u>	<u>181,997</u>	<u>648,005</u>	<u>1,122,076</u>	<u>(1,444,210)</u>	<u>97,219,352</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, 2022

	<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	\$ 1,674,907	\$ (966,081)	\$ (96,564)	\$ (309,605)	\$ (220,634)	\$ 966,081	\$ 1,048,104
Change in fair value of interest rate swaps	<u>390,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,152</u>
Change in net assets without donor restrictions	<u>2,065,059</u>	<u>(966,081)</u>	<u>(96,564)</u>	<u>(309,605)</u>	<u>(220,634)</u>	<u>966,081</u>	<u>1,438,256</u>
Net assets released from restriction	<u>(147,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,506)</u>
Change in net assets	1,917,553	(966,081)	(96,564)	(309,605)	(220,634)	966,081	1,290,750
Net assets							
Beginning 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>
End of year	<u>\$ 70,913,174</u>	<u>\$ 4,827,856</u>	<u>\$ 676,883</u>	<u>\$ (1,315,045)</u>	<u>\$ 5,510,819</u>	<u>\$ (4,827,856)</u>	<u>\$ 75,785,831</u>

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Program/Cost Center Actual Revenues and Expenses Schedule
Year Ended June 30, 2022

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	Methodone	SRT	Prevention	FEP	Intervention
IA. STATE SAMH FUNDING	\$ 6,285,509	\$ 2,025,141	\$ 1,009,787	\$ 1,695,053	\$ 793,973	\$ 5,282,106	\$ 929,574	\$ 164,065	\$ 2,154,130	\$ 403,335	\$ 835,163	\$ 1,597,923	\$ 3,960,575	\$ 1,133,010	\$ 758,196	\$ 1,597,717
IB. OTHER GOVERNMENT FUNDING																
Other state funding	194,711	1,376,489	-	-	-	-	-	-	-	-	-	63,153	-	-	-	-
LIP ACHA	-	-	-	-	-	3,829,295	-	-	-	-	-	-	168,035	-	-	-
Medicaid	97	2,204	125	15,880	(1,559)	(162)	439,175	7,472	1,389	-	-	20,432	435	-	660	(15)
Local government	966,085	40,677	-	55,738	42,400	1,246,099	-	-	113,264	69,084	66,182	80,152	-	1,043,425	-	-
Federal grants and contracts	110,547	39,663	593	-	-	340,743	-	253	-	-	-	101,795	-	-	-	-
In kind (local government only)	143,112	-	-	-	-	-	-	-	-	79,965	-	-	-	-	-	-
TOTAL OTHER GOVERNMENT FUNDING	1,414,552	1,459,033	718	71,618	40,841	5,415,975	439,175	7,725	114,653	149,049	66,182	265,532	168,470	1,043,425	660	(15)
IC. ALL OTHER FUNDING AND REVENUES																
First and third party fees	864,171	619,394	32,770	494,861	178,954	2,398,458	(84,529)	274,321	(1,615)	1,280	103,008	341,519	4,924	-	8,779	2,736
Medicare	400	71,231	-	(7,655)	(143)	(24,489)	6,905	2,241	-	(250)	(51)	5,090	(5,239)	-	287	125
Contributions and donations	-	-	2,580	-	-	-	-	-	-	-	-	-	-	4,000	-	-
Other	188,489	17,032	4,725	2,000	1,999	-	-	-	-	-	43,357	9,762	-	-	-	10,500
TOTAL ALL OTHER FUNDING AND REVENUES	1,053,060	707,657	40,075	489,206	180,810	2,373,969	(77,624)	276,562	(1,615)	1,030	146,314	356,371	(315)	4,000	9,066	13,361
TOTAL FUNDING	\$ 8,753,121	\$ 4,191,831	\$ 1,050,580	\$ 2,255,877	\$ 1,015,624	\$ 13,072,050	\$ 1,291,125	\$ 448,352	\$ 2,267,168	\$ 553,414	\$ 1,047,659	\$ 2,219,826	\$ 4,128,730	\$ 2,180,435	\$ 767,922	\$ 1,611,063

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Program/Cost Center Actual Revenues and Expenses Schedule
Year Ended June 30, 2022

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
\$ 3,493,223	\$ 880,302	\$ 484,724	\$ 2,920,836	\$ 1,223,810	\$ 908,563	\$ 40,536,718	\$ -	\$ -	\$ 40,536,718	\$ 1,422,786	\$ 41,959,504
-	7,006	-	-	-	-	1,641,359	1,299,075	1,299,075	2,940,434	26,484	2,966,918
207,318	-	-	432,645	-	-	4,637,293	9,798	9,798	4,647,090	687,219	5,334,309
375	16,647	2,040	11,319	-	178	516,693	34,269	34,269	550,962	1,218,600	1,769,562
72,625	312,150	-	1,879,629	-	-	5,987,512	570,712	570,712	6,558,224	3,242,826	9,801,050
787,674	8,073	-	-	-	-	1,389,340	1,156,948	1,156,948	2,546,288	8,084,229	10,630,517
-	79,965	-	-	-	-	303,042	-	-	303,042	21,600	324,642
1,067,992	423,841	2,040	2,323,593	-	178	14,475,239	3,070,802	3,070,802	17,546,040	13,280,958	30,826,998
1,578,903	623,367	94	130,744	(262)	89	7,571,965	247,819	247,819	7,819,784	5,883,620	13,703,404
-	(11,357)	-	285	-	(51)	37,329	9,466,141	9,466,141	9,503,471	1,953,819	11,457,290
-	10,000	-	-	-	-	16,580	1,000	1,000	17,580	360,585	378,165
-	273	-	-	-	-	278,137	266,026	266,026	544,162	(691,145)	(146,983)
1,578,903	622,283	94	131,029	(262)	38	7,904,011	9,980,986	9,980,986	17,884,997	7,506,879	25,391,876
\$ 6,140,118	\$ 1,926,426	\$ 486,858	\$ 5,375,458	\$ 1,223,548	\$ 908,779	\$ 62,915,968	\$ 13,051,788	\$ 13,051,788	\$ 75,967,755	\$ 22,210,623	\$ 98,178,378

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Program/Cost Center Actual Revenues and Expenses Schedule
Year Ended June 30, 2022

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	Methodone	SRT	Prevention	FEP	Intervention
IIA. PERSONNEL EXPENSES																
Salaries	\$ 3,204,546	\$ 1,785,892	\$ 335,821	\$ 1,343,356	\$ 424,036	\$ 4,527,238	\$ 588,036	\$ 262,813	\$ 1,265,438	\$ 335,389	\$ 366,975	\$ 911,394	\$ 1,553,606	\$ 1,247,752	\$ 370,779	\$ 955,810
Fringe benefits	824,764	430,495	84,822	344,769	117,684	1,075,818	142,249	67,151	309,424	83,215	94,418	207,877	357,242	325,288	98,364	252,327
TOTAL PERSONNEL EXPENSES	4,029,310	2,216,387	420,643	1,688,125	541,720	5,603,056	730,285	329,964	1,574,862	418,604	461,393	1,119,271	1,910,848	1,573,040	469,143	1,208,137
IIB. OTHER EXPENSES																
Building occupancy	1,716,215	493,519	124,039	99,888	97,065	832,379	86,790	10,345	161,264	111,959	222,769	176,242	125,534	61,585	59,982	43,982
Professional services	196,149	135,248	4,434	39,301	23,518	697,956	5,827	120	27,250	2,266	9,685	20,721	341,620	19,521	(1,075)	3,267
Travel	3,968	(190)	9	16,963	415	4,379	5,046	9,209	9,415	1	-	736	592	2,418	8,137	16,330
Equipment	70,278	3,930	11,035	6,567	9,541	33,156	9,488	2,777	49,768	5,200	23,323	15,350	18,174	7,582	8,356	1,658
Food services	751,434	51	27,783	392	6,722	505,803	3,360	238	355	98,649	8,005	-	231,755	548	1,356	-
Medical and pharmacy	89,759	1,583,291	1,838	2,252	276	676,179	19,225	79	125	3,222	4,677	374,952	443,643	132	48,315	5,595
Subcontracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	205,020	70,908	13,452	39,984	33,253	154,932	35,196	6,528	36,828	30,516	48,061	17,736	36,216	75,264	13,140	18,336
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating supplies and expenses	90,111	15,959	6,230	344,334	14,228	96,432	237,979	39,189	54,464	7,182	20,321	24,810	32,703	16,260	21,160	11,279
Donated items	143,112	-	-	-	-	-	-	-	-	79,965	-	-	-	-	-	-
TOTAL OTHER EXPENSES	3,266,046	2,302,716	188,820	549,681	185,018	3,001,216	402,911	68,485	339,469	338,960	336,841	630,547	1,230,237	183,310	159,371	100,447
TOTAL PERSONNEL AND OTHER EXPENSES	7,295,356	4,519,103	609,463	2,237,806	726,738	8,604,272	1,133,196	398,449	1,914,331	757,564	798,234	1,749,818	3,141,085	1,756,350	628,514	1,308,584
IIC. DISTRIBUTED INDIRECT COSTS																
Administrative	647,011	640,449	50,553	226,411	74,843	1,108,493	108,111	48,783	147,532	42,102	60,708	129,495	221,337	262,069	33,365	108,465
Other support	378,002	350,312	40,305	141,050	138,260	693,718	142,315	28,202	132,738	35,338	39,285	99,670	252,474	93,932	65,151	66,056
TOTAL DISTRIBUTED INDIRECT COSTS	1,025,013	990,761	90,858	367,461	213,103	1,802,211	250,426	76,985	280,270	77,440	99,993	229,165	473,811	356,001	98,516	174,521
TOTAL ACTUAL OPERATING EXPENSES	8,320,369	5,509,864	700,321	2,605,267	939,841	10,406,483	1,383,622	475,434	2,194,601	835,004	898,227	1,978,983	3,614,896	2,112,351	727,030	1,483,105
IID. UNALLOWABLE COSTS																
TOTAL ALLOWABLE OPERATING EXPENSES	\$ 8,320,369	\$ 5,509,864	\$ 700,321	\$ 2,605,267	\$ 939,841	\$ 10,406,483	\$ 1,383,622	\$ 475,434	\$ 2,194,601	\$ 835,004	\$ 898,227	\$ 1,978,983	\$ 3,614,896	\$ 2,112,351	\$ 727,030	\$ 1,483,105

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Schedule of State Earnings
Year Ended June 30, 2022

Total expenditures for Aspire Health Partners, Inc.	\$ 96,650,979
Less: Other state and federal funds received	(32,158,596)
Less: Non-match SAMH funds received	(24,064,482)
Less: Unallowable costs per 65E-14, FAC	<u>(99,660)</u>
Total allowable expenditures	<u>\$ 40,328,241</u>
Maximum available earnings (75% of total allowable expenditures)	\$ 30,246,181
Less: Amount of state funds received requiring match	<u>(5,226,836)</u>
Excess match	<u>\$ 25,019,345</u>

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Schedule of Bed-Day Availability Payments
Year Ended June 30, 2022

<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 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>
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
Adult MH	Crisis Stabilization Unit	\$ 490	31,755	13,291	18,464	\$ 6,240,771	\$ 9,047,360	\$ -
Adult MH	Short-Term Residential Treatment	\$ 379	10,585	-	10,585	\$ 3,960,575	\$ 4,011,715	-
Adult SA	Substance Abuse Detoxification	\$ 422	14,600	5,986	8,614	\$ 3,493,223	\$ 3,635,108	-
						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, 2022

	Allocation of Related Party Transactions Adjustment								
	State-Designated Cost Centers								
	Intervention	Outpatient Treatment	Medical Svs	Methadone Maintenance	Residential Level II	FITT	TASC	Other SAMH	Total
Revenues to grantee									
Rent	\$ 7,102	\$ 56,863	\$ 28,677	\$ 45,470	\$ 438,285	\$ 15,405	\$ 5,130	\$ 27,090	\$ 624,022
Expenses associated with grantee transactions									
Depreciation	3,625	29,022	14,636	23,207	223,691	7,862	2,618	13,826	318,487
Interest	347	2,778	1,401	2,222	21,414	753	251	1,324	30,490
Insurance and Other	5,209	41,708	21,034	33,351	321,474	11,299	3,763	19,870	457,708
Total associated expenses	9,181	73,508	37,071	58,780	566,579	19,914	6,632	35,020	806,685
Related party transaction adjustment	\$ (2,079)	\$ (16,645)	\$ (8,394)	\$ (13,310)	\$ (128,294)	\$ (4,509)	\$ (1,502)	\$ (7,930)	\$ (182,663)

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
FEDERAL AWARDS			
U.S. Department of Agriculture			
Indirect Programs			
Passed Through Florida Department of Elder Affairs-Adult Care Food Program			
Child And Adult Care Food Program (ACFP-Entitlement Program)	10.558	Y6181	\$ 25,734
Total U.S. Department of Agriculture			<u>25,734</u>
U.S. Department of Housing and Urban Development			
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
Pass-through the City of Orlando Housing & Development, Florida			
The Community Development Block Grant Program - Public Svices DETOX	14.218	CDBG -CV/B-20-MW-12-0015	195,571
Pass-through Orange County Housing & Development, Florida			
The Community Development Block Grant Program Public Services	14.218	2019-19-01/B-20-UC-12-0003	266,532
The Community Development Block Grant Program -PPWI	14.218	CDBG-19	60,000
The Community Development Block Grant Program -MAT	14.218	2019-19-01/B-20-UC-12-0003	133,762
The Community Development Block Grant Program -Clarcona	14.218	B-20-UW-12-0003	143,984
Housing Opportunities for Persons with Aids (HOPWA) Grants	14.241	Y17-605	207,408
Housing Opportunities for Persons with Aids (HOPWA) Grants	14.241	Y20-1032A	590,982
Pass-through Homeless Services Network of Central Florida, Inc.			
Supportive Housing Program - SCC HOPE Seminole	14.235	CA#2017-21	115,391
Supportive Housing Program - SCC HOPE Seminole	14.235	CA#2017-21	45,638
Supportive Housing Program - HSN HOPE Seminole	14.235	FL0561L4H072005 (2021-22)	20,767
Total U.S. Department of Housing and Urban Development			<u>3,187,253</u>
U.S. Department of Justice			
Criminal and Juvenile Justice and Mental Health Collaboration Program			
Pass-through Seminole County, Florida			
Mental Health Grant	16.745	2020-MO-BX-0036	161,096
Total U.S. Department of Justice			<u>161,096</u>
U.S. Department of Transportation			
FDOT- Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G0G16	160,038
Pass-through LYNX	20.513	22C-04	83,413
Total U.S. Department of Transportation			<u>243,451</u>
U.S. Department of Treasury (TREAS)			
Coronavirus Relief Fund	21.019	MHCAF - FACT Cares Act	365,626
Coronavirus Relief Fund	21.019	MCCA2 - CAT Cares Act	357,869
Coronavirus Relief Fund	21.019	MHCAR SRT CARES	275,511
Pass-through Seminole County, Florida			
American Rescue Plan Act (ARPA)	21.027	Seminole CSU Covid 19 response Beds	25,000
Total U.S. Department of Treasury (TREAS)			<u>1,024,006</u>
U.S. Department of Veteran Affairs			
Direct Program			
VA Homeless Providers Grant and Per Diem Program. Brev Res 238	64.024	ASPI233-1357-675-PD-21	76,387
VA Homeless Providers Grant and Per Diem Program, Brev Res 298	64.024	ASPI233-1357-675-PD-21	597,756
Indirect Programs			
Pass-through Homeless Services Network of Central Florida, Inc.			
VA Supportive Services for Veteran Families Program	64.033	18-FL-023 Orange P2 (2021-22)	1,212,814
VA Supportive Services for Veteran Families Program	64.033	18-14 FL 023-SS (2021-23)	48,785
VA Supportive Services for Veteran Families Program	64.033	18-FL 023-Seminole P2(2021-22)	1,194,138
Total U.S. Department of Veteran Affairs			<u>3,129,880</u>

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
Substance Abuse and Mental Health Services Administration (SAMHSA)			
Pass-through: University of NY Grossman School of Medicine			
NIH CTN 0097	93.279	20-A0-S3-003671	\$ 348,802
NIH CTN 100	93.279	21-A0-S3-003671	345,142
Pass-through: University of Washington			
CTN 0082	93.279	UWSC12065	27,604
Pass-through Central Florida Cares Health System:			
Projects for Assistance in Transition from Homelessness (PATH) Orange County, Florida	93.150	AHP22	209,892
Department of HHS: Positively Empowered Program	93.243	1H79T1080625-05	475,995
SAMHSA - Youth-Positively Empowered Program	93.243	1H79SP082177-02	149,857
Direct Program			
ACT Team Expansion & ENH Project	93.243	1H79SM080910-03	581,643
Direct Program			
CCBHC Expansion Grant	93.829	6H79SM083235-01M002	1,347,014
Pass-through:			
Orange County, Florida			
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	Y19-180A	159,915
Pass-through Central Florida Cares Health System			
Substance Abuse and Mental Health Services Program	93.959	AHP22	12,096,626
Pass-through DCF			
Florida Alcohol and Drug Abuse Association (FAADA-Vivitrol)	93.959	MOA# DCFAD003	125,867
Florida Department of Children and Families			
Pass-through Central Florida Cares Health System			
Temporary Assistance for Needy Families (TANF)	93.558	AHP22	71,325
Medical Assistance Program- PPG Orange	93.959	DFO24	49,474
State Opioid Response Discretionary Grant	93.788	AHP22	2,137,426
Block Grant for Community Mental Health Services (FACT)	93.958	AFT22	319,553
Block Grant for Community Mental Health Services (FEMA)	93.958	FDR23	769
Block Grant for Community Mental Health Services (AMH, CMH)	93.958	AHP22	4,145,292
Block Grant for Community Mental Health Services (ATC21)	93.958	ACT23	188,854
Pass-through:			
Orange County Healthy Start	93.994	MOA/Renew #2	24,820
Orange County Healthy Start	93.994	MOA/Amend #1	26,346
Total U.S. Department of Health and Human Services			\$ 22,832,216
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 30,603,636

See Independent Auditor's Report.

Aspire Health Partners, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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, 2022. 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. INDIRECT COST RATE

The Organization has a federally negotiated indirect cost rate of 27.20% based on direct salaries and wages for federally funded programs.

4. RECEIVABLE FROM FEDERAL GRANTOR

The Organization receives federal pass-through funding from Central Florida Cares Health System, Inc. (the "Managing Entity") under multiple contracts using negotiated rates. At June 30, 2022, the Organization was owed approximately \$4,700,000 from the Managing Entity under these contracts.

5. SUBRECIPIENTS

There were no federal awards provided to subrecipients.

Aspire Health Partners, Inc. and Affiliates
Schedule of State Financial Assistance
Year Ended June 30, 2022

State of Florida Department of Children and Families	Agency or Pass-Through Number	Current Year Expenditures
State Funds Subject to Section 215.97, Florida Statute		
State Department Children & Families; Centralized Receiving System-60.163 (CRS)	ASC24	\$ 2,870,990
State Department Children & Families; Aspire Hlth Prtners-Vet Natl Guard Mh Svc-60.153	MHASP - CVN	250,000
Florida Alcohol and Drug Abuse Association -OSCA - 22.022	MOA# OSCFAD003	1,250,622
State Department Children & Families; Community Forensic Beds Comp Rest Tng - 60.114	AHP22	56,240
State Department Children & Families; Pass-through Orange County 60.115	LH818/Y22-2200	76,616
State Department Children & Families; Pass-through Seminole County 60.115	LH828	35,919
Total expenditures of state financial assistance		<u>\$ 4,540,387</u>

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the state grant activity of Aspire Health Partners, Inc. and Affiliates for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements Chapter 10.650, *Rules of the Auditor General of the State of Florida*. 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 Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. SUBRECIPIENTS

There were no state awards provided to subrecipients.

4. 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
STATE PROJECTS		
Matching funds for Federal Programs:		
State Matching Funds - 93.958 Block Grants for Community Mental Health Services	AHP22	\$ 11,947,141
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	219,397
State Matching Funds - 93.958 Block Grants for Community Mental Health Services (CAT OSC/SEM/ORR)	ACT21	1,548,609
State Matching Funds - 93.959 Block Grant For Prevention and Treatment of Substance Abuse (ASA, AMH)	AHP22	4,006,680
U.S. Department Of The Treasury - Coronavirus Relief Fund 21.019	AFT22/AHP22	258,798
Total state funds awarded for matching		<u>\$ 17,984,749</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 statement of Aspire Health Partners, Inc. and Affiliates (the "Organization") which comprise the consolidated statement of financial position as of June 30, 2022, 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 19, 2022.

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 or significant deficiencies 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.

WithumSmith+Brown, PC

December 19, 2022

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 Program

Opinion on Each Major Federal Program and State Project

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, 2022. The Organization's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs and state projects for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"); 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 of the State of Florida*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General State of Florida* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program and state projects as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the audit requirements of the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 of the State of Florida*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 a 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 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

Withum Smith + Brown, PC

December 19, 2022

**Aspire Health Partners, Inc. and Affiliates
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2022**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Consolidated 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 and state projects:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, *Rules of the Auditor General of the State of Florida*?

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

Block Grant for Community Mental Health Services

93.958

CCBHC Expansion Grant

93.829

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

\$ 918,109

**Aspire Health Partners, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

State Projects

Identification of Major State Projects:

Name of Major State Project

CFSA Number

State Department Children & Families; Centralized Receiving System

60.163

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

No matters were reported.