

CITRUS HEALTH NETWORK, INC.

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Citrus Health Network, Inc. (the "Center"), (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Center'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 20, 2022

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 26,722,942
Funds held for clients - social security benefits	211,275
Grants receivable - federal and non-federal awards	4,703,330
Accounts receivable - patients and third-party payers, net of allowance	4,648,699
Prepaid expenses	2,327,758
Inventory	433,156
TOTAL CURRENT ASSETS	39,047,160

PROPERTY AND EQUIPMENT, net	9,212,113
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OTHER ASSETS

Advances and loans to sponsored companies, net	217,003
Long term investments	463,000
Deposits and other assets	227,809
TOTAL OTHER ASSETS	907,812

TOTAL ASSETS	49,167,085
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	14,245,087
Due to clients - social security benefits	211,275
Deferred revenue	6,319,634
Installment, line of credit, and other obligations including capital leases, current portion	494,092
	21,270,088

Installment and other obligations, including capital leases	4,530,252
	25,800,340

NET ASSETS

Without Donor Restriction	22,230,016
With Donor Restriction	1,136,729
TOTAL NET ASSETS	23,366,745

TOTAL LIABILITIES AND NET ASSETS	\$ 49,167,085
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The accompanying notes are an integral part of these financial statements.

CITRUS HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

SUPPORT AND REVENUE	
PUBLIC SUPPORT	
Federal, State, and Local grants	\$ 158,482,180
TOTAL PUBLIC SUPPORT	<u>158,482,180</u>
COMMUNITY SUPPORT	
United Way	129,248
Contributed services	80,702
Contribution	263,619
TOTAL COMMUNITY SUPPORT	<u>473,569</u>
TOTAL SUPPORT	<u>158,955,749</u>
REVENUE	
Patient services, net	41,464,383
In-kind and other revenues	3,244,519
TOTAL REVENUE	<u>44,708,902</u>
TOTAL SUPPORT AND REVENUE	<u>203,664,651</u>
EXPENSES	
Program services	186,448,484
Support services	14,306,790
TOTAL EXPENSES	<u>200,755,274</u>
Change in net assets before investment income	2,909,377
Investment income	<u>244,641</u>
CHANGE IN NET ASSETS	3,154,018
NET ASSETS AT BEGINNING OF YEAR	<u>20,212,727</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 23,366,745</u></u>

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES AND COST CENTER EXPENSES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

Expense Categories	Program Services													Program Sub Total
	Case Management	CAT Teams	Comprehensive Community Service Team	Child Welfare	Community Support	Crisis Stabilization	Crisis Support	DJJ	Early Childhood	Fact Team	Foster Care	Health Connect in Our Schools	Housing Programs	
A. Personnel Expenses														
(1) Salaries	\$ 1,132,937	\$ 1,405,139	\$ 654,179	\$ 12,885,020	\$ 1,810,555	\$ 5,617,277	\$ 2,653,893	\$ 480,296	\$ 817,067	\$ 1,571,577	\$ 3,694,778	\$ 1,828,318	\$ 2,711,108	\$ 37,262,144
(2) Fringe benefits	193,041	233,504	132,397	1,548,439	327,195	810,378	391,245	95,598	166,527	270,474	703,862	314,273	401,017	5,587,950
Total Personnel Expenses	1,325,978	1,638,643	786,576	14,433,459	2,137,750	6,427,655	3,045,138	575,894	983,594	1,842,051	4,398,640	2,142,591	3,112,125	42,850,094
B. Other expenses														
(1) Building occupancy	96,854	20,086	19,816	480,468	531,255	306,137	44,950	307	120,057	45,090	504,874	27,517	209,946	2,407,357
(2) Other Expense - Client Cost	14,454	14,813	85,462	45,963,707	24,403	137,673	5,246	10,486	-	1,459,750	38,263	1	6,776,312	54,530,570
(3) Other Expense - E.H.R.	30,304	38,953	190,809	-	89,312	199,859	59,305	13,914	30,508	43,839	99,012	72,092	18,909	886,816
(4) Professional Services	12	299	264	5,999	3,280	2,179	1,557	-	4,264	179	-	2,201	4,563	24,797
(5) Travel	13,377	8,879	555	221,399	999	172	3,659	829	188	751	29,915	3	33,114	313,840
(6) Equipment	3,184	118	488	43,186	12,046	35,259	5,702	-	-	2,059	289	1,991	9,436	113,758
(7) Other Expense - Transportation	23,660	24,188	20,085	-	40,081	21,165	12,192	491	-	61,411	46,795	6,269	28,798	285,135
(8) Other Expense - Food	710	1,052	589	-	211,669	310,508	9	115	-	2,324	1,493	1,512	1,219	531,200
(9) Medical Expenses	-	-	-	-	8	191,984	431	-	-	3,387	-	31,368	3,814	230,992
(10) Subcontracted Services	-	19	35	39,408,040	160,927	108,569	129,462	-	10,587	37,020	963,385	3,752	40,057	40,861,853
(11) Insurance	13,284	958	12,974	1,318,102	31,026	105,021	12,787	150	2,779	13,829	7,760	4,258	31,126	1,554,054
(12) Interest	-	-	-	-	-	127,970	16,455	-	-	-	-	4,897	-	149,322
(13) Other Expense - Operating Supplies	21,859	15,248	23,594	224,134	68,002	172,697	12,496	1,802	927	5,691	20,243	13,275	23,062	603,030
(14) In-Kind	-	-	-	-	234,697	-	-	-	-	-	-	-	-	234,697
(15) Other Expense - Miscellaneous	5,390	5,231	2,025	9,121	12,263	28,483	5,729	960	4,099	2,714	24,598	6,729	23,412	130,754
(16) Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	223,088	129,844	356,696	87,674,156	1,419,968	1,747,676	309,980	29,054	173,409	1,678,044	1,736,627	175,865	7,203,768	102,858,175
Total Personnel and Other Expenses	1,549,066	1,768,487	1,143,272	102,107,615	3,557,718	8,175,331	3,355,118	604,948	1,157,003	3,520,095	6,135,267	2,318,456	10,315,893	145,708,269
C. Distributed Costs														
Other Support	70,304	80,531	49,120	2,279,464	162,008	372,280	152,782	27,547	52,686	160,294	277,280	105,575	181,176	3,971,047
Administration	109,434	125,355	76,460	3,775,119	252,181	579,490	237,820	42,880	82,012	249,514	431,614	164,338	269,022	6,395,239
Total Distributed Indirect Costs	179,738	205,886	125,580	6,054,583	414,189	951,770	390,602	70,427	134,698	409,808	708,894	269,913	450,198	10,366,286
Total Operating Expenses	1,728,804	1,974,373	1,268,852	108,162,198	3,971,907	9,127,101	3,745,720	675,375	1,291,701	3,929,903	6,844,161	2,588,369	10,766,091	156,074,555
D. Unallowable Costs														
Allowable Operating Expenses	1,728,804	1,974,373	1,268,852	108,162,198	3,971,907	9,127,101	3,745,720	675,375	1,291,701	3,929,903	6,844,161	2,588,369	10,766,091	156,074,555
E. Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,040	\$ 14,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,118

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES AND COST CENTER EXPENSES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

Expense Categories	Program Services										Support Services				Combined Totals
	Medical Services	Navigate	Outpatient	Pharmacy	Prevention Intervention	Residential Level I	Residential Level II	Ryan White	Short-term Residential Treatment	Program Sub Total	Program Total	General and Administrative	Other Support	Support Services Total	
A. Personnel Expenses															
(1) Salaries	\$ 7,129,629	\$ 565,938	\$ 7,381,742	\$ 1,297,280	\$ 1,193,657	\$ 3,338,788	\$ 819,912	\$ 211,554	\$ 1,508,409	\$ 23,446,909	\$ 60,709,053	\$ 5,828,949	\$ 2,661,384	\$ 8,490,333	\$ 69,199,386
(2) Fringe benefits	1,197,413	107,601	1,119,470	212,088	195,098	548,627	126,609	36,486	247,676	3,791,068	9,379,018	1,027,770	508,216	1,535,986	10,915,004
Total Personnel Expenses	8,327,042	673,539	8,501,212	1,509,368	1,388,755	3,887,415	946,521	248,040	1,756,085	27,237,977	70,088,071	6,856,719	3,169,600	10,026,319	80,114,390
B. Other expenses															
(1) Building occupancy	915,407	28,874	192,164	58,972	31,622	401,930	79,570	24,466	158,172	1,891,177	4,298,534	166,255	457,406	623,661	4,922,195
(2) Other Expense - Client Cost	4,160	1,701	2,711	2	16,502	28,335	13,185	27,394	4,635	98,625	54,629,195	-	170	170	54,629,365
(3) Other Expense - E.H.R.	177,846	29,488	168,098	40,332	40,003	108,044	24,830	11,696	48,975	649,312	1,536,128	96,895	170,318	267,213	1,803,341
(4) Professional Services	32,041	-	26,850	55,311	63,380	4,214	3,504	18	1,646	186,964	211,761	481,572	175,309	656,881	868,642
(5) Travel	5,583	344	9,213	5	4,214	101	780	251	80	20,571	334,411	227,645	6,013	233,658	568,069
(6) Equipment	57,692	15	18,491	25,826	565	19,148	4,595	757	3,147	130,236	243,994	150,413	134,127	284,540	528,534
(7) Other Expense - Transportation	1,878	4,285	8,097	340,574	13,347	7,335	18,854	-	7,005	401,375	686,510	11,843	12,000	23,843	710,353
(8) Other Expense - Food	10,411	1,036	19,351	4	1,894	175,954	126,107	-	95,759	430,516	961,716	29,104	6,905	36,009	997,725
(9) Medical Expenses	194,787	-	39,139	4,145,800	-	50,748	808	52,308	38,586	4,522,176	4,753,168	-	-	-	4,753,168
(10) Subcontracted Services	712,474	35,060	331,389	6,797	3,050	79,938	3,435	-	14,281	1,186,424	42,048,277	210,216	129,240	339,456	42,387,733
(11) Insurance	60,175	-	47,383	7,172	8,152	31,701	31,245	-	8,432	194,260	1,748,314	212,192	30,934	243,126	1,991,440
(12) Interest	36,554	-	60,474	7,129	-	-	-	-	-	104,157	253,479	282	14,484	14,766	268,245
(13) Other Expense - Operating Supplie	105,082	63	71,486	36,785	28,039	114,970	29,208	5,172	38,608	429,413	1,032,443	113,598	107,563	221,161	1,253,604
(14) In-Kind	-	-	-	1,903,727	31,000	82,010	-	-	-	2,016,737	2,251,434	-	-	-	2,251,434
(15) Other Expense - Miscellaneous	38,170	1,141	101,352	34,781	21,862	23,008	19,286	293	13,841	253,734	384,488	625,230	1,347,246	1,972,476	2,356,964
(16) Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	350,072	-	350,072	350,072
Total Other Expenses	2,352,260	102,007	1,096,198	6,663,217	263,630	1,127,436	355,407	122,355	433,167	12,515,677	115,373,852	2,675,317	2,591,715	5,267,032	120,640,884
Total Personnel and Other Expenses	10,679,302	775,546	9,597,410	8,172,585	1,652,385	5,014,851	1,301,928	370,395	2,189,252	39,753,654	185,461,923	9,532,036	5,761,315	15,293,351	200,755,274
C. Distributed Costs															
Other Support	486,303	35,316	437,037	352,161	75,245	228,361	59,286	16,867	99,692	1,790,268	5,761,315	-	(5,761,315)	(5,761,315)	-
Administration	756,978	54,973	680,291	548,172	117,126	355,466	92,284	26,255	155,180	2,786,725	9,181,964	(9,181,964)	-	(9,181,964)	-
Total Distributed Indirect Costs	1,243,281	90,289	1,117,328	900,333	192,371	583,827	151,570	43,122	254,872	4,576,993	14,943,279	(9,181,964)	(5,761,315)	(14,943,279)	-
Total Operating Expenses	11,922,583	865,835	10,714,738	9,072,918	1,844,756	5,598,678	1,453,498	413,517	2,444,124	44,330,647	200,405,202	350,072	-	350,072	200,755,274
D. Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	350,072	-	350,072	350,072
Allowable Operating Expenses	11,922,583	865,835	10,714,738	9,072,918	1,844,756	5,598,678	1,453,498	413,517	2,444,124	44,330,647	200,405,202	-	-	-	200,405,202
E. Capital Expenditures	\$ 11,493	\$ -	\$ 12,161	\$ 13,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,104	\$ 90,222	\$ 37,585	\$ 10,300	\$ 47,885	\$ 138,107

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 3,154,018
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	917,548
Change in allowance for doubtful accounts	293,476
(Increase) Decrease in assets:	
Grants receivable	2,325,666
Accounts receivable	(2,405,067)
Prepaid expenses	(288,636)
Advances and loans to sponsored companies, net	(140)
Inventory	(34,969)
Deposits and other assets	(65,676)
Increase (Decrease) in liabilities:	
Accounts payable and accrued expenses	2,770,676
Deferred revenue	(960,534)
Total adjustments	<u>2,552,344</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,706,362</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Property and equipment acquisitions, net of sales	<u>(479,136)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(479,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of notes payable	<u>(489,863)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(489,863)</u>
NET INCREASE IN CASH	4,737,363
CASH AT BEGINNING OF YEAR	<u>21,985,579</u>
CASH AT YEAR END	<u><u>\$ 26,722,942</u></u>

SUPPLEMENTAL DISCLOSURES:

Interest paid	<u><u>\$ 268,245</u></u>
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The accompanying notes are an integral part of these financial statements.

**CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Financial Statement Presentation

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

The portion of net assets of the Center that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Center's choices when using these resources because the Center has a fiduciary responsibility to its donors to follow the donors' instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of June 30, 2022, net assets with donor restrictions totaled \$1,136,729.

Restricted Contributions Whose Restrictions Are Met in the Same Reporting Period

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

Property and Equipment

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

Impairment of Long-Lived Assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2022, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

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

There are no reserves held for uncertain tax positions at June 30, 2022. Tax years that are open under the statute of limitations remain subject to examination by the IRS. The Center is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2019.

Accounts Receivable

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

Cash and Cash Equivalents

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

Third-Party Reimbursements

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

Credit Risk

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

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Administrative & Indirect Costs

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

Fair Value of Financial Instruments

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

Functional Allocation of Expenses

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

Subsequent Events

The Center has evaluated subsequent events through December 20, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable from awards, patients, and third-party payers consist of the following as of June 20, 2022:

Grants receivable	<u>\$ 4,703,330</u>
Accounts receivable	7,056,921
Less: allowance for doubtful accounts	<u>(2,408,222)</u>
	<u>4,648,699</u>
	<u>\$ 9,352,029</u>

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

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

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

The Center sponsors Buena Vista of Northwest Dade, Inc. ("Buena Vista"), a non-profit organization that owns and operates a housing facility for elderly and handicapped persons under HUD Section 202. As of June 30, 2022, the Center had an outstanding balance of \$264,388 due from Buena Vista used to fund operations. For the year ended June 30, 2022, Buena Vista had \$736,307 in total assets and \$265,494 in net assets. In addition, Buena Vista had \$142,642 in total revenues for the year ended June 30, 2022.

The Center also sponsors Northwest Dade Adult Residential Treatment Systems, Inc. ("NWDARTS"), a non-profit organization that owns and operates a multifamily residential apartment project for eligible families under HUD Section 202. At June 30, 2022, the amount due to the Center aggregated \$226,126, which has been fully allowed for. For the year ended June 30, 2022, NWDARTS had total assets of \$284,644 and an accumulated deficit of \$227,733. In addition, NWDARTS had \$167,625 in total revenues for the year ended June 30, 2022.

Due from Buena Vista	\$ 264,388
Due from NWDARTS	226,126
	<u>490,514</u>
Less: allowance for doubtful accounts	(273,511)
	<u><u>\$ 217,003</u></u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	<u>Estimated Useful Life</u>	
Land		\$ 2,294,312
Building and improvements	30 Years	13,843,339
Furniture, equipment and vehicles	5 Years	6,938,746
Leasehold improvements	5 Years	2,386,688
		<u>25,463,085</u>
Less: accumulated depreciation and amortization		(16,250,972)
Property and equipment, net		<u><u>\$ 9,212,113</u></u>

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

Depreciation and amortization expense as of June 30, 2022 was \$917,548.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Installments and Other Obligations

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

\$ 4,126,088

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

742,996

\$ 4,869,084

Less current portion

(342,270)

Long term portion

\$ 4,526,814

Installments and other obligations consist of the following:

<u>Fiscal years ending June 30,</u>	
2023	\$ 342,270
2024	359,357
2025	378,342
2027	397,793
2028	418,248
Thereafter	<u>2,973,074</u>
Total	<u>\$ 4,869,084</u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Line of Credit

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

Both the promissory note and the line of credit are collateralized by the property located at 4175 W 20 Avenue, Hialeah, FL including all fixtures, inventories and equipment. Both the promissory note and the line of credit have certain restrictive covenants some of which require audited financial statements within a prescribed time after fiscal year end as well as a specific debt to service ratio.

Capital Leases

The Center has acquired equipment under the provisions of long-term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized and included in equipment on the balance sheet. The leased equipment under capital leases as of June 30, 2022 has a cost of approximately \$677,000, respectively, with monthly consecutive principal and interest payments ranging between \$3,456 and \$9,643 until maturity July 2023. Amortization of the leased equipment is included in depreciation expense.

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

Year Ended June 30,	Amount
2023	\$ 157,190
2024	3,456
2025	-
2026	-
2027	-
Total	<u>160,646</u>
Less: Amount Attributable to Interest (5.99%)	<u>(5,386)</u>
Total	155,260
Less: Current Portion	<u>(151,823)</u>
Long-term Portion	<u>\$ 3,437</u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Capital Leases (Continued)

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

<u>Fiscal years ending June 30,</u>	
2023	\$ 494,092
2024	362,795
2025	378,342
2026	397,793
2027	418,248
Thereafter	<u>2,973,074</u>
Total	<u>\$ 5,024,344</u>

NOTE 6 – SUPPORT AND REVENUES

Approximately 78% of the Center's revenue is derived from federal, state, and local government grants for the year ended June 30, 2022. The current level of the Center's operations and program services may be impacted or segments discontinued, if the funding is not renewed. The Center is dependent upon government support for its operation and the timeliness in which the grants are collected is essential to meet the normal cash flow needs of the Center. For financial statements purposes, grant revenue is recognized based on expenses incurred.

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

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Center has various non-cancelable operating leases for office equipment which expire at various dates through 2023 in the amount of approximately \$3,456 in 2024 and \$157,190 in 2023.

Rent expense for the year ended June 30, 2022 was approximately \$10,490,000. A substantial portion (approximately \$7,960,000) of the expense was payments that the Center paid on behalf of the individuals serviced by the Center.

NOTE 8 – CONTRIBUTED SERVICES

Contributed services recognized for the year ended June 30, 2022, in the amount of approximately \$80,700 represents in-kind services received from Miami-Dade School Board at no charge to support the Center's residential and day treatment programs.

NOTE 9 – STATE EXCLUDED COSTS

State excluded costs in the accompanying schedule of functional expenses totaled approximately \$350,072 for the year ended June 30, 2022.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – FAIR VALUE MEASUREMENTS

For the year ended June 30, 2022, the Center adapted FASB ASC, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

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

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

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

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

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

June 30, 2022

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments - Privately Held	\$ 463,000	\$ -	\$ -	\$ 463,000
	<u>\$ 463,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,000</u>

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

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

A summary of the changes in Level 3 assets, measured at fair value on a recurring basis at June 30, 2022 is as follows:

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)

Balance at beginning of year	\$ 463,000
Purchases (sales)	-
Balance at ending of year	<u><u>\$ 463,000</u></u>

NOTE 11 – INVESTMENTS

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

Health Choice Care, LLC

In 2015, the Center entered into a membership interest purchase agreement with Health Choice Care (“HCC”). HCC was formed as an Accountable Care Organization to contract with the Centers for Medicare and Medicaid services. The Center has an investment of 1,991 units in the amount of \$199,100 during fiscal year ended June 30, 2022.

Florida Premier

The Center has an investment in Florida Premier, Inc. in the amount of \$16,000 as of June 30, 2022.

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

The Center has an investment in Pediatric and Family Urgent Care Centers of South Florida, Inc. and Pediatric Family Clinics in the amount of \$150,000 as of June 30, 2022.

Eckard Youth Alternative

The Center has an investment in Eckard Youth Alternative in the amount of \$47,900 as of June 30, 2022.

Behavioral Health Partners, LLC

The Center has an investment in Behavioral Health Partners, LLC. in the amount of \$50,000 as of June 30, 2022.

At June 30, 2022, total investments amounted to \$463,000, which includes Pediatric and Family Urgent Care Centers of South Florida, Inc., Citrus Health Holding, Inc., Florida Premier, Inc., Health Choice Care, LLC.

NOTE 12 – LITIGATION

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

NOTE 13 – SUPPORT FROM OUTSIDE AGENCIES

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

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

In prior years, the County contributed \$2,000,000 towards the acquisition of a building, with the condition that the Center continues operating as a facility benefiting the public for at least 25 to 30 years. Accordingly, each year, \$70,000 will be released from restriction. The balance in donor restricted net assets at June 30, 2022 is \$1,020,000, and the assets are classified under property and equipment in the Statements of Financial Position.

In addition, the Center has \$116,729 in net assets with donor restrictions with a purpose restriction of welcome home packages. The assets are classified under cash in the Statement of Financial Position.

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Center’s financial assets as of June 30, 2022, reduced by amounts not available for general use within one year as of June 30, 2022 because of the contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash	\$ 26,722,942
Accounts receivable	4,648,699
Grants receivable	4,703,330
Inventory	433,156
Total financial assets	<u>36,508,127</u>
Less amounts not available to be used within one year:	
Cash: donor restricted	<u>(116,729)</u>
	(116,729)
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 36,391,398</u></u>

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

NOTE 16 – COVID - 19

The World Health Organization (“WHO”) declared the coronavirus (COVID-19), a global pandemic and public health emergency. At this point, the Center cannot reasonably estimate the extent to which this disruption may continue to impact the Organization’s financial statements and future results of operations.

SUPPLEMENTARY INFORMATION

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION - INTERDIVISIONAL
AS OF JUNE 30, 2022

	CHN	FCN	Total	Interdivisional Elimination	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 15,448,552	\$ 11,274,390	\$ 26,722,942	\$ -	\$ 26,722,942
Funds held for clients - social security benefits	-	211,275	211,275	-	211,275
Grants receivable - federal and non-federal awards	4,588,540	114,790	4,703,330	-	4,703,330
Accounts receivable - patients and third-party payers, net of allowance	4,673,635	(24,936)	4,648,699	-	4,648,699
Prepaid expenses	279,473	2,048,285	2,327,758	-	2,327,758
Inventory	321,508	111,648	433,156	-	433,156
Interdivisional receivable	74,581	-	74,581	(74,581)	-
TOTAL CURRENT ASSETS	25,386,289	13,735,452	39,121,741	(74,581)	39,047,160
PROPERTY AND EQUIPMENT, net	9,197,044	15,069	9,212,113	-	9,212,113
OTHER ASSETS					
Advances and loans to sponsored companies, net	217,003	-	217,003	-	217,003
Long term investments	463,000	-	463,000	-	463,000
Deposits and other assets	227,809	-	227,809	-	227,809
TOTAL OTHER ASSETS	907,812	-	907,812	-	907,812
TOTAL ASSETS	\$ 35,491,145	\$ 13,750,521	\$ 49,241,666	\$ (74,581)	\$ 49,167,085
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 7,487,864	\$ 6,757,223	\$ 14,245,087	\$ -	\$ 14,245,087
Due to clients - social security benefits	-	211,275	211,275	-	211,275
Deferred revenue	-	6,319,634	6,319,634	-	6,319,634
Installment, line of credit, and other obligations including capital leases, current portion	494,092	-	494,092	-	494,092
Interdivisional payables	-	74,581	74,581	(74,581)	-
TOTAL CURRENT LIABILITIES	7,981,956	13,362,713	21,344,669	(74,581)	21,270,088
Installment and other obligations, including capital leases	4,530,252	-	4,530,252	-	4,530,252
TOTAL LIABILITIES	12,512,208	13,362,713	25,874,921	(74,581)	25,800,340
NET ASSETS					
Without Donor Restriction	21,958,937	271,079	22,230,016	-	22,230,016
With Donor Restriction	1,020,000	116,729	1,136,729	-	1,136,729
TOTAL NET ASSETS	22,978,937	387,808	23,366,745	-	23,366,745
TOTAL LIABILITIES AND NET ASSETS	\$ 35,491,145	\$ 13,750,521	\$ 49,241,666	\$ (74,581)	\$ 49,167,085

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

CITRUS HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - INTERDIVISIONAL
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restriction			With Donor Restriction			Elimination	Total
	CHN	FCN	Total	CHN	FCN	Total		
SUPPORT AND REVENUE								
PUBLIC SUPPORT								
Federal, State, and Local grants	\$ 51,045,325	\$ 112,596,928	\$ 163,642,253	\$ -	\$ -	\$ -	\$ (5,160,073)	\$ 158,482,180
TOTAL PUBLIC SUPPORT	51,045,325	112,596,928	163,642,253	-	-	-	(5,160,073)	158,482,180
COMMUNITY SUPPORT								
United Way	129,248	-	129,248	-	-	-	-	129,248
Contributed services	80,702	-	80,702	-	-	-	-	80,702
Contribution	3,989	31,243	35,232	-	228,387	228,387	-	263,619
TOTAL COMMUNITY SUPPORT	213,939	31,243	245,182	-	228,387	228,387	-	473,569
TOTAL SUPPORT	51,259,264	112,628,171	163,887,435	-	228,387	228,387	(5,160,073)	158,955,749
REVENUE								
Patient services, net	41,464,383	-	41,464,383	-	-	-	-	41,464,383
In-kind and other revenues	2,798,747	445,772	3,244,519	-	-	-	-	3,244,519
TOTAL REVENUE	44,263,130	445,772	44,708,902	-	-	-	-	44,708,902
TOTAL SUPPORT AND REVENUE	95,522,394	113,073,943	208,596,337	-	228,387	228,387	(5,160,073)	203,664,651
EXPENSES								
Program services	81,074,845	109,547,151	190,621,996	-	-	-	(5,160,073)	185,461,923
Support services	11,518,230	3,775,121	15,293,351	-	-	-	-	15,293,351
TOTAL EXPENSES	92,593,075	113,322,272	205,915,347	-	-	-	(5,160,073)	200,755,274
Change in net assets before investment income	2,929,319	(248,329)	2,680,990	-	228,387	228,387	-	2,909,377
Investment income	244,641	-	244,641	-	-	-	-	244,641
Net assets released from restrictions	70,000	183,422	253,422	(70,000)	(183,422)	(253,422)	-	-
CHANGE IN NET ASSETS	3,243,960	(64,907)	3,179,053	(70,000)	44,965	(25,035)	-	3,154,018
NET ASSETS AT BEGINNING	18,714,977	335,986	19,050,963	1,090,000	71,764	1,161,764	-	20,212,727
NET ASSETS AT END OF YEAR	\$ 21,958,937	\$ 271,079	\$ 22,230,016	\$ 1,020,000	\$ 116,729	\$ 1,136,729	\$ -	\$ 23,366,745

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Citrus Health Network, Inc. (the “Center”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the notes to the financial statements, and have issued our report thereon dated December 20, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 20, 2022

CITRUS HEALTH NETWORK, INC.

SINGLE AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance of Citrus Health Network, Inc. (the "Center") for the year ended June 30, 2022, and the related notes (the financial statement).

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards and state financial assistance of the Center for the year ended June 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 20, 2022



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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Citrus Health Network, Inc.’s. (the “Center”), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Circular 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 Center’s major federal programs and state projects for the year ended June 30, 2022. The Center’s major federal programs and state projects are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650 Rules of the Auditor General of the State of Florida. Our responsibilities under those standards and the Uniform Guidance 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 Center 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 each major federal program. Our audit does not provide a legal determination of the Center’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 Center's federal programs and state projects.

Auditor's Responsibility

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 Center'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 generally accepted auditing standards, *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 Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, 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 Center'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 Center'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, but not for the purpose of expressing an opinion on the effectiveness of the Center'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

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

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

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. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 20, 2022

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<i>Federal Agency/ Program Title/ Pass-Through Grantor</i>	<i>Federal ALN Number</i>	<i>Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
U.S. Department of Agriculture:						
Special Supplemental Nutrition Program for Women, Infants, and Children Program: Passed through Miami-Dade County Department of Health and Human Services	10.557	N/A	\$ 79,119	\$ -	\$ 79,119	\$ -
Total U.S. Department of Agriculture			<u>79,119</u>	<u>-</u>	<u>79,119</u>	<u>-</u>
U.S. Department of Housing and Urban Development:						
Community Development Block Grants Program: Passed through City of Hialeah	14.218	FY 2020-2021/FY 2021-2022	60,430	-	60,430	-
Emergency Solutions Grant Program: Passed through City of Hialeah	14.231	ESG FY2021-2022/CVI FY2020-2022/CVII FY2020-2022	1,670,885	-	1,670,885	-
Passed through City of Miami	14.231	HUD ESG FY 2020-2021/ CV 2020-2021	397,279	-	397,279	-
Passed through Miami-Dade County	14.231	ESG FY 2020-2021	343,486	-	343,486	-
Passed through Miami-Dade County Homeless Trust	14.231	KP009-2	75,598	-	75,598	-
Program Total			<u>2,487,248</u>	<u>-</u>	<u>2,487,248</u>	<u>-</u>
Supportive Housing Program: Passed through Better Way of Miami Supportive Housing, Inc.	14.235	FL0218L4D001912/ FL0281L4D00XXXX	156,667	-	156,667	-
Home Investment Partnerships Program: Passed through Miami-Dade County	14.239	R-814-18/ R-841-19	29,376	-	29,376	-
Continuum of Care Program: Passed through Miami-Dade County Homeless Trust	14.267	FL0182L4D002013/FL0363L4D002011	122,634	-	122,634	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0838L4D001900/ FL0838L4D002001	612,677	-	612,677	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0746L4D001901/ FL0746L4D002002	523,892	-	523,892	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0227L4D002013	312,761	-	312,761	-
Passed through Miami-Dade County Homeless Trust	14.267	FL043L4D001908/ FL0431L4D002009	1,679,621	-	1,679,621	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0195L4D002013	2,342,610	-	2,342,610	-
Passed through Carrfour Coalition Lift	14.267	FL0587L4D001500	-	-	-	-
Program Total			<u>5,594,195</u>	<u>-</u>	<u>5,594,195</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>8,327,916</u>	<u>-</u>	<u>8,327,916</u>	<u>-</u>
U.S. Department of Justice						
Services for Trafficking Victims Program: Passed through Florida Department of Justice	16.320	SK253	320,500	-	320,500	-
Total U.S. Department of Justice			<u>320,500</u>	<u>-</u>	<u>320,500</u>	<u>-</u>
U.S. Department of Veteran Affairs:						
VA Supportive Services for Veteran Families Program: Passed through The Advocate Program	64.033	FY 2020-2022	123,530	-	123,530	-
Total U.S. Department of Veteran Affairs			<u>123,530</u>	<u>-</u>	<u>123,530</u>	<u>-</u>
U.S. Department of Health and Human Services:						
Enhance Safety of Children Affected by Substance Abuse Program: Passed through Miami IMPACT and Partner Project	93.087	N/A	-	740,345	740,345	350,529
Guardship Assistance Program: Passed through Florida Department of Children and Families	93.090	KJ138	-	119,006	119,006	-
Passed through Florida Department of Children and Families	93.090	KJ138 - MATCH	-	58,007	58,007	-
Program Total			<u>-</u>	<u>177,013</u>	<u>177,013</u>	<u>-</u>
Health Center Program: Direct - U.S. Department of Health and Human Services	93.224	1H8FCS41267-01-00	6,860,091	-	6,860,091	-
Mental Health Research Grants Program: Passed through Florida International University	93.242	N/A	9,900	-	9,900	-
Passed through Northwell Health	93.242	AWD00001140-CHN	30,465	-	30,465	-
Program Total			<u>40,365</u>	<u>-</u>	<u>40,365</u>	<u>-</u>
Substance Abuse and Mental Health Services Program: Direct - U.S. Department of Health and Human Services	93.243	1H79SM083057-01	1,506,070	-	1,506,070	-
Direct - U.S. Department of Health and Human Services	93.243	1H79SM085519-01	839,217	-	839,217	-
Passed through Florida Behavioral Health Association	93.243	FY2021-2022	24,660	-	24,660	-
Program Total			<u>2,369,947</u>	<u>-</u>	<u>2,369,947</u>	<u>-</u>
Minority Health and Health Disparities Research Program: Passed through Health Choice Network	93.307	HCN-UM-SUCCESS	-	-	-	-
Provider Relief Fund Program: Direct - U.S. Department of Health and Human Services	93.498	N/A	1,209,293	-	1,209,293	-
Promoting Safe and Stable Families Program: Passed through Florida Department of Children and Families	93.556	KJ138	-	2,563,865	2,563,865	1,221,907
Passed through Florida Department of Children and Families	93.556	KJ138 - MATCH	-	105,370	105,370	81,116
Program Total			<u>-</u>	<u>2,669,235</u>	<u>2,669,235</u>	<u>1,303,023</u>
Temporary Assistance for Needy Families Program: Passed through Miami-Dade County Homeless Trust	93.558	KP009-4	16,305	-	16,305	-
Passed through South Florida Behavioral Health Network	93.558	ME225-12-08	135,701	-	135,701	-
Passed through Early Learning Coalition of Miami-Dade/Monroe	93.558	C21-01	199,639	-	199,639	-
Passed through Florida Department of Children and Families	93.558	KJ138	-	4,843,486	4,843,486	3,503,906
Passed through Florida Department of Children and Families	93.558	KJ138 - MATCH	-	9,831,841	9,831,841	6,323,565
Program Total			<u>351,645</u>	<u>14,675,327</u>	<u>15,026,972</u>	<u>9,827,471</u>
Child Care Development Fund (CCDF) Cluster: CCDF Block Grant Passed through Early Learning Coalition of Miami-Dade/Monroe	93.575	C21-01	395,628	-	395,628	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund: Passed through Early Learning Coalition of Miami-Dade/Monroe	93.596	C21-01	197,735	-	197,735	-
Grants to States for Access and Visitation Program: Passed through Florida Department of Children and Families	93.597	KJ138	-	33,326	33,326	33,326

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

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<i>Federal Agency/ Program Title/ Pass-Through Grantor</i>	<i>Federal ALN Number</i>	<i>Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
U.S. Department of Health and Human Services (Continued):						
Chafee Education and Training Vouchers (ETV) Program:						
Passed through Florida Department of Children and Families	93.599	KJ138	-	1,210,830	1,210,830	-
Passed through Florida Department of Children and Families	93.599	KJ138 - MATCH	-	748,788	748,788	-
Program Total			-	1,959,618	1,959,618	-
Adoption and Legal Guardianship Incentive Payments Program:						
Passed through Florida Department of Children and Families	93.603	KJ138	-	827,461	827,461	-
Passed through Florida Department of Children and Families	93.603	KJ138 - MATCH	-	2,184,099	2,184,099	-
Program Total			-	3,011,560	3,011,560	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Passed through Florida Department of Children and Families	93.645	KJ138	-	2,487,737	2,487,737	1,879,959
Passed through Florida Department of Children and Families	93.645	KJ138 - MATCH	-	1,889,953	1,889,953	1,418,419
Program Total			-	4,377,690	4,377,690	3,298,378
Foster Care Title IV-E Program:						
Passed through Florida Department of Children and Families	93.658	KJ138	-	14,611,306	14,611,306	6,655,097
Passed through Florida Department of Children and Families	93.658	KJ138 - MATCH	-	21,284,952	21,284,952	10,573,580
Program Total			-	35,896,258	35,896,258	17,228,677
Adoption Assistance Program:						
Passed through Florida Department of Children and Families	93.659	KJ138	-	14,678,099	14,678,099	1,100,628
Passed through Florida Department of Children and Families	93.659	KJ138 - MATCH	-	9,053,195	9,053,195	1,549,042
Program Total			-	23,731,294	23,731,294	2,649,670
Social Services Block Grant Program:						
Passed through Early Learning Coalition of Miami-Dade/Monroe	93.667	C21-01	555	-	555	-
Passed through Florida Department of Children and Families	93.667	KJ138	-	4,170,071	4,170,071	151,973
Passed through Florida Department of Children and Families	93.667	KJ138 - MATCH	-	3,074,342	3,074,342	445,181
Program Total			555	7,244,413	7,244,968	597,154
Child Abuse and Neglect State Grants Program:						
Passed through Florida Department of Children and Families	93.669	KJ138	-	242,155	242,155	137,649
Passed through Florida Department of Children and Families	93.669	KJ138 - MATCH	-	128,910	128,910	73,277
Program Total			-	371,065	371,065	210,926
John H. Chafee Foster Care Program for Successful Transition to Adulthood Program:						
Passed through Florida Department of Children and Families	93.674	KJ138	-	3,146,922	3,146,922	618,653
Passed through Florida Department of Children and Families	93.674	KJ138 - MATCH	-	851,093	851,093	154,663
Passed through Childnet, Inc.	93.674	CIT21RAP	142,910	-	142,910	-
Program Total			142,910	3,998,015	4,140,925	773,316
Medical Assistance Program:						
Passed through Florida Department of Children and Families	93.778	KJ138	-	763,396	763,396	157,486
Passed through Florida Department of Children and Families	93.778	KJ138 - MATCH	-	763,396	763,396	157,486
Program Total			-	1,526,792	1,526,792	314,972
State Opioid Response Discretionary Grant Program:						
Passed through South Florida Behavioral Health Network	93.788	ME225-12-08	180,000	-	180,000	-
HIV Emergency Relief Project Grants Program:						
Passed through Miami-Dade County	93.914	BU3CHN30	132,248	-	132,248	-
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B) Program:						
Passed through Florida Department of Health in Miami-Dade County	93.917	DEX41	14,760	-	14,760	-
Block Grants for Community Mental Health Services Program:						
Passed through Broward Behavioral Health Coalition	93.958	34382	1,232,487	-	1,232,487	-
Passed through South Florida Behavioral Health Network	93.958	ME225-12-08	5,269,421	-	5,269,421	-
Passed through South Florida Behavioral Health Network	93.958	ME225-12-08 - MATCH	7,192,516	-	7,192,516	-
Program Total			13,694,424	-	13,694,424	-
Block Grants for Prevention and Treatment of Substance Abuse Program:						
Passed through South Florida Behavioral Health Network	93.959	ME225-12-08	1,540,212	-	1,540,212	-
Passed through South Florida Behavioral Health Network	93.959	ME225-12-08 - MATCH	788,425	-	788,425	-
Passed through South Florida Behavioral Health Network	93.959	ME225-12-08 CSA PPG	150,000	-	150,000	-
Program Total			2,478,637	-	2,478,637	-
Total U.S. Department of Health and Human Services			28,068,238	100,411,951	128,480,189	36,587,442
Total Expenditures of Federal Awards and Passed Through			\$ 36,919,303	\$ 100,411,951	\$ 137,331,254	\$ 36,587,442

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

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

<i>State Agency/ Program Title/ Pass-Through Grantor</i>	<i>State CSFA Number</i>	<i>State Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
Department of Children and Families						
The Independent Living and Road-to-Independence Program:						
Direct - Department of Children and Families	60.112	KJ138	\$ -	\$ 56,652	\$ 56,652	\$ -
Out-of-Home Supports Program:						
Direct - Department of Children and Families	60.074	KJ138	-	6,620,721	6,620,721	2,569,836
Passed through Childnet, Inc.	60.074	N/A	9,064	-	9,064	-
Program Total			<u>9,064</u>	<u>6,620,721</u>	<u>6,629,785</u>	<u>2,569,836</u>
Adoption Services Program:						
Direct - Department of Children and Families	60.076	KJ138	-	211,413	211,413	223,330
CBC-Sexually Exploited Children Program:						
Direct - Department of Children and Families	60.138	KJ138	-	185,158	185,158	-
Passed through Childnet, Inc.	60.138	CIT21RAP	-	-	-	-
Program Total			<u>-</u>	<u>185,158</u>	<u>185,158</u>	<u>-</u>
Extended Foster Care Program:						
Direct - Department of Children and Families	60.141	KJ138	-	2,131,100	2,131,100	-
Family Safety Program:						
Direct - Department of Children and Families	60.175	19010050	11,694	-	11,694	-
CBC-Purchase of Therapeutic services for Children Program:						
Direct - Department of Children and Families	60.183	KJ138	-	2,412,487	2,412,487	501,454
Passed through Childnet, Inc.	60.183	CIT21RAP	207,658	-	207,658	-
Program Total			<u>207,658</u>	<u>2,412,487</u>	<u>2,620,145</u>	<u>501,454</u>
Community Substance Abuse and Mental Health Services Program:						
Passed through South Florida Behavioral Health Network	60.155	ME225-12-08	455,000	-	455,000	-
Finders Program:						
Direct - Department of Children and Families	60.206	KJ138	-	79,018	79,018	-
Kinship Navigator Program:						
Direct - Department of Children and Families	60.207	KJ138	-	248,244	248,244	230,340
Guardianship Assistance Program:						
Direct - Department of Children and Families	60.210	KJ138	-	234,766	234,766	-
Total Department of Children and Families			<u>683,416</u>	<u>12,179,559</u>	<u>12,862,975</u>	<u>3,524,960</u>
Florida Housing Finance Corporation						
State Housing Initiatives Partnership Program:						
Passed through City of Miami Gardens	40.901	FY2020-21 SHIP	25,004	-	25,004	-
Passed through City of Hialeah	40.901	FY2020-21 SHIP	45,940	-	45,940	-
			<u>70,944</u>	<u>-</u>	<u>70,944</u>	<u>-</u>
Total Florida Housing Finance Corporation			<u>70,944</u>	<u>-</u>	<u>70,944</u>	<u>-</u>
Department of Juvenile Justice						
Mental Health Services Program:						
Direct - Department of Juvenile Justice	80.011	10593	25,501	-	25,501	-
Total Department of Juvenile Justice			<u>25,501</u>	<u>-</u>	<u>25,501</u>	<u>-</u>
Total Expenditures of State Awards and Passed Through			<u>\$ 779,861</u>	<u>\$ 12,179,559</u>	<u>\$ 12,959,420</u>	<u>\$ 3,524,960</u>

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

CITRUS HEALTH NETWORK, INC.

**NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE AND FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

1. BASIS OF PRESENTATION

The accompanying Schedules of State Financial Assistance and Federal Awards (the "Schedules") presents the activity of all state and federal award programs of the Center for the year ended June 30, 2022. All federal and state awards received directly from federal and state agencies, as well as federal and state awards received from other government agencies are included in the Schedules.

The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, *State Financial Assistance*. Because the Schedules present only a selected portion of the operations of the Center, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Center.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

The Center has negotiated and received a federally approved indirect rate of 22.72% with its cognizant agency. When a contract is subjected to legislative limitations on administrative/indirect cost by the funding source, it is not eligible for the federally approved indirect rate and the Center therefore applies the indirect cost rate in accordance with the limitations.

**CITRUS HEALTH NETWORK, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
 FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes no

Federal Awards

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

Internal control over major programs:

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

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

Identification of major federal programs:

Federal Program or Cluster	ALN Number	Expenditures
Adoption and Legal Guardianship Incentive Payments Program	93.603	\$ 3,011,560
Stephanie Tubbs Jones Child Welfare Services Program	93.645	\$ 4,377,690
Adoption Assistance Program	93.659	\$23,731,294
John H. Chafee Foster Care Program for Successful Transition to Adulthood Program	93.674	\$ 4,140,925
Block Grants for Community Mental Health Services Program	93.958	\$13,694,424

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

Auditee qualified as low-risk auditee? yes no

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

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

None.

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

None.

SECTION V - OTHER ISSUES

1. No management letter was issued for the year ended June 30, 2022.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal awards programs or State financial assistance projects.
3. No corrective action plan is required because there were no findings required to be reported under the Federal *OMB Circular Compliance Supplement* or the *Department of Financial Services' State Project Compliance Supplement*.

SUPPLEMENTARY INFORMATION

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>South Florida Behavioral Health Network</u>
1. Total Expenditures	\$ 200,755,274
2. Less Other State and Federal Funds	(169,920,808)
3. Less Non-Match SAMH Funds	(8,186,656)
4. Less Unallowable Costs Per 65E-14, FAC	<u>(350,072)</u>
5. Total Allowable Expenditures (Sum of lines 1,2,3, and 4)	<u>22,297,738</u>
6. Maximum Available Earnings (Line 5 times 75%)	16,723,304
7. Amount of State Funds Requiring Match	<u>10,570,241</u>
8. Amount Due to Department	<u>\$ -</u>

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

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES- SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES
- PART I
FOR THE YEAR ENDED JUNE 30, 2022

Part I: Funding Sources and Revenues - 34382

		STATE FUNDED																				Total for State SAMH-Funded Covered Services or Projects (B+C)	Total for Non-State Funded Covered Services or Projects	Total for All Covered Services or Projects (D+E)	Non-SAMH Covered Services or Projects	Total Funding (F+G)								
		Mental Health										Substance Abuse																						
FUNDING SOURCES & REVENUES		Case Management	Crisis Stabilization	Crisis Support/ Emergency	Outreach	Residential I	Incidental Expenses	Short-term Residential	CCST (Indiv.)	First Episode Team	Transition Voucher	CAT Team	FACT Team	Provider Proviso Projects	Other Bundled Projects	Mental Health Total	Crisis Stabilization	Crisis Support/ Emergency	Inpatient Detoxification	CCST (indiv.)	Prevention - Indicated	Prevention - Selective	Prevention - Universal Direct	Federal Project Grant	Other Bundled Projects	Substance Abuse Total								
A		02	03	04	15	18	28	38	44	A5	B2	B4	B5	B6	C0	B	03	04	24	44	48	49	50	A7	C0	C	D	E	F	G	H			
A. STATE SAMH FUNDING																																		
Current Year Funding																																		
MH009	ME25-12-08						\$ 464,389.18									\$ 464,389.18											\$ -	\$ 464,389.18	\$ 464,389.18		\$ 464,389.18			
MH018	ME25-12-08			\$ 149,996.87												\$ 149,996.87											\$ -	\$ 149,996.87	\$ 149,996.87		\$ 149,996.87			
MH073	ME25-12-08												\$ 1,023.00			\$ 1,023.00											\$ -	\$ 1,023.00	\$ 1,023.00		\$ 1,023.00			
MHCA2	ME25-12-08												\$ 159,090.92			\$ 159,090.92											\$ -	\$ 159,090.92	\$ 159,090.92		\$ 159,090.92			
MHCAF	ME25-12-08												\$ 17,718.75			\$ 17,718.75											\$ -	\$ 17,718.75	\$ 17,718.75		\$ 17,718.75			
MHCAT	ME25-12-08												\$ 357,438.24			\$ 357,438.24											\$ -	\$ 357,438.24	\$ 357,438.24		\$ 357,438.24			
Total Carry Forward Funding		\$ -	\$ -	\$ 149,996.87	\$ -	\$ -	\$ 464,389.18	\$ -	\$ -	\$ -	\$ -	\$ 516,529.16	\$ 18,741.75	\$ -	\$ -	\$ 1,149,636.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,149,636.96	\$ 1,149,636.96		\$ 1,149,636.96			
TOTAL STATE SAMH FUNDING=		\$ 136,700.99	\$ 2,512,369.98	\$ 2,080,132.98	\$ 55,348.06	\$ 76,984.44	\$ 773,537.21	\$ 1,352,401.80	\$ 993,452.68	\$ 828,000.00	\$ 9,150.00	\$ 1,973,483.35	\$ 1,275,154.70	\$ 454,998.39	\$ 500,987.31	\$ 13,052,640.89	\$ -	\$ 54,517.74	\$ 933,571.45	\$ 188,789.63	\$ 11,329.07	\$ 687,772.19	\$ 233,885.79	\$ 180,000.00	\$ 400,270.98	\$ 2,698,936.85	\$ 15,711,585.54	\$ 15,711,585.54		\$ 15,711,585.54				
B. OTHER GOVERNMENT FUNDING																																		
1,237,580.37																																		
(1) Other State Agency Funding							\$ 1,219,987.00	\$ 50,000.00								\$ 842,592.51	\$ 2,112,579.51										\$ -	\$ 2,112,579.51	\$ 3,925,291.39	\$ 6,037,780.98	\$ 3,712,431.73	\$ 9,750,212.63		
(2) Medicaid		\$ 801.00	\$ 1,904,638.00	\$ 216,285.00					\$ 384,789.72	\$ 57,389.00		\$ 870.00	\$ 1,314,590.20				\$ 3,879,342.92										\$ -	\$ 3,879,342.92	\$ 14,821,173.00	\$ 18,700,515.92	\$ 7,163,317.06	\$ 25,863,832.98		
(3) Local Government			\$ 837,452.00	\$ 94,782.60						\$ 30,465.00							\$ 982,699.60										\$ -	\$ 982,699.60	\$ 342,198.00	\$ 1,304,897.60	\$ 6,435,746.12	\$ 7,740,643.72		
(4) Federal Grants and Contracts			\$ 55,205.00					\$ 27,602.00									\$ 24,860.00										\$ -	\$ 107,467.00	\$ 3,428,630.00	\$ 3,536,097.00	\$ 14,875,842.98	\$ 18,411,939.98		
(5) In-kind from local gov. only																	\$ -										\$ -	\$ -	\$ -	\$ -	\$ -			
TOTAL OTHER GOVERNMENT FUNDING=		\$ 801.00	\$ 2,797,295.00	\$ 311,067.60	\$ -	\$ -	\$ -	\$ 1,247,589.00	\$ 434,789.72	\$ 87,834.00	\$ -	\$ 870.00	\$ 1,314,590.20	\$ -	\$ 867,252.51	\$ 7,082,089.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,082,089.03	\$ 22,517,202.39	\$ 28,579,291.42	\$ 32,187,337.89	\$ 61,766,629.31		
C. ALL OTHER REVENUES																																		
(1) 1st & 2nd Party Payments		\$ 23,633.06	\$ (6,114.50)					\$ 5,770.60	\$ 2,901.30		\$ (2,921.77)					\$ 23,288.89											\$ -	\$ 23,288.89	\$ 365,612.70	\$ 388,881.48	\$ 11,349,744.78	\$ 11,738,626.26		
(2) 3rd Party Payments (except Medicare)		\$ 206,697.38	\$ (1,434.39)					\$ 23,211.53	\$ 25,086.00		\$ (887.07)					\$ 252,673.45											\$ -	\$ 252,673.45	\$ 1,644,091.22	\$ 1,896,764.67	\$ 1,186,563.62	\$ 3,083,329.29		
(3) Medicare								\$ 3,588.62								\$ 3,588.62											\$ -	\$ 3,588.62	\$ 448,719.99	\$ 452,312.60	\$ 326,280.79	\$ 778,593.39		
(4) Contributions and Donations			\$ 1,000.00					\$ 80.00								\$ 1,080.00											\$ -	\$ 1,080.00	\$ 900.00	\$ 1,980.00	\$ 1,989.18	\$ 3,969.18		
(5) Other																\$ -											\$ -	\$ -	\$ 10,238.81	\$ 10,238.81	\$ 410,682.66	\$ 420,921.47		
(6) In-kind																\$ -											\$ -	\$ -	\$ 31,000.00	\$ 31,000.00	\$ 316,707.33	\$ 347,707.33	\$ 1,903,726.73	\$ 2,251,434.06
TOTAL ALL OTHER REVENUES=		\$ -	\$ 230,304.44	\$ (6,548.89)	\$ -	\$ -	\$ 90.00	\$ 32,580.75	\$ 27,987.30	\$ -	\$ (3,808.84)	\$ -	\$ -	\$ -	\$ -	\$ 280,630.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,000.00	\$ 31,000.00	\$ 316,630.76	\$ 3,097,894.89	\$ 15,178,997.76	\$ 18,276,892.65		
TOTAL FUNDING=		\$ 136,501.99	\$ 5,539,982.42	\$ 2,387,851.69	\$ 55,348.06	\$ 76,984.44	\$ 773,537.21	\$ 2,600,080.60	\$ 1,480,823.15	\$ 941,821.30	\$ 9,150.00	\$ 1,970,544.51	\$ 2,589,744.90	\$ 454,998.39	\$ 1,388,219.82	\$ 20,385,988.48	\$ -	\$ 54,517.74	\$ 933,571.45	\$ 188,789.63	\$ 11,329.07	\$ 687,772.19	\$ 233,885.79	\$ 180,000.00	\$ 400,270.98	\$ 2,698,936.85	\$ 23,085,305.33	\$ 25,303,466.52	\$ 48,388,771.85	\$ 47,363,335.65	\$ 95,755,107.50			

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided D	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, whichever is greater) I
Children's Mental Health	Crisis Stabilization Unit	\$ 427	2,576	-	2,576	\$ 1,100,000	\$ 1,100,003	\$ -
Adult Mental Health	Crisis Stabilization Unit	\$ 427	4,373	-	4,373	\$ 1,867,355	\$ 1,867,356	\$ -
Adult Mental Health	Short Term Residential-SFBHN	\$ 215	6,281	-	6,281	\$ 1,352,401	\$ 1,352,402	\$ -
Adult Mental Health	Short Term Residential-BBHC	\$ 257	4,746	-	4,746	\$ 1,219,987	\$ 1,220,244	\$ -
Total Amount Owed to Department =								\$ -

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

CITRUS HEALTH NETWORK, INC.

NOTES TO THE SCHEDULE OF STATE EARNINGS, SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES – SUBSTANCE ABUSE AND MENTAL HEALTH, AND SCHEDULE OF BED DAY AVAILABILITY PAYMENTS FOR THE YEAR ENDED JUNE 30, 2022

GENERAL

The Statement of Schedule of State Earnings, Revenues and Funding Sources, and Bed Day Availability Payments were prepared in accordance with the requirements in the South Florida Behavioral Network Contract ME225-12-08 and 34382.