

CITRUS HEALTH NETWORK, INC.

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2024

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Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

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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, 2024, 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, 2024, 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 13, 2024, 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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 13, 2024

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 13,409,926
Funds held for clients - social security benefits	253,338
Grants receivable - federal and non-federal awards	7,820,507
Accounts receivable - patients and third-party payers, net of allowance	4,465,163
Prepaid expenses	2,045,767
Inventory	589,754
TOTAL CURRENT ASSETS	28,584,455

PROPERTY AND EQUIPMENT, net	10,333,643
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OTHER ASSETS

Right-of-use-assets: operating leases	3,344,901
Advances and loans to sponsored companies, net	309,073
Long term investments	313,000
Deposits and other assets	250,421
TOTAL OTHER ASSETS	4,217,395

TOTAL ASSETS	43,135,493
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	13,579,849
Due to clients - social security benefits	253,338
Installment, line of credit, and other obligations	
current portion	3,925,080
Lease obligations, current portion	1,289,222
	19,047,489

Installment and other obligations, long-term portion	3,251,035
Lease obligations, long-term portion	2,203,452
	24,501,976

NET ASSETS

Without Donor Restriction	17,679,762
With Donor Restriction	953,755
TOTAL NET ASSETS	18,633,517

TOTAL LIABILITIES AND NET ASSETS	\$ 43,135,493
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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, 2024

SUPPORT AND REVENUE	
PUBLIC SUPPORT	
Federal, State, and Local grants	<u>\$ 173,882,407</u>
TOTAL PUBLIC SUPPORT	<u>173,882,407</u>
COMMUNITY SUPPORT	
United Way	129,248
Contributed services	124,133
Contribution	<u>169,595</u>
TOTAL COMMUNITY SUPPORT	<u>422,976</u>
TOTAL SUPPORT	<u>174,305,383</u>
REVENUE	
Patient services, net	52,433,898
In-kind and other revenues	<u>3,946,489</u>
TOTAL REVENUE	<u>56,380,387</u>
TOTAL SUPPORT AND REVENUE	<u>230,685,770</u>
EXPENSES	
Program services	217,546,324
Support services	<u>18,674,238</u>
TOTAL EXPENSES	<u>236,220,562</u>
Change in net assets before investment income	(5,534,792)
Investment income	<u>6,622</u>
CHANGE IN NET ASSETS	(5,528,170)
NET ASSETS AT BEGINNING OF YEAR	<u>24,161,687</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 18,633,517</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, 2024

Expense Categories	Program Services														Program Sub Total
	Comprehensive Community Service														
	Case Management	CAT Teams	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	\$ 1,242,069	\$ 1,849,587	\$ 1,419,648	\$ 13,707,273	\$ 1,763,578	\$ 7,405,974	\$ 3,612,356	\$ 600,902	\$ 1,117,466	\$ 1,574,296	\$ 4,240,905	\$ 1,883,760	\$ 2,439,506	\$ 42,857,320	
(2) Fringe benefits	280,170	411,119	306,452	1,987,683	384,771	1,208,818	666,626	149,223	275,647	308,379	920,531	364,221	448,072	7,711,712	
Total Personnel Expenses	1,522,239	2,260,706	1,726,100	15,694,956	2,148,349	8,614,792	4,278,982	750,125	1,393,113	1,882,675	5,161,436	2,247,981	2,887,578	50,569,032	
B. Other expenses															
(1) Building occupancy	83,290	37,939	26,656	429,951	488,788	322,113	51,036	750	134,782	44,352	396,649	35,153	312,675	2,364,134	
(2) Other Expense - Client Cost	29,153	24,206	197,553	54,824,469	25,480	270,651	9,401	4,592	12	3,034,520	717,956	-	6,263,365	65,401,358	
(3) Other Expense - E.H.R.	3,736	47,033	366	-	2,587	16,147	4,550	248	3,182	3,314	66,309	140,235	1,183	288,890	
(4) Professional Services	4,262	231	147	-	32,350	11,730	1,092	-	801	14	583,680	4,336	1,090	639,733	
(5) Travel	1,001	6,767	960	218,081	810	451	2,025	1,221	1,978	1,377	26,950	-	3,871	265,492	
(6) Equipment	4,718	2,597	799	6,262	33,268	48,831	5,966	-	7,506	2,088	441	-	11,816	124,292	
(7) Other Expense - Transportation	40,135	66,612	58,424	-	44,853	23,245	34,069	920	200	66,877	110,681	6,500	104,110	556,626	
(8) Other Expense - Food	1,945	59	57	-	257,513	341,717	1,738	-	-	3,604	3,569	1,485	165	611,852	
(9) Medical Expenses	-	-	-	-	280	211,585	191	68	3,593	3,768	151	29,356	-	248,992	
(10) Subcontracted Services	50	2,415	1,507	40,436,106	98,063	122,760	162,398	-	11,467	59,361	106,918	1,636	2,737	41,005,418	
(11) Insurance	26,095	30	6,539	1,008,229	23,091	99,814	11,994	-	3,301	11,031	7,802	106	34,901	1,232,933	
(12) Interest	-	-	-	-	-	100,248	12,888	-	-	-	-	-	-	113,136	
(13) Other Expense - Operating Supplies	11,293	10,250	8,287	153,826	46,464	201,747	17,422	4,451	11,339	10,798	24,898	22,262	8,265	531,302	
(14) In-Kind	-	-	-	-	229,610	34,433	-	-	-	-	-	-	-	264,043	
(15) Other Expense - Miscellaneous	10,864	4,216	4,611	8,902	10,948	28,070	8,004	1,759	2,378	3,474	110,862	3,379	25,575	223,042	
(16) Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Expenses	216,542	202,355	305,906	97,085,826	1,294,105	1,833,542	322,774	14,009	180,539	3,244,578	2,156,866	244,448	6,769,753	113,871,243	
Total Personnel and Other Expenses	1,738,781	2,463,061	2,032,006	112,780,782	3,442,454	10,448,334	4,601,756	764,134	1,573,652	5,127,253	7,318,302	2,492,429	9,657,331	164,440,275	
C. Distributed Costs															
Other Support	102,550	147,697	110,449	2,147,739	206,357	626,504	275,940	45,821	94,364	307,195	422,284	149,459	233,644	4,870,003	
Administration	116,528	167,829	125,504	3,574,181	234,484	711,899	313,552	52,067	107,226	349,067	479,843	169,830	264,234	6,666,244	
Total Distributed Indirect Costs	219,078	315,526	235,953	5,721,920	440,841	1,338,403	589,492	97,888	201,590	656,262	902,127	319,289	497,878	11,536,247	
Total Operating Expenses	1,957,859	2,778,587	2,267,959	118,502,702	3,883,295	11,786,737	5,191,248	862,022	1,775,242	5,783,515	8,220,429	2,811,718	10,155,209	175,976,522	
D. Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allowable Operating Expenses	1,957,859	2,778,587	2,267,959	118,502,702	3,883,295	11,786,737	5,191,248	862,022	1,775,242	5,783,515	8,220,429	2,811,718	10,155,209	175,976,522	
E. Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,611	\$ 2,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,004	

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, 2024

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	\$ 8,452,888	\$ 1,020,294	\$ 8,154,006	\$ 1,751,618	\$ 1,259,534	\$ 4,217,788	\$ 1,427,113	\$ 414,832	\$ 3,372,845	\$ 30,070,918	\$ 72,928,238	\$ 6,676,402	\$ 3,441,969	\$ 10,118,371	\$ 83,046,609
(2) Fringe benefits	1,502,160	260,400	1,436,260	373,364	251,136	857,249	253,717	74,327	591,127	5,599,740	13,311,452	1,083,990	820,453	1,904,443	15,215,895
Total Personnel Expenses	9,955,048	1,280,694	9,590,266	2,124,982	1,510,670	5,075,037	1,680,830	489,159	3,963,972	35,670,658	86,239,690	7,760,392	4,262,422	12,022,814	98,262,504
B. Other expenses															
(1) Building occupancy	1,006,500	21,862	243,908	74,112	40,988	471,807	115,193	22,929	205,796	2,203,095	4,567,229	204,357	396,700	601,057	5,168,286
(2) Other Expense - Client Cost	5,962	5,769	969	-	17,106	21,692	24,663	23,643	23,879	123,683	65,525,041	-	-	-	65,525,041
(3) Other Expense - E.H.R.	395,862	188	20,166	4,347	17,366	8,127	40,222	14,432	2,223	502,933	791,823	8,869	1,022,446	1,031,315	1,823,138
(4) Professional Services	22,912	-	122,368	74,552	355	7,753	6,071	30	3,819	237,860	877,593	360,505	238,123	598,628	1,476,221
(5) Travel	8,033	226	30,633	1,243	12,249	70	1,273	-	218	53,945	319,437	287,701	21,543	309,244	628,681
(6) Equipment	85,950	1,852	22,650	12,110	1,153	121,836	20,862	1,249	9,957	277,619	401,911	45,350	74,640	119,990	521,901
(7) Other Expense - Transportation	12,679	25,801	15,270	490,150	28,596	5,885	18,868	1,750	12,054	611,053	1,167,679	23,139	12,663	35,802	1,203,481
(8) Other Expense - Food	15,106	1,042	28,072	159	756	242,069	185,431	-	232,796	705,431	1,317,283	19,133	3,992	23,125	1,340,408
(9) Medical Expenses	174,581	-	40,375	8,154,319	-	45,024	400	33,552	33,617	8,481,868	8,730,860	-	-	-	8,730,860
(10) Subcontracted Services	530,821	39,025	544,081	7,740	2,677	7,150	1,980	-	25,599	1,159,073	42,164,491	361,064	120,185	481,249	42,645,740
(11) Insurance	87,196	-	44,726	5,220	5,031	31,016	20,771	-	17,760	211,720	1,444,653	325,704	65,008	390,712	1,835,365
(12) Interest	31,867	-	47,367	5,580	-	-	-	-	-	84,814	197,950	171,877	17	171,894	369,844
(13) Other Expense - Operating Supplie	78,229	4,091	62,867	22,789	14,024	182,387	46,077	3,271	77,178	490,913	1,022,215	81,647	86,597	168,244	1,190,459
(14) In-Kind	-	-	1,702,136	-	-	89,700	-	-	-	1,791,836	2,055,879	-	-	-	2,055,879
(15) Other Expense - Miscellaneous	157,958	6,246	208,172	78,903	7,992	24,454	6,344	178	9,301	499,548	722,590	591,590	1,711,904	2,303,494	3,026,084
(16) Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	416,670	-	416,670	416,670
Total Other Expenses	2,613,656	106,102	1,431,624	10,633,360	148,293	1,258,970	488,155	101,034	654,197	17,435,391	131,306,634	2,897,606	3,753,818	6,651,424	137,958,058
Total Personnel and Other Expenses	12,568,704	1,386,796	11,021,890	12,758,342	1,658,963	6,334,007	2,168,985	590,193	4,618,169	53,106,049	217,546,324	10,657,998	8,016,240	18,674,238	236,220,562
C. Distributed Costs															
Other Support	753,731	83,029	660,913	728,178	99,479	379,819	130,063	35,391	275,634	3,146,237	8,016,240	-	(8,016,240)	(8,016,240)	-
Administration	856,468	94,346	750,999	827,432	113,039	431,590	147,791	40,215	313,204	3,575,084	10,241,328	(10,241,328)	-	(10,241,328)	-
Total Distributed Indirect Costs	1,610,199	177,375	1,411,912	1,555,610	212,518	811,409	277,854	75,606	588,838	6,721,321	18,257,568	(10,241,328)	(8,016,240)	(18,257,568)	-
Total Operating Expenses	14,178,903	1,564,171	12,433,802	14,313,952	1,871,481	7,145,416	2,446,839	665,799	5,207,007	59,827,370	235,803,892	416,670	-	416,670	236,220,562
D. Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	416,670	-	416,670	416,670
Allowable Operating Expenses	14,178,903	1,564,171	12,433,802	14,313,952	1,871,481	7,145,416	2,446,839	665,799	5,207,007	59,827,370	235,803,892	-	-	-	235,803,892
E. Capital Expenditures	\$ 74,891	\$ -	\$ -	\$ 8,794	\$ 1,036	\$ -	\$ 12,328	\$ -	\$ 361,139	\$ 458,188	\$ 479,192	\$ -	\$ 76,729	\$ 76,729	\$ 555,921

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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (5,528,170)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	635,004
Reduction of right-of-use assets	1,088,879
Change in Operating lease liability	(1,060,339)
(Increase) Decrease in assets:	
Grants receivable	(361,855)
Accounts receivable	(1,914,269)
Prepaid expenses	(519,375)
Advances and loans to sponsored companies, net	(78,511)
Inventory	(14,577)
Deposits and other assets	12,398
Decrease in liabilities:	
Accounts payable and accrued expenses	3,052,737
Total adjustments	<u>986,811</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(4,541,359)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Property and equipment acquisitions, net of sales	(1,140,889)
Investment loss	150,000
NET CASH USED IN INVESTING ACTIVITIES	<u>(990,889)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	3,546,738
Repayment of notes payable	(595,557)
NET CASH USED IN FINANCING ACTIVITIES	<u>2,951,181</u>
 NET DECREASE IN CASH	 (2,581,067)
 CASH AT BEGINNING OF YEAR	 <u>15,990,993</u>
 CASH AT YEAR END	 <u><u>\$ 13,409,926</u></u>

SUPPLEMENTAL DISCLOSURES:

Interest paid	<u><u>\$ 369,844</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, 2024**

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, 2024, net assets with donor restrictions totaled \$953,755.

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, 2024, 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, 2024

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, 2024. 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 2021.

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, 2024

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.

Accounting Pronouncements

During 2016, the FASB issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments. ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. The Center adopted the standard for the year ending June 30, 2024. The adoption of the standard did not have an impact on the Center financial statements.

Subsequent Events

The Center has evaluated subsequent events through December 13, 2024, 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 30, 2024:

Grants receivable	<u>\$ 7,820,507</u>
Accounts receivable	7,072,162
Less: allowance for doubtful accounts	<u>(2,606,999)</u>
	<u>4,465,163</u>
Total account receivable, net	<u>\$ 12,285,670</u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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").

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, 2024, the Center had an outstanding balance of \$330,952 due from Buena Vista used to fund operations. For the year ended June 30, 2024, Buena Vista had \$658,663 in total assets and \$127,771 in net assets. In addition, Buena Vista had \$144,849 in total revenues for the year ended June 30, 2024.

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, 2024, the amount due to the Center aggregated \$239,247, which has been fully allowed. For the year ended June 30, 2024, NWDARTS had total assets of \$265,005 and an accumulated deficit of \$238,545. In addition, NWDARTS had \$184,618 in total revenues for the year ended June 30, 2024.

Due from Buena Vista	\$ 330,952
Due from NWDARTS	548,320
	<u>879,272</u>
Less: allowance for doubtful accounts	(570,199)
	<u><u>\$ 309,073</u></u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	<u>Estimated Useful Life</u>	
Land		\$ 2,837,617
Building and improvements	30 Years	15,642,545
Furniture, equipment and vehicles	5 Years	6,873,171
Leasehold improvements	5 Years	2,079,876
		<u>27,433,209</u>
Less: accumulated depreciation and amortization		(17,099,566)
Property and equipment, net		<u><u>\$ 10,333,643</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, 2024 was \$635,004.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

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.

\$ 2,986,428

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.

642,949

\$ 3,629,377

Less current portion

(378,342)

Long term portion

\$ 3,251,035

Installments and other obligations consist of the following:

<u>Fiscal years ending June 30,</u>	
2025	\$ 378,342
2026	397,793
2027	418,248
2028	439,437
2029	462,349
Thereafter	1,533,208
Total	<u>\$ 3,629,377</u>

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 matured in March of 2023. In June 2023, the line of credit was amended and the revolving promissory note increased to \$5,000,000 and matures in September of 2026. The Center will pay regular payments of all accrued unpaid interest due each payment date beginning June 2023. 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. The balance at June 30, 2024, was \$3,546,738 and its included in installment, line of credit and other obligations on the statement of financial position.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 – INSTALLMENTS, MORTGAGES AND NOTES PAYABLE AND LINE OF CREDIT (Continued)
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. For the year ending June 30, 2024, the Center received a waiver from the lender for not meeting the debt to service ratio required.

Principal payments are due as follows for installments, other obligations and line of credit:

<u>Fiscal years ending June 30,</u>	
2025	\$ 3,925,080
2026	397,793
2027	418,248
2028	439,437
2029	462,349
Thereafter	1,533,208
Total	<u>\$ 7,176,115</u>

NOTE 6 – SUPPORT AND REVENUES

Approximately 75% of the Center’s revenue is derived from federal, state, and local government grants for the year ended June 30, 2024. 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 – LEASES

The Center determines if an arrangement is a lease at the inception of a contract and recognizes operating lease expense on a straight-line basis over the lease term. Leases with an initial term of twelve months or less are not recorded on the statement of financial position and are included as other lease cost on the statement of functional expenses. The Center has various leases for apartments, office spaces and equipment. These leases expire at various date through July 2028. The Center has lease agreement for various copier machines; this agreement is for a 38-month term starting in August 1, 2022, lease payments are paid monthly.

The components of lease expense as of June 30, 2024 were as follows:

<u>Operating lease</u>	<u>2024</u>
Right-of-use asset:	
Operating lease asset	\$ 3,344,901
Lease liabilities:	
Current operating lease liability	1,289,222
Noncurrent operating lease liability	2,203,452
Total operating lease liability	<u>\$ 3,492,674</u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 – LEASES (Continued)

Lease expense for the year ended June 30, 2024 was approximately \$1,737,567 and is included in rent occupancy on the statement of functional expenses. Rent expense for the year ended June 30, 2024 was approximately \$11,082,540. A substantial portion (approximately \$9,005,387) of the expense was payments that the Center paid on behalf of the individuals serviced by the Center.

The discount rate use was the Center incremental rate at the inception date of the lease, which was 5%. The future lease payments below summarize the remaining future undiscounted cash flows for the operating lease as of June 30, 2024, and a reconciliation to operating lease liability reported on the statement of financial position:

Year ending December 31,	
2025	\$ 1,423,869
2026	1,209,347
2027	798,025
2028	257,562
2029	<u>55,768</u>
Total lease payments	3,744,571
Less: imputed interest	<u>(251,897)</u>
Present value of lease liability	<u><u>\$ 3,492,674</u></u>

NOTE 8 – CONTRIBUTED SERVICES

Contributed services recognized for the year ended June 30, 2024, in the amount of approximately \$124,133 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 \$416,670 for the year ended June 30, 2024.

NOTE 10 – FAIR VALUE MEASUREMENTS

For the year ended June 30, 2024, 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).

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)

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, 2024

	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	\$ 313,000	\$ -	\$ -	\$ 313,000
	<u>\$ 313,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,000</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, 2024 is as follows:

Balance at beginning of year	\$ 463,000
Purchases (sales)	(150,000)
Balance at ending of year	<u>\$ 313,000</u>

NOTE 11 – INVESTMENTS

The Center Holds interest in several Companies: Health Choice Care, LLC., Florida Premier, Inc., Family Urgent Care Centers of South Florida Inc., Eckerd Youth Alternatives, Inc. and Behavioral Health Partner, LLC.

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, 2024.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – INVESTMENTS (Continued)

Florida Premier

The Center has an investment in Florida Premier, Inc. in the amount of \$16,000 as of June 30, 2024.

Eckerd Youth Alternatives, Inc.

The Center has an investment in Eckerd Youth Alternative in the amount of \$47,900 as of June 30, 2024.

Behavioral Health Partners, LLC

The Center has an investment in Behavioral Health Partners, LLC. in the amount of \$50,000 as of June 30, 2024.

At June 30, 2024, total investments amounted to \$313,000, which includes Health Choice Care, LLC., Florida Premier, Inc., Eckerd Youth Alternative, Inc. and Behavioral Health Partner, 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.

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, 2024 is \$880,000, and the assets are classified under property and equipment in the Statements of Financial Position.

In addition, the Center has \$73,755 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.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Center’s financial assets as of June 30, 2024, reduced by amounts not available for general use within one year as of June 30, 2024 because of the contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash	\$ 13,409,926
Accounts receivable	4,465,163
Grants receivable	7,820,507
Inventory	589,754
Total financial assets	<u>26,285,350</u>
Less amounts not available to be used within one year:	
Cash: donor restricted	<u>(73,755)</u>
	(73,755)
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 26,211,595</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 – OPERATIONS OF FCN

These financial statements include the operations of Citrus Family Care Network (“FCN”), a division of Citrus Health Network.

For the year ended June 30, 2024, FCN incurred a loss, which resulted in a net deficit for that division. Management is confident that FCN will receive additional contract funds from DCF to cover this and any other future losses. Historically, DCF has funded the losses of Child Welfare Lead Agencies.

NOTE 17 – OPERATIONS OF THE CENTER

For the year ended June 30, 2024, the Center incurred a loss from operations of approximately \$5 million. The loss was mainly as a result of payroll/client related cost incurred for programs associated to the DCF contracts. The managing entity (ME) of the contract did not fund a discretionary amount of approximately \$4 million due to budgetary constraints in the State of Florida.

Specifically, the ME has included in the Center’s contracts a certain amount of funding for uncompensated care provided beyond the original contract amount. For the year ended June 30, 2024, such amount was approximately \$4 million. For the previous fiscal year, the ME paid around \$2.5 million, plus certain housing costs. Accordingly, the Center was expecting payment for the current year. During the year, the ME was expecting to pay the Center the uncompensated unit at year-end once the annual reconciliations were completed, as was customary in prior years.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 17 – OPERATIONS OF THE CENTER (Continued)

Statewide, the ME's had funding in their Schedule of Funds for Federal funds that were expected to last until 2025. In July, all the ME's received new schedules of funds decreasing their allocations for the new fiscal year. District XI (the Center's district) lost \$17 million. For this reason, the Center was left with a deficit of \$4 million in uncompensated care. The Center was forced to use its reserves as well as the line of credit to cover costs.

During the fiscal year, the Center was also impacted by the Medicaid Redetermination process. This process resulted in a significant number of clients losing their Medicaid eligibility, subsequently transitioning to self-pay patients.

In order to reduce its line of credit and once again increase reserves in 2025, the Board of the Center approved to close two programs that have operated for twenty (20) years, and the Center expects to save about \$600,000 in one program and an additional \$1 million in the second program. The Center will also review its budget to reduce costs. Further, the Center has been working with the ME in securing additional funding for critical services and they have already stated that the Center will be receiving additional funds in the 2025 year. In addition, as a part of the strategic plan, the Center is expanding its line of services and is proactively engaging with Managed Care Plans to negotiate increased reimbursement rates for existing services. These initiatives are designated to enhance the Center financial stability. Management believes that all these objectives will increase revenues in the future.

SUPPLEMENTARY INFORMATION

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION - INTERDIVISIONAL
AS OF JUNE 30, 2024

	CHN	FCN	Total	Interdivisional Elimination	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 8,885,763	\$ 4,524,163	\$ 13,409,926	\$ -	\$ 13,409,926
Funds held for clients - social security benefits	-	253,338	253,338	-	253,338
Grants receivable - federal and non-federal awards	7,770,566	49,941	7,820,507	-	7,820,507
Accounts receivable - patients and third-party payers, net of allowance	4,465,163	-	4,465,163	-	4,465,163
Prepaid expenses	457,194	1,588,573	2,045,767	-	2,045,767
Inventory	472,499	117,255	589,754	-	589,754
Interdivisional receivable	548,528	-	548,528	(548,528)	-
TOTAL CURRENT ASSETS	22,599,713	6,533,270	29,132,983	(548,528)	28,584,455
PROPERTY AND EQUIPMENT, net	10,329,863	3,780	10,333,643	-	10,333,643
OTHER ASSETS					
Right-of-use-assets: operating leases	3,344,901	-	3,344,901	-	3,344,901
Advances and loans to sponsored companies, net	309,073	-	309,073	-	309,073
Long term investments	313,000	-	313,000	-	313,000
Deposits and other assets	250,421	-	250,421	-	250,421
TOTAL OTHER ASSETS	4,217,395	-	4,217,395	-	4,217,395
TOTAL ASSETS	\$ 37,146,971	\$ 6,537,050	\$ 43,684,021	\$ (548,528)	\$ 43,135,493
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 6,624,525	\$ 6,955,324	\$ 13,579,849	\$ -	\$ 13,579,849
Due to clients - social security benefits	-	253,338	253,338	-	253,338
Installment, line of credit, and other obligations					
current portion	3,925,080	-	3,925,080	-	3,925,080
Lease obligations, current portion	1,289,222	-	1,289,222	-	1,289,222
Interdivisional payables	-	548,528	548,528	(548,528)	-
TOTAL CURRENT LIABILITIES	11,838,827	7,757,190	19,596,017	(548,528)	19,047,489
Installment and other obligations, long-term portion	3,251,035	-	3,251,035	-	3,251,035
Lease obligations, long-term portion	2,203,452	-	2,203,452	-	2,203,452
TOTAL LIABILITIES	17,293,314	7,757,190	25,050,504	(548,528)	24,501,976
NET ASSETS					
Without Donor Restriction	18,973,657	(1,293,895)	17,679,762	-	17,679,762
With Donor Restriction	880,000	73,755	953,755	-	953,755
TOTAL NET ASSETS	19,853,657	(1,220,140)	18,633,517	-	18,633,517
TOTAL LIABILITIES AND NET ASSETS	\$ 37,146,971	\$ 6,537,050	\$ 43,684,021	\$ (548,528)	\$ 43,135,493

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, 2024

	Without Donor Restriction			With Donor Restriction			Elimination	Total
	CHN	FCN	Total	CHN	FCN	Total		
SUPPORT AND REVENUE								
PUBLIC SUPPORT								
Federal, State, and Local grants	\$ 56,356,035	\$ 124,423,655	\$ 180,779,690	\$ -	\$ -	\$ -	\$ (6,897,283)	\$ 173,882,407
TOTAL PUBLIC SUPPORT	56,356,035	124,423,655	180,779,690	-	-	-	(6,897,283)	173,882,407
COMMUNITY SUPPORT								
United Way	129,248	-	129,248	-	-	-	-	129,248
Contributed services	124,133	-	124,133	-	-	-	-	124,133
Contribution	2,240	14,150	16,390	-	153,205	153,205	-	169,595
TOTAL COMMUNITY SUPPORT	255,621	14,150	269,771	-	153,205	153,205	-	422,976
TOTAL SUPPORT	56,611,656	124,437,805	181,049,461	-	153,205	153,205	(6,897,283)	174,305,383
REVENUE								
Patient services, net	52,433,898	-	52,433,898	-	-	-	-	52,433,898
In-kind and other revenues	3,437,392	509,097	3,946,489	-	-	-	-	3,946,489
TOTAL REVENUE	55,871,290	509,097	56,380,387	-	-	-	-	56,380,387
TOTAL SUPPORT AND REVENUE	112,482,946	124,946,902	237,429,848	-	153,205	153,205	(6,897,283)	230,685,770
EXPENSES								
Program services	104,765,544	119,678,063	224,443,607	-	-	-	(6,897,283)	217,546,324
Support services	12,952,316	5,721,922	18,674,238	-	-	-	-	18,674,238
TOTAL EXPENSES	117,717,860	125,399,985	243,117,845	-	-	-	(6,897,283)	236,220,562
Change in net assets before investment income	(5,234,914)	(453,083)	(5,687,997)	-	153,205	153,205	-	(5,534,792)
Investment income	6,622	-	6,622	-	-	-	-	6,622
Net assets released from restrictions	70,000	182,691	252,691	(70,000)	(182,691)	(252,691)	-	-
CHANGE IN NET ASSETS	(5,158,292)	(270,392)	(5,428,684)	(70,000)	(29,486)	(99,486)	-	(5,528,170)
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	24,131,949	(1,023,503)	23,108,446	950,000	103,241	1,053,241	-	24,161,687
NET ASSETS AT END OF YEAR	\$ 18,973,657	\$ (1,293,895)	\$ 17,679,762	\$ 880,000	\$ 73,755	\$ 953,755	\$ -	\$ 18,633,517

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



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

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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, 2024, 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 13, 2024.

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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 13, 2024

CITRUS HEALTH NETWORK, INC.

SINGLE AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2024

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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 Schedule of Expenditures of Federal Awards and State Financial Assistance of Citrus Health Network, Inc. (the "Center") for the year ended June 30, 2024, and the related notes (the schedule).

In our opinion, the accompanying schedule of expenditures of federal awards and state financial assistance presents fairly, in all material respects, the Expenditures of Federal Awards and State Financial Assistance of the Center for the year ended June 30, 2024, 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; 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule 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 opinion.

Responsibilities of Management for the Schedule

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

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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, *Government Auditing Standards*, and the Uniform Guidance 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 schedule.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, 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 schedule.
- 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 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 schedule.

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

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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 13, 2024



Verdeja • Alvarez

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Octavio F. Verdeja, Founder - 1971

**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**

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

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, 2024. 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, 2024.

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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 13, 2024

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<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	04-3001-013-0570-L01	\$ 83,332	\$ -	\$ 83,332	\$ -
State Administrative Matching Grants for Food Stamp Program Passed through Florida Department of Children and Families	10.561	KJ138	-	18,869	18,869	13,790
Passed through Florida Department of Children and Families	10.561	KJ138-MATCH	-	26,384	26,384	18,926
Total U.S. Department of Agriculture			83,332	45,253	128,585	32,716
U.S. Department of Housing and Urban Development:						
Emergency Solutions Grant Program: Passed through City of Hialeah	14.231	ESG FY 2022-2023	189,622	-	189,622	-
Supportive Housing Program: Passed through Better Way of Miami Supportive Housing, Inc.	14.235	FL0281L4D002114/ FL0218L4D002215	243,545	-	243,545	-
Continuum of Care Program: Passed through Miami-Dade County Homeless Trust	14.267	FL0182L4D002114/ FL0182L4D002215	119,172	-	119,172	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0746L4D002103/ FL0746L4D002204	688,344	-	688,344	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0227L4D002114/ FL0227L4D002215	499,671	-	499,671	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0431L4D002110/ FL0431L4D002211	2,227,745	-	2,227,745	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0195L4D002215	3,051,063	-	3,051,063	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0838L4D002102/ FL0981L4D002200	1,059,856	-	1,059,856	-
Program Total			7,645,851	-	7,645,851	-
Total U.S. Department of Housing and Urban Development			8,079,018	-	8,079,018	-
U.S. Department of Veteran Affairs:						
VA Supportive Services for Veteran Families Program: Passed through The Advocate Program	64.033	FY 2023-2024	206,944	-	206,944	-
Total U.S. Department of Veteran Affairs			206,944	-	206,944	-
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	-	182,739	182,739	-
Guardship Assistance Program: Passed through Florida Department of Children and Families	93.090	KJ138	-	209,203	209,203	-
Passed through Florida Department of Children and Families	93.090	KJ138 - MATCH	-	151,741	151,741	-
Program Total			-	360,944	360,944	-
Comp Comm MD SVS For Child w/ Serious Emotional Disturbances Passed through South Florida Behavioral Health Network	93.104	ME225-13-08- MATCH	2,350,000	-	2,350,000	-
Health Center Program: Direct - U.S. Department of Health and Human Services	93.224	1 C16CS50387-01-00/ H80CS04214-19-00	4,355,105	-	4,355,105	-
Mental Health Research Grants Program: Passed through Florida International University	93.242	N/A	5,500	-	5,500	-
Passed through Northwell Health	93.242	AWD00001140-CHN	34,186	-	34,186	-
Program Total			39,686	-	39,686	-
CIP Direct - U.S. Department of Health and Human Services	93.526	1 C8ECS44293-01-00	538,918	-	538,918	-
Expanding COVID-19 Expansion Direct - U.S. Department of Health and Human Services	93.527	H8GCS48795-01-01/ H8LCS51343-01-00	51,749	-	51,749	-
Teaching Health Center Graduate Medical Education Program Direct - U.S. Department of Health and Human Services	93.530	T9CHP45660-02-02	484,654	-	484,654	-
Graduate Psychology Education Program Direct - U.S. Department of Health and Human Services	93.191	6 D40HP45678-02-02	254,044	-	254,044	-
Substance Abuse and Mental Health Services Program: Direct - U.S. Department of Health and Human Services	93.958	1H79SM085519-01	531,650	-	531,650	-
Promoting Safe and Stable Families Program: Passed through Florida Department of Children and Families	93.556	KJ138	-	2,187,200	2,187,200	944,421
Passed through Florida Department of Children and Families	93.556	KJ138 - MATCH	-	56,119	56,119	43,829
Program Total			-	2,243,319	2,243,319	988,250
Temporary Assistance for Needy Families Program: Passed through South Florida Behavioral Health Network	93.558	ME225-13-08	95,000	-	95,000	-
Passed through South Florida Behavioral Health Network	93.558	ME225-13-08- MATCH	936,136	-	936,136	-
Passed through South Florida Behavioral Health Network	93.XXXX	ME225-13-08- MATCH	313,551	-	313,551	-
Passed through Childnet, Inc.	93.XXXX	CIT23RAP	60,341	-	60,341	-
Passed through Childnet, Inc.	93.558	CIT23RAP-MATCH	43,203	-	43,203	-
Passed through Florida Department of Children and Families	93.558	KJ138	-	10,927,236	10,927,236	8,165,108
Passed through Florida Department of Children and Families	93.558	KJ138-MATCH	-	9,050,315	9,050,315	4,096,184
Program Total			1,448,231	19,977,551	21,425,782	12,261,292
Child Care Development Fund (CCDF) Cluster: CCDF Block Grant Passed through Early Learning Coalition of Miami-Dade/Monroe	93.575	C23-01	815,283	-	815,283	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund: Grants to States for Access and Visitation Program: Passed through Florida Department of Children and Families	93.597	KJ138	-	31,671	31,671	31,671

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, 2024**

<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	-	526,482	526,482	-
Passed through Florida Department of Children and Families	93.599	KJ138 - MATCH	-	1,649,185	1,649,185	-
Program Total			-	2,175,667	2,175,667	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Passed through Florida Department of Children and Families	93.645	KJ138	-	1,315,661	1,315,661	977,007
Passed through Florida Department of Children and Families	93.645	KJ138 - MATCH	-	801,249	801,249	574,403
Program Total			-	2,116,910	2,116,910	1,551,410
Foster Care Title IV-E Program:						
Passed through Childnet, Inc.	93.658	CIT23RAP	28,617	-	28,617	-
Passed through Childnet, Inc.	93.658	CIT23RAP-MATCH	28,617	-	28,617	-
Passed through Florida Department of Children and Families	93.658	KJ138	-	14,097,153	14,097,153	6,639,325
Passed through Florida Department of Children and Families	93.658	KJ138 - MATCH	-	18,672,600	18,672,600	8,996,443
Program Total			57,234	32,769,753	32,826,987	15,635,768
Adoption Assistance Program:						
Passed through Childnet, Inc.	93.659	CIT23RAP	4,310	-	4,310	-
Passed through Childnet, Inc.	93.659	CIT23RAP-MATCH	4,310	-	4,310	-
Passed through Florida Department of Children and Families	93.659	KJ138	-	14,203,907	14,203,907	1,515,533
Passed through Florida Department of Children and Families	93.659	KJ138 - MATCH	-	11,688,981	11,688,981	1,918,125
Program Total			8,620	25,892,888	25,901,508	3,433,658
Social Services Block Grant Program:						
Passed through Florida Department of Children and Families	93.667	KJ138	-	6,976,364	6,976,364	1,105,328
Passed through Florida Department of Children and Families	93.667	KJ138 - MATCH	-	2,100,600	2,100,600	268,154
Program Total			-	9,076,964	9,076,964	1,373,482
Child Abuse and Neglect State Grants Program:						
Passed through Florida Department of Children and Families	93.669	KJ138	-	690,034	690,034	475,998
Passed through Florida Department of Children and Families	93.669	KJ138 - MATCH	-	46,116	46,116	21,206
Program Total			-	736,150	736,150	497,204
John H. Chafee Foster Care Program for Successful Transition to Adulthood Program:						
Passed through Florida Department of Children and Families	93.674	CIT23RAP	35,735	-	35,735	-
Passed through Florida Department of Children and Families	93.674	CIT23RAP-MATCH	8,934	-	8,934	-
Program Total			44,669	-	44,669	-
Independent Living						
Passed through Childnet, Inc.	93.674	KJ138	-	3,600,137	3,600,137	65,376
Passed through Childnet, Inc.	93.674	KJ138 - MATCH	-	1,028,294	1,028,294	107,522
Program Total			-	4,628,431	4,628,431	172,898
Medical Assistance Program:						
Passed through Florida Department of Children and Families	93.778	KJ138	-	519,764	519,764	200,511
Passed through Florida Department of Children and Families	93.778	KJ138 - MATCH	-	557,337	557,337	226,190
Program Total			-	1,077,101	1,077,101	426,701
HIV Emergency Relief Project Grants Program:						
Passed through Miami-Dade County	93.914	BURWCHN33	233,664	-	233,664	-
Block Grants for Community Mental Health Services Program:						
Passed through Broward Behavioral Health Coalition	93.958	34382-23	1,360,562	-	1,360,562	-
Passed through South Florida Behavioral Health Network	93.958	ME225-13-08	4,728,946	-	4,728,946	-
Passed through South Florida Behavioral Health Network	93.958	ME225-13-08-MATCH	10,930,320	-	10,930,320	-
Program Total			17,019,828	-	17,019,828	-
Block Grants for Prevention and Treatment of Substance Abuse Program:						
Passed through South Florida Behavioral Health Network	93.959	ME225-13-08	1,466,191	-	1,466,191	-
Passed through South Florida Behavioral Health Network	93.959	ME225-13-08- CSA- MATCH	769,085	-	769,085	-
Passed through South Florida Behavioral Health Network	93.959	ME225-13-08 CSA PPG	150,000	-	150,000	-
Program Total			2,385,276	-	2,385,276	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises						
	93.391	DEY47	120,000	-	120,000	-
Total U.S. Department of Health and Human Services			30,738,611	101,270,088	132,008,699	36,372,334
Total Expenditures of Federal Awards and Passed Through			\$ 39,107,905	\$ 101,315,341	\$ 140,423,246	\$ 36,405,050

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, 2024

<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	\$ -	\$ 326,617	326,617	\$ -
Out-of-Home Supports Program:						
Direct - Department of Children and Families	60.074	KJ138		13,324,143	13,324,143	3,221,817
Adoption Services Program:						
Direct - Department of Children and Families	60.076	KJ138	-	3,079,304	3,079,304	208,985
CBC-Sexually Exploited Children Program:						
Direct - Department of Children and Families	60.138	KJ138	-	266,445	266,445	-
Extended Foster Care Program:						
Direct - Department of Children and Families	60.141	KJ138	-	2,546,280	2,546,280	-
Family Safety Program:						
Direct - Department of Children and Families	60.175	19010050	108,734	-	108,734	-
CBC-Purchase of Therapeutic services for Children Program:						
Direct - Department of Children and Families	60.183	KJ138	-	1,551,631	1,551,631	287,158
Passed through Childnet, Inc.	60.183	CIT23RAP	314,963	-	314,963	-
Program Total			<u>314,963</u>	<u>1,551,631</u>	<u>1,866,594</u>	<u>287,158</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	-	20,698	20,698	-
Kinship Navigator Program:						
Direct - Department of Children and Families	60.207	KJ138	-	321,671	321,671	-
Guardianship Assistance Program:						
Direct - Department of Children and Families	60.210	KJ138	-	701,739	701,739	-
Fatherhood Engagement Specialist						
Direct - Department of Children and Families	60.211	KJ138	-	168,822	168,822	-
Early Childhood Court Case Management & Prevention						
Direct - Department of Children and Families	60.225	KJ138	-	121,182	121,182	-
State Funded Childcare Subsidy						
Direct - Department of Children and Families	60.244	KJ138	-	978,573	978,573	-
Opioid State Targeted Response						
Passed through South Florida Behavioral Health Network	60.302	ME225-13-08	170,000	-	170,000	-
Total Department of Children and Families			<u>1,048,697</u>	<u>23,407,105</u>	<u>24,455,802</u>	<u>3,717,960</u>
Department of Juvenile Justice						
Mental Health Services Program:						
Direct - Department of Juvenile Justice	80.011	10593	43,055	-	43,055	-
Total Expenditures of State Awards and Passed Through			<u>\$ 1,091,751</u>	<u>\$ 23,407,104</u>	<u>\$ 24,498,856</u>	<u>\$ 3,717,960</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, 2024**

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, 2024. 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 31.10% 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, 2024**

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
Foster Care Title IV-E Program	93.658	\$ 32,826,987
Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$ 2,385,276

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, 2024**

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. A management letter was issued for the year ended June 30, 2024.
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, 2024**

	<u>South Florida Behavioral Health Network</u>
1. Total Expenditures	\$ 236,220,562
2. Less Other State and Federal Funds	(180,113,839)
3. Less Non-Match SAMH Funds	(14,763,385)
4. Less Unallowable Costs Per 65E-14, FAC	<u>(416,670)</u>
5. Total Allowable Expenditures (Sum of lines 1,2,3, and 4)	<u>40,926,668</u>
6. Maximum Available Earnings (Line 5 times 75%)	30,695,001
7. Amount of State Funds Requiring Match	<u>6,388,250</u>
8. Amount Due to Department	<u><u>\$ -</u></u>

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

CITRUS HEALTH NETWORK, INC.

SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES- SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES - PART I

FOR THE YEAR ENDED JUNE 30, 2024

Part I: Funding Sources and Revenues – ME225-13-08

FUNDING SOURCES & REVENUES A	STATE-FUNDED																				Total for State SAMH Funded Covered Services or Projects (B+C) D	Total for Non-State Funded Covered Services or Projects E	Total for All Covered Services or Projects (D+E) F	Non-SAMH Covered Services or Projects G	Total Funding (F+G) H								
	Mental Health										Substance Abuse																						
	Case Management	Crisis Stabilization	Crisis Support/ Emergency	Medical Services	Outreach	Residential I	Incidental Expenses	Short-term Residential	CCST (Indiv)	First Episode Team	Transition Voucher	Cost Reimbursement	CAT Team	FACT Team	Provider Provider Projects	Other Bundled Projects	Mental Health Total	Crisis Support/ Emergency	Inpatient Detoxification	CCST (Group)						Prevention - Indicated	Prevention - Selective	Prevention - Universal Direct	Federal Project Grant	Other Bundled Projects	Substance Abuse Total		
02	03	04	12	16	18	28	39	44	A5	B2	B3	B4	B5	B6	C0	B	04	24	45	48	49	50	A7	C0	C								
IA. STATE SAMH FUNDING																																	
Current Year Funding																																	
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State P-Federal and State																															
MH009	ME225-13-08	F/S						\$ 526,017						\$ 615,430		\$ 135,808	\$ 2,177,772										\$ -	\$ 2,177,772		\$ 2,177,772		\$ 2,177,772	
MH018	ME225-13-08	F/S	\$ 2,932,695	\$ 2,365,749					\$ 3,148,412					\$ 231,685		\$ 304,098	\$ 8,644,538										\$ -	\$ 8,644,538		\$ 8,644,538		\$ 8,644,538	
MH025	ME225-13-08	F											\$ 750,000				\$ 750,000										\$ -	\$ 750,000		\$ 750,000		\$ 750,000	
MH071	ME225-13-08	S							\$ 18,284								\$ 18,284										\$ -	\$ 18,284		\$ 18,284		\$ 18,284	
MH072	ME225-13-08	S					\$ 52,630											\$ 52,630									\$ -	\$ 52,630		\$ 52,630		\$ 52,630	
MH094	ME225-13-08	S													\$ 455,000			\$ 455,000									\$ -	\$ 455,000		\$ 455,000		\$ 455,000	
MH097	ME225-13-08	F/S												\$ 1,781,772			\$ 1,781,772										\$ -	\$ 1,781,772		\$ 1,781,772		\$ 1,781,772	
MH078	ME225-13-08	F	\$ 95,000														\$ 95,000										\$ -	\$ 95,000		\$ 95,000		\$ 95,000	
MH128	ME225-13-08	S													\$ 1,000,000			\$ 1,000,000									\$ -	\$ 1,000,000		\$ 1,000,000		\$ 1,000,000	
MH262	ME225-13-08	F											\$ 750,000				\$ 750,000										\$ -	\$ 750,000		\$ 750,000		\$ 750,000	
MH268	ME225-13-08	F										\$ 49,450					\$ 49,450										\$ -	\$ 49,450		\$ 49,450		\$ 49,450	
MHARP	ME225-13-08	F							\$ 90,000								\$ 90,000										\$ -	\$ 90,000		\$ 90,000		\$ 90,000	
MHCAT	ME225-13-08	S											\$ 2,350,000				\$ 2,350,000										\$ -	\$ 2,350,000		\$ 2,350,000		\$ 2,350,000	
MHMOT	ME225-13-08	S														\$ 358,710		\$ 358,710										\$ -	\$ 358,710		\$ 358,710		\$ 358,710
MHTRV	ME225-13-08	S								\$ 8,344							\$ 8,344											\$ -	\$ 8,344		\$ 8,344		\$ 8,344
MS011	ME225-13-08	F/S															\$ 50,000		\$ 148,775							\$ 399,698	\$ 596,770	\$ 596,770	\$ 596,770		\$ 596,770		
MS021	ME225-13-08	F/S															\$ 922,545									\$ 922,545	\$ 922,545	\$ 922,545	\$ 922,545		\$ 922,545		
MS025	ME225-13-08	F															\$ 8,800	\$ 381,300	\$ 119,800							\$ 539,980	\$ 539,980	\$ 539,980	\$ 539,980		\$ 539,980		
MS252	ME225-13-08	F															\$ 1,282	\$ 112,982	\$ 111,748							\$ 226,000	\$ 226,000	\$ 226,000	\$ 226,000		\$ 226,000		
MS5M5	ME225-13-08	F																\$ 45,000						\$ 45,000		\$ 45,000	\$ 45,000	\$ 45,000		\$ 45,000		\$ 45,000	
MS5M6	ME225-13-08	F																\$ 125,000							\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000		\$ 125,000		\$ 125,000	
Total Current Year Funding			\$ 95,000	\$ 2,932,695	\$ 2,365,749	\$ -	\$ 52,630	\$ 18,284	\$ 526,017	\$ 3,148,412	\$ 922,517	\$ 1,549,449	\$ 8,344	\$ 231,685	\$ 2,749,688	\$ 2,531,579	\$ 1,455,000	\$ 1,380,805	\$ 19,808,953	\$ 50,000	\$ 922,545	\$ 148,775	\$ 10,152	\$ 494,282	\$ 231,548	\$ 170,000	\$ 399,698	\$ 2,405,276	\$ 20,968,876	\$ 20,968,876	\$ 20,968,876		
Carry Forward Funding																																	
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State P-Federal and State																															
MH009	ME225-13-08	S															\$ 199,998										\$ -	\$ 199,998		\$ 199,998		\$ 199,998	
MH097	ME225-13-08	S											\$ 156,377				\$ 156,377										\$ -	\$ 156,377		\$ 156,377		\$ 156,377	
MHCAT	ME225-13-08	S												\$ 399,698			\$ 399,698										\$ -	\$ 399,698		\$ 399,698		\$ 399,698	
MHMOT	ME225-13-08	S														\$ 491,280		\$ 491,280									\$ -	\$ 491,280		\$ 491,280		\$ 491,280	
Total Carry Forward Funding			\$ -	\$ -	\$ -	\$ -	\$ 199,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,280	\$ 1,247,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,247,353	\$ 1,247,353	\$ 1,247,353		
TOTAL STATE SAMH FUNDING*			\$ 95,000	\$ 2,932,695	\$ 2,365,749	\$ 199,998	\$ 52,630	\$ 18,284	\$ 526,017	\$ 3,148,412	\$ 922,517	\$ 1,549,449	\$ 8,344	\$ 231,685	\$ 2,749,688	\$ 2,531,579	\$ 1,455,000	\$ 1,380,805	\$ 19,808,953	\$ 50,000	\$ 922,545	\$ 148,775	\$ 10,152	\$ 494,282	\$ 231,548	\$ 170,000	\$ 399,698	\$ 2,405,276	\$ 22,214,229	\$ 22,214,229			
IB. OTHER GOVERNMENT FUNDING																																	
(1) Other State Agency Funding										\$ 1,219,987							\$ 842,502	\$ 2,022,579								\$ -	\$ 2,022,579	\$ 4,228,089	\$ 6,260,664	\$ 123,136,300	\$ 129,426,965		
(2) Medicaid			\$ 650	\$ 2,684,720	\$ 384,171					\$ 192	\$ 345,387	\$ 55,688					\$ 3,861	\$ 1,485,025	\$ 93,700	\$ 5,034,054						\$ -	\$ 5,034,054	\$ 16,182,183	\$ 21,216,237	\$ 6,307,036	\$ 27,523,272		
(3) Local Government				\$ 837,452	\$ 84,782												\$ 966,421	\$ 1,085,035	\$ 2,052,356	\$ 5,406,620	\$ 7,459,278					\$ -	\$ 5,406,620	\$ 13,869,487	\$ 15,660,631	\$ 15,660,631			
(4) Federal Grants and Contracts				\$ 55,205														\$ 82,807								\$ -	\$ 82,807	\$ 2,078,338	\$ 2,161,143	\$ 13,369,487	\$ 15,660,631		
(5) In-kind from local gov. only																		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL OTHER GOVERNMENT FUNDING*			\$ 650	\$ 3,557,376	\$ 478,954	\$ -	\$ -	\$ -	\$ -	\$ 1,247,781	\$ 345,387	\$ 89,874	\$ -	\$ -	\$ 3,861	\$ 1,485,025	\$ -	\$ 936,392	\$ 6,145,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,145,860	\$ 23,574,540	\$ 31,720,400	\$ 148,249,744	\$ 179,970,144
IC. ALL OTHER REVENUES																																	
(1) 1st & 2nd Party Payments			\$ (26,920)	\$ 106						\$ 18,170	\$ 29,308			\$ (1,161)			\$ 769	\$ 18,261								\$ -	\$ 18,261	\$ 138,260	\$ 157,522	\$ 19,685,226	\$ 19,842,756		
(2) 3rd Party Payments (except Medicare)			\$ 315,791	\$ (288)						\$ 31,386	\$ 12,540			\$ 1,842			\$ 381,172	\$ 1,748,248	\$ 2,109,420	\$ 1,362,144	\$ 3,471,564					\$ -	\$ 3,471,564	\$ 1,202,690	\$ 3,622,791	\$ 1,586,309	\$ 1,586,309		
(3) Medicare			\$ (610)							\$ 1,488	\$ (50)						\$ 828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(4) Contributions and Donations																	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(5) Other																	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(6) In-kind				\$ 34,433													\$ 34,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL ALL OTHER REVENUES*			\$ -	\$ 322,884	\$ (282)	\$ -	\$ -	\$ -	\$ -	\$ 49,026	\$ 41,816	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ 769	\$ 414,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,433	\$ 919,311	\$ 5,241,190	\$ 23,266,830	\$ 28,598,020
TOTAL FUNDING*			\$ 95,650	\$ 6,382,758	\$ 2,844,441	\$ 199,998	\$ 52,630	\$ 18,284	\$ 526,017	\$ 4,987,193	\$ 1,388,909	\$ 1,681,140	\$ 8,344	\$ 231,685	\$ 2,754,229	\$ 4,017,205	\$ 1,455,000	\$ 2,877,927	\$ 28,399,538	\$ 50,000	\$ 922,545	\$ 148,775	\$ 10,152	\$ 494,282	\$ 231,548	\$ 170,000	\$ 399,698	\$ 2,405,276	\$ 30,774,783	\$ 38,401,036	\$ 58,175,820	\$ 171,516,574	\$ 239,692,363

CITRUS HEALTH NETWORK, INC.
SCHEDULE OF BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 465	4,587	2,219	2,368	\$ 1,100,000	\$ 1,100,943	\$ -
Adult Mental Health	Crisis Stabilization Unit	\$ 500	5,678	3,478	2,200	\$ 1,100,000	\$ 1,100,000	\$ -
Adult Mental Health	Crisis Stabilization Unit	\$ 500	7,297	1,535	5,762	\$ 2,857,695	\$ 2,880,755	\$ -
Adult Mental Health	Short Term Residential-SFBHN	\$ 269	4,879	-	4,879	\$ 1,313,832	\$ 1,313,832	\$ -
Adult Mental Health	Short Term Residential-BBHC	\$ 257	4,758	-	4,758	\$ 1,219,987	\$ 1,223,329	\$ -
Children's Mental Health	Short Term Residential	\$ 444	4,592	-	4,592	1,835,579	\$ 2,038,848	\$ -
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, 2024

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 ME225-13-08.

CITRUS HEALTH NETWORK, INC.

MANAGEMENT LETTER

JUNE 30, 2024

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Management Letter 1-3



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

MANAGEMENT LETTER

To the Board of Directors of
Citrus Health Network, Inc.

Report on the Financial Statements

We have audited the financial statements of Citrus Health Network, Inc. (the "Center"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated December 13, 2024.

Auditor's Responsibility

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; 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.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance, and Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated December 13, 2024, should be considered in conjunction with this management letter.

Management letter

In planning and performing our audit of the financial statements of the Center as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Center's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Center’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *management point* is an observation and/or a suggestion regarding the Center’s activities that go beyond internal control related matters.

Our consideration of internal control was for the limited purpose described in the first paragraph of this subsection and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

Generally accepted auditing standards require auditors to communicate *material weaknesses* and *significant deficiencies* in internal control that they become aware of during the audit. Generally accepted auditing standards do not require auditors to communicate *management points*. Our firm’s policy requires us to inform you of any *management points* discovered during our audit.

The following summarizes the results of our audit for the year ended June 30, 2024:

Material Weakness Identified	<u> </u> Yes	<u> X </u> No
Management Point Identified	<u> </u> Yes	<u> X </u> No

We wish to congratulate the Center on receiving a management letter where no material weaknesses in internal controls were reported.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements, Federal programs, or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



VERDEJA & ALVAREZ, LLP

Coral Gables, Florida
December 13, 2024

**CITRUS HEALTH NETWORK, INC.
OBSERVATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2024**

Finding

As indicated in Note 17 of the financial statements, the Center incurred a loss from operations due to the budgeting constraints in the State of Florida.

Recommendation

We are aware that the Center based on history, expected to receive funding for the programs which created the loss, as they had in prior years. We recommend that the Center pursue similar matters with the State as well as continue with its plan of action to mitigate future impacts arising from this matter.

Management's Response

In order to reduce its line of credit and once again increase reserves in 2025, the Board of the Center approved to close two programs that have operated for twenty (20) years, and the Center expects to save about \$600,000 in one program and an additional \$1 million in the second program. The Center will also review its budget to reduce costs. Further, the Center has been working with the ME in securing additional funding for critical services and they have already stated that the Center will be receiving additional funds in the 2025 year. In addition, as a part of the strategic plan, the Center is expanding its line of services and is proactively engaging with Managed Care Plans to negotiate increased reimbursement rates for existing services. These initiatives are designated to enhance the Center financial stability. Management believes that all these objectives will increase revenues in the future.