

CITRUS HEALTH NETWORK, INC.

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2025

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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, 2025, 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, 2025, 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 12, 2025, 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 12, 2025

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 9,353,862
Funds held for clients - social security benefits	268,959
Grants receivable - federal and non-federal awards	13,288,628
Accounts receivable - patients and third-party payers, net of allowance	4,706,514
Prepaid expenses	2,017,140
Inventory	676,987
TOTAL CURRENT ASSETS	<u>30,312,090</u>

PROPERTY AND EQUIPMENT, net	11,507,151
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OTHER ASSETS

Right-of-use-assets: operating leases	1,840,121
Advances and loans to sponsored companies, net	343,250
Long term investments	313,000
Deposits and other assets	108,771
TOTAL OTHER ASSETS	<u>2,605,142</u>

TOTAL ASSETS	<u><u>44,424,383</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	14,330,863
Due to clients - social security benefits	268,959
Installment, line of credit, and other obligations current portion	5,488,914
Lease obligations, current portion	1,289,222
	<u>21,377,958</u>

Installment and other obligations, long-term portion	3,547,904
Lease obligations, long-term portion	657,349
	<u>25,583,211</u>

NET ASSETS

Without Donor Restriction	17,962,879
With Donor Restriction	878,293
TOTAL NET ASSETS	<u>18,841,172</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 44,424,383</u></u>
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The accompanying notes are an integral part of these financial statements.

CITRUS HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

SUPPORT AND REVENUE	
PUBLIC SUPPORT	
Federal, State, and Local grants	<u>\$ 176,968,793</u>
TOTAL PUBLIC SUPPORT	<u>176,968,793</u>
COMMUNITY SUPPORT	
United Way	195,131
Contributed services	128,488
Contribution	<u>159,832</u>
TOTAL COMMUNITY SUPPORT	<u>483,451</u>
TOTAL SUPPORT	<u>177,452,244</u>
REVENUE	
Patient services, net	62,681,425
In-kind and other revenues	<u>2,997,421</u>
TOTAL REVENUE	<u>65,678,846</u>
TOTAL SUPPORT AND REVENUE	<u>243,131,090</u>
EXPENSES	
Program services	223,038,962
Support services	<u>19,910,813</u>
TOTAL EXPENSES	<u>242,949,775</u>
Change in net assets before investment income	181,315
Investment income	<u>26,340</u>
CHANGE IN NET ASSETS	207,655
NET ASSETS AT BEGINNING OF YEAR	<u>18,633,517</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 18,841,172</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, 2025

Expense Categories	Program Services													Program Sub Total
	Case Management	CAT Teams	Comprehensive Community Service Team	Child Welfare	Community Support	Crisis Stabilization	Crisis Support	DJJ	Early Childhood	Fact Team	Foster Care	Health Connect in Our Schools	Housing Programs	
A. Personnel Expenses														
(1) Salaries	\$ 892,023	\$ 1,588,463	\$ 1,320,110	\$ 13,576,169	\$ 1,457,573	\$ 7,182,464	\$ 3,577,148	\$ 698,723	\$ 1,098,010	\$ 1,333,067	\$ 4,175,485	\$ 2,093,707	\$ 2,437,704	\$ 41,430,647
(2) Fringe benefits	193,397	368,679	332,746	2,029,191	320,388	1,280,969	698,765	164,111	294,120	281,047	1,009,127	406,776	527,632	7,906,947
Total Personnel Expenses	1,085,419	1,957,142	1,652,856	15,605,360	1,777,961	8,463,433	4,275,913	862,834	1,392,130	1,614,114	5,184,612	2,500,483	2,965,336	49,337,594
B. Other expenses														
(1) Building occupancy	77,858	38,732	27,500	531,261	395,990	316,198	48,775	1,500	135,507	47,221	105,234	37,676	187,251	1,950,702
(2) Other Expense - Client Cost	17,496	15,163	190,209	60,566,822	13,117	289,502	4,603	9,155	-	1,788,741	774,355	-	6,787,249	70,456,412
(3) Other Expense - E.H.R.	21,464	30,596	19,282	-	29,510	69,692	54,087	-	20,417	31,474	61,322	15,325	40,974	394,140
(4) Professional Services	3,817	100	68	45	20,570	9,776	29,040	21	906	10,805	1,123,282	4,896	8,167	1,211,493
(5) Travel	920	4,858	3,498	305,981	738	13	2,582	5,359	1,738	26	19,902	32	1,995	347,643
(6) Equipment	4,812	2,550	798	2,074	20,191	39,040	5,003	-	1,923	3,380	250	27,716	107,736	
(7) Other Expense - Transportation	24,643	67,521	53,121	-	47,420	31,059	32,052	1,884	2,660	57,250	120,657	5,696	109,157	553,120
(8) Other Expense - Food	1,635	51	5	-	224,410	402,825	1,426	94	-	1,068	7,761	1,450	159	640,883
(9) Medical Expenses	-	327	-	-	1,078	198,727	291	39	-	1,632	-	43,563	255	245,911
(10) Subcontracted Services	3,498	2,421	1,659	37,435,958	61,280	81,965	139,879	-	10,550	52,024	108,900	1,636	888	37,900,657
(11) Insurance	16,831	4,274	10,105	1,133,065	14,794	142,676	21,288	-	3,620	17,730	9,961	112	41,383	1,415,838
(12) Interest	-	-	-	-	-	325,783	41,883	-	-	-	-	-	-	367,667
(13) Other Expense - Operating Supplies	12,703	6,300	1,452	153,844	36,383	190,379	14,844	4,912	2,920	3,987	17,766	13,077	23,821	482,388
(14) In-Kind	-	-	-	-	218,972	34,263	-	-	-	-	-	-	-	253,234
(15) Other Expense - Miscellaneous	2,493	6,075	2,718	11,612	10,622	39,674	6,464	1,725	4,085	1,587	(30,809)	7,825	4,490	68,561
(16) Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	188,170	178,967	310,414	100,140,663	1,095,074	2,171,570	402,215	24,688	182,402	2,015,469	2,321,710	131,539	7,233,503	116,396,385
Total Personnel and Other Expenses	1,273,589	2,136,109	1,963,270	115,746,023	2,873,035	10,635,003	4,678,129	887,523	1,574,532	3,629,582	7,506,323	2,632,022	10,198,839	165,733,979
C. Distributed Costs														
Other Support	73,583	124,967	104,209	2,188,801	168,079	622,172	273,681	51,922	92,114	212,339	446,881	153,979	226,088	4,738,816
Administration	92,296	156,747	130,709	4,169,161	210,822	780,393	343,280	65,126	115,539	266,338	560,524	193,137	280,716	7,364,788
Total Distributed Indirect Costs	165,879	281,714	234,918	6,357,962	378,902	1,402,565	616,961	117,048	207,652	478,677	1,007,405	347,116	506,805	12,103,604
Total Operating Expenses	1,439,468	2,417,824	2,198,188	122,103,985	3,251,936	12,037,568	5,295,090	1,004,571	1,782,184	4,108,259	8,513,728	2,979,139	10,705,644	177,837,583
D. Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowable Operating Expenses	1,439,468	2,417,824	2,198,188	122,103,985	3,251,936	12,037,568	5,295,090	1,004,571	1,782,184	4,108,259	8,513,728	2,979,139	10,705,644	177,837,583
E. Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 77,687	\$ 717,913	\$ 126,146	\$ -	\$ -	\$ -	\$ 38,844	\$ -	\$ 50,310	\$ 1,010,900

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, 2025

Expense Categories	Program Services										Support Services				Combined Totals
	Medical Services	Navigate	Outpatient	Pharmacy	Prevention Intervention	Residential Level I	Residential Level II	Ryan White	Short-term Residential Treatment	Program Sub Total	Program Total	General and Administrative	Other Support	Support Services Total	
A. Personnel Expenses															
(1) Salaries	\$ 6,156,528	\$ 1,035,059	\$ 10,699,780	\$ 1,945,973	\$ 1,125,337	\$ 4,429,747	\$ 1,780,350	\$ 235,904	\$ 2,977,719	\$ 30,386,396	\$ 71,817,043	\$ 7,321,218	\$ 3,721,645	\$ 11,042,863	\$ 82,859,906
(2) Fringe benefits	1,271,553	281,228	2,168,184	465,889	255,113	979,765	378,296	40,175	533,090	6,373,294	14,280,241	1,302,741	951,096	2,253,837	16,534,078
Total Personnel Expenses	7,428,081	1,316,287	12,867,964	2,411,862	1,380,450	5,409,512	2,158,646	276,079	3,510,809	36,759,690	86,097,284	8,623,959	4,672,741	13,296,700	99,393,984
B. Other expenses															
(1) Building occupancy	753,098	28,872	264,563	75,502	34,173	483,052	100,427	24,914	101,239	1,865,840	3,816,542	256,825	522,895	779,720	4,596,262
(2) Other Expense - Client Cost	6,275	4,664	2,304	-	14,836	56,465	26,062	27,147	53,528	191,281	70,647,693	863	-	863	70,648,556
(3) Other Expense - E.H.R.	315,011	19,282	163,722	18,162	27,055	54,632	14,412	3,972	22,781	639,029	1,033,169	60,048	521,581	581,629	1,614,798
(4) Professional Services	29,314	8,232	134,333	80,456	184	4,293	7,825	30	3,320	267,987	1,479,479	629,175	298,829	928,004	2,407,483
(5) Travel	2,643	23	21,831	1,152	11,439	6	50	-	10	37,153	384,796	271,910	26,986	298,896	683,692
(6) Equipment	52,151	227	20,024	13,963	1,024	140,056	28,161	1,362	8,875	265,842	373,578	22,676	137,018	159,694	533,272
(7) Other Expense - Transportation	9,400	32,234	23,949	575,155	29,741	8,234	9,593	4,340	692,646	1,245,766	95,932	12,000	107,932	1,353,698	
(8) Other Expense - Food	10,753	691	35,091	1,315	66	234,871	194,631	201	268,861	746,480	1,387,363	14,805	1,404	16,209	1,403,572
(9) Medical Expenses	165,120	-	66,461	11,422,251	-	62,696	56	85,440	62,283	11,864,307	12,110,219	-	27	27	12,110,246
(10) Subcontracted Services	224,301	35,150	660,701	6,373	2,129	10,161	16,404	-	13,551	968,768	38,869,425	423,271	35,005	458,276	39,327,701
(11) Insurance	73,438	4,703	71,039	9,579	10,936	37,701	24,720	-	7,818	239,935	1,655,773	363,648	1,760	365,408	2,021,181
(12) Interest	29,364	-	153,932	18,135	-	-	-	-	-	201,431	569,097	4,514	17,850	22,364	591,462
(13) Other Expense - Operating Supplies	67,720	524	57,057	22,177	4,851	143,881	33,564	785	45,576	376,136	858,524	107,932	111,967	219,899	1,078,423
(14) In-Kind	-	-	-	1,712,836	-	52,725	-	-	41,500	1,807,061	2,060,295	-	-	-	2,060,295
(15) Other Expense - Miscellaneous	63,540	1,528	200,962	33,921	4,161	24,604	4,708	69	47,906	381,397	449,958	640,428	1,688,207	2,328,635	2,778,593
(16) Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	346,557	-	346,557	346,557
Total Other Expenses	1,802,128	136,128	1,875,969	13,990,976	140,594	1,313,376	460,613	143,919	681,588	20,545,292	136,941,678	3,238,584	3,375,529	6,614,113	143,555,791
Total Personnel and Other Expenses	9,230,209	1,452,415	14,743,933	16,402,838	1,521,044	6,722,888	2,619,259	419,999	4,192,397	57,304,982	223,038,961	11,862,543	8,048,270	19,910,813	242,949,775
C. Distributed Costs															
Other Support	540,033	84,970	862,554	918,984	88,985	393,304	153,833	24,571	242,222	3,309,455	8,048,270	-	(8,048,270)	(8,048,270)	0
Administration	677,365	106,578	1,082,039	1,152,685	111,614	493,323	192,954	30,819	303,820	4,151,198	11,515,986	(11,515,986)	-	(11,515,986)	0
Total Distributed Indirect Costs	1,217,398	191,547	1,944,593	2,071,669	200,598	886,628	346,787	55,390	546,042	7,460,652	19,564,256	(11,515,986)	(8,048,270)	(19,564,256)	0
Total Operating Expenses	10,447,606	1,643,963	16,688,526	18,474,507	1,721,643	7,609,516	2,966,046	475,389	4,738,439	64,765,635	242,603,218	346,557	0	346,557	242,949,775
D. Unallowable Costs	-	-	-	-	-	-	-	-	-	-	-	346,557	-	346,557	346,557
Allowable Operating Expenses	10,447,606	1,643,963	16,688,526	18,474,507	1,721,643	7,609,516	2,966,046	475,389	4,738,439	64,765,635	242,603,218	(0)	0	0	242,603,218
E. Capital Expenditures	\$ -	\$ 38,844	\$ 398,546	\$ 178,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 616,363	\$ 1,627,262	\$ 14,375	\$ 970,096	\$ 984,471	\$ 2,611,733

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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 207,655
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	747,119
Gain on disposal of fixed assets	(56,688)
Reduction of right-of-use assets	1,504,780
Change in Operating lease liability	(1,546,103)
(Increase) Decrease in assets:	
Grants receivable	(5,468,121)
Accounts receivable	(241,351)
Prepaid expenses	28,627
Advances and loans to sponsored companies, net	(34,177)
Inventory	(87,233)
Deposits and other assets	141,650
Increase in liabilities:	
Accounts payable and accrued expenses	751,014
Total adjustments	<u>(4,260,483)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(4,052,828)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Property and equipment acquisitions, net of sales	(910,176)
NET CASH USED IN INVESTING ACTIVITIES	<u>(910,176)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	1,367,596
Repayment of notes payable	(460,656)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>906,940</u>
 NET DECREASE IN CASH	 (4,056,064)
 CASH AT BEGINNING OF YEAR	 <u>13,409,926</u>
 CASH AT YEAR END	 <u>\$ 9,353,862</u>

SUPPLEMENTAL DISCLOSURES:

Interest paid	<u>\$ 586,994</u>
Debt incurred to purchase equipment	<u>\$ 970,096</u>

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, 2025

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, 2025, net assets with donor restrictions totaled \$878,293.

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, 2025, 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, 2025

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, 2025. 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 2022.

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, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Administrative & Indirect Costs

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

Fair Value of Financial Instruments

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

Functional Allocation of Expenses

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

Subsequent Events

The Center has evaluated subsequent events through December 12, 2025, 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, 2025:

Grants receivable	<u>\$ 13,288,628</u>
Accounts receivable	7,083,443
Less: allowance for doubtful accounts	<u>(2,376,929)</u>
	<u>4,706,514</u>
Total account receivable, net	<u>\$ 17,995,142</u>

On July 1, 2024, the balance of grants and account receivables net was \$12,285,670.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the Center had an outstanding balance of \$407,032 due from Buena Vista used to fund operations. For the year ended June 30, 2025, Buena Vista had \$627,435 in total assets and \$18,890 in net assets. In addition, Buena Vista had \$162,827 in total revenues for the year ended June 30, 2025.

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, 2025, the amount due to the Center aggregated \$241,607, which has been fully allowed. For the year ended June 30, 2025, NWDARTS had total assets of \$277,246 and an accumulated deficit of \$210,252. In addition, NWDARTS had \$190,147 in total revenues for the year ended June 30, 2025.

Due from Buena Vista	\$ 407,032
Due from NWDARTS	584,857
	<u>991,889</u>
Less: allowance for doubtful accounts	(648,639)
	<u><u>\$ 343,250</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	16,060,344
Furniture, equipment and vehicles	5 Years	7,953,257
Leasehold improvements	5 Years	2,001,052
		<u>28,852,270</u>
Less: accumulated depreciation and amortization		(17,345,119)
Property and equipment, net		<u><u>\$ 11,507,151</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, 2025 was \$747,119.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

\$ 2,633,903

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.

589,237

On January 22, 2025, the Organization entered into a financing agreement with Dell Financial Services for the purchase of equipment totaling \$970,096. The agreement bears interest at 5.69% and requires monthly payments of \$18,613 over a 60-month term. The obligation is secured by the related equipment.

899,344

\$ 4,122,484

Less current portion

(574,580)

Long term portion

\$ 3,547,904

Installments and other obligations consist of the following:

Fiscal years ending June 30,	
2026	\$ 574,580
2027	605,351
2028	637,458
2029	671,925
2030	613,979
Thereafter	1,019,191
Total	<u>\$ 4,122,484</u>

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Line of Credit

In March 2018, the Center obtained a revolving line of credit in the amount of \$2,500,000. The line of credit is callable on demand and 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, 2025, was \$4,914,334 and its included in installment, line of credit and other obligations on the statement of financial position.

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, 2025, 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:

Fiscal years ending June 30,		
2026	\$	5,488,914
2027		605,351
2028		637,458
2029		671,925
2030		613,979
Thereafter		1,019,191
Total	\$	<u>9,036,818</u>

NOTE 6 – SUPPORT AND REVENUES

Approximately 73% of the Center’s revenue is derived from federal, state, and local government grants for the year ended June 30, 2025. 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 December 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.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 – LEASES (Continued)

The components of lease expense as of June 30, 2025 were as follows:

<u>Operating lease</u>	<u>2025</u>
Right-of-use asset:	
Operating lease asset	\$ 1,840,121
Lease liabilities:	
Current operating lease liability	1,289,222
Noncurrent operating lease liability	<u>657,349</u>
Total operating lease liability	<u><u>\$ 1,946,571</u></u>

Lease expense for the year ended June 30, 2025 was approximately \$1,334,661 and is included in rent occupancy on the statement of functional expenses. Rent expense for the year ended June 30, 2025, was approximately \$10,016,296. A substantial portion (approximately \$8,412,864) 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, 2025, and a reconciliation to operating lease liability reported on the statement of financial position:

Year ending December 31,	
2026	\$ 1,092,461
2027	674,828
2028	226,363
2029	<u>55,768</u>
Total lease payments	<u>2,049,420</u>
Less: imputed interest	<u>(102,849)</u>
Present value of lease liability	<u><u>\$ 1,946,571</u></u>

NOTE 8 – CONTRIBUTED SERVICES

Contributed services recognized for the year ended June 30, 2025, in the amount of approximately \$128,488 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 \$346,557 for the year ended June 30, 2025.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – FAIR VALUE MEASUREMENTS

For the year ended June 30, 2025, the Center adapted FASB ASC, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

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

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

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

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

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

June 30, 2025

	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.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)

A summary of the changes in Level 3 assets, measured at fair value on a recurring basis at June 30, 2025 is as follows:

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

NOTE 11 – INVESTMENTS

The Center Holds interest in several Companies: Health Choice Care, LLC., Florida Premier, 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, 2025.

Florida Premier, Inc.

The Center has an investment in Florida Premier, Inc. in the amount of \$16,000 as of June 30, 2025.

Eckerd Youth Alternatives, Inc.

The Center has an investment in Eckerd Youth Alternative in the amount of \$47,900 as of June 30, 2025.

Behavioral Health Partners, LLC

The Center has an investment in Behavioral Health Partners, LLC. in the amount of \$50,000 as of June 30, 2025.

At June 30, 2025, 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.

CITRUS HEALTH NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 is \$810,000, and the assets are classified under property and equipment in the Statements of Financial Position.

In addition, the Center has \$68,293 in net assets with donor restrictions with a purpose restriction of welcome home packages. The assets are classified under cash in the Statement of Financial Position.

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Center’s financial assets as of June 30, 2025, reduced by amounts not available for general use within one year as of June 30, 2025 because of the contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash	\$ 9,353,862
Accounts receivable	4,706,514
Grants receivable	13,288,628
Inventory	676,987
Total financial assets	<u>28,025,991</u>
Less amounts not available to be used within one year:	
Cash: donor restricted	<u>(68,293)</u>
	(68,293)
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 27,957,698</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, 2025, 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.

SUPPLEMENTARY INFORMATION

CITRUS HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION - INTERDIVISIONAL
AS OF JUNE 30, 2025

	CHN	FCN	Total	Interdivisional Elimination	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 8,907,098	\$ 446,764	\$ 9,353,862	\$ -	\$ 9,353,862
Funds held for clients - social security benefits	-	268,959	268,959	-	268,959
Grants receivable - federal and non-federal awards	7,914,604	5,374,024	13,288,628	-	13,288,628
Accounts receivable - patients and third-party payers, net of allowance	4,706,514	-	4,706,514	-	4,706,514
Prepaid expenses	455,165	1,561,975	2,017,140	-	2,017,140
Inventory	544,805	132,182	676,987	-	676,987
Interdivisional receivable	1,695,774	-	1,695,774	(1,695,774)	-
TOTAL CURRENT ASSETS	24,223,960	7,783,904	32,007,864	(1,695,774)	30,312,090
PROPERTY AND EQUIPMENT, net	11,325,685	181,466	11,507,151	-	11,507,151
OTHER ASSETS					
Right-of-use-assets: operating leases	1,840,121	-	1,840,121	-	1,840,121
Advances and loans to sponsored companies, net	343,250	-	343,250	-	343,250
Long term investments	313,000	-	313,000	-	313,000
Deposits and other assets	108,771	-	108,771	-	108,771
TOTAL OTHER ASSETS	2,605,142	-	2,605,142	-	2,605,142
TOTAL ASSETS	\$ 38,154,787	\$ 7,965,370	\$ 46,120,157	\$ (1,695,774)	\$ 44,424,383
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 6,467,346	\$ 7,863,517	\$ 14,330,863	\$ -	\$ 14,330,863
Due to clients - social security benefits	-	268,959	268,959	-	268,959
Installment, line of credit, and other obligations					
current portion	5,453,557	35,357	5,488,914	-	5,488,914
Lease obligations, current portion	1,289,222	-	1,289,222	-	1,289,222
Interdivisional payables	-	1,695,774	1,695,774	(1,695,774)	-
TOTAL CURRENT LIABILITIES	13,210,125	9,863,607	23,073,732	(1,695,774)	21,377,958
Installment and other obligations, long-term portion	3,403,392	144,512	3,547,904	-	3,547,904
Lease obligations, long-term portion	657,349	-	657,349	-	657,349
TOTAL LIABILITIES	17,270,866	10,008,119	27,278,985	(1,695,774)	25,583,211
NET ASSETS					
Without Donor Restriction	20,073,921	(2,111,042)	17,962,879	-	17,962,879
With Donor Restriction	810,000	68,293	878,293	-	878,293
TOTAL NET ASSETS	20,883,921	(2,042,749)	18,841,172	-	18,841,172
TOTAL LIABILITIES AND NET ASSETS	\$ 38,154,787	\$ 7,965,370	\$ 46,120,157	\$ (1,695,774)	\$ 44,424,383

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, 2025

	Without Donor Restriction			With Donor Restriction			Elimination	Total
	CHN	FCN	Total	CHN	FCN	Total		
SUPPORT AND REVENUE								
PUBLIC SUPPORT								
Federal, State, and Local grants	\$ 56,417,896	\$ 125,676,052	\$ 182,093,948	\$ -	\$ -	\$ -	\$ (5,125,155)	\$ 176,968,793
TOTAL PUBLIC SUPPORT	56,417,896	125,676,052	182,093,948	-	-	-	(5,125,155)	176,968,793
COMMUNITY SUPPORT								
United Way	195,131	-	195,131	-	-	-	-	195,131
Contributed services	128,488	-	128,488	-	-	-	-	128,488
Contribution	3,185	30,194	33,379	-	126,453	126,453	-	159,832
TOTAL COMMUNITY SUPPORT	326,804	30,194	356,998	-	126,453	126,453	-	483,451
TOTAL SUPPORT	56,744,700	125,706,246	182,450,946	-	126,453	126,453	(5,125,155)	177,452,244
REVENUE								
Patient services, net	62,681,425	-	62,681,425	-	-	-	-	62,681,425
In-kind and other revenues	2,423,595	573,826	2,997,421	-	-	-	-	2,997,421
TOTAL REVENUE	65,105,020	573,826	65,678,846	-	-	-	-	65,678,846
TOTAL SUPPORT AND REVENUE	121,849,720	126,280,072	248,129,792	-	126,453	126,453	(5,125,155)	243,131,090
EXPENSES								
Program services	107,292,939	120,871,178	228,164,117	-	-	-	(5,125,155)	223,038,962
Support services	13,552,857	6,357,956	19,910,813	-	-	-	-	19,910,813
TOTAL EXPENSES	120,845,796	127,229,134	248,074,930	-	-	-	(5,125,155)	242,949,775
Change in net assets before investment income	1,003,924	(949,062)	54,862	-	126,453	126,453	-	181,315
Investment income	26,340	-	26,340	-	-	-	-	26,340
Net assets released from restrictions	70,000	131,915	201,915	(70,000)	(131,915)	(201,915)	-	-
CHANGE IN NET ASSETS	1,100,264	(817,147)	283,117	(70,000)	(5,462)	(75,462)	-	207,655
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	18,973,657	(1,293,895)	17,679,762	880,000	73,755	953,755	-	18,633,517
NET ASSETS AT END OF YEAR	\$ 20,073,921	\$ (2,111,042)	\$ 17,962,879	\$ 810,000	\$ 68,293	\$ 878,293	\$ -	\$ 18,841,172

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



Verdeja • Alvarez

Certified Public Accountants & Advisors



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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, 2025, 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 12, 2025.

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 12, 2025

CITRUS HEALTH NETWORK, INC.

SINGLE AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2025

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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, 2025, 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, 2025, 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 Schedule of Expenditures of Federal Awards and State Financial Assistance. 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 12, 2025



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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Citrus Health Network, Inc.'s. (the "Center"), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Circular Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Center's major federal programs and state projects for the year ended June 30, 2025. 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, 2025.

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 12, 2025

**CITRUS HEALTH NETWORK, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<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	\$ 87,867	\$ -	\$ 87,867	\$ -
Total U.S. Department of Agriculture			<u>87,867</u>	<u>-</u>	<u>87,867</u>	<u>-</u>
U.S. Department of Housing and Urban Development:						
Emergency Solutions Grant Program: Passed through City of Hialeah	14.231	E-22-MC-12-0008/E-23-MC-12-0008	277,751	-	277,751	-
Supportive Housing Program: Passed through Better Way of Miami Supportive Housing, Inc.	14.235	FL0218L4D002215/FL0281L4D002316	239,758	-	239,758	-
Continuum of Care Program: Passed through Miami-Dade County Homeless Trust	14.267	FL0182L4D002316	117,903	-	117,903	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0746L4D002204/FL0746L4D002305	1,184,921	-	1,184,921	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0227L4D002316/FL0227L4D002417	540,542	-	540,542	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0431L4D002211	389,876	-	389,876	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0195L4D002316	5,403,145	-	5,403,145	-
Passed through Miami-Dade County Homeless Trust	14.267	FL0981L4D002200/FL0981L4D002301	1,469,370	-	1,469,370	-
Passed through Miami-Dade County Homeless Trust	14.267	FL1058Y4D002200	60,790	-	60,790	-
Program Total			<u>9,166,547</u>	<u>-</u>	<u>9,166,547</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>9,684,056</u>	<u>-</u>	<u>9,684,056</u>	<u>-</u>
U.S. Department of Transportation:						
Enhanced Mobility of Seniors and Individuals with Disabilities Program: Passed through Florida Department of Transportation	20.513	G3947/G3948/G3949	341,610	-	341,610	-
Total U.S. Department of Transportation			<u>341,610</u>	<u>-</u>	<u>341,610</u>	<u>-</u>
U.S. Department of Veteran Affairs:						
VA Supportive Services for Veteran Families Program: Passed through The Advocate Program	64.033	FY 2024-2025	251,764	-	251,764	-
Total U.S. Department of Veteran Affairs			<u>251,764</u>	<u>-</u>	<u>251,764</u>	<u>-</u>
U.S. Department of Health and Human Services:						
Guardship Assistance Program: Passed through Florida Department of Children and Families	93.090	KJ157	-	330,165	330,165	-
Passed through Florida Department of Children and Families	93.090	KJ157-MATCH	-	247,349	247,349	-
Program Total			<u>-</u>	<u>577,514</u>	<u>577,514</u>	<u>-</u>
Comp Comm MD SVS For Child w/ Serious Emotional Disturbances Passed through South Florida Behavioral Health Network	93.104	ME225-14-08- MATCH	29,062	-	29,062	-
Health Center Program: Direct - U.S. Department of Health and Human Services	93.224	1 C16CS0387-01-00/ H80CS04214-20-18 /H80CS04214-21-06	4,147,966	-	4,147,966	-
Mental Health Research Grants Program: Passed through Florida International University	93.242	N/A	3,300	-	3,300	-
Passed through Northwell Health	93.242	AWD00001140-CHN	14,015	-	14,015	-
Program Total			<u>17,315</u>	<u>-</u>	<u>17,315</u>	<u>-</u>
Teaching Health Center Graduate Medical Education Program Direct - U.S. Department of Health and Human Services	93.530	T91HP53225-01-01/T91HP53246-01-01	464,057	-	464,057	-
Graduate Psychology Education Program Direct - U.S. Department of Health and Human Services	93.191	6 D40HP45678-03-01	250,827	-	250,827	-
Promoting Safe and Stable Families Program: Passed through Florida Department of Children and Families	93.556	KJ157	-	2,340,263	2,340,263	1,161,189
Passed through Florida Department of Children and Families	93.556	KJ157-MATCH	-	78,907	78,907	61,301
Program Total			<u>-</u>	<u>2,419,170</u>	<u>2,419,170</u>	<u>1,222,490</u>
Temporary Assistance for Needy Families Program: Passed through South Florida Behavioral Health Network	93.558	ME225-14-08	95,000	-	95,000	-
Passed through South Florida Behavioral Health Network	93.558	ME225-14-08- MATCH	806,924	-	806,924	-
Passed through South Florida Behavioral Health Network	93.XXX	ME225-14-08- MATCH	122,861	-	122,861	-
Passed through Childnet, Inc.	93.558	CIT23RAP-MATCH	67,197	-	67,197	-
Passed through Florida Department of Children and Families	93.558	KJ157	-	9,317,644	9,317,644	6,170,519
Passed through Florida Department of Children and Families	93.558	KJ157-MATCH	-	18,399,299	18,399,299	10,150,372
Program Total			<u>1,091,982</u>	<u>27,716,943</u>	<u>28,808,925</u>	<u>16,320,891</u>
Child Care Development Fund (CCDF) Cluster: CCDF Block Grant Passed through Early Learning Coalition of Miami-Dade/Monroe	93.575	C24-01	802,561	-	802,561	-
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	-	30,977	30,977	30,977

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, 2025

<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	KJ157	-	598,996	598,996	-
Passed through Florida Department of Children and Families	93.599	KJ157-MATCH	-	1,900,420	1,900,420	-
Program Total			-	2,499,416	2,499,416	-
Adoption and Legal Guardianship Incentive Payments Program:						
Passed through Florida Department of Children and Families	93.603	KJ157	-	49,395	49,395	-
Passed through Florida Department of Children and Families	93.603	KJ157-MATCH	-	1,811,069	1,811,069	-
Program Total			-	1,860,464	1,860,464	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Passed through Florida Department of Children and Families	93.645	KJ157	-	1,227,298	1,227,298	902,100
Passed through Florida Department of Children and Families	93.645	KJ157-MATCH	-	765,811	765,811	542,068
Program Total			-	1,993,109	1,993,109	1,444,168
Foster Care Title IV-E Program:						
Passed through Childnet, Inc.	93.658	CIT23RAP	36,031	-	36,031	-
Passed through Childnet, Inc.	93.658	CIT23RAP-MATCH	36,031	-	36,031	-
Passed through Florida Department of Children and Families	93.658	KJ155	69,431	-	69,431	-
Passed through Florida Department of Children and Families	93.658	KJ156-MATCH	51,909	-	51,909	-
Passed through Florida Department of Children and Families	93.658	KJ157	-	9,566,858	9,566,858	4,648,032
Passed through Florida Department of Children and Families	93.658	KJ157-MATCH	-	14,326,901	14,326,901	6,522,863
Program Total			193,402	23,893,759	24,087,161	11,170,895
Adoption Assistance Program:						
Passed through Childnet, Inc.	93.659	CIT23RAP	5,404	-	5,404	-
Passed through Childnet, Inc.	93.659	CIT23RAP-MATCH	5,404	-	5,404	-
Passed through Florida Department of Children and Families	93.659	KJ157	-	14,345,407	14,345,407	1,429,187
Passed through Florida Department of Children and Families	93.659	KJ157-MATCH	-	11,946,778	11,946,778	1,787,514
Program Total			10,808	26,292,185	26,302,993	3,216,701
Social Services Block Grant Program:						
Passed through Florida Department of Children and Families	93.667	KJ157	-	7,327,707	7,327,707	932,661
Passed through Florida Department of Children and Families	93.667	KJ157-MATCH	-	2,273,343	2,273,343	196,278
Program Total			-	9,601,050	9,601,050	1,128,939
Child Abuse and Neglect State Grants Program:						
Passed through Florida Department of Children and Families	93.669	KJ157	-	49,238	49,238	25,811
Passed through Florida Department of Children and Families	93.669	KJ157 - MATCH	-	13,267	13,267	6,955
Program Total			-	62,505	62,505	32,766
John H. Chafee Foster Care Program for Successful Transition to Adulthood Program:						
Passed through Florida Department of Children and Families	93.674	CIT23RAP	25,431	-	25,431	-
Passed through Florida Department of Children and Families	93.674	CIT23RAP-MATCH	6,358	-	6,358	-
Program Total			31,789	-	31,789	-
Independent Living						
Passed through Childnet, Inc.	93.674	KJ157	-	2,275,854	2,275,854	195,303
Passed through Childnet, Inc.	93.674	KJ157 - MATCH	-	888,217	888,217	120,023
Program Total			-	3,164,071	3,164,071	315,326
Medical Assistance Program:						
Passed through Florida Department of Children and Families	93.778	KJ157	-	506,385	506,385	174,682
Passed through Florida Department of Children and Families	93.778	KJ157 - MATCH	-	531,734	531,734	191,327
Program Total			-	1,038,119	1,038,119	366,009
State Opioid Response Discretionary Grant Program:						
Passed through South Florida Behavioral Health Network	93.788	ME225-14-08	170,000	-	170,000	-
HIV Emergency Relief Project Grants Program:						
Passed through Miami-Dade County	93.914	BURWCHN34	226,784	-	226,784	-
Block Grants for Community Mental Health Services Program:						
Passed through Broward Behavioral Health Coalition	93.958	34382-23	139,520	-	139,520	-
Passed through Childnet, inc.	93.958	34382-23-MATCH	282,759	-	282,759	-
Passed through South Florida Behavioral Health Network	93.958	ME225-14-08	2,981,421	-	2,981,421	-
Passed through South Florida Behavioral Health Network	93.958	ME225-14-08-MATCH	11,961,897	-	11,961,897	-
Program Total			15,365,597	-	15,365,597	-
Block Grants for Prevention and Treatment of Substance Abuse Program:						
Passed through South Florida Behavioral Health Network	93.959	ME225-14-08	1,286,659	-	1,286,659	-
Passed through South Florida Behavioral Health Network	93.959	ME225-14-08- CSA- MATCH	879,176	-	879,176	-
Passed through South Florida Behavioral Health Network	93.959	P-01- CSA PPG	150,000	-	150,000	-
Program Total			2,315,835	-	2,315,835	-
Total U.S. Department of Health and Human Services			25,117,985	101,149,282	126,267,267	35,249,162
Total Expenditures of Federal Awards and Passed Through			\$ 35,483,282	\$ 101,149,282	\$ 136,632,564	\$ 35,249,162

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, 2025

<i>State Agency/ Program Title/ Pass-Through Grantor</i>	<i>State CSFA Number</i>	<i>State Contract Number</i>	<i>CHN Expenditure</i>	<i>FCN Expenditure</i>	<i>Total Expenditure</i>	<i>Transfer to Subrecipients</i>
Department of Children and Families						
Homeless Challenge Grants:						
Passed through Miami-Dade County Homeless Trust	60.014	KP009-CHALL-PLUS-1	\$ 192,917.00	\$ -	\$ 192,917	\$ -
The Independent Living and Road-to-Independence Program:						
Direct - Department of Children and Families	60.112	KJ157	-	279,507	279,507	-
Out-of-Home Supports Program:						
Direct - Department of Children and Families	60.074	KJ157		17,422,195	17,422,195	3,209,668
Passed through Childnet, Inc.	60.074	KJ155	1,071,921	-	1,071,921	-
Program Total			<u>1,071,921</u>	<u>17,422,195</u>	<u>18,494,116</u>	<u>3,209,668</u>
Adoption Services Program:						
Direct - Department of Children and Families	60.076	KJ157	-	128,073	128,073	71,838
CBC-Sexually Exploited Children Program:						
Direct - Department of Children and Families	60.138	KJ157	-	414,939	414,939	-
Extended Foster Care Program:						
Direct - Department of Children and Families	60.141	KJ157	-	2,321,606	2,321,606	-
Family Safety Program:						
Direct - Department of Children and Families	60.175	19010060	76,084	-	76,084	-
CBC-Purchase of Therapeutic services for Children Program:						
Direct - Department of Children and Families	60.183	KJ157	-	1,857,879	1,857,879	340,704
Passed through Childnet, Inc.	60.183	CIT23RAP	208,987	-	208,987	-
Program Total			<u>208,987</u>	<u>1,857,879</u>	<u>2,066,866</u>	<u>340,704</u>
Kinship Navigator Program:						
Direct - Department of Children and Families	60.207	KJ157	-	345,267	345,267	-
Guardianship Assistance Program:						
Direct - Department of Children and Families	60.210	KJ157	-	884,747	884,747	-
Fatherhood Engagement Specialist						
Direct - Department of Children and Families	60.211	KJ157	-	200,395	200,395	-
Early Childhood Court Case Management & Prevention						
Direct - Department of Children and Families	60.225	KJ157	-	131,255	131,255	-
State Funded Childcare Subsidy						
Direct - Department of Children and Families	60.244	KJ157	-	944,103	944,103	-
Circuit 14 Crisis Stabilization Unit Improvements						
Passed through Thriving Mind South Florida	60.266	ME225-14-08	2,000,000	-	2,000,000	-
Enhanced Services for Human Trafficking Victims						
Direct - Department of Children and Families	60.310	KJ154	1,364,763	-	1,364,763	-
Substance Abuse and Mental Health Community Services						
Passed through Thriving Mind South Florida	60.153	ME225-14-08	500,000	-	500,000	-
Substance Abuse and Mental Health Crisis Prevention and Stabilization Services:						
Passed through Thriving Mind South Florida	60.155	ME225-14-08	1,367,500	-	1,367,500	-
Total Department of Children and Families			<u>6,782,172</u>	<u>24,929,966</u>	<u>31,712,138</u>	<u>3,622,210</u>
Department of Juvenile Justice						
Mental Health Services Program:						
Direct - Department of Juvenile Justice	80.011	10593	44,317	-	44,317	-
Total Expenditures of State Awards and Passed Through			<u>\$ 6,826,488</u>	<u>\$ 24,929,965</u>	<u>\$ 31,756,454</u>	<u>\$ 3,622,210</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, 2025**

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, 2025. 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 36.20% 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, 2025**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes no

Federal Awards

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

Internal control over major programs:

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

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

Identification of major federal programs:

Federal Program or Cluster	ALN Number	Expenditures
Adoption Incentive Payments	93.603	\$ 1,860,464
Adoption Assistance Program	93.659	\$ 26,292,185
Independent Living	93.674	\$ 3,164,071
Block Grants for Community Mental Health Services Program	93.958	\$ 15,365,597

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, 2025**

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, 2025.
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, 2025**

	<u>South Florida Behavioral Health Network</u>
1. Total Expenditures	\$ 242,949,775
2. Less Other State and Federal Funds	(186,747,464)
3. Less Non-Match SAMH Funds	(10,105,566)
4. Less Unallowable Costs Per 65E-14, FAC	<u>(346,557)</u>
5. Total Allowable Expenditures (Sum of lines 1,2,3, and 4)	<u>45,750,188</u>
6. Maximum Available Earnings (Line 5 times 75%)	34,312,641
7. Amount of State Funds Requiring Match	<u>12,373,075</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 BED DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 500	1,807	-	1,807	\$ 902,547	\$ 903,375	\$ -
Adult Mental Health	Crisis Stabilization Unit	\$ 500	3,296	-	3,296	\$ 1,647,500	\$ 1,647,975	\$ -
Adult Mental Health	Crisis Stabilization Unit	\$ 500	7,942	143	7,799	\$ 3,899,670	\$ 3,899,500	\$ -
Adult Mental Health	Short Term Residential-SFBHN	\$ 269	1,645	363	1,282	\$ 344,986	\$ 345,243	\$ -
Adult Mental Health	Short Term Residential-BBHC	\$ 257	1,059	-	1,059	\$ 272,279	\$ 272,279	\$ -
Children's Mental Health	Short Term Residential	\$ 444	5,840	-	5,840	2,592,960	\$ 2,592,960	\$ -
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, 2025

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 ME225-14-08.

CITRUS HEALTH NETWORK, INC.

MANAGEMENT LETTER

JUNE 30, 2025

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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, 2025, and have issued our report thereon dated December 12, 2025.

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 12, 2025, 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, 2025, 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, 2025:

Material Weakness Identified	<u> </u> Yes	<u> X </u> No
Management Point Identified	<u> X </u> Yes	<u> </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
VERDEJA & ALVAREZ, LLP

Coral Gables, Florida
December 12, 2025

**CITRUS HEALTH NETWORK, INC.
OBSERVATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

Subsequent event

Observation

Subsequent to year-end, we were informed that the Center is reviewing a matter involving potential irregularities. At this time, the review is ongoing and remains in the preliminary stages.

Recommendation

The Center should assess the nature and scope of the potential irregularities and determine any related financial impact on the Center's operations, and ensure that appropriate segregations of duties and related internal controls are in place.

CHN Management Response: Citrus Health Network Inc. acknowledges the auditor's recommendation. The center is currently reviewing and updating relevant policies and procedures related to internal controls, including segregation of duties, to strengthen oversight and ensure controls are appropriately designated and operating effectively.

Cash

Observation

The Center had only about ½ month of expenses in cash reserves at June 30, 2025.

Recommendation

The Center where possible should increase its sources of unrestricted revenues or reduce expenses in order to increase cash reserves to at least 3 months of expenses.

CHN Management Response: Citrus Health Network Inc. acknowledges the auditor's recommendation and recognizes the importance of maintaining adequate unrestricted cash reserves. The Center is taking steps to improve liquidity through enhanced revenue cycle management, contract negotiations, improve collections, and expense controls. Management will monitor progress toward building reserves and will provide regular updates to the Board as part of monthly Finance Committee.

Gross Profit from Pharmacy

Observation

Pharmacy at the Center has operated profitably in the past and did so for June 30, 2025. However, the gross profit from the pharmacy department decreased during the year.

Recommendation

Pharmacy should review the revenues and expenses and determine that its gross profit maintains consistent with prior years.

CHN Management Response: Citrus Health Network, Inc. acknowledges the auditor's recommendation. During the past year our total number of prescriptions has consistently increased, the gross profit is slowly decreasing due to several factors. The cost of goods (especially brand name medications and some generics) have increased. In addition, 340B prices that remained consistently low have slowly been increased by manufacturing companies.

**CITRUS HEALTH NETWORK, INC.
OBSERVATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

Investments

Observation

The Center has long-term investments of approximately \$313,000. The value of the investments has not changed on the financial statements over the past few years.

Recommendation

Not-for-profit organizations should generally reflect investments at their fair-market values. The Center should review the balances in the investments and determine whether adjustments are required.

CHN Management Response: Citrus Health Network, Inc. acknowledges the auditor’s recommendation. Management will record any necessary adjustment to properly reflect the long-term investments at fair market value in the financial statements and will implement procedures to ensure investment balances are reviewed and updated on an ongoing basis.

Prepaid Expenses

Observation

During the audit, it came to our attention that certain prepaid expenses at FCN (a department of the Center) have not been updated and balances may need to be reviewed.

Prepaid Expenses

Recommendation

FCN should review all prepaid expenses and other assets and determine whether adjustments are necessary.

CHN Management Response: Citrus Health Network, Inc. acknowledges the auditor’s recommendation. All prepaid accounts are being reviewed and any adjustments necessary will be made before the end of FY 2026.

Loss from Operations

Observation

FCN incurred a deficit from operations of approximately \$800,000. The Organization has incurred losses in the previous three years.

Recommendation

As indicated in note 16 of the Citrus financial statements, FCN must pursue obtaining additional funding from DCF in order to operate profitably.

CHN Management Response: Citrus Health Network, Inc. acknowledges the auditor’s recommendation. DCF, KPMG and all of the lead agencies across the State have been working on an actuarial-based funding formula. The most recent version calls for over \$70 million to be added for child welfare including \$16 million to Citrus. This formula is being presented to the legislature during the current session. Whether any additional funding is provided will not be known until session ends in March 2026. For the current deficit, Citrus has applied for risk pool funding and will request “back of the bill” funding to cover carryforward deficits and the projected FY 2026 deficit. The full amount of additional funding will not be known until the legislative session ends in March 2026.

**CITRUS HEALTH NETWORK, INC.
OBSERVATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

Access Controls

Observation

During the walkthrough with the Chief Information Officer, it was noted that the Center has a Disaster Recovery Plan (“Plan”) in place. VA performed inquiries and determined that the infrastructure to support the Plan had been purchased and delivered to the offsite location that would house the environment. However, at the time of the walkthrough the Plan had not been tested but management informed VA that testing is scheduled to occur mid-year of 2026.

Recommendation

Management should formally test the Disaster Recovery Plan in a timely manner to validate that the offsite infrastructure operates as intended and that recovery objectives can be achieved. The results of the test should be documented, any identified deficiencies remediated, and the Plan updated accordingly. Thereafter, management should establish and adhere to a periodic disaster recovery testing schedule to ensure ongoing effectiveness.

CHN Management Response: Citrus Health Network, Inc. acknowledges the auditor’s recommendation. Disaster Recovery: Citrus Health Network has contracted with Assured Data Protection for our Disaster Recovery environment. Critical server data hosted in our datacenter is already stored in a secure, redundant, Tier III certified environment with continuous backup both onsite and in the cloud. The data for our self-hosted servers is also replicated to Assured’s environment, which mirrors our datacenter and is ready to assume a primary role in the event of a catastrophe in the main datacenter. This new datacenter went online in October 2025. We have not reached the point where we can perform a DR test yet, but we will do so by June 2026 and continue every 6 months thereafter. The tests will be scripted and results will be logged.

Access Controls

Observation

System access for transferred users within the Center is not subject to a formal annual review process, increasing the risk that access rights may remain inappropriate over time.

Recommendation

Management should establish and implement a formal annual user access review process for transferred users to ensure system access rights remain appropriate based on current job responsibilities. The review should be documented, include timely removal or modification of inappropriate access, and be subject to management oversight to reduce the risk of unauthorized or excessive access.

CHN Management Response: Citrus Health Network, Inc. acknowledges the auditor’s recommendation. Access Control: It was noted that we have a system in place to account for granting access at hire and as requested by supervisors, as well as upon termination of staff. We also have a system in place to review “stale” accounts and terminate access. However, we do not have a formal process to review staff access when they change roles within the enterprise. We will develop and implement this process by the end of calendar year 2026 Q1.