

**SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
MIAMI, FLORIDA**

**INDEPENDENT AUDITOR'S
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**



SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Florida Behavioral Health Network, Inc.
Miami, Florida

Opinion

We have audited the accompanying financial statements of South Florida Behavioral Health Network, Inc. (a Not-for-profit corporation) ("the Agency"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cashflows and changes in net assets for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Florida Behavioral Health Network, Inc. as of June 30, 2023 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 South Florida Behavioral Health Network, Inc. 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 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 South Florida Behavioral Health Network, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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 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, including omissions, 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, 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 South Florida Behavioral Health Network, Inc.'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 South Florida Behavioral Health Network, Inc.'s ability to continue as a going concern for a reasonable period of time.

Other Information

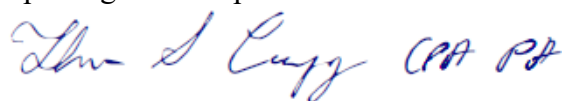
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information (Cont.)

The Florida Department of State, Rule 65E-14.003, Audits of Contractors participating in the Substance Abuse and Mental Health Programs require that Schedules of State Earnings, Bed Day Availability, Related Party Transaction Adjustments, and Cost Center Actual Funding Source and Expense Schedule be presented to supplement the financial statements. Such information, although not a part of the financial statements, are required by the Florida Department of State, Rule 65E-14.003, Audits of Contractors Participating in the Substance Abuse and Mental Health Programs, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2023, on our consideration of South Florida Behavioral Health Network, Inc.'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 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 South Florida Behavioral Health Network, Inc.'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 South Florida Behavioral Health Network, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Thomas & Company CPA PA".

Thomas & Company CPA
Cooper City, Florida
November 28, 2023

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS

Current Assets

Cash and Cash Equivalent	\$ 9,588,934
Restricted Cash	2,447,188
Grants Receivable	23,326,440
Accounts Receivable - Other	1,574,327
Prepaid Expenses	72,306

Total Current Assets	37,009,195
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Non-Current Assets

Furniture, Fixtures and Equipment	132,708
Computer Hardware & Software	374,037
Leasehold Improvement	19,062
Less: Accumulated Depreciation/Amortization	(500,450)
Property, Plant & Equipment, Net	25,357
Right-to-Use Assets, Net	2,489,703

Total Non-Current Assets, Net	2,515,060
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Other Assets

Security Deposits	29,486
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TOTAL ASSETS	39,553,741
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Subcontracted Grants Payable	10,157,986
Accounts Payable and Accrued Expenses	15,179,867
Deferred Revenue	10,735,377
Current Portion - Lease Liability	199,147

Total Current Liabilities	36,272,377
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Non-Current Liabilities

Non-Current Portion - Lease Liability	2,290,556
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Total Non-Current Liabilities	2,290,556
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TOTAL LIABILITIES	38,562,933
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NET ASSETS

Without Donor Restrictions	990,808
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TOTAL NET ASSETS	990,808
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TOTAL LIABILITIES AND NET ASSETS	\$ 39,553,741
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SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF ACTIVITIES
June 30, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Government Contracts and Grants	\$ 126,349,744	\$ 3,675,861	\$ 130,025,605
Other Contributions	202,981	-	202,981
TOTAL REVENUE AND SUPPORT	126,552,725	3,675,861	130,228,586
OPERATING EXPENSES			
Program Services	119,011,881	3,675,861	122,687,742
Management & General	7,546,568	-	7,546,568
TOTAL OPERATING EXPENSES	126,558,449	3,675,861	130,234,310
CHANGE IN NET ASSETS	(5,724)	-	(5,724)
NET ASSETS AT THE BEGINNING OF YEAR	996,532	-	996,532
NET ASSETS AT THE END OF YEAR	\$ 990,808	\$ -	\$ 990,808

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	WITHOUT DONOR RESTRICTIONS											
	Residential	Crisis Stabilization	Case Management	Outreach	Outpatient	SA Detoxification	Crisis Support	Medical Services	Prevention	Short Term Residential	Intervention	
Personnel Costs												
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Taxes & Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Total Personnel Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fee	-	-	-	-	-	-	-	-	-	-	-	-
Management Information System	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Training and program activities	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies and Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Subcontracted Grants	31,021,698	9,622,673	5,939,598	2,805,953	3,302,258	2,941,041	10,957,645	2,573,355	4,734,613	3,145,787	1,946,775	
Total Other Expenses	31,021,698	9,622,673	5,939,598	2,805,953	3,302,258	2,941,041	10,957,645	2,573,355	4,734,613	3,145,787	1,946,775	
Grand Total Expenses	\$ 31,021,698	\$ 9,622,673	\$ 5,939,598	\$ 2,805,953	\$ 3,302,258	\$ 2,941,041	\$ 10,957,645	\$ 2,573,355	\$ 4,734,613	\$ 3,145,787	\$ 1,946,775	

The Accompanying notes are an integral part of this financial statement

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (Cont.)
FOR THE YEAR ENDED JUNE 30, 2023

	WITHOUT DONOR RESTRICTIONS											
	Incidental Expenses	Assessments	In-Home On-site Services	CCST	First Episode Team	FACT Team	Federal Project Grant	Network Evaluation and Development	Forensic Multi-Disciplinary Team	BNET	FIT Team	
Personnel Costs												
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Payroll Taxes & Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	
Total Personnel Costs	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses												
Occupancy	-	-	-	-	-	-	-	-	-	-	-	
Professional Fee	-	-	-	-	-	-	-	-	-	-	-	
Management Information System	-	-	-	-	-	-	-	-	-	-	-	
Travel	-	-	-	-	-	-	-	-	-	-	-	
Training and program activities	-	-	-	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	-	-	-	
Office Supplies and Expenses	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	
Leasehold Improvements											-	
Subcontracted Grants	2,703,120	1,429,238	5,342,919	2,045,098	1,500,000	3,152,753	-	621,762	925,800	59,123	1,233,188	
Total Other Expenses	2,703,120	1,429,238	5,342,919	2,045,098	1,500,000	3,152,753	-	621,762	925,800	59,123	1,233,188	
Grand Total Expenses	\$ 2,703,120	\$ 1,429,238	\$ 5,342,919	\$ 2,045,098	\$ 1,500,000	\$ 3,152,753	\$ -	\$ 621,762	\$ 925,800	\$ 59,123	\$ 1,233,188	

The Accompanying notes are an integral part of this financial statements

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (Cont.)
FOR THE YEAR ENDED JUNE 30, 2023

	WITHOUT DONOR RESTRICTIONS								WITH DONOR RESTRICTIONS		
	Care Coordination	Transition Vouchers	CAT Team	Sustainability Payment	Provider Provision Projects	Other Bundled Projects	Other Program Services	Total Program Expenses	Management and General	Mental Health Diversion Facility Construction	TOTAL EXPENSES
Personnel Costs											
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 962,444	\$ 962,444	\$ 4,054,935	\$ -	\$ 5,017,379
Payroll Taxes & Employee Benefits	-	-	-	-	-	-	222,788	222,788	864,295	-	1,087,083
Total Personnel Costs	-	-	-	-	-	-	1,185,232	1,185,232	4,919,230	-	6,104,462
Other Expenses											
Occupancy	-	-	-	-	-	-	28,022	28,022	407,554	-	435,576
Professional Fee	-	-	-	-	-	-	283,734	283,734	107,916	-	391,650
Management Information System	-	-	-	-	-	-	64,804	64,804	135,683	-	200,487
Travel	-	-	-	-	-	-	10,322	10,322	70,906	-	81,228
Training and program activities	-	-	-	-	-	-	-	-	500	-	500
Insurance	-	-	-	-	-	-	-	-	43,289	-	43,289
Office Supplies and Expenses	-	-	-	-	-	-	74,094	74,094	212,588	-	286,682
Miscellaneous	-	-	-	-	-	-	-	-	2,694	-	2,694
Leasehold Improvements	-	-	-	-	-	-	-	-	-	3,675,861	3,675,861
Subcontracted Grants	1,300,712	1,099,667	3,516,483	2,420,712	995,902	2,125,304	9,548,704	119,011,881	-	-	119,011,881
Total Other Expenses	1,300,712	1,099,667	3,516,483	2,420,712	995,902	2,125,304	10,009,680	119,472,857	981,130	3,675,861	124,129,848
Grand Total Expenses	\$ 1,300,712	\$ 1,099,667	\$ 3,516,483	\$ 2,420,712	\$ 995,902	\$ 2,125,304	\$ 11,194,912	\$ 120,658,089	\$ 5,900,360	\$ 3,675,861	\$ 130,234,310

The Accompanying notes are an integral part of this financial statements

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (5,724)
Adjustments to reconcile change in net assets	
Add : Depreciation & Amortization	7,191
Non-Cash operating lease expenses	232,970
 (Increase) / Decrease in Grants Receivable	 (15,074,446)
(Increase) / Decrease in Restricted Cash	(1,459,627)
(Increase) / Decrease in Prepaid Expenses	(3,349)
(Increase) / Decrease in Accounts Receivable - Other	(317,298)
Increase / (Decrease) in Accounts Payable and Accrued Expenses	2,169,024
Increase / (Decrease) in Subcontracted Grants Payable	(2,962,634)
Increase / (Decrease) in Deferred Revenue	3,131,545
Increase/ (Decrease) in Operating lease liability	(232,970)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(14,515,318)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(6,436)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(6,436)</u>

NET INCREASE/(DECREASE) IN CASH	(14,521,754)
Cash at the beginning of the Year	<u>24,110,688</u>
Cash at the end of the Year	<u>\$ 9,588,934</u>

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 1: Nature Of The Organization And Significant Accounting Policies

Nature of the Organization

South Florida Behavioral Health Network, Inc. (the “Organization”) was established as a Florida non-profit corporation in 1996. The purpose of the Organization is to coordinate the availability and quality of the treatment and support services related to substance abuse, mental health and co-occurring disorders.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual Basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions – Net Assets available for use in general operations and not subject to donor restrictions. Grants and contributions gifted for recurring programs are generally not considered “restricted” under GAAP, though for internal reporting, the Organization tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board designated.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that are more restrictive than the Organization’s mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, when the donor stipulates those resources be maintained in perpetuity.

Contributions - The Organization recognizes immediately as support (income) all unconditional contributions received and makes an important distinction between restrictions and conditions. The Organization accounts for its government grants as exchange transactions.

Donated Materials and Services - Donated materials, if significant, are recorded as contributions at their estimated fair values at date of receipt. Donated services are recognized when there is an objective basis to measure the value of such services and such services create or enhance a non-financial asset or the service requires specialized skills that would be purchased if not provided by donation.

Basis of Accounting

The Organization uses the accrual method of accounting as prescribed by Generally Accepted Accounting Principles in the United States of America.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 1: Nature Of The Organization And Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions. Such estimates, which are based on prior operating history and industry standards, affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Property and Equipment, Net

Property and equipment are stated at historical cost, less accumulated depreciation. Donated property and equipment are recorded at their estimated fair value at the date of donation.

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Assets	Useful Life
Computer Hardware & Software	5 Years
Furniture, Fixtures and Equipment	5 Years
Leasehold Improvement	4.5 Years

Cost of major additions and improvements that extend the life of the asset are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

In the case of disposals, the assets and related reserves are removed from the accounts and the net amount, less proceeds from disposal, is charged or generally credited to income. The Organization reviews assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Organization compares the carrying amount of the asset to net future undiscounted cash flows that an asset is expected to generate. The impairment is recognized to the extent that the carrying value is greater than future cash flows.

Income Taxes

The Organization is exempt from Federal Income taxes under Section 501 (c) 3 of the Internal Revenue Code and is not a private foundation accordingly no provision for income taxes is provided. Accordingly, no provision for income taxes is required for the Organization during the year ended June 30, 2023. Additionally, Topic 740 provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. In accordance with the disclosure requirements, the Organization's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of total interest expense and other expense, respectively. On June 30, 2023, the Organization did not have any uncertain tax positions and thus has not recognized any interest or penalties in these financial statements.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 1: Nature Of The Organization And Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization maintains its cash accounts in several financial institutions. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for each institution. The Organization has cash balances on deposit with a certain financial institution that may exceed the balance insured by the FDIC. The Organization believes it is not exposed to any significant credit risk since it has not experienced any losses in such accounts previously and the financial institutions are sound institutions.

Fair Value of Financial Instruments

The FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under the FASB ASC are described as follows:

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

Level 2: Inputs to the valuation methodology include:

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

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

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

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The grants received is generated substantially from completed services. Those services predominantly contain a single delivery element and revenue is recognized at a single point in time when ownership, risks and rewards have been transferred. The timing of revenue recognition was not affected by the new standard. The organization identifies all performance obligations in connection with the services and only recognizes revenue once the performance obligations have been met and does not believe that it is required to provide additional services or obligations to the client. For grants received the service unit prices (transaction price) is evidenced in the grant award amount and based upon a budget for expenditures. The Organization disburses all of the grants received to subcontracted providers, therefore once grants are received it is disbursed to the various subcontractors as per the grant agreements.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 1: Nature Of The Organization And Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue Recognition – Nonexchange Transactions

The organization receives grants and contribution revenue from several sources including the state government, private foundations, and other donors. Grants are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP. Grants that primarily provide commensurate value to the public are reported as contributions and recognized as eligible grant activities are conducted.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Statement of Financial Position. Amounts are billed upon achievement of contractual milestones. At times, the organization may receive advances or deposits from grantors before revenue is recognized, resulting in contract liabilities. These deposits are liquidated once revenue is recognized. The Beginning and Ending balances of contract receivables are the following:

As of June 30,	2023	2022
Receivables	24,900,767	9,509,023
Unbilled Receivables	-	-
Advances and Deposits	10,735,377	7,603,832

New Accounting Standards Update

In February 2016, the FASB issued ASU No. 2016-02, Leases. ASU No. 2016-02 requires a lessee to recognize a liability to make lease payments and an asset representing its right to use the underlying asset for the lease term in the statement of financial position for both operating and capital (finance) leases. Topic 842 was subsequently amended by ASU 2018-01, Easement practical expedient for Transition to Topic 842; ASU 2018-10, codification Improvements to Topic 842; Leases and ASU No. 2018-11, Target Improvements. The new standard establishes a right-of-use (ROU) model that requires lessees to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. The Organization adopted the new standard on July 1, 2022, and has used that as the date of the initial application. Consequently, financial information will not be updated, and the disclosures required under the new standard will not be provided for periods before the adoption date. Adoption of this standard as of July 1, 2022, resulted in a recognition of Operating Lease Assets and Operating Lease Liabilities. See Note 8 for additional information.

Note 2: Restricted Cash

The Organization received \$2,447,188 of advanced funding from Miami Dade County, for the Project mentioned in Note 14. The liability for the unearned funds is classified as deferred revenue.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 3: Concentration Of Credit Risk

The Organization maintains cash balances at one bank located in South Florida. The accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023, cash balances of the Organization exceeded insured limits. The Organization derived majority of its revenue from a contract with the State of Florida Department of Children and Families (DCF). Accordingly, the Organization's ability to continue operating is dependent on funding from DCF, which is expected to continue.

Note 4: Grant Receivables

Grants receivable consist of amounts due from a governmental agency for services. The carrying amount of grants receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all Grants receivable balances and based on an assessment of current collectability, estimates the portion of the balance, if any that will not be collected. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. The Organization considers all of the receivables to be collectible at June 30, 2023. The Organization's receivable amount of \$23,326,440 as of June 30, 2023.

Note 5: Property, Plant and Equipment, Net

Fixed Assets valued in excess of \$1,000 are capitalized. Fixed Assets are valued at cost when purchased or estimated fair value at date of donation and are depreciated using the straight-line method over their estimated useful lives of five to seven years. In the absence of donor restrictions in the use of donated fixed assets, the Organization records such donations as revenue without donor restrictions in the period received. As of June 30, 2023, The Organization has following Assets:

As of June 30, 2023	Amount
Computer Hardware & Software	\$ 374,037
Furniture, Fixtures & Equipment	132,708
Leasehold Improvement	19,062
Total	525,807
Less: Accumulated Depreciation	(500,450)
Total Fixed Assets	\$ 25,357

Depreciation and Amortization Expense for the year ended June 30, 2023 was \$7,191.

Note 6: Subcontracted Grant Payable

Subcontracted Grant Payable is funds due to subcontractors as of June 30, 2023, which totaled \$10,157,986.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 7: Deferred Revenue

At June 30, 2023, the Organization received money for services not earned during the 2023 fiscal year. The entire amount of unearned funds was carried forward to the 2023-24 fiscal year and accordingly presented as deferred revenue in the accompanying statement of financial position. This amount includes the money received for the Building Project (Note 15) and funds received in advance from the major grantor.

Note 8: Commitments And Contingencies

Leases

Under FASB ASC Topic 842, Leases, lessees that are not public business entities are permitted to use a practical expedient that allows them to make an accounting policy election to use a risk-free rate as the discount rate for all leases. This practical expedient is applied to the class of underlying leased assets which are not owned including real estate, rental equipment and vehicles given their physical nature and similar characteristics of these assets. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Variable lease payments are payments that cannot be forecasted and based on specific milestones unrelated to the fixed costs associated with the lease. The Organization has elected the hindsight practical expedient to determine the lease term for existing contracts as of the adoption date.

Short-term Leases

The Organization also elected the short-term leases of practical expedients permitted under the transition guidance within the new standard, which allowed the Organization to elect not to record "short-term" leases on the balance sheet. These practical expedients are applied to the class of underlying leased assets including real estate, rental equipment and vehicles given their physical nature and similar characteristics of these assets. As per FASB ASC 842, a short-term lease is a lease that, at the commencement date, has a 'lease term' of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. Although short-term leases are in the scope of Topic 842, a simplified form of accounting is permitted. A lessee can elect, by class of underlying asset, not to apply the recognition requirements of Topic 842 and instead to recognize the lease payments as lease cost on a straight-line basis over the lease term. The organization believes that the short-term lease exemption is appropriate for its month-to-month leases because the leases have a short term and they do not have any significant intention to exercise any renewal options. The Organization has applied this practical expedient on short-term leases.

Long-term Leases (Operating Lease)

The Organization leases office space from a corporation. The duration of the lease is a twelve-year lease that commenced January 1, 2021 and ends December 31, 2032. The first eleven months of the lease period were offered at no cost to the Organization and starting with the eleven months, the monthly lease payment for year 1 is \$ 21,565. However, the monthly lease expense for year one is \$21,565 due to the lease rebate for the first eleven months. The base rent will increase 3% per year.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 8: Commitments And Contingencies (Continued)

Long-term Leases (Operating Lease) (Continued)

The leases do not provide an implicit interest rate and as such, the Organization calculates the lease liability at lease commencement or remeasurement date as the present value of unpaid lease payments using the risk-free rate. The risk-free rate is the theoretical rate of return that would be received on an investment with zero risk. US Treasury rates are commonly used as risk-free rates and consequently estimates it would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term, based on information available at the time of commencement or remeasurement. The Risk-free rate used to discount the future cash flows as of the implementation date is 2.90%.

The approximate minimum future annual rental commitments under operating leases as of June 30, 2023 are as follows:

Year ending June 30,	Amount
2024	\$ 269,924
2025	278,030
2026	286,349
2027	294,927
Thereafter	1,746,853
Total Lease Payments	2,876,083
Less: Imputed Interest	(386,380)
Present Value of Lease Obligation	\$ 2,489,703

Note 9: Pass-Through Entity

The Organization is contracted by the State of Florida Department of Children and Families to act as a Managing Entity (ME) for the services to be provided under subcontracts.

Note 10: Economic Dependency

The Organization's program service revenues are derived mostly from contracts with the State of Florida Department of Children and Families. Majority of the revenues related to these contracts are for direct services provided through subcontracts with providers. The Organization's ability to continue operating is primarily predicated on funding from governmental agencies and is expected to continue.

Note 11: Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 12: Matching Funds

The Organization is responsible for meeting the match requirements per its contract with the State of Florida Department of Children and Families. The Organization meets this requirement by contractually requiring the individual subcontracted agencies to meet the match requirements. The Chief Financial Officer verifies that each subcontracted agency has met their match requirements.

Note 13: Defined Contribution Plan

One of the retirement benefits that the Organization provides to the employees is a 403 (b) Thrift Plan. It is a Defined Contribution Plan and is administered by a financial institution. Any employee who is 21 or older is eligible to participate in the plan if the employee has completed one year of service with the agency. Employees can contribute any percentage of their salary up to the maximum permitted by the law. 38 employees are currently enrolled in the plan. During the fiscal year ended June 30, 2023 the Employee contribution was \$178,254. The Employer contribution during the fiscal year was \$250,123.

Note 14: Building Project

Description

The Board of County Commissioners of Miami-Dade adopted a resolution on July 20, 2004, authorizing the issuance of \$2.926 Billion in general obligation bonds for capital projects (Building Better Communities General Obligation Bond Program). The Organization contracted with Board of County Commissioners of Miami-Dade County & the Board of trustees of the Public Health Trust of Miami Dade (PHT) on June 5, 2019 to renovate a facility located at 2200 NW 7 Avenue, Miami, Florida for a Mental Health Diversion Facility. This agreement accomplishes a variety of non-custodial treatment and support services which will provide a full continuum of care and assist in diverting individuals with mental illnesses from the criminal justice system.

Cost

The total estimated project cost is \$48,361,184. The funding of the project consists of: (1) Funding from the Building Better Communities General Obligation Bond Program in the amount of approximately, \$40,361,184 and (2) Funding from the Public Health Trust of Miami-Dade County in the amount of \$8,000,000. The total cost incurred during the year ended June 30, 2023 was \$3,675,861.

Sublease Agreement and Other Terms

The Organization and Miami-Dade County entered into a five (5) year sublease agreement on May 1, 2019, for the space at 2200 NW 7 Avenue, Miami, Florida with two (5) year renewal options. The space is leased at \$1 per year. Until substantial completion of the renovation project, or expiration of the lease agreement between the State of Florida and Miami-Dade County for the project, or the expiration of the Organization's sublease agreement with Miami-Dade County for the property, the Organization shall use the facility and/or equipment acquired and/or improved under the Project for activities benefiting the public and no other purposes. The Organization agrees to maintain the Project and transfer operations back to Miami-Dade County at substantial completion of the renovation.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 15: Related Party Transactions

There are no related party transactions.

Note 16: Subsequent Events

ASC Topic 855, Subsequent Events, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued.

On August 3, 2023, management discovered encryption on certain files on its systems. Through the investigation, it was determined that an unauthorized actor had access to certain systems between August 1 and August 3, 2023, and executed ransomware on these systems. As part of its containment and remediation strategy, an endpoint detection and response tool was deployed throughout the organization's environment. The IT provider worked to secure and remediate the network. The ransomware was contained on or about August 3, 2023, and the incident response specialists confirmed the ransomware was subsequently eradicated from the network. Management moved quickly to notify the individuals whose information was contained in the accessed files whose information was known to be in the impacted data set, pursuant to applicable state and federal law. Upon discovering the event, the organization moved quickly to investigate and respond to the incident, assess the security of its systems, inform the Federal Bureau of Investigation, and notify potentially affected individuals and applicable regulators. Due to the uncertainty of the situation, management and its legal counsel are unable to estimate any potential legal liability outside of insurance coverage and accordingly no liability has been accrued.

For the year ended June 30, 2023, the organization has evaluated all subsequent events through November 28, 2023, which is the date the financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

Note 17: Liquidity

The Organization's main source of revenue is contributions and grants. These sources of revenue are what will be used to fund the Organization operations; the remainder of the revenue is from contributions from various sources. The Organization considers contributions without donor restrictions, program income and other miscellaneous income for use in programs that are ongoing, major, and central to its annual operations as available to meet cash needs for general expenditures. General expenditures include general and administrative expenses, program costs, and other administrative costs which are necessary to sustain operations and is expected to be paid in the subsequent year.

Annual operations are defined as total expense related to both program services and supporting services activities.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Note 17: Liquidity (cont.)

The Organization manages its cash available to meet general expenditures through the following three guiding principles:

1. Operating within a prudent range of financial soundness and stability
2. Maintaining adequate liquid assets
3. Maintaining sufficient reserves to provide reasonable assurance that long-term agreements or other commitments and obligations will continue to be met, thereby ensuring the sustainability of the Organization.

The Assets which are listed on the balance sheet as current assets (Cash, Grants Receivable and Other Current Assets) are all assets available for general expenditure. Although, complete receivables may not be fully collectible (expected to collect 100%), the net realizable value of Accounts Receivable is available for general expenditures.

Liquidity Management

The Organization maintains a policy of structuring financial assets to be available as general expenditures, liabilities, and other obligations become due.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

Federal/State Agency					
Pass-through Entity	AL Number	Contract Number	Contract Term	Total Expenditures	Passed Through to Subrecipients
Federal Program/State Project					
Federal Awards					
U.S. Department of Health and Human Services					
<i>Passed through the Florida Department of Children and Families</i>					
Block Grants for Community Mental Health Services	93.958	KH225	7/1/22-6/30/23	67,844,480	64,067,848
Medical Assistance Program	93.778	KH225	7/1/22-6/30/23	26,660	-
Children's Health Insurance Program	93.767	KH225	7/1/22-6/30/23	59,123	59,123
Block Grants for Prevention and Treatment of Substance Abuse	93.959	KH225	7/1/22-6/30/23	40,933,691	39,025,124
Temporary Assistance for Needy Families	93.558	KH225	7/1/22-6/30/23	3,764,093	3,734,672
Community Mental Health Services Block Grant of the Homeless	93.150	KH225	7/1/22-6/30/23	344,879	344,879
State Targeted Response to the Opioid Crisis Grants	93.788	KH225	7/1/22-6/30/23	4,431,807	4,300,868
Mental Health Disaster Assistance and Emergency Mental Health	93.982	KH225	7/1/22-6/30/23	-	-
Social Services Block Grant	93.667	KH225	7/1/22-6/30/23	-	-
Comprehensive Community MH Svcs for Children with Emotional Disturbances	93.104	KH225	7/1/22-6/30/23	308,802	193,572
Emergency Covid-19 SAMH	93.665	KH225	7/1/22-6/30/23	131,728	103,588
SA&MH SERVICES-PROJECTS OF REGIONAL & NATIONAL SIGNIFICANCE	93.243	KH225	7/1/22-6/30/23	388,600	388,600
Comprehensive Opioid, Stimulant, and Substance Abuse Site-based Program (COSSAP)	16.838		7/1/22-6/30/24	183,181	102,526
<i>Passed through Washington University in St. Louis</i>					
Mental Health Research Grants	93.242		7/1/22-6/30/23	10,443	-
US Department of Justice					
<i>Passed through Miami Dade County</i>					
Criminal and Juvenile Justice and Mental health Collaboration Program	16.745		7/1/22-6/30/23	198,204	-
<i>Passed through Passed Trough Florida Department of Legal Affairs, Office of Attorney General</i>					
Second Chance Act Reentry Initiative	16.812		7/1/22-6/30/23	123,575	123,575
Crime Victim Assistance	16.575		7/1/22-6/30/23	631,830	138,958
Total Expenditures of Federal Awards				\$ 119,381,096	\$ 112,583,333
State Projects					
	CSFA Number	Grant Number	Contract Term	Total Expenditures	Passed Through to Subrecipients
State of Florida Department of Children and Families					
Community Forensic Beds and Competency Restoration Training	60.114	KH225	7/1/22-6/30/23	1,573,819	1,573,819
Community Services	60.153	KH225	7/1/22-6/30/23	1,047,723	1,047,723
Substance Abuse and Mental Health-Crisis Prevention and Stabilization Services	60.155	KH225	7/1/22-6/30/23	455,000	455,000
SAMH - ME State Funded Federal Excluded Services	60.190	KH225	7/1/22-6/30/23	250,000	250,000
State of Florida Department of Corrections					
Transitional Service -Post Release (Department of Corrections)	70.011		7/1/22-6/30/23	571,836	451,529
Total Expenditures of State Projects				\$ 3,898,378	\$ 3,778,071
				\$ 123,279,474	\$ 116,361,404

The Accompanying Notes are an Integral Part of this Schedule

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal and state award programs for South Florida Behavioral Health Network, Inc., for the year ended June 30, 2023. The information in this schedule is 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, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General of the State of Florida. Because this schedule presents only a selected portion of the operation of the South Florida Behavioral Health Network, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the South Florida Behavioral Health Network, Inc.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, Cost principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Federal Indirect Rate

South Florida Behavioral Health Network, Inc. does not have an established federal indirect cost rate. As a result, South Florida Behavioral Health Network, Inc. did elect to use the 10 percent de-minimis indirect cost rate.

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Revenues From Grantee	Allocation of Related Party Transactions Adjustment				Total
	Related Party	State-Designated Cost Centers			
	1	2	3	
Rent					
Services					
Interest					
Other					
Total Revenue From Grantee					
Expenses Associated with Grantee Transactions					
Personnel Services					
Depreciation					
Interest					
Other					
Total Associated Expenses					
Related Party Transaction Adjustment					

NONE

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2023

1	Total Expenditures	\$	-
2	Less Other State and Federal Funds		-
3	Less Non-Match SAMH Funds		-
4	Less Unallowable Costs per 65E-14, F.A.C.		-
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)		-
6	Maximum Available Earnings (Line 5 times 75%)		-
7	Amount of State Funds Requiring Match		-
8	Amount Due to Department (If Negative) (Subtract line 7 from line 6)		-

NOTE:

South Florida Behavioral Health Network, Inc. has met their match requirements through match provided by their subcontractors. Management will review Schedule of State Earnings from each subcontractor indicating that their individual match has been met.

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

FUNDING SOURCES & REVENUES																																	
	Residential	Crisis Stabilization	Case Management	Outreach	Outpatient	SA Detoxification	Crisis Support	Medical Services	Prevention	Short Term Residential	Intervention	Incidental Expenses	Assessments	FACT Team	In-Home On-Site Services	CCBT	First Episode Team	Network Eval. & Development	Forensic Multidisciplinary Team	BNET	FIT Team	Care Coordination	Transitional Vouchers	CAT Team	Cost reimbursement	Provider Previsit Projects	Other Bundled Projects	Other DCF funded Services	Non DCF funded Program Services	Total Program Services	ADMINISTRATION	Total Funding	
A																																	
IA. TOTAL STATE SAHHS FUNDING																																	
(1) From the Region funding contract	\$ 31,021,088	\$ 8,622,873	\$ 5,939,598	\$ 2,805,933	\$ 3,302,258	\$ 2,941,041	\$ 10,857,945	\$ 2,373,355	\$ 4,734,813	\$ 3,145,787	\$ 1,948,775	\$ 2,703,120	\$ 1,429,238	\$ 3,152,753	\$ 5,342,919	\$ 2,045,008	\$ 1,800,000	\$ 621,782	\$ 925,800	\$ 58,123	\$ 1,233,188	\$ 1,300,712	\$ 1,089,687	\$ 3,516,483	\$ 2,420,712	\$ 985,902	\$ 2,125,304	\$ 5,993,586		\$ 115,456,763	\$5,900,359	\$121,357,122	
IB. OTHER GOV'T FUNDING																																	
(1) Other State Agency Funding	\$		\$	\$			\$	\$																					\$ 451,529	\$ 451,529	\$120,307	\$0	\$0
(2) Medicaid	\$		\$	\$			\$	\$																							\$0	\$0	\$0
(3) Local Government	\$		\$	\$			\$	\$																					\$ 6,685,074	\$ 6,685,074	\$6,685,074	\$0	\$0
(4) Federal Grants and Contracts	\$		\$	\$			\$	\$																					\$ 1,213,270	\$ 1,213,270	\$1,213,270	\$0	\$0
(5) In-kind from local gov't only	\$		\$	\$			\$	\$																					\$	\$	\$	\$	\$
TOT. OTHER GOV'T FUNDING	\$ 31,021,088	\$ 8,622,873	\$ 5,939,598	\$ 2,805,933	\$ 3,302,258	\$ 2,941,041	\$ 10,857,945	\$ 2,373,355	\$ 4,734,813	\$ 3,145,787	\$ 1,948,775	\$ 2,703,120	\$ 1,429,238	\$ 3,152,753	\$ 5,342,919	\$ 2,045,008	\$ 1,800,000	\$ 621,782	\$ 925,800	\$ 58,123	\$ 1,233,188	\$ 1,300,712	\$ 1,089,687	\$ 3,516,483	\$ 2,420,712	\$ 985,902	\$ 2,125,304	\$ 5,993,586	\$ 6,349,875	\$ 123,896,635	\$ 6,020,666	\$ 129,927,301	
IC. ALL OTHER REVENUES																																	
(1) 1st & 2nd Party Payments	\$		\$	\$			\$	\$																					\$	-	\$0	\$0	\$0
(2) 3rd Party Payments (except Medicare)	\$		\$	\$			\$	\$																					\$	-	\$0	\$0	\$0
(3) Medicare	\$		\$	\$			\$	\$																					\$	-	\$0	\$0	\$0
(4) Contributions and Donations	\$		\$	\$			\$	\$																					\$	-	\$0	\$0	\$0
(5) Other - Grants, Interest & Misc.	\$		\$	\$			\$	\$																					\$ 491,283	\$ 491,283	\$491,283	\$0	\$0
(6) Refunds	\$		\$	\$			\$	\$																					\$	-	\$	\$	\$0
(7) In-kind	\$		\$	\$			\$	\$																					\$	-	\$	\$	\$0
TOT. ALL OTHER REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,283	\$ 491,283	\$ -	\$ 491,283	\$ -
TOTAL PROJECTED FUNDING	\$ 31,021,088	\$ 8,622,873	\$ 5,939,598	\$ 2,805,933	\$ 3,302,258	\$ 2,941,041	\$ 10,857,945	\$ 2,373,355	\$ 4,734,813	\$ 3,145,787	\$ 1,948,775	\$ 2,703,120	\$ 1,429,238	\$ 3,152,753	\$ 5,342,919	\$ 2,045,008	\$ 1,800,000	\$ 621,782	\$ 925,800	\$ 58,123	\$ 1,233,188	\$ 1,300,712	\$ 1,089,687	\$ 3,516,483	\$ 2,420,712	\$ 985,902	\$ 2,125,304	\$ 5,993,586	\$ 6,791,156	\$ 124,387,919	\$ 6,020,666	\$ 130,408,585	

PART E. PROJECTED EXPENSES

STATE-DESIGNATED SAMH COST CENTERS																																	
STATE SAMH-FUNDED COST CENTERS																																	
Combined Programs																																	
EXPENSE CATEGORIES	Residential	Crisis Stabilization	Crisis Management	Outreach	Outpatient	SA Detoxification	Crisis Support	Medical Services	Prevention	Short Term Residential	Intervention	Incidental Expenses	Assessments	FACT Team	In-Home On-Site Services	CCST	First Episode Team	Network Eval. & Development	Forensic Multidisciplinary Team	BNET	FFT Team	Care Coordination	Transitional Vouchers	CAT Team	Cost reimbursement	Provider Previsit	Other Buried	Other DCF funded	Non DCF funded Program Services	Total Program Services	ADMINISTRATION	Total Funding (F+G) H	
A																																	
IX. PERSONNEL EXPENSES																																	
(1) Salaries	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
(2) Fringe Benefits	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
TOTAL PERSONNEL EXPENSES =	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
IX. OTHER EXPENSES																																	
(1) Building Occupancy	\$																																
(2) Professional Services	\$																																
(3) Travel	\$																																
(4) Equipment	\$																																
(5) Food Services	\$																																
(6) Medical and Pharmacy	\$																																
(7) Subcontracted Goods	\$	31,021,098 \$	5,622,073 \$	5,939,598 \$	2,805,903 \$	3,302,258 \$	2,941,041 \$	10,957,945 \$	2,573,203 \$	4,734,813 \$	3,145,787 \$	1,946,775 \$	2,703,120 \$	1,439,238 \$	3,152,753 \$	5,342,919 \$	2,045,098 \$	1,500,000 \$	621,702 \$		925,800 \$	59,123 \$	1,233,188 \$	1,307,712 \$	1,099,697 \$	3,516,483 \$	2,420,712 \$	995,902 \$	2,125,304 \$	5,993,598 \$	3,555,117 \$	119,011,880 \$	-
(8) Insurance	\$																																
(9) Interest Paid	\$																																
(10) Operating Supplies & Expenses	\$																																
(11) Other - Training and Program Activities	\$																																
(12) Leasehold Improvements	\$																																
TOTAL OTHER EXPENSES =	\$	31,021,098 \$	5,622,073 \$	5,939,598 \$	2,805,903 \$	3,302,258 \$	2,941,041 \$	10,957,945 \$	2,573,203 \$	4,734,813 \$	3,145,787 \$	1,946,775 \$	2,703,120 \$	1,439,238 \$	3,152,753 \$	5,342,919 \$	2,045,098 \$	1,500,000 \$	621,702 \$		925,800 \$	59,123 \$	1,233,188 \$	1,307,712 \$	1,099,697 \$	3,516,483 \$	2,420,712 \$	995,902 \$	2,125,304 \$	5,993,598 \$	3,555,117 \$	119,011,880 \$	
TOTAL PERSONNEL & OTN EXP =	\$	31,021,098 \$	5,622,073 \$	5,939,598 \$	2,805,903 \$	3,302,258 \$	2,941,041 \$	10,957,945 \$	2,573,203 \$	4,734,813 \$	3,145,787 \$	1,946,775 \$	2,703,120 \$	1,439,238 \$	3,152,753 \$	5,342,919 \$	2,045,098 \$	1,500,000 \$	621,702 \$		925,800 \$	59,123 \$	1,233,188 \$	1,307,712 \$	1,099,697 \$	3,516,483 \$	2,420,712 \$	995,902 \$	2,125,304 \$	5,993,598 \$	3,555,117 \$	119,011,880 \$	
X. INDIRECTS INDIRECT COSTS																																	
(a) Other Support Costs (Optional)	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
(b) Administration	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
TOT. DISTRIB. INDIRECT COSTS =	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
TOTAL PROJECTED OPER. EXPENSES =	\$	31,021,098 \$	5,622,073 \$	5,939,598 \$	2,805,903 \$	3,302,258 \$	2,941,041 \$	10,957,945 \$	2,573,203 \$	4,734,813 \$	3,145,787 \$	1,946,775 \$	2,703,120 \$	1,439,238 \$	3,152,753 \$	5,342,919 \$	2,045,098 \$	1,500,000 \$	621,702 \$		925,800 \$	59,123 \$	1,233,188 \$	1,307,712 \$	1,099,697 \$	3,516,483 \$	2,420,712 \$	995,902 \$	2,125,304 \$	5,993,598 \$	3,555,117 \$	119,011,880 \$	
IX. UNALLOWABLE COSTS	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
IX. TOTAL SAMH LINES OF CREDIT EQUIVALENT =	\$																																
TOT. ALLOWABLE PROJ. OPERATING EXP., Excluding SAMH Credit Equivalent =	\$	31,021,098 \$	5,622,073 \$	5,939,598 \$	2,805,903 \$	3,302,258 \$	2,941,041 \$	10,957,945 \$	2,573,203 \$	4,734,813 \$	3,145,787 \$	1,946,775 \$	2,703,120 \$	1,439,238 \$	3,152,753 \$	5,342,919 \$	2,045,098 \$	1,500,000 \$	621,702 \$		925,800 \$	59,123 \$	1,233,188 \$	1,307,712 \$	1,099,697 \$	3,516,483 \$	2,420,712 \$	995,902 \$	2,125,304 \$	5,993,598 \$	3,555,117 \$	119,011,880 \$	

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Program	Cost Center	Avg. State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
A	B	C	D	E	(D-E) F	G	(F x C) H	(G-H or \$0, whichever is <u>greater</u>) I
Mental Health	Crisis Stabilization Unit	451.22	21,325.80	-	21,325.80	9,622,673	9,622,673	-
Substance Abuse	Substance Abuse Detox	359.60	8,178.58	-	8,178.58	2,941,041	2,941,041	-
Mental Health	Short-term Residential Treatment	261.78	12,017	-	12,017.09	3,145,787	3,145,787	-

Total Amount Owed to Department = 0

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC.
NOTE TO THE SCHEDULES OF STATE EARNINGS, COST CENTER ACTUAL
EXPENSES AND REVENUE AND BED DAY AVAILABILITY PAYMENTS
For the Year Ended June 30, 2023

General

The Schedules of State Earnings, Cost Center Actual Expenses and Revenues and Bed-day Availability payments were prepared in accordance with the requirements included in the State Contracts



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S 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*

To the Board of Directors of
South Florida Behavioral Health Network, Inc.
Miami, 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 South Florida Behavioral Health Network, Inc. (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Florida Behavioral Health Network, Inc.'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 South Florida Behavioral Health Network, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 South Florida Behavioral Health Network, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Thm & Cuyz CPA PA".

Thomas & Company CPA, PA
Cooper City, FL
November 28, 2023



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited South Florida Behavioral Health Network, Inc.'s (The "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of The Organization's major federal programs and state projects for the year ended June 30, 2023. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2023.

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. 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 Organization 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 and state project. Our audit does not provide a legal determination of The Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion The Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 requirement 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 The Organization's compliance with the requirements of each major federal program and state project as a whole.

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

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

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

Report on Internal Control over Compliance

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 and state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and 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

Report on Internal Control over Compliance (Cont.)

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

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

A handwritten signature in blue ink that reads "Thm & Cuyz CPA PA". The signature is written in a cursive, stylized font.

Thomas & Company CPA PA
Cooper City, Florida
November 28, 2023

SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditors Report Issued:

Unmodified

Internal Control over Financial Reporting:

- Significant deficiency(es) identified?	_____ Yes	_____ <u>X</u> _____	None
- Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
- Non Compliance material to financial statement noted?	_____ Yes	_____ <u>X</u> _____	No

Federal Awards and State Projects

Internal Control over Major Federal Programs

- Significant deficiency(es) identified?	_____ Yes	_____ <u>X</u> _____	None
- Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No

Type of Auditors Report issued on Compliance for major Programs:

Unmodified

Any Audit findings disclosed that are required to be reported in accordance with 2 CFR or Chapter 10.656 Rules of Auditor General	_____ Yes	_____ <u>X</u> _____	No
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Identification of Major Programs

Federal	
AL #	Name of Federal Program or Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.788	State Targeted Response to the Opioid Crisis Grants
93.778	Medical Assistance Program
State	
CSFA #	Name of State Project
60.114	Community Forensic Beds and Competency Restoration Training
60.153	Community Services

Dollar threshold used to distinguish between Type A and Type B programs :	\$3,000,000
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Auditee qualified as low-risk auditee?	_____ <u>X</u> _____	Yes	_____ No
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**SOUTH FLORIDA BEHAVIORAL HEALTH NETWORK INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITORS' RESULTS (Continued.)

Section II-Financial Statement findings

The audit disclosed no matters that are reportable

Section III – Major Federal Awards Programs/State Projects – Findings and questioned costs

The audit disclosed no matters that are reportable

Section IV – Major Federal Awards Programs/State Projects – Summary of prior Audit Findings

No prior audit findings were reported

Section V - Management letter

No Management letter issued