Southeast Florida Behavioral Health Network, Inc.

Financial Statements
and Additional Information
For the Year Ended June 30, 2024

Southeast Florida Behavioral Health Network, Inc.

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CITRINCOOPERMAN®

Citrin Cooperman & Company, LLP
Certified Public Accountants

6550 N Federal Hwy, 4th Floor
Fort Lauderdale, FL 33308
T : 954.771.0896 **F** 954.938.9353
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southeast Florida Behavioral Health Network, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Report on Summarized Comparative Information

The financial statements of the Organization as of June 30, 2023, from which the 2023 summarized comparative information was derived, were audited by other auditors whose report, dated December 22, 2023, expressed an unmodified audit opinion on those statements.

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Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Organization'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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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Supplementary 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 and state financial assistance, 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*, and State of Florida Chapter 10.650, *Rules of the Florida Auditor General*, 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.

The supplemental information marked "unaudited", which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control over financial reporting and compliance.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
February 24, 2025

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FINANCIAL STATEMENTS

Southeast Florida Behavioral Health Network, Inc.
Statement of Financial Position
June 30, 2024
(with comparative totals for June 30, 2023)

	2024	2023
Assets:		
Current assets:		
Cash and cash equivalents	$ 5,559,940	$ 5,222,472
Grants and contracts receivable	20,057,084	16,017,406
Prepaid expenses and advances to providers	870,278	3,500,666
Total current assets	26,487,302	24,740,544
Noncurrent assets:		
Property and equipment, net	153,655	173,615
Deposits	10,823	10,823
Total noncurrent assets	164,478	184,438
Total assets	$ 26,651,780	$ 24,924,982
Liabilities:		
Current liabilities:		
Due to providers (sub-recipients)	$ 13,712,401	$ 15,418,360
Accounts payable and accrued expenses	1,009,555	1,955,858
Refundable advances	11,602,352	7,184,758
Total current liabilities	26,324,308	24,558,976
Net Assets:		
Without donor restriction	327,472	366,006
Total net assets	327,472	366,006
Total liabilities and net assets	$ 26,651,780	$ 24,924,982

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

Southeast Florida Behavioral Health Network, Inc.
Statement of Activities
For the Year Ended June 30, 2024
(with comparative totals for June 30, 2023)

	2024	2023
Change in Net Assets:		
Public support and revenues:		
Grants and contracts:		
Department of Children and Families	$ 120,850,920	$ 101,405,106
Other grants	991,916	1,154,818
Contributions and interest income	885	1,484
Total public support and revenues	121,843,721	102,561,408
Expenses:		
Program services	118,542,636	98,190,370
Management and general	3,339,619	4,221,170
Total expenses	121,882,255	102,411,540
Change in net assets	(38,534)	149,868
Net Assets, July 1	366,006	216,138
Net Assets, June 30	$ 327,472	$ 366,006

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

Southeast Florida Behavioral Health Network, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024
(with comparative totals for June 30, 2023)

	Program Services								
	Adult Mental Health	Adult Substance Abuse	Children's Mental Health	Children's Substance Abuse	Other Program Services	Total Program Services	Management and General	Total 2024	Total 2023
Transfers to sub-recipient providers	$ 51,050,595	$ 36,113,401	$ 18,036,502	$ 10,617,619	$ 1,125,839	$ 116,943,956	$ 13,398	$ 116,957,354	$ 97,972,671
Salaries and wages	254,011	216,379	239,594	59,898	178,153	948,035	1,702,069	2,650,104	2,392,073
Professional fees	103,390	88,073	97,523	24,381	-	313,367	705,946	1,019,313	1,021,863
Payroll taxes and fringe benefits	81,782	69,666	77,141	19,285	47,558	295,432	542,950	838,382	647,232
Dues and subscriptions	-	-	-	-	-	-	57,464	57,464	51,411
Rent	13,806	11,761	13,023	3,256	-	41,846	79,050	120,896	99,974
Insurance	-	-	-	-	-	-	37,865	37,865	63,223
Computer software	-	-	-	-	-	-	55,772	55,772	48,444
Computer equipment	-	-	-	-	-	-	30,112	30,112	15,213
Telephone	-	-	-	-	-	-	22,172	22,172	22,999
Provision for depreciation	-	-	-	-	-	-	19,960	19,960	22,561
Meetings and conferences	-	-	-	-	-	-	14,284	14,284	19,575
Building maintenance and security	-	-	-	-	-	-	15,271	15,271	9,064
Travel	-	-	-	-	-	-	11,361	11,361	11,603
Staff development and system of care innovation	-	-	-	-	-	-	2,553	2,553	7,023
Utilities	-	-	-	-	-	-	4,346	4,346	2,728
Office supplies and other expenses	-	-	-	-	-	-	25,046	25,046	3,883
	$ 51,503,584	$ 36,499,280	$ 18,463,783	$ 10,724,439	$ 1,351,550	$ 118,542,636	$ 3,339,619	$ 121,882,255	$ 102,411,540

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

Southeast Florida Behavioral Health Network, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2024
(with comparative totals for June 30, 2023)

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ (38,534)	$ 149,868
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	19,960	22,561
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Grants and contracts receivable	(4,039,678)	(2,624,384)
Prepaid expenses and advances to providers	2,630,388	(3,465,811)
Increase (decrease) in liabilities:		
Due to providers (sub-recipients)	(1,705,959)	4,625,108
Accounts payable and accrued expenses	(946,303)	(2,393,604)
Refundable advances	4,417,594	2,080,009
Net cash provided by (used in) operating activities	337,468	(1,606,253)
Cash Flows From Investing Activities		
Purchases of property and equipment	-	(17,354)
Net cash used in investing activities	-	(17,354)
Net increase (decrease) in cash and cash equivalents	337,468	(1,623,607)
Cash and Cash Equivalents, July 1	5,222,472	6,846,079
Cash and Cash Equivalents, June 30	$ 5,559,940	$ 5,222,472

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

Note 1 - Organization and Operations

Southeast Florida Behavioral Health Network, Inc. (the "Organization") is a not-for-profit corporation organized in the State of Florida in February 2010. The Organization commenced its operations officially on October 1, 2012. The Organization was formed by local area substance abuse and mental health service providers to coordinate the accessibility, availability, and quality of prevention, intervention, and treatment in the service areas of Palm Beach County (Circuit 15) and the Treasure Coast (Indian River, Martin, St. Lucie and Okeechobee Counties) (Circuit 19).

Effective October 1, 2012, the Organization was contracted to function as the Managing Entity ("ME") for the State of Florida Department of Children and Families ("DCF") to oversee the day-to-day operational delivery of behavioral services through an organized system of care under its qualified providers (sub-recipients). The Organization's contract term with DCF is through June 30, 2025. The ME administrative costs shall not exceed 5% of the total contracted dollar amount for each fiscal year.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements have been prepared using the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows U.S. GAAP, whereby, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 - Summary of Significant Accounting Policies (continued)

All contributions are considered available for general use, unless specifically restricted by donor or subject to other legal restrictions.

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables and allowance for uncollectible accounts: Grant and contract receivables consist principally of claims not yet reimbursed by various grantor/contract agencies. Management periodically reviews the receivable balances and provides an allowance for amounts which may be uncollectible. At June 30, 2024 and 2023, management considered all of its grant and contracts receivable balances to be collectible and no allowance was recorded.

Recently adopted accounting standards: In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses* (*Topic 326*) ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired. The Organization did not have any assets within scope of ASC 326 as of June 30, 2024 or 2023.

Property and equipment: Property and equipment are carried at cost if purchased or, if donated, at estimated fair value on the date of donation, less accumulated depreciation. The Organization follows the policy of providing for depreciation using the straight-line method over estimated useful lives of the assets which are as follows:

Computer software and equipment	3 years
Buildings	39.5 years
Office furniture and equipment	3 years
Leasehold improvements	3 years

If donors stipulate the period of time during which the assets must be used, the contributions are recorded as support with donor restrictions, and released as restrictions expire. In the absence of such stipulations, contributions of property and equipment and gifts of cash restricted for the acquisition of property and equipment, are recorded as support without donor restrictions when the assets are placed in service.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized. When assets are retired or otherwise disposed of, the cost or donated value and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in nonoperating revenues (expenses) for the period.

Refundable advances: Grants and contracts revenue that is not recognized because the allowable costs as defined by the individual grant or contract have not been incurred and/or the units of service have not been rendered is considered refundable advances.

Revenue and revenue recognition: The Organization recognizes revenues from nonexchange transactions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

Note 2 - Summary of Significant Accounting Policies (continued)

The Organization receives funding from federal, state and local governments and other agencies to develop, support and manage a behavioral health network. This revenue is predominantly deemed to be unconditional contribution revenue and not governed under the Accounting Standards Codification 606 guidance.

Nonfinancial contributions: Contributed services, if any, are recognized as contributions, along with corresponding expenses, if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. Donated goods are recorded at their estimated fair market value when received.

During the years ended June 30, 2024 and 2023, the value of contributed services meeting requirements for recognition in the financial statements was not material, or subject to recognition, and is not recorded. The Organization pays for most services requiring specific expertise. Many individuals volunteer and perform a variety of tasks that assist with programs and various committee assignments. The Organization did not receive a material amount of donated goods during the years ended June 30, 2024 and 2023; therefore, it is not recorded.

Functional expenses: The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Adult mental health, adult substance abuse, children's mental health and children's substance abuse only report the funds that were passed through to sub-recipients. Other program services report the funds that were passed through to sub-recipients, as well as the direct expenses associated with providing those programs. All other expenses of the Organization are deemed management and general.

Leases: The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less) and leases deemed to be below certain thresholds. Instead, the lease payments of those leases are generally reported as lease expense.

Income taxes: The Organization is tax exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a nonprofit organization other than a private foundation. However, the Organization may be subject to income taxes on unrelated business income. No income tax provision is required since the Organization was deemed by management not to have unrelated business taxable income.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of receivables, cash and cash equivalents. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state, and other local agencies and the ability to obtain authorization, process and collect balances timely. The Organization does not require collateral or other security to support receivables, or its advances to providers. The Organization has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. The excess amount at June 30, 2024, was approximately $ 5,310,000.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain 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.

Date of management review: Subsequent events were evaluated by the Organization's management through February 24, 2025, which is the date the financial statements were available for issuance.

Note 3 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date ending June 30, 2024 is estimated and, comprise the following:

Financial assets:	
Cash and cash equivalents	$ 5,559,940
Grants and contract receivable	20,057,084
Financial assets available to meet cash needs for general operating expenditures within one year, and to satisfy certain current liabilities as they become due	$ 25,617,024

Note 4 - Property and Equipment

Property and equipment consists of the following at June 30, 2024 and 2023:

	2024	2023
Computer software and equipment	$ 189,796	$ 189,796
Buildings	99,700	99,700
Office furniture and equipment	27,780	27,780
Leasehold improvements	5,594	5,594
	322,870	322,870
Less accumulated depreciation	230,715	210,755
	92,155	112,115
Land	61,500	61,500
Total	$ 153,655	$ 173,615

Note 5 - Due to/from Providers and Accounts Payable/Accrued Expenses

The Organization has accrued obligations for operating expenses necessary to carry out its responsibility as ME under the contract with DCF or other grantor agencies. As of June 30, 2024 and 2023, due to providers of $ 13,712,401 and $ 15,418,360, respectively, is comprised of amounts payable for behavioral services administered by the providers; and accounts payable and accrued expenses of $ 1,009,555 and $ 1,955,858, respectively, represents general and administrative expenses, including accrued wages and related benefits outstanding at year end. At June 30, 2024, and 2023, there are amounts due to DCF amounting to approximately $ 694,000 and $ 1,753,000, respectively, which are included in accounts payable and accrued expenses. These amounts represent unspent funding that was required to be returned.

In addition, it can be determined that certain providers might have funds that are required to be returned to the Organization. These paybacks will be recorded in the period that it is determined to be a liability of the provider. At June 30, 2024 and 2023, approximately $ 85,000 and $ 246,000, respectively, was recorded as amounts owed to the Organization by providers included in grants and contracts receivable in the statement of financial position.

Note 6 - Commitments and Contingencies

Grants and contracts: The Organization receives financial assistance, as a pass-through agency, from federal, state, and local governmental agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. As a result of such audits, the grantor may require that amounts be returned.

Grants and contracts may require that funding received in excess of expenditures be remitted to the grantor agency within a specified time frame. Certain of these agreements require the Organization to identify such excess of expenditures and submit a spending plan where the grantor, at their sole discretion, may approve an additional period of time to extend and earn such excess funding. Such unexpended funds are reported as refundable advances in the accompanying statement of financial position.

Lease agreements: The Organization previously executed a lease agreement to rent office space through January 31, 2024 for base rent of approximately $ 7,000 as well as a pro-rata share of the landlord's operating expenses incurred in relation to the ownership, maintenance and operation of the building and common areas. However, the lease was amended to extend the term for five additional months, beginning February 1 through June 30, 2024, with a base rent of approximately $ 8,400 per month. For the years ended June 30, 2024 and 2023, total rent expense in connection with this agreement, amounted to approximately $ 121,000 and $ 100,000, respectively.

In August 2024, the Organization entered into a lease agreement at a new location for base rent of approximately $ 5,600, as well as a pro-rata share of the landlord's operating expenses incurred in relation to the ownership, maintenance and operation of the building and common areas. Base rent is subject to a 3% annual increase through the lease's term ending July 2027. Total base rent payments anticipated from August 2024 through July 2027 amount to approximately $ 208,000.

Property and equipment: Under certain provisions of grants and contracts with governmental entities, property and equipment (Note 4) acquired with grant funding shall be vested back to the grantor upon completion or termination of the subject agreement.

Note 6 - Commitments and Contingencies (continued)

Service agreement: The Organization entered into an agreement with Carisk Partners ("Carisk"), a for-profit corporation, through June 30, 2024. Carisk provides certain management, administrative support, and oversight of the providers of behavioral health services (sub-recipients) in the designated service area in connection with the Organization's role as the ME (Note 1). Carisk's compensation is based on a fixed monthly fee of approximately $ 76,000 per month. The agreement contains provisions under which either party may terminate this arrangement. For the years ended June 30, 2024 and 2023, the Organization paid Carisk approximately $ 913,000 $ 933,000, respectively.

Note 7 - Concentration

For the years ended June 30, 2024 and 2023, the Organization received a significant amount of its support and revenues from contracts administered by the State of Florida, Department of Children and Families. At June 30, 2024 and 2023, approximately 97% and 95%, respectively, of the grants and contracts receivable were related to the same contracts. For the years ended June 30, 2024 and 2023, approximately 99% of the Organization's total revenues were derived from these contracts. Changes in governmental appropriations at the federal and/or state level could have a material adverse effect on the Organization's ability to continue to provide its services.

Note 8 - Employee Benefit Plan

Effective February 1, 2019, the Organization established an employee savings plan under the Internal Revenue Code §401(k). Generally, this plan covers all qualified employees who are age twenty-one or older and have six months of continuous service. The eligible participants are permitted to contribute to the plan via salary deferrals and are limited only by certain provisions of the Internal Revenue Code. The Organization provides matching contributions equal to 100% of the employees' elective deferrals not exceeding 3.00% of the individual's compensation plus 50% of elective deferrals that exceed 3.00% but do not exceed 5.00% of the individual's compensation. For the years ended June 30, 2024 and 2023, the Organization made contributions of approximately $ 68,000 and $ 62,000 to this plan, respectively.

Note 9 - Related Parties

Certain members of the Organization's Board of Directors are also employees of certain sub-recipient providers receiving funding allocations from the Organization. For the years ended June 30, 2024 and 2023, the Organization transferred to these providers approximately $ 15,952,000 and $ 25,573,000, respectively. Amounts to these sub-recipient providers at June 30, 2024 and 2023 were approximately $ 1,626,000 and $ 3,891,000, respectively.

SUPPLEMENTARY INFORMATION

Southeast Florida Behavioral Health Network, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2024

Federal/State Grantor/Pass-Through Grantor, Program or Cluster Title	Assistance Listing No./CSFA No.	Pass-Through Entity Identifying Number	Expenditures	Provided to Sub-recipients
Federal Agency Name:				
Indirect Programs:				
United States Department of Health and Human Services - Passed through the State of Florida Department of Children and Families (DCF):				
Medicaid Cluster				
Medical Assistance Program	93.778	IH611	$ 8,342	$ -
Other Programs				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	IH611	1,373,707	1,174,860
Projects for Assistance in Transition from Homelessness (PATH)	93.150	IH611	488,241	488,241
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	IH611	1,004,916	1,004,916
Temporary Assistance for Needy Families (TANF)	93.558	IH611	1,283,453	1,263,398
Children's Health Insurance Program	93.767	IH611	231,607	231,607
Opioid STR	93.788	IH611	9,360,956	9,128,001
Block Grants for Community Mental Health Services	93.958	IH611	13,873,628	13,202,969
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IH611	20,887,640	20,780,280
Total Expenditures of Federal Awards			48,512,490	47,274,272

See notes to the schedule of expenditures of federal awards and state financial assistance.

Southeast Florida Behavioral Health Network, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
(continued)
For the Year Ended June 30, 2024

Federal/State Grantor/Pass-Through Grantor, Program or Cluster Title	Assistance Listing No./CSFA No.	Pass-Through Entity Identifying Number	Expenditures	Provided to Sub-recipients
State Agency Name:				
Direct Projects:				
State of Florida Department of Children and Families -				
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	LH825	$ 354,635	$ 306,994
Forensic Services and Competency Restoration Training	60.114	IH611	1,302,000	1,302,000
Substance Abuse and Mental Health Community Services	60.153	IH611	4,594,033	4,594,033
Behavioral Health Graduate Education	60.162	IH611	250,000	250,000
Centralized Receiving Systems	60.163	IH611	2,604,983	2,604,983
SAMH ME State Funded Federal Excluded Services	60.190	IH611	2,632,852	2,632,852
Total Expenditures of State Financial Assistance			11,738,503	11,690,862
Total Expenditures of Federal Awards and State Financial Assistance			$ 60,250,993	$ 58,965,134

See notes to the schedule of expenditures of federal awards and state financial assistance.

Note 1 - Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance, (the "Schedule") includes the federal award and state financial assistance activity of Southeast Florida Behavioral Health Network, Inc. (the "Organization") under programs of the federal and state government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards,* (Uniform Guidance) and Chapter 10.650, *Rules of the Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

The Organization elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Southeast Florida Behavioral Health Network, Inc.
Schedule of Program/Covered Services Actual Revenues and Expenditures (Unaudited)
For the Year Ended June 30, 2024

Substance Abuse and Mental Health Covered Services	Program Services: Adult Mental Health	Adult Substance Abuse	Children's Mental Health	Children's Substance Abuse	Totals
Program Services:					
Aftercare - Individual	$ -	$ 49,747	$ -	$ -	$ 49,747
Assessment	367,397	438,787	358,523	-	1,164,707
BNET	-	-	231,607	-	231,607
Care Coordination	1,304,424	1,120,800	537,281	166,820	3,129,325
Case Management	1,987,547	695,013	1,380,565	-	4,063,125
CAT Team	-	-	2,687,257	-	2,687,257
Central Receiving System	2,533,996	-	-	-	2,533,996
Comprehensive Community Service Team - Group	432,298	158,889	-	-	591,187
Comprehensive Community Service Team - Individual	304,444	158,889	68,000	-	531,333
Crisis Stabilization	5,132,722	-	1,558,970	-	6,691,692
Crisis Support/Emergency	4,321,494	1,436,338	2,274,945	-	8,032,777
Day Treatment	597,443	1,243,446	485,399	-	2,326,288
Drop-In/Self-Help Centers	420,411	-	-	-	420,411
FACT Team	2,075,916	-	-	-	2,075,916
Federal Project Grant	-	632,657	-	-	632,657
First Episode Team	774,725	-	774,725	-	1,549,450
FIT Team	-	2,200,000	-	-	2,200,000
Forensic Multidisciplinary Team	1,267,006	-	-	-	1,267,006
HIV Early Intervention Services	-	325,118	-	48,738	373,856
Incidental Expenses	2,398,158	1,099,749	174,163	3,772	3,675,842
Indicated Prevention	-	-	-	473,567	473,567
Information and Referral	464,184	124,950	963,244	-	1,552,378
In-Home and On-Site	99,463	692,808	114,331	692,808	1,599,410
Intensive Case Management	673,666	-	713,513	-	1,387,179
Intervention - Individual	18,473	159,905	107,627	-	286,005
Medical Services	1,926,783	2,142,915	1,762,378	8,383	5,840,459
Medication Assisted Treatment	-	2,054,070	-	-	2,054,070
Mental Health Clubhouse Services	225,000	-	-	-	225,000
Network Evaluation & Development	196,741	93,518	361,099	-	651,358
Outpatient - Group	211,232	1,112,200	207,602	5,555	1,536,589

Southeast Florida Behavioral Health Network, Inc.
Schedule of Program/Covered Services Actual Revenues and Expenditures (Unaudited)
(continued)
For the Year Ended June 30, 2024

Substance Abuse and Mental Health Covered Services	Program Services: Adult Mental Health	Adult Substance Abuse	Children's Mental Health	Children's Substance Abuse	Totals
Program Services (continued):					
Outpatient - Individual	$ 1,902,687	$ 2,034,534	$ 1,890,232	$ 171,892	$ 5,999,345
Outreach	209,659	1,098,219	193,616	949,563	2,451,057
Provider Proviso Projects	6,841,920	-	300,000	-	7,141,920
Recovery Support - Group	382,731	185,670	-	-	568,401
Recovery Support - Individual	556,665	955,617	76,105	-	1,588,387
Residential Level I	1,503,882	701,600	129,334	-	2,334,816
Residential Level II	398,898	5,371,075	-	2,327,739	8,097,712
Residential Level III	1,383,550	2,715,650	-	-	4,099,200
Residential Level IV	1,994,218	418,752	-	-	2,412,970
Respite Services	133,162	32,082	234,163	-	399,407
Room and Board with Supervision Level II	1,061,768	183,228	408,832	-	1,653,828
Room and Board with Supervision Level III	-	719,878	-	-	719,878
Short-term Residential Treatment	4,763,877	-	-	-	4,763,877
Start-Up Cost Reimbursement	1,220,236	2,287,048	83,790	449,519	4,040,593
Substance Abuse Inpatient Detoxification	-	2,778,517	-	-	2,778,517
Supported Housing/Living	1,050,298	-	12,482	-	1,062,780
Supportive Employment	366,510	43,622	-	-	410,132
Treatment Alternative for Safer Community	-	-	-	549,064	549,064
Universal Direct Prevention	-	-	374,000	4,007,991	4,381,991
Universal Indirect Prevention	-	1,033,989	-	869,028	1,903,017
Subtotal	51,503,584	36,499,280	18,463,783	10,724,439	117,191,086

Southeast Florida Behavioral Health Network, Inc.
Schedule of Program/Covered Services Actual Revenues and Expenditures (Unaudited)
(continued)
For the Year Ended June 30, 2024

Substance Abuse and Mental Health Covered Services	Program Services: Adult Mental Health	Adult Substance Abuse	Children's Mental Health	Children's Substance Abuse	Totals
Other Program Services:					
Miscellaneous	$ -	$ -	$ -	$ -	$ 92,815
Other Substance Abuse Services	-	-	-	-	726,030
Reinvestment Grant Services	-	-	-	-	306,994
Total Other Program Services	-	-	-	-	1,125,839
Total Program/Covered Services Actual Expenditures	51,503,584	36,499,280	18,463,783	10,724,439	118,316,925
Managing Entity Administrative Fee, Net	1,450,384	1,027,851	519,956	302,009	3,300,200
Other Services	-	-	-	-	225,711
Contributions and Interest Income	-	-	-	-	885
Total Program/Covered Services Actual Revenues	$ 52,953,968	$ 37,527,131	$ 18,983,739	$ 11,026,448	$ 121,843,721

Southeast Florida Behavioral Health Network, Inc.
Schedule of Bed Day Availability Payments (Unaudited)
For the Year Ended June 30, 2024

Program	Cost Center	Contracted Rate	Total Units of Service Provided	Total Units of Services Paid by Third Party Contracts, Local Government or Other State Agencies	Maximum Number of Units Eligible For Payment by Department	Amount Paid For Services by the Department	Maximum Dollar Value of Units Eligible for Payment by the Department	Amount Owed to Department
Mental Health	Crisis Stabilization Unit	$375 - $438	67,160	47,815	19,345	$ 7,831,185	$ 7,863,743	$ -
Mental Health	Short-Term Residential	$234 - $438	12,775	-	12,775	$ 4,763,877	$ 4,763,877	-
Substance Abuse	Substance Abuse Inpatient Detoxification	$255 - $400	14,600	6,570	8,030	$ 2,533,318	$ 2,629,825	-
						Total Amount Owed to Department		$ -

Southeast Florida Behavioral Health Network, Inc.
Schedule of Transfers to Sub-Recipients and Vendors
for Program Services (Unaudited)
For the Year Ended June 30, 2024

Provider (Sub-Recipient):	Contract Number	Total Expenditures
Substance Abuse and Mental Health Services:		
211 Palm Beach/Treasure Coast, Inc.	LTF09	$ 2,452,837
901 45th Street West Palm Beach	PNA41	108,767
Access Recovery Solutions, LLC	PDA54	1,597,605
Alternatives in Treatment, LLC Mandal Healing Center	PDA61	5,619,224
Amazon	AGR72	2,327
Behavior Basics Incorporated	ZNA29	2,010
Boys Town South Florida, Inc.	PNC25	285,558
Brighter Families	PNA37	3,855,234
Carrfour Supportive Housing, Inc.	PNA38	246,441
Catholic Charities of the Diocese of Palm Beach, Inc.	LTF12	139,925
Cayuga Home for Children, Inc. d/b/a Cayuga Centers	ZNC26	36,198
Center for Child Counseling	AGR66	300,000
Center for Family Services of Palm Beach County, Inc.	LTF13	417,705
Center for Trauma Counseling, Inc.	AGR68	6,992
Central Florida Substance Abuse Treatment	LDA07	558,969
Chrysalis Health, Inc.	PNC26	1,587,077
Collectively - A Radlauer Venture, LLC	AGR54	168,200
Counseling and Recovery Center, Inc.	ZDA14	2,515,543
Counseling and Recovery Center, Inc.	ZDF04	1,000,000
Daniel Memorial, Inc.	AGR52	31,312
Drug Abuse Foundation of Palm Beach County, Inc.	PDA48	6,302,313
Drug Abuse Treatment Association, Inc.	LDC07	9,365,590
Ebb Tide Treatment, LLC	PDA47	987,467
Faulk Center for Counseling	AGR58	250,000
Federation of Families of Florida	PNF25	219,877
Ferd and Gladys Alpert Jewish Family and Children	PNF27	2,649,220
Florida State University Center for Academic & Professional Development	AGR71	25,893
Hanley Center Foundation, Inc.	PDC19	1,359,619
Henderson Behavioral Health, Inc.	LTF10	2,491,084
Henderson Behavioral Health, Inc.	PNA36	2,088,519
Henderson Behavioral Health, Inc.	PDF04	1,200,000
Housing Partnership, Inc.	PTF07	2,982,342
Housing Partnership, Inc.	PNA39	6,849
HPS Helping-People Succeed, Inc.	ZNC16	963,815
HSP4, LLC	AGR43	13,463
Indian River County Healthy Start Coalition, Inc.	ZDA25	214,006
Jeff Industries, Inc.	PNA16	685,976
JFK Medical Center - North Campus	PNF23	535,886
LifeBuilders of the Treasure Coast	AGR67	500,000
Martin County Board of County Commissioners	AGR72	1,000,000
Martin County Board of County Commissioners	ZDF07	30,000
Mary Armstrong	AGR59	107,000
MDFlow EHR, LLC	AGR60	192,000
Mental Health Association of Indian River County	ZNA30	1,068,000
Mental Health Association of Palm Beach County	PNA32	750,000
Metro Treatment of Florida, L.P. dba New Season Treatment Center 27	ZDA26	161

Southeast Florida Behavioral Health Network, Inc.
Schedule of Transfers to Sub-Recipients and Vendors
for Program Services (Unaudited)
(continued)
For the Year Ended June 30, 2024

Provider (Sub-Recipient):	Contract Number	Total Expenditures
Substance Abuse and Mental Health Services:		
National Alliance on Mental Illness - Martin County	ZNA37	$ 25,000
National Alliance on Mental Illness - Palm Beach County	PNA17	30,000
Neurobehavioral Hospital Foundation, Inc.	LTA01	2,604,983
New Horizons of the Treasure Coast, Inc.	ZTF13	15,951,960
New Horizons of the Treasure Coast, Inc.	ZNA38	1,762,944
New Horizons of the Treasure Coast, Inc.	ZNC24	1,100,180
Our Village Okeechobee, Inc.	ZTF15	209,250
Palm Beach County Substance Abuse Coalition	PDC18	137,868
Pinnacle Wellness Group, LLC	ZDA23	781,202
Project L.I.F.T., Inc.	AGR65	742,700
Public Defenders Office, Nineteenth Judicial Circuit	ZDA08	329,971
QPR Institute	AGR70	13,107
Rebel Recovery Florida, Inc.	PDA56	1,661,746
RiteLife Services, Inc.	ZDA24	1,472,280
Roundtable of St. Lucie County, Inc.	ZDF03	178,375
Ruth & Norman Rales Jewish Family Services, Inc.	AGR56	1,950,000
South County Mental Health Center, Inc.	PNA31	13,533,787
SP Behavioral LLC d/b/a SandyPine Hospital	AGR09	65,467
Substance Abuse Council of Indian River County	ZDF05	1,399,428
Sunset House, Inc.	PDA44	200,261
The ARC of Palm Beach County, Inc.	PNA19	87,349
The Children's Trust Fund Alliance	AGR69	6,750
The Children's Place at Home Safe, Inc. dba HomeSafe	AGR57	339,352
The Devereux Foundation	AGR41	102,035
The Inner Truth Project, Inc.	ZNA39	150,000
The Lord's Place, Inc.	PTA03	1,107,530
The Lord's Place, Inc.	PNA22	510,637
The Parent Academy of St. Lucie County, Inc.	ZDF06	283,838
The Recovery Research Network Foundation, Inc.	PDA59	1,498,437
The Recovery Research Network Foundation, Inc.	PDA57	1,644,625
Transpire Help	PDA63	1,062,993
Tykes & Teens, Inc.	ZNC25	411,280
University of Florida, Department of Psychiatry	AGR34	250,000
Wayside House, Inc.	PDA51	2,444,236
Wellpath, LLC	AGR61	47,175
Total Substance Abuse and Mental Health Services		111,017,750

Southeast Florida Behavioral Health Network, Inc.
Schedule of Transfers to Sub-Recipients and Vendors
for Program Services (Unaudited)
(continued)
For the Year Ended June 30, 2024

Carryforward Funded Services:	**Contract Number**	**Total Expenditures**
Boys Town South Florida, Inc.	PNC25	$ 6,353
Brighter Family Center	PNA37	67,105
Carrfour Supportive Housing, Inc.	PNA38	45,003
Catholic Charities of the Diocese of Palm Beach, Inc.	LFT12	125,000
Cayuga Home for Children, Inc. d/b/a Cayuga Centers	ZNC26	119,999
Henderson Behavioral Health, Inc.	LTF10	200,000
Housing Partnership, Inc.	PTF07	157,671
HPS Helping People Succeed, Inc.	ZNC16	373,967
Jeff Industries, Inc.	PNA16	19,696
Mental Health Association In Palm Beach County, Inc.	PNA32	88,758
National Alliance on Mental Illness - Martin County	ZNA37	35,643
National Alliance on Mental Illness - Palm Beach County	PNA17	29,363
New Horizons of The Treasure Coast	ZTF13	1,277,307
Our Village Okeechobee, Inc.	ZTF15	59,910
Palm Healthcare Foundation	AGR48	224,000
South County Mental Health Center	PNA31	1,796,422
The ARC of Palm Beach County, Inc.	PNA19	31,003
The Inner Truth Project, Inc.	ZNA39	9,933
The Lord's Place, Inc.	PNA22	133,234
Total Carryforward Funded Services		4,800,367

Provider (Sub-Recipient):	**Contract Number**	**Total Expenditures**
Other Program Services:		
Drug Abuse Treatment Association, Inc.	ZDC08	64,474
Housing Partnership, Inc.	PNA39	28,650
Legacy Behavioral Health Center	ZNA36	150,342
Mental Health Association of Indian River County	ZNA30	30,956
Miscellaneous Okeechobee Reinvestment Grant Providers	N/A	55,280
Miscellaneous Palm Beach County Grants Providers	N/A	261,081
New Horizons of the Treasure Coast, Inc.	ZTF13	29,122
Rebel Recovery Florida, Inc.	PDA56	32,737
Rebel Recovery Florida, Inc.	PDA62	436,298
Ritelife Services, Inc.	ZDA24	36,899
Total Other Program Services		1,125,839
Total Transfers to Sub-Recipients for Program Services		116,943,956
Operational Services:		
Managed Care Consultants of Florida, Inc.	AGR53	10,500
Miscellaneous noncontracted provider payments	N/A	2,898
Total Operational Services		13,398
Total Transfers to Sub-Recipients and Vendors		$ 116,957,354

INTERNAL CONTROLS AND COMPLIANCE

CITRINCOOPERMAN®

Citrin Cooperman & Company, LLP
Certified Public Accountants

6550 N Federal Hwy, 4th Floor
Fort Lauderdale, FL 33308
T : 954.771.0896 **F** 954.938.9353
citrincooperman.com

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
Southeast Florida Behavioral Health Network, Inc.

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 Southeast Florida Behavioral Health Network, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis of designing 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 Organization'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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. 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.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
February 24, 2025

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CITRINCOOPERMAN®

Citrin Cooperman & Company, LLP
Certified Public Accountants

6550 N Federal Hwy, 4th Floor
Fort Lauderdale, FL 33308
T : 954.771.0896 **F** 954.938.9353
citrincooperman.com

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 FLORIDA AUDITOR GENERAL*

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Southeast Florida Behavioral Health Network, Inc. (the "Organization) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement,* and the compliance requirements identified as subject to audit 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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Florida Auditor General*. Our responsibilities under those standards, the Uniform Guidance; and *Rules of the Florida Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for 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 to the Organization's federal programs and state projects.

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Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and 10.650, *Rules of the Florida 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, 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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or 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.

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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 and Chapter 10.650, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
February 24, 2025

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Southeast Florida Behavioral Health Network, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion		
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiency(ies) identified?	____ yes	X none reported	
Noncompliance material to financial statements noted?	____ yes	X no	

Federal Programs and State Projects

Internal control over major programs/projects:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiency(ies) identified?	____ yes	X none reported	
Type of auditor's report issued on compliance for major programs/projects:	*Unmodified Opinion*		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.650, Rules of the Auditor General?	____ yes	X no	

Identification of major program(s)/project(s):

Federal Programs or Cluster Assistance Listing No.	
	United States Department of Health and Human Services -
93.958	Block Grants for Community Mental Health Services

State Projects CSFA No.	
	State of Florida Department of Children and Families -
60.153	Substance Abuse and Mental Health-Community Services
60.163	Centralized Receiving Systems

Dollar threshold used to distinguish between Type A and Type B programs/projects:	
Federal	$ 1,455,375
State	$ 750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	X yes	____ no

SECTION II - FINANCIAL STATEMENTS FINDINGS

None Reported.

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None Reported.