



Central Florida Behavioral Health Network, Inc.

AUDIT RESULTS
FOR YEAR ENDING JUNE 30, 2022

DECEMBER 16, 2022



Agenda



- This Year's Audit Results
- Other Audit Matters
- Summary Statements of Financial Position
- Summary Statements of Activities
- Financial Statement Highlights & Graphs
- New Developments
- Board Governance – Best Practices
- Q&A

This Year's Audit Results

Matter	Conclusion
<ul style="list-style-type: none"> Opinion on Financial Statements 	<ul style="list-style-type: none"> Fairly stated in all material respects Considered a “clean” or “unmodified” report
<ul style="list-style-type: none"> Reporting on Supplemental Information 	<ul style="list-style-type: none"> Fairly stated in all material respects in relation to the Organization’s financial statements Subjected to the procedures applied in the Organization’s financial statement audit Compared and reconciled information directly to underlying accounting records Certain supplemental information was not subjected to audit and thus we express no opinion on it (<u>DCF Schedules</u>)
<ul style="list-style-type: none"> Reporting under <i>Government Auditing Standards</i> 	<ul style="list-style-type: none"> No instances of noncompliance or other matters identified and reported No matters relative to internal controls identified and reported from our consideration of controls over financial reporting assessed during the audit
<ul style="list-style-type: none"> Reporting under the Uniform Guidance and the Florida Single Audit Act 	<ul style="list-style-type: none"> We believe the Organization complied in all material respects with compliance requirements that could have a direct and material effect on each major federal program and major state project No identified and reported matters relating to internal control over compliance over major Federal Programs and State Projects

This Year's Audit Results

Matter	Conclusion
<ul style="list-style-type: none">Revenue Recognition	<ul style="list-style-type: none">Footnote 1 contains a summary of revenue recognition policies associated with the activities of the OrganizationMatters relating to revenue recognition are the most common errors in financial reporting and thus subjected to added assessment and testing
<ul style="list-style-type: none">Other Matters	<ul style="list-style-type: none">No instances of fraud or illegal acts notedNo material uncertainties notedNo significant changes to our planned scope or approach were required during year end fieldwork

Other Audit Matters

Changes in Accounting Policies	Significant or Unusual Transactions	Alternative Accounting Policies
<ul style="list-style-type: none">None	<ul style="list-style-type: none">None	<ul style="list-style-type: none">No alternative accounting policies were discussed with management

We consider management's communications with those charged with governance to be in line with best practices.

Our responsibilities were covered in our planning communication with the Finance Committee at the start of the audit process.

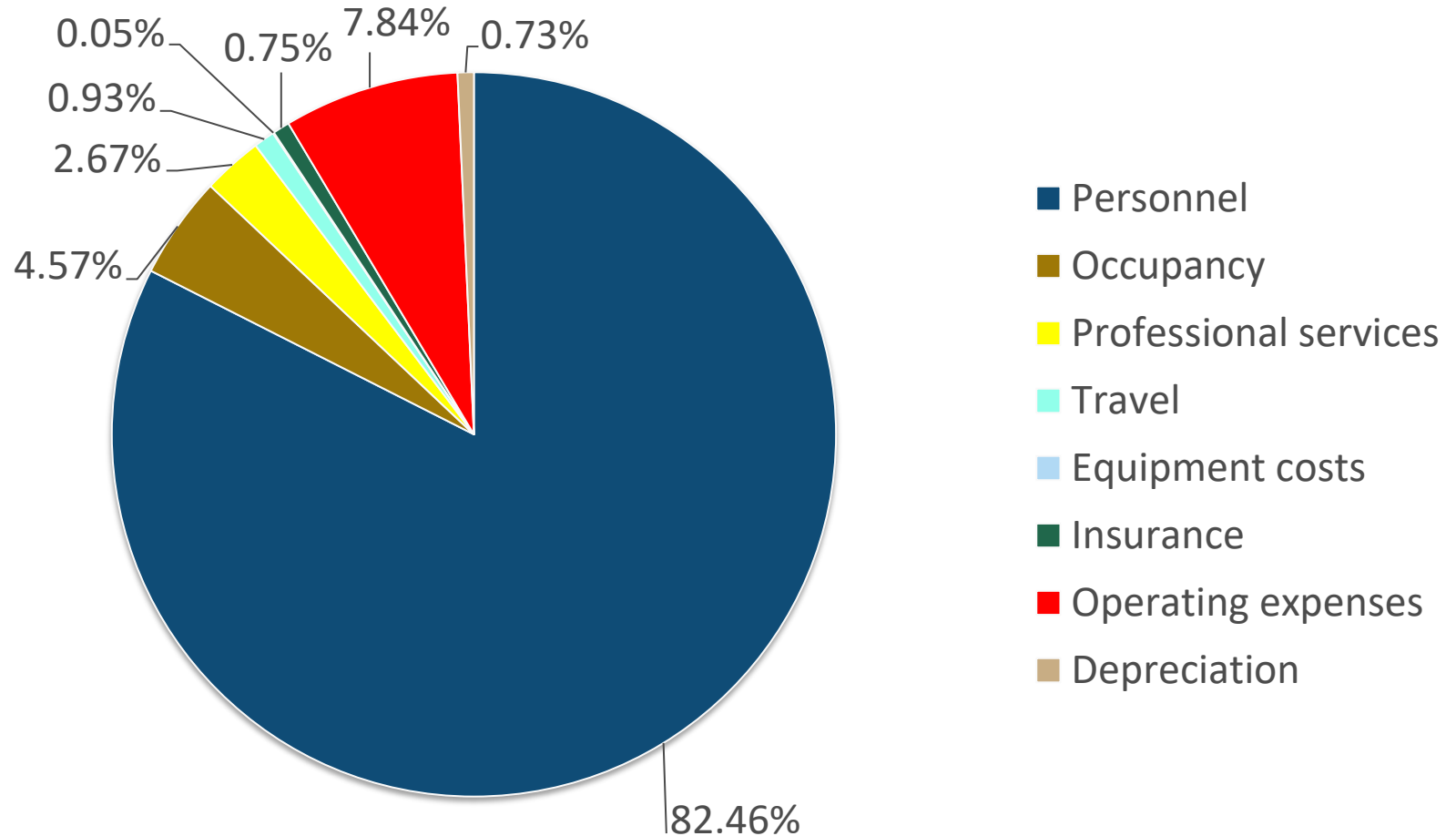
Summary Statements of Financial Position – June 30,

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets:			
Cash and cash equivalents	\$ 53,594,971	15,213,862	38,381,109
Receivables	2,717,128	13,806,914	(11,089,786)
Prepaid expenses and other assets	48,065	39,626	8,439
Property and equipment, net	<u>66,231</u>	<u>93,183</u>	<u>(26,952)</u>
Total assets	<u>\$ 56,426,395</u>	<u>29,153,585</u>	<u>27,272,810</u>
Liabilities:			
Due to subcontractors	\$ 31,505,130	26,650,079	4,855,051
Due to Florida Department of Children and Families	22,523,399	-	22,523,399
Accounts payable, deferred revenue and accrued expenses	<u>472,438</u>	<u>530,309</u>	<u>(57,871)</u>
Total liabilities	<u>54,500,967</u>	<u>27,180,388</u>	<u>27,320,579</u>
Net assets:			
Without donor restrictions	<u>1,925,428</u>	<u>1,973,197</u>	<u>(47,769)</u>
Total liabilities and net assets	<u>\$ 56,426,395</u>	<u>29,153,585</u>	<u>27,272,810</u>

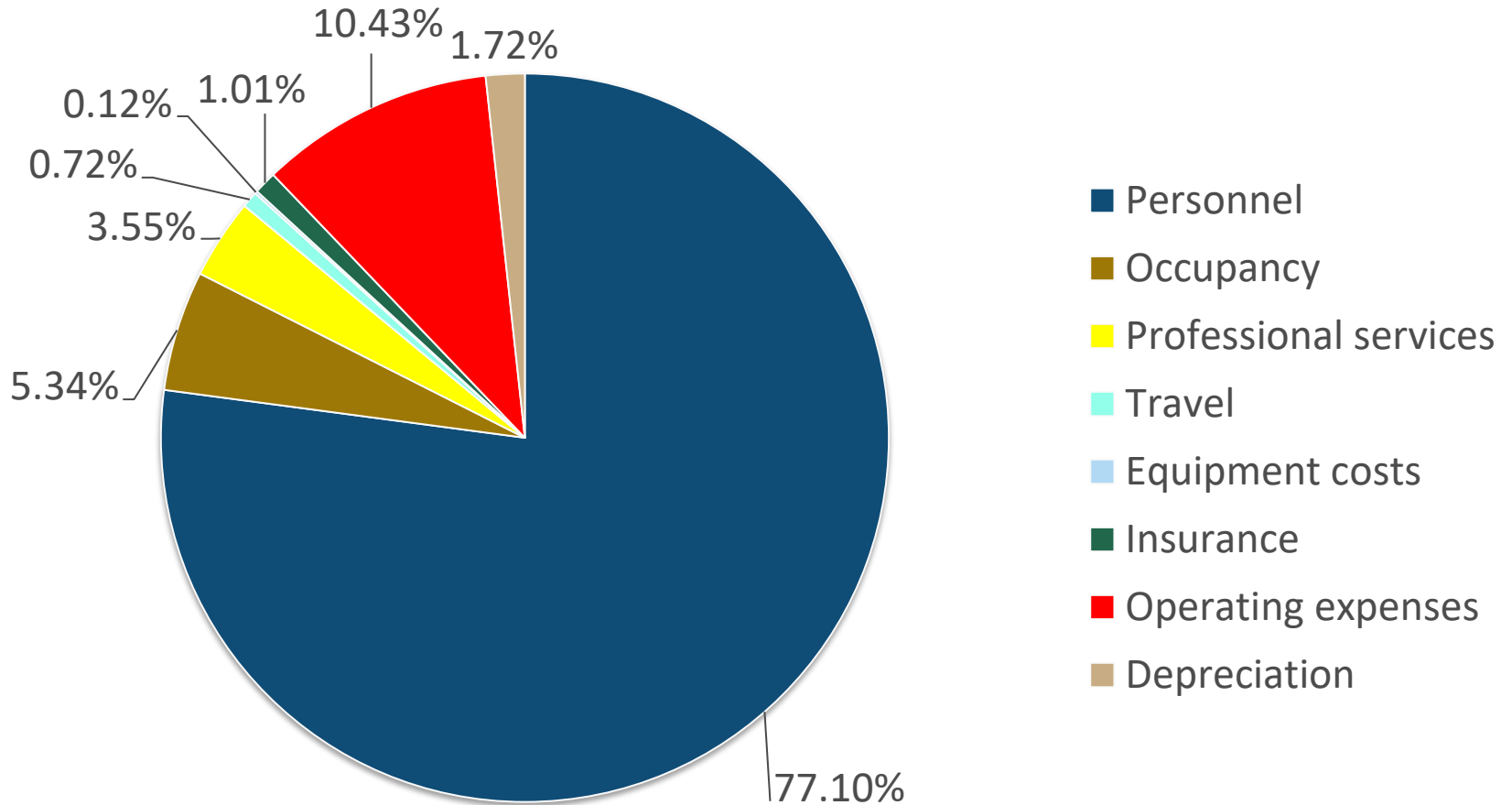
Summary Statements of Activities, Years Ended June 30,

	<u>2022</u>	<u>2021</u>
Support and revenue:		
Florida DCF contract revenue	\$ 221,407,812	205,623,620
Other contract revenue	2,473,058	3,362,553
Other income	-	500
	<u>223,880,870</u>	<u>208,986,673</u>
Operating expenses:		
Program services	217,946,988	204,368,224
Supporting services	5,981,651	4,809,557
	<u>223,928,639</u>	<u>209,177,781</u>
Decrease in net assets	\$ <u>(47,769)</u>	<u>(191,108)</u>

2022 Management and General Expenses



2021 Management and General Expenses



New Developments

Development	What's Changing	When Are the Changes Effective	Recommended Actions
<p>Lease Accounting Standards</p>	<ul style="list-style-type: none"> Will require most leases to be accounted for like capital leases with right of use assets and corresponding obligations being recorded at inception with forward amortization 	<ul style="list-style-type: none"> <i>Year ended June 30, 2023</i> 	<ul style="list-style-type: none"> Understand the standard Model the effects Review with external auditors Communicate impact
<p>LIBOR Rate Reform</p>	<ul style="list-style-type: none"> Simplification of accounting. Provides optional expedients and exceptions for applying GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. 	<ul style="list-style-type: none"> <i>Effective for a limited time – Now through December 31, 2022</i> 	<ul style="list-style-type: none"> Understand the standard Model the effects Review with external auditors Communicate impact

Board Governance

Best Practices for NFP Organizations

- **Independent Board Members**
 - ✓ Conflict of Interest Policy
 - ✓ Duty of Loyalty and Duty of Care
- **Code of Ethics**
 - ✓ Whistleblower Policy
- **Executive Compensation**
 - ✓ Rebuttable Presumption of Reasonableness
- **Financial Oversight**
 - ✓ Financial statements and budgeting
 - ✓ Meetings with Independent Auditors
 - ✓ IRS Form 990
 - ✓ Florida UPMIFA
- **Liability Exposure**
 - ✓ D&O Insurance

Questions?

