

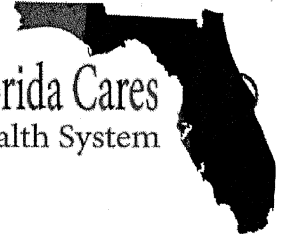
Board of Directors' Agenda
Thursday, February 21, 2019
3:00 PM – 5:00 PM
Central Florida Cares Health System, Inc.
Board Room



I.	Welcome/Introductions	Charles Rogers	5 minutes
II.	Care Coordination Consumer Presentation	Angela Gambino Consumer Advocate	15 minutes
III.	Financial Report <ul style="list-style-type: none"> • Financial Report 	Mark Broms Doug Shaw	20 minutes
IV.	Consent Agenda <ul style="list-style-type: none"> • Approve December 13, 2018 Minutes • Board Membership Renewal (Enrique Aponte) • Finance Comm. Minutes Draft 	Board	5 minutes
V.	Organizational Updates <ul style="list-style-type: none"> • MDL Opioid Suit • Toney Group/Well Care • Grant Writer Interviews • FAME and new secretary • Reinvestment Grant • SOAR Legislative Appropriation • GHME1 • CARF • IMPOWER 	Maria Bledsoe	30 minutes
VI.	Introduce CFCHS' Employees <ul style="list-style-type: none"> • Angela Gambino • Colleen McManus • Kristen Juliano 	Group	3 minutes/per person
VII.	Planning Council	Nelson Kull	3 minutes
VIII.	Other/Public Input	Group	3 minutes/person
IX.	Adjourn - Next Board of Director's Meeting <ul style="list-style-type: none"> • Thursday, April 18, 2019, 3:00-5:00 pm 	Group	1 minute

**Board of Directors' Meeting Minutes
Thursday, December 13, 2018
Central Florida Cares Health System, Inc.
Board Room**

Central Florida Cares
Health System



ATTENDANCE

Central Florida Cares Health System Board of Directors

Charles Rogers, President, ELC of Osceola
Debbie Owens, Vice President, Seminole Prevention Coalition
Robert Wayne Holmes, Secretary, Retired Asst. State Attorney/Consumer Advocate
Mark Broms, Treasurer, Brevard Homeless Coalition
Ian Golden, Immediate Past President, Brevard County Housing & Human Services
Enrique Aponte, Consumer Advocate
Richard Barlow, Park Place Behavioral Healthcare
Babette Hankey, Aspire Health Partners
Valerie Holmes, Brevard Family Partnership
Belinda Johnson-Cornett, Osceola Community Health Service (via phone)
Muriel Jones, Federation of Families
Carl Metzger, UCF Police Dept.
Ken Peach, Health Council of East Central Florida
David Solomon, Walt Disney
Bill Vintroux, Circles of Care
Donna Walsh, Seminole County Health Dept. (via phone)

Central Florida Cares Health System, Inc. Staff

Maria Bledsoe, Chief Executive Officer
Anna Lowe, Chief Operation Officer
Michael Lupton, Chief Information Officer
Doug Shaw, Chief Financial Officer
Trinity Schwab, Contract Manager
Sharon Ramsaran, Sr. Accountant
Valentina Melnichuk, HR Generalist
Maria Iddings, ROSC Specialist
Danielle Hart, Contract Manager
Elisa Bustamante, Children's Behavioral Health/TANF Specialist
Karla Pease, Executive Assistant and Recording Secretary

Guests

Isabel Velasquez, IMPOWER
Farlen Halikman, MSL

Meeting Called to Order

Central Florida Cares Health System, Inc. (CFCHS) Board of Directors' meeting was held on Thursday, December 13, 2018 at 3:00 p.m. at 707 Mendham Blvd., Suite 201, Orlando, FL 32825. CFCHS' Board Vice President called the meeting to order at 3:05 p.m. The President convened upon his arrival.

Financial Report

Auditor's Annual Audit Presentation – Farlen Halikman, CPA for Moore, Stephens, Lovelace, gave a presentation on the independent audit. CFCHS received a clean audit again this year. Farlen thanked and complimented CFCHS staff for their hard work and assistance.

Ken Peach made a motion to approve the audit as presented, Mark Broms seconded, motion passed.

CFO thanked the Auditor and Sr. Accountant for their work on the audit.

- CFO reviewed the September and October financial statements.
- Statement of Revenues and Expenses was shown for October and YTD. Provider bills were at \$7M; \$10K was paid for accounting fees in September for a progress payment; CARF was paid \$995 and \$6880, respectively; Health Council was paid \$7877 for a needs assessment; printing was \$927; and software expense was \$13K.
- Utilization rate by OCA in percentages and expenditures by OCA in dollars were shown.
- OCA underspending is mostly due to start-up of new contracts.
- CFCHS received \$5.6M of additional funding. New programs were highlighted.
- GHME1 amendments were reviewed.
- Carryforward spending plan was discussed based on receiving an LBR and without.

Mark Broms made a motion to approve the financial report as presented, Bill Vintroux seconded, motion passed.

Toney Group Presentation

Charlotte Lowder and Richard Powers from the Toney Group spoke via teleconference on consultant services for FAME and MEs on partnerships with Managed Care Corporations. There was discussion among members.

Ian Golden made a motion for Maria Bledsoe, CEO of CFCHS, to move forward and bring back updates to the Board, Muriel Jones seconded, motion passed.

Consent Agenda Items

The minutes were removed from the consent agenda and the remaining items were approved.

Charles Rogers made a motion to approve the consent agenda items with the removal of the minutes, Valerie Holmes seconded, motion passed.

The minutes were amended to correct the spelling of Elizabeth Rowntree-Golden and a change in a Board member title from Community Advocate to Consumer Advocate.

Ian Golden made a motion to approve the minutes with the two corrections, Ken Peach seconded, motion passed.

Organizational Updates – Presented by the CEO

- CARF – Survey went very well. The only recommendation was to act out an active shooter drill and fire drills, etc. Should hear back from CARF in 4-6 weeks on accreditation.
- Auditor General’s office sent out the preliminary report from the audit conducted over two years ago. There were 8 findings for CFCHS and these have been corrected or in the process of being addressed.
- DCF posted the reinvestment grant. CFCHS is applying for a planning grant in the Brevard area. A meeting took place and meetings will be publically noticed moving forward.

Strategic Plan Presentation

Ken Peach reviewed with members the Strategic Plan for 2018-2020.

Ian Golden made the motion to adopt the Strategic Plan as presented, Enrique Aponte seconded, motion passed.

Planning Council – Not in attendance.

CFCHS Employees

The following employees introduced themselves and briefly told members their duties:

- Valentina Melnichuk, HR Generalist
- Maria Iddings, ROSC Specialist
- Elisa Bustamante, Children’s Behavioral Health/TANF Specialist

Other/Public Input

- CEO mentioned *An Inside Look*, which is a bi-monthly News Brief created as a result of the CFCHS’ Board Survey, a Board member’s suggestion at a meeting, and CARF recommendations.
- Debbie Owens thanked staff for the refreshments.
- Ken Peach indicated UCF Health Services Administration Department Advisory Group was needing the mental health component and will be reaching out to CFCHS to fulfill that role.
- CEO mentioned that she is talking with faith groups about how to bring the faith-based component into the network.
- CEO stated the System of Care Guides were revised and recently published.
- Past President mentioned there are disaster recovery dollars available through Rebuild Florida for low to moderate income people needing house repairs due to Hurricane Irma. The link is: <http://Floridajobs.org/Rebuildflorida>
- Treasure asked if FAME has discussed a limited number of legislative initiatives.
- Auditor asked if anyone will be approaching Mayor Demmings since one of his initiatives is substance abuse.

Adjourn

The next Board of Directors' Meeting will be Thursday, February 21, 2019 at 3 pm.
David Solomon made a motion to adjourn, Ian Golden seconded, motion passed.

The meeting adjourned at 4:36 p.m.

Charles Rogers
President

Karla K. Pease
Recording Secretary

DRAFT

AN INSIDE LOOK



February News Brief

LEGISLATIVE UPDATE

Representative Amy Mercado contacted CFCHS to submit an appropriations request to the Florida House of Representatives for a regional SOAR pilot. SOAR is an initiative designed to increase access to SSI/SSDI for persons who have a mental illness, medical impairment, and/or co-occurring substance use disorder who are experiencing or at-risk of homelessness. CFCHS provided updated information; CFCHS was notified that the appropriations request was accepted.

WHAT'S NEW? – PROJECT OPIOID

Over 300 Central Florida leaders gathered to unite government, business, nonprofit, and faith communities in battling the opioid epidemic, which is killing 130 people across the nation each day. The project will address education, prevention, treatment, recovery, legal remedies, and funding issues. The first steps are to figure out who is already working on the problem locally, what the gaps are, and how to fill them. There will also be a public awareness campaign on the drugs' dangers and where to seek help. CFCHS is involved in Project Opioid.

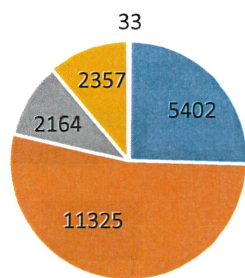
(Cited by Orlando Sentinel on January 30, 2019.)

ECKERD CONNECTS - PROVIDER HIGHLIGHT

Eckerd Connects' provides case management and financial assistance to children, families, and individuals who have an identified history of substance use and are currently experiencing homelessness or are at an imminent risk of homelessness in Brevard County. Since February 2016, Eckerd Connects has served 874 families through the project. CFCHS started this project as a pilot and continued to fund the project due to its success and community partnerships. Through a collaborative approach with Brevard Public Schools, landlords, community services agencies, etc., services include substance abuse treatment, one-time rental housing assistance, support services (summer camps, educational technology, food, etc.).

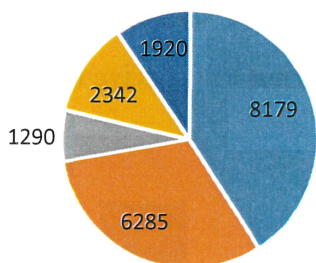
Did you know each year in the US 1.6 million children experience homelessness?

By County



- Brevard
- Orange
- Osceola
- Seminole
- Other Counties

By Service



- AMH
- ASA
- CMH
- CSA
- Multiple

GOVERNOR UNVEILS

Governor DeSantis announces The Bold Vision for a Brighter Future budget totaling \$84.6M in total funding to fight the opioid epidemic. The budget provides \$49M in federal funding from the State Opioid Response Grant to address the opioid crisis by providing evidence-based prevention, medication-assisted treatment and recovery. The budget also provides \$1.3M to the Dept. of Health for increased epidemiology and surveillance to prevent and reduce opioid related morbidity.

The Bold Vision for a Brighter Future budget provides an additional \$25.7M in funding to support those with behavioral health needs. The budget includes \$6.7M to expand the capacity of CAT for children ages 11-21 with mental health and/or substance abuse diagnosis and provides \$4.2M to expand FIT capacity for parents who have a child ages 0-10 who has been determined unsafe. The Bold Vision for a Brighter Future budget also includes \$4.2M in new funding for an additional 48 forensic community transition beds and \$3M for expanding civil bed capacity. The budget includes \$7.5M in federal funding for services to individuals with behavioral health needs.

(Cited by: <http://www.boldvisionforabrighterfuture.com/webforms/Budget/BudgetService.aspx?rid1=45916&rid2=16788&ai=6000000&title=CHILDREN AND FAMILIES>)

UPCOMING EVENTS

Join CFCHS for the 5k NAMIWalk event at Cranes Roost Park, Altamonte Springs, on April 27th where we will be celebrating mental health and wellness while raising awareness and funds to combat stigma. Last year the walk raised over \$162,000 to help those with mental health conditions and their families.



Chief Carl Metzger, Board Member

CARE COORDINATION SUCCESS STORY

Dear Angela Gambino & Dr. Weiseler,

From the depths of my soul and all of my heart I can't thank you enough. What your program has allowed me to do is nothing but pure wonderment. Not only has it allowed me to focus purely on my recovery but also has played a part in transforming me into a beautiful, strong, confident, grateful, humble, sober woman who has now also become a graceful, self-sufficient, independent, product member of society.

With this gift you have so freely given me, I can now live a life worth living. Pairing me with Marybeth has just been blessings upon blessings. She has been such a significant part of my journey. Freeing me from the stress of financial difficulties, I was able to dive full heartedly into a program that on a daily basis continues to make me the best [NAME REDACTED] I can be. Knowing that Marybeth would be there for me, for whatever reason, gave me such a sense of safety, security, and stability.

Admitting that I could not control my drinking and that my life had become unmanageable was the first step and that first step led me into your program which carried me into a life of becoming a positive role model for other women, who like me, were lost and broken and HOPELESS.

In 7 months I have found HOPE and I have learned how to continue to do the next right thing. I have built a solid foundation. I have accomplished short term goals like re-entering into the work force, starting at Subway and then regaining my employment at Publix which is not just a job but a career that has endless opportunities. I have come to care about taking care of my health. I have taken steps to obtain my driver's license again. I have learned how to help and care about other's well being.

All of these things, your program, played a huge part in. Just like active addiction can be a rippling effect well so can continuing to do the next right thing. By helping me, I in turn help others, and that, by far, surpasses anything I could have ever imagined.

Once again, I thank you for allowing me to learn how to actually live and enjoy life and not just survive it!!!!

Sincerely,

[NAME REDACTED]

Central Florida Cares Health System, Inc. December 2018 Financials

Presented by Doug Shaw, CFO



Central Florida Cares Health System, Inc
Statement of Financial Position - Unaudited
For the six month-ends ended 12/31/2018

	6/30/2018	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018
Assets							
Current Assets							
TD Bank	4,142,126	16,090,628	4,822,667	7,737,284	6,926,914	5,348,138	3,955,830
Accounts Receivable	6,887,246	10,108,397	14,983,340	11,432,900	11,424,481	11,509,707	11,888,252
Prepaid Insurance	24,454	26,377	23,979	21,581	19,183	17,715	15,184
Prepaid Expenses	20,254	17,268	16,263	15,759	16,844	16,844	16,844
Deposits	26,375	26,375	26,375	26,375	26,375	26,375	26,375
Total Current Assets	11,100,455	26,269,046	19,872,625	19,233,900	18,413,797	16,918,778	15,902,484
Long-term Assets							
Property & Equipment	1,110,933	1,110,933	1,110,933	1,110,933	1,110,933	1,110,933	1,110,933
Accum Depreciation	(917,783)	(917,783)	(917,783)	(917,783)	(917,783)	(917,783)	(917,783)
Total Long-term Assets	193,150	193,150	193,150	193,150	193,150	193,150	193,150
Total Assets	11,293,606	26,462,197	20,065,775	19,427,050	18,606,948	17,111,928	16,095,634
Liabilities							
Short-term Liabilities							
Accounts Payable	6,986,508	11,141,569	5,752,455	6,358,440	7,079,096	6,945,989	6,458,891
Wages Payable	87,210	101,050	104,920	105,544	121,670	89,090	101,753
Federal Payroll Taxes Payable	6,672	7,730	18,595	18,643	19,801	6,815	7,784
403(b) Payable	6,867	7,173	4,980	4,980	5,844	6,645	6,848
Deductions Payable	1,289	902	1,268	1,274	1,280	1,280	897
Deferred Revenue	-	348,679	343,865	1,446,074	954,302	678,319	1,128,452
CarryForward Funds	2,540,012	2,453,340	2,399,120	2,286,280	2,210,461	2,121,788	2,085,399
Interest & Other Payable to DCF	1,283,943	1,282,734	1,291,911	25,825	5,821	22,309	34,116
Advance Due to DCF CY	-	10,736,505	9,760,459	8,784,413	7,808,367	6,832,321	5,856,275
Total Short-term Liabilities	10,913,001	26,079,682	19,677,573	19,031,471	18,206,642	16,704,557	15,680,414
Total Liabilities	10,913,001	26,079,682	19,677,573	19,031,471	18,206,642	16,704,557	15,680,414
Unrestricted Net Assets:							
Prior Year Excess Revenues (Expenses)	495,551	380,605	380,605	380,605	380,605	380,605	380,605
Curr Year Excess Revenues (Expenses)	(114,946)	1,910	7,597	14,974	19,700	26,766	34,615
Total Unrestricted Net Assets	380,605	382,515	388,203	395,579	400,306	407,372	415,220
Total Liabilities and Net Assets	11,293,606	26,462,197	20,065,775	19,427,050	18,606,948	17,111,928	16,095,634



Central Florida Cares Health System, Inc.
Statement of Revenues and Expenses - Unaudited
For the Six Months Ended 12/31/2018

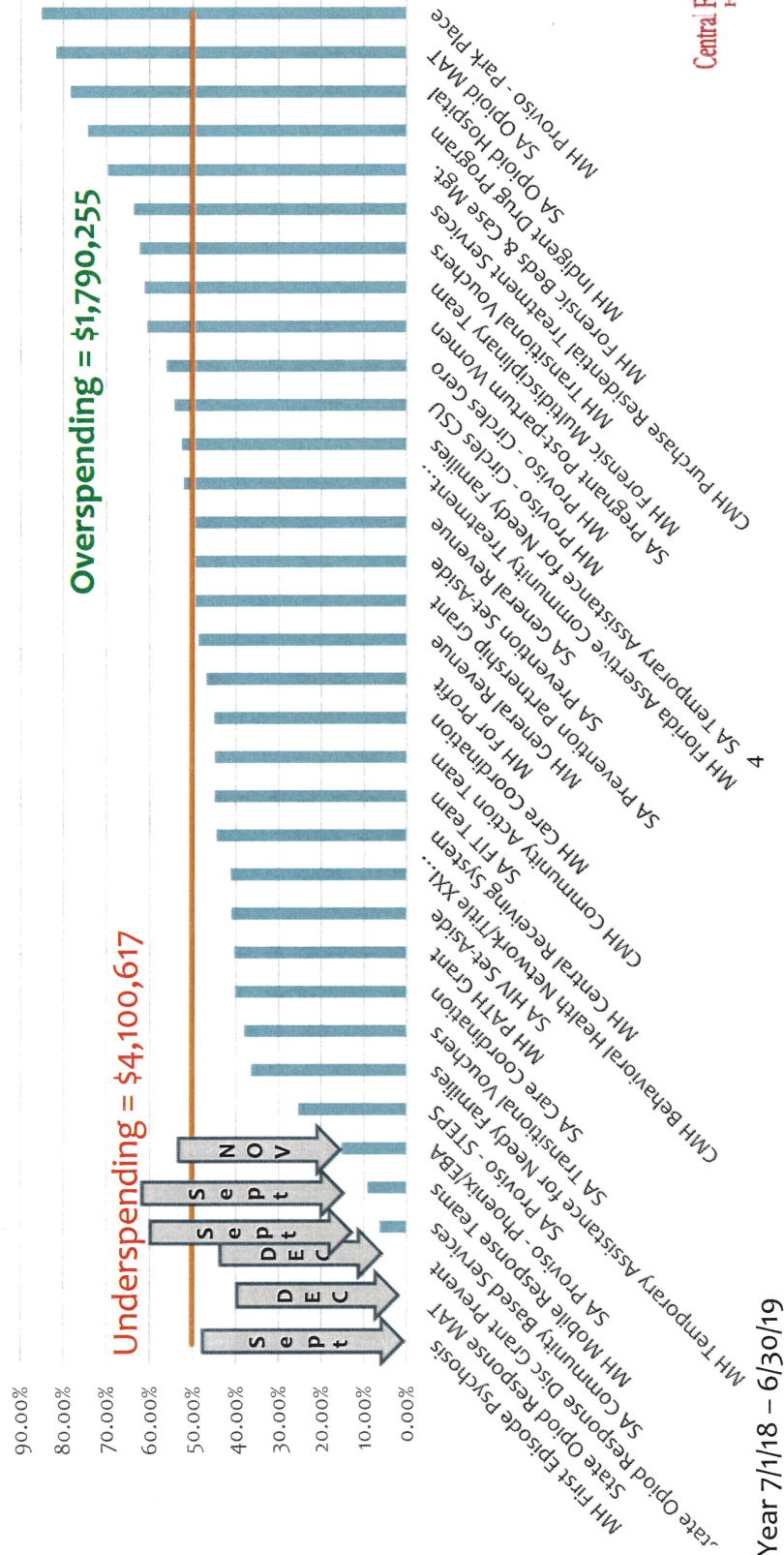
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	YTD
Program Services Revenue:							
DCF	5,594,269	5,915,309	6,510,129	7,245,478	7,117,542	6,627,176	39,009,903
FLINC	5,287	5,287	5,287	8,833	8,833	8,833	42,360
Orange County	6,679	6,679	6,679	6,679	6,679	6,679	40,075
Total Operating Revenue	5,606,235	5,927,275	6,522,095	7,260,991	7,133,054	6,642,688	39,092,338
Expenditures:							
Program Services Expenses	5,381,843	5,726,388	6,304,305	7,042,861	6,913,677	6,409,610	37,778,683
Personnel Expenses	152,485	146,622	134,664	155,677	151,912	154,212	895,571
403(b) Fees	0	0	0	0	469	0	469
Accounting Fees	0	0	10,000	0	6,000	0	16,000
Conferences & Conventions	1,477	1,531	871	365	527	75	4,846
Dues & Subscriptions	31,468	0	0	26	250	189	31,933
Donation Expenditures	0	0	0	184	0	0	184
Insurance	2,416	2,398	2,398	2,348	2,531	2,531	14,621
Legal Fees	400	210	0	489	506	0	1,604
Needs Assessment/Benchmarking	0	995	0	14,757	0	0	15,752
Office Equipment	0	359	386	190	315	0	1,250
Office Furn & Fixture	0	0	0	430	0	144	574
Payroll Processing Fees	565	707	561	571	586	593	3,582
Printing & Publications	0	0	0	927	0	3,389	4,316
Professional Services Other	1,314	1,314	1,314	1,314	1,314	1,314	7,884
Recruiting and Screening	63	53	123	194	165	0	598
Rent-Building	15,759	15,759	15,759	15,759	15,759	15,759	94,556
Rent-Equipment	501	470	460	607	0	904	2,941
Software Development	0	0	24,985	0	13,126	24,985	63,096
Software Expense	12,049	18,631	13,060	13,848	12,953	13,129	83,670
Supplies & Postage	361	44	40	542	1,555	274	2,816
Telephone, Internet & Conf	2,579	3,110	3,354	2,282	3,104	3,663	18,093
Trainings & Seminars	50	1,555	50	119	40	1,794	3,608
Travel Local & In-State	996	1,441	2,389	2,773	1,201	2,391	11,192
Total Expenditures	5,604,325	5,921,587	6,514,719	7,256,264	7,125,989	6,634,956	39,057,839
Operating Revenue over Expenditures	1,910	5,688	7,376	4,727	7,065	7,732	34,499
Other Revenue and Expenses:							
Contribution Revenue	0	0	0	0	0	1,576	1,576
Contribution (Expense)	0	0	0	0	0	(1,460)	(1,460)
Net Contribution Revenue (Expense)	0	0	0	0	0	116	116
Net Revenue over Expenditures	1,910	5,688	7,376	4,727	7,065	7,848	34,615

Utilization Rate by OCA

YTD 12/31/2018

Network = 44.95%

Target = 50.0%



Expenditures by OCA

YTD 12/31/2018

Network = \$37,299,500

Target = \$39,609,862



DECEMBER 2018 YTD - OCA EXPENDITURE and UTILIZATION SUMMARY					
OCA Description	Sch of Funds (Amend 36)	Expenditures Thru Dec2018	% Utilization	Target	Notes
ME Admin Costs	\$2,357,779	\$1,151,011	48.8%	50.0%	
ME Care Coordination	\$144,938	\$52,341	36.1%	50.0%	
ME Housing Coordination	\$102,500	\$52,390	51.1%	50.0%	
ME TOTAL	\$2,605,217	\$1,255,741	48.2%	50.0%	
General MH – 24hr Care Residential, Ambulatory, CSU, Baker Act, Inpatient Crisis, Prevention	\$26,034,999	\$12,677,595	48.7%	50.0%	
Early Intervention Svc - Psychotic Disorders	\$750,000		0.0%	50.0%	Funded Aug18. Aspire: Evidence Based Practice training is scheduled for March
State Funded for Profit Sub-recipients	\$232,652	\$109,160	46.9%	50.0%	
Grants PATH	\$394,583	\$159,570	40.4%	50.0%	Aspire had a staff vacancy. We may move money from Park Place to Circles
Osceola Mental Health - Park Place	\$150,000	\$127,780	85.2%	50.0%	
Circles of Care – Crisis Stabilization	\$500,000	\$271,560	54.3%	50.0%	
Circles of Care - Geropsychiatric	\$900,000	\$506,051	56.2%	50.0%	
Purchase of Residential Treatment Svs for Emotionally Disturbed Children and Youth	\$390,183	\$248,741	63.7%	50.0%	
Community Forensic Beds	\$524,474	\$365,523	69.7%	50.0%	
Florida Assertive Community Treatment	\$3,558,091	\$1,855,234	52.1%	50.0%	
Indigent Psychiatric Medication Program	\$69,078	\$51,349	74.3%	50.0%	
Title XXI Children's Health Insurance Program – Behavior Health Network	\$1,192,788	\$491,839	41.2%	50.0%	
MH Care Coordination	\$507,089	\$228,814	45.1%	50.0%	Providers are increasing their care coordinators
Community Forensic Multidisciplinary Teams for Hospital Diversion	\$652,000	\$399,820	61.3%	50.0%	
Temporary Assistance for Needy Families	\$661,245	\$240,574	36.4%	50.0%	Reasearching moving money to other providers
Community Action Treatment Team	\$3,000,000	\$1,350,000	45.0%	50.0%	Funded on 9/20. Contract executed on 10/31. Teams in operation. Billing will start in Dec for Devereux and they will bill YTD.
Mobile Crisis Teams	\$1,163,384	\$106,527	9.2%	50.0%	
Centralized Receiving Facilities	\$4,618,430	\$2,057,188	44.5%	50.0%	
Transition Vouchers Mental Health	\$189,009	\$117,907	62.4%	50.0%	
SA Services and Support	\$18,089,504	\$9,258,229	51.2%	50.0%	
HIV Services	\$675,294	\$277,571	41.1%	50.0%	
Prevention Services	\$2,701,177	\$1,359,174	50.3%	50.0%	
Prevention Partnership Grant	\$571,106	\$283,567	49.7%	50.0%	
FL Targeted Response to Opioid-Hospital	\$150,000	\$117,556	78.4%	50.0%	Program is open and serving clients. Provider had technical barriers entering data. Problem resolved in Oct. Increased locations to FL Hosp, Ort Health.
FL Response to Opioid Crisis	\$2,897,520	\$2,369,837	81.8%	50.0%	
Projects Expansion of Substance Abuse Services for Pregnant Women and their Families	\$1,883,426	\$1,142,182	60.6%	50.0%	
Family Intensive Treatment	\$1,062,184	\$477,296	44.9%	50.0%	Family enrollment in on target. As usual, we will carryforward any unspent funds.
Phoenix Affiliates	\$600,000	\$0	0.0%	50.0%	Funding received 9.20.18, contract executed 9.25.18. Spending is getting started now.
Specialized Treatment, Education and Prevention Services-Women's Residential Treatment	\$150,000	\$38,090	25.4%	50.0%	Billing to CFCHS will increase because other funding sources were spent first
Care Coordination	\$217,324	\$87,344	40.2%	50.0%	Providers are increasing their care coordinators
Temporary Assistance for Needy Families	\$660,359	\$348,024	52.7%	50.0%	
Community Based Services	\$2,039,181	\$128,653	6.3%	50.0%	Funding received 9/20/18. SOC and Contracts working together to allocate in accordance with our LBR and wait list. Oct SOC and Contracts allocated the funds, obtained Executive Committee approval, and began discussions with providers. Nov Amendments finalized.
Transition Vouchers Substance Abuse	\$122,734	\$46,744	38.1%	50.0%	
PROVIDER TOTAL	\$77,307,814	\$37,299,500	48.2%		
TOTAL	\$79,913,031	\$38,555,241	48.2%		

Highlighted in red if < 37% (75% x 50.0%)

Utilization Rate by Provider

YTD 12/31/2018

Network = 45.7%
Target = 50.0%



Expenditures by Provider - Chart

YTD 12/31/2018

Network = \$37,299,500

Target = \$39,108,581



Expenditures by Provider - List

YTD 12/31/2018

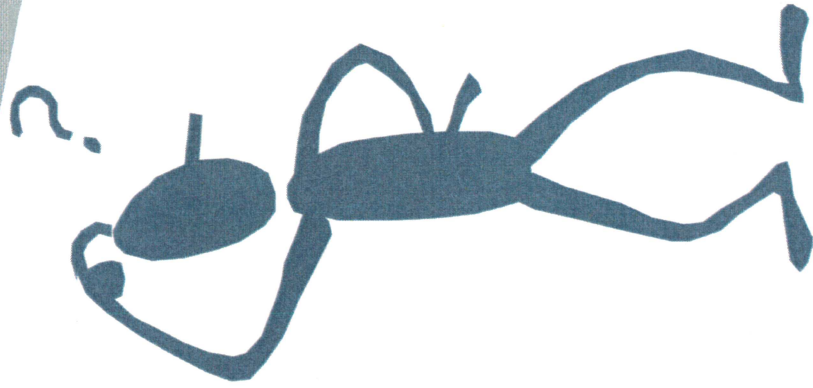
Provider	Sum of Expend
Kinder Consulting and Parents Too	\$ 2,542.68
Rate Agmt - FUMCH	\$ 5,919.50
Rate Agmt - Palm Shores	\$ 6,524.93
Brevard CARES	\$ 7,346.56
Rate Agmt - Alternate Group Care	\$ 20,280.00
Mental Health Association	\$ 37,500.00
Rate Agmt - Sandy Pines	\$ 40,032.90
Orlando Health - Healing Tree	\$ 41,250.17
211 Brevard	\$ 73,106.52
Informed Families/Florida Family P	\$ 75,000.00
Gulf Coast Jewish Family Services	\$ 75,082.98
The R.A.S.E. Project	\$ 79,549.92
Heart of Florida United Way	\$ 86,284.50
Pheonix Affiliates/EBA	\$ 91,301.52
Transition House	\$ 102,359.05
Community Counseling Center	\$ 107,225.31
Metro Treatment Centers	\$ 111,300.00

Provider	Sum of Expend
Wayne Densch Center	\$ 136,844.53
House of Freedom	\$ 149,069.26
University Behavioral	\$ 168,191.25
Community Treatment Center	\$ 279,733.70
IMPOWER	\$ 447,141.38
LifeStream Behavioral Center	\$ 594,715.45
Devereux	\$ 705,429.95
Eckerd Connects	\$ 1,167,889.72
Mental Health Resource Center	\$ 1,234,465.54
Children's Home Society	\$ 1,344,614.00
STEPS	\$ 1,640,932.33
Park Place Behavioral Health	\$ 2,999,423.20
Circles of Care	\$ 6,367,952.27
Aspire Health Partners	\$ 19,100,491.01
Grand Total	\$ 37,299,500.13

GHME1 Amendments

Amendment Number	Executed	Purpose
33	8/16/18	FY1819 Complete Re-write, no budget yet
34	9/20/18	FY1819 Budget
35	11/9/18	Add \$600k for Phoenix Affiliates Proviso
36	12/21/18	Add \$1.9M for SOR
37	DCF Drafting	Add \$1.6M for Hurricane Maria \$947,983 for STR

QUESTIONS



**Board of Directors' Meeting Minutes
Thursday, December 13, 2018
Central Florida Cares Health System, Inc.
Board Room**



ATTENDANCE

Central Florida Cares Health System Board of Directors

Charles Rogers, President, ELC of Osceola
Debbie Owens, Vice President, Seminole Prevention Coalition
Robert Wayne Holmes, Secretary, Retired Asst. State Attorney/Consumer Advocate
Mark Broms, Treasurer, Brevard Homeless Coalition
Ian Golden, Immediate Past President, Brevard County Housing & Human Services
Enrique Aponte, Consumer Advocate
Richard Barlow, Park Place Behavioral Healthcare
Babette Hankey, Aspire Health Partners
Valerie Holmes, Brevard Family Partnership
Belinda Johnson-Cornett, Osceola Community Health Service (via phone)
Muriel Jones, Federation of Families
Carl Metzger, UCF Police Dept.
Ken Peach, Health Council of East Central Florida
David Solomon, Walt Disney
Bill Vintroux, Circles of Care
Donna Walsh, Seminole County Health Dept. (via phone)

Central Florida Cares Health System, Inc. Staff

Maria Bledsoe, Chief Executive Officer
Anna Lowe, Chief Operation Officer
Michael Lupton, Chief Information Officer
Doug Shaw, Chief Financial Officer
Trinity Schwab, Contract Manager
Sharon Ramsaran, Sr. Accountant
Valentina Melnichuk, HR Generalist
Maria Iddings, ROSC Specialist
Danielle Hart, Contract Manager
Elisa Bustamante, Children's Behavioral Health/TANF Specialist
Karla Pease, Executive Assistant and Recording Secretary

Guests

Isabel Velasquez, IMPOWER
Farlen Halikman, MSL

Meeting Called to Order

Central Florida Cares Health System, Inc. (CFCHS) Board of Directors' meeting was held on Thursday, December 13, 2018 at 3:00 p.m. at 707 Mendham Blvd., Suite 201, Orlando, FL 32825. CFCHS' Board Vice President called the meeting to order at 3:05 p.m. The President convened upon his arrival.

Financial Report

Auditor's Annual Audit Presentation – Farlen Halikman, CPA for Moore, Stephens, Lovelace, gave a presentation on the independent audit. CFCHS received a clean audit again this year. Farlen thanked and complimented CFCHS staff for their hard work and assistance.

Ken Peach made a motion to approve the audit as presented, Mark Broms seconded, motion passed.

CFO thanked the Auditor and Sr. Accountant for their work on the audit.

- CFO reviewed the September and October financial statements.
- Statement of Revenues and Expenses was shown for October and YTD. Provider bills were at \$7M; \$10K was paid for accounting fees in September for a progress payment; CARF was paid \$995 and \$6880, respectively; Health Council was paid \$7877 for a needs assessment; printing was \$927; and software expense was \$13K.
- Utilization rate by OCA in percentages and expenditures by OCA in dollars were shown.
- OCA underspending is mostly due to start-up of new contracts.
- CFCHS received \$5.6M of additional funding. New programs were highlighted.
- GHME1 amendments were reviewed.
- Carryforward spending plan was discussed based on receiving an LBR and without.

Mark Broms made a motion to approve the financial report as presented, Bill Vintroux seconded, motion passed.

Toney Group Presentation

Charlotte Lowder and Richard Powers from the Toney Group spoke via teleconference on consultant services for FAME and MEs on partnerships with Managed Care Corporations. There was discussion among members.

Ian Golden made a motion for Maria Bledsoe, CEO of CFCHS, to move forward and bring back updates to the Board, Muriel Jones seconded, motion passed.

Consent Agenda Items

The minutes were removed from the consent agenda and the remaining items were approved.

Charles Rogers made a motion to approve the consent agenda items with the removal of the minutes, Valerie Holmes seconded, motion passed.

The minutes were amended to correct the spelling of Elizabeth Rowntree-Golden and a change in a Board member title from Community Advocate to Consumer Advocate.

Ian Golden made a motion to approve the minutes with the two corrections, Ken Peach seconded, motion passed.

Organizational Updates – Presented by the CEO

- CARF – Survey went very well. The only recommendation was to act out an active shooter drill and fire drills, etc. Should hear back from CARF in 4-6 weeks on accreditation.
- Auditor General’s office sent out the preliminary report from the audit conducted over two years ago. There were 8 findings for CFCHS and these have been corrected or in the process of being addressed.
- DCF posted the reinvestment grant. CFCHS is applying for a planning grant in the Brevard area. A meeting took place and meetings will be publically noticed moving forward.

Strategic Plan Presentation

Ken Peach reviewed with members the Strategic Plan for 2018-2020.

Ian Golden made the motion to adopt the Strategic Plan as presented, Enrique Aponte seconded, motion passed.

Planning Council – Not in attendance.

CFCHS Employees

The following employees introduced themselves and briefly told members their duties:

- Valentina Melnichuk, HR Generalist
- Maria Iddings, ROSC Specialist
- Elisa Bustamante, Children’s Behavioral Health/TANF Specialist

Other/Public Input

- CEO mentioned *An Inside Look*, which is a bi-monthly News Brief created as a result of the CFCHS’ Board Survey, a Board member’s suggestion at a meeting, and CARF recommendations.
- Debbie Owens thanked staff for the refreshments.
- Ken Peach indicated UCF Health Services Administration Department Advisory Group was needing the mental health component and will be reaching out to CFCHS to fulfill that role.
- CEO mentioned that she is talking with faith groups about how to bring the faith-based component into the network.
- CEO stated the System of Care Guides were revised and recently published.
- Past President mentioned there are disaster recovery dollars available through Rebuild Florida for low to moderate income people needing house repairs due to Hurricane Irma. The link is: <http://Floridajobs.org/Rebuildflorida>
- Treasure asked if FAME has discussed a limited number of legislative initiatives.
- Auditor asked if anyone will be approaching Mayor Demmings since one of his initiatives is substance abuse.

Adjourn

The next Board of Directors' Meeting will be Thursday, February 21, 2019 at 3 pm.
David Solomon made a motion to adjourn, Ian Golden seconded, motion passed.

The meeting adjourned at 4:36 p.m.

Charles Rogers
President

Karla K. Pease
Recording Secretary

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Years Ended June 30, 2018 and 2017

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Central Florida Cares Health System, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Central Florida Cares Health System, Inc. ("CFCHS"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Directors of
Central Florida Cares Health System, Inc.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of CFCHS as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as required by the State of Florida Department of Children and Families, and the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.650, *Rules of the Auditor General*, as well as the accompanying Schedule of Functional Expenses, are presented for purposes of additional analysis and are 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018 on our consideration of CFCHS's internal control over financial reporting and 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 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 CFCHS's internal control over financial reporting and compliance.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
December 10, 2018

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,142,126	\$ 3,607,078
Accounts receivable	6,412,886	5,219,138
Prepaid expenses	42,564	59,076
Other current assets	<u>26,375</u>	<u>26,375</u>
TOTAL CURRENT ASSETS	10,623,951	8,911,667
PROPERTY AND EQUIPMENT, net	<u>193,150</u>	<u>385,906</u>
TOTAL ASSETS	<u>\$ 10,817,101</u>	<u>\$ 9,297,573</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 6,987,007	\$ 5,951,292
Accrued wages and benefits	102,038	122,548
Amounts due to Florida Department of Children and Families	807,439	209,323
Deferred revenues	<u>2,540,012</u>	<u>2,518,859</u>
TOTAL LIABILITIES	10,436,496	8,802,022
COMMITMENTS AND CONTINGENCIES		
UNRESTRICTED NET ASSETS	<u>380,605</u>	<u>495,551</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,817,101</u>	<u>\$ 9,297,573</u>

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

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
SUPPORT AND REVENUE		
Grant and contract revenue	\$ 71,612,403	\$ 70,797,040
EXPENSES		
Program services expenses:		
Adult mental health program	36,492,673	35,397,655
Adult substance abuse program	17,904,660	18,925,237
Children/adolescent substance abuse health program	7,631,728	8,381,694
Children/adolescent mental health program	<u>7,223,101</u>	<u>5,574,486</u>
TOTAL PROGRAM SERVICES EXPENSES	69,252,162	68,279,072
Support services - management and general	<u>2,475,187</u>	<u>2,611,273</u>
TOTAL EXPENSES	<u>71,727,349</u>	<u>70,890,345</u>
DECREASE IN UNRESTRICTED NET ASSETS	(114,946)	(93,305)
NET ASSETS AT BEGINNING OF YEAR	<u>495,551</u>	<u>588,856</u>
NET ASSETS AT END OF YEAR	<u>\$ 380,605</u>	<u>\$ 495,551</u>

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

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in unrestricted net assets	\$ (114,946)	\$ (93,305)
Adjustments to reconcile decrease in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation expense	235,822	293,279
Change in operating assets and liabilities:		
Accounts receivable	(1,193,748)	(566,249)
Prepaid expenses	16,512	9,282
Accounts payable and accrued expenses	1,035,715	(577,946)
Accrued wages and benefits	(20,510)	39,526
Amounts due to Florida Department of Children and Families	598,116	203,400
Deferred revenues	21,153	411,599
	<u>578,114</u>	<u>(280,414)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
	578,114	(280,414)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(43,066)	(218,299)
	<u>(43,066)</u>	<u>(218,299)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	535,048	(498,713)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,607,078	4,105,791
	<u>3,607,078</u>	<u>4,105,791</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,142,126</u>	<u>\$ 3,607,078</u>

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

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2018 and 2017

NOTE 1 - NATURE AND PURPOSE OF THE ORGANIZATION

Central Florida Cares Health System, Inc. (“CFCHS”) is a not-for-profit corporation incorporated in the state of Florida. CFCHS is the managing entity for a network of publicly funded, licensed substance abuse and mental health providers who collectively operate a range of behavioral health services to form an integrated system of care. CFCHS’s network providers offer prevention, intervention, treatment and supportive services to clients residing throughout four Central Florida counties: Brevard, Orange, Osceola and Seminole.

As a managing entity, CFCHS receives funding from the State of Florida Department of Children and Families (“DCF”) and enters into subcontracts with substance abuse and mental health providers (the “Providers”) who, in turn, deliver services to eligible clients. CFCHS is responsible to DCF for monitoring and oversight of the Providers’ activities.

CFCHS is governed by a board comprised of consumers, stakeholders and community-based providers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are explanations of CFCHS’s operations and significant accounting policies that are necessary to understand the financial statements.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash Equivalents

Highly liquid debt instruments with maturities of three months or less from the date of purchase are considered to be cash equivalents.

Accounts Receivable

Accounts receivable includes amounts due from DCF under grants and funding contracts. Credit risk related to amounts due from DCF is somewhat mitigated by the taxing authority of the state of Florida. Accordingly, no allowance for uncollectible amounts has been provided.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Expenditures for property and equipment with a cost in excess of \$5,000 are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 4 years. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation expense for the years ended June 30, 2018 and 2017 was \$235,822 and \$293,279, respectively, and accumulated depreciation was \$917,783 and \$681,961, respectively.

Due to DCF

Amounts due to DCF represent overpayments to be repaid and interest income of \$6,968 and \$28,975 for the years ended June 30, 2018 and 2017, respectively, which was earned on advances received from DCF under CFCHS's managing entity contract. Interest income earned on advances belongs to DCF and, accordingly, is not reported as revenues in these financial statements.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Temporarily restricted contributions are reported as increases in unrestricted net assets when the restrictions expire or are otherwise satisfied. There were no donor-restricted net assets at June 30, 2018 and 2017.

Revenue Recognition

CFCHS receives funding under a performance and expense reimbursement contract with DCF. Performance contract revenue is recognized when the unit of service has been provided or the performance objective has been completed. Cost reimbursement revenue is recognized when the allowable costs, as defined by the contract, are incurred.

Deferred Revenue

Amounts received under the DCF contract that have not yet been earned by incurring allowable costs and are able to be carried forward to the next fiscal year are reported as deferred revenue in the statements of financial position.

Income Taxes

CFCHS has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As a result, income earned in furtherance of its tax-exempt purpose is exempt from federal and state income taxes. Accordingly, these financial statements include no provision for income taxes.

Fair Value of Financial Instruments

The carrying values of financial instruments, including cash and cash equivalents, receivables and payables, approximate their fair values.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

DCF Contract

CFCHS has a managing entity contract with DCF for approximately \$257 million. The contract is set to expire on June 30, 2020. CFCHS receives substantially all of its support and revenue from the contract with DCF. CFCHS is economically dependent on the continuation of funding under the contract.

The DCF contract provides for reimbursement of the eligible direct and indirect costs of providing certain program services. The contract is subject to audit or review and retroactive adjustment based on a final determination by DCF of eligible reimbursable expenditures. The likelihood of such adjustment, if any, cannot be determined at this time. Accordingly, no provision has been made for any such adjustment in the financial statements.

Florida Council for Community Mental Health (“FCCMH”)

On March 1, 2015, CFCHS entered into a contract with FCCMH to provide support to the grant entitled “Florida Linking Individuals Needing Care” (“Florida LINC”) Project. The total value of the current amended contract is \$63,440. The amount due from FCCMH as of June 30, 2018 and 2017 was approximately \$11,000.

Leases

CFCHS has noncancellable operating leases, primarily for office space and equipment. On April 20, 2016, CFCHS entered into a four-year, noncancelable operating lease with its existing landlord. The expiration date for this new operating lease is June 30, 2020. Rent expense for operating leases for each of the years ended June 30, 2018 and 2017 was approximately \$185,000.

Future minimum lease payments under noncancellable operating leases as of June 30, 2018, are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 189,000
2020	<u>194,000</u>
	<u>\$ 383,000</u>

Credit Risk on Bank Deposits

CFCHS maintains its deposits with a large, international commercial bank, which management believes to be of high-credit quality. At June 30, 2018 and 2017, CFCHS’s deposits with this bank exceeded FDIC insurance coverage by approximately \$3,892,000 and \$3,357,000, respectively.

NOTE 4 - EMPLOYEE BENEFIT PLAN

CFCHS sponsors a 403(b) defined-contribution retirement plan (the "Plan") covering all eligible employees. Under the Plan, employees are eligible to make salary deferrals once they have completed three months of service and have attained age 18. For the years ended June 30, 2018 and 2017, CFCHS made discretionary contributions to the Plan of 5% of each participant's compensation. Pension expense for the years ended June 30, 2018 and 2017 was approximately \$67,900 and \$68,700, respectively.

NOTE 5 - MATCHING REQUIREMENTS

Certain contracts require a local match for contracted services performed by the Providers. The Providers are responsible for meeting the match requirements. Based on match information provided to CFCHS by the Providers, the local match requirements have been met.

NOTE 6 - RELATED-PARTY TRANSACTIONS

Members of the Board of Directors include key employees of certain Providers who contract for services with CFCHS. For the years ended June 30, 2018 and 2017, payments to these Providers were approximately \$55.7 million and \$55.9 million, respectively. Amounts payable to these Providers at June 30, 2018 and 2017 were approximately \$5.6 million and \$4.6 million, respectively.

NOTE 7 - SUBSEQUENT EVENTS

Subsequent events have been evaluated for reporting and disclosure through December 10, 2018, the date the financial statements were available to be issued.

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SUPPLEMENTAL INFORMATION

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018
(With Comparative Totals for 2017)

	Program Services				Support Services	Total Expenses	
	Adult Mental Health	Adult Substance Abuse	Children's Substance Abuse	Children's Mental Health		2018	2017
EXPENSES							
Subcontracted services	\$ 36,492,673	\$ 17,904,660	\$ 7,631,728	\$ 7,223,101	\$ -	\$ 69,252,162	\$ 68,279,072
Personnel expenses	-	-	-	-	1,632,843	1,632,843	1,714,654
Professional fees	-	-	-	-	215,916	215,916	212,022
Occupancy	-	-	-	-	184,950	184,950	185,066
Other	-	-	-	-	72,989	72,989	72,033
Telephone and Internet	-	-	-	-	32,398	32,398	29,983
Dues and subscriptions	-	-	-	-	27,833	27,833	5,433
Training meetings and seminars	-	-	-	-	22,495	22,495	24,400
Equipment costs	-	-	-	-	22,390	22,390	20,922
Travel	-	-	-	-	14,460	14,460	19,920
Equipment rental	-	-	-	-	5,873	5,873	10,167
Advertising	-	-	-	-	4,758	4,758	18,232
Supplies	-	-	-	-	2,460	2,460	5,162
TOTAL EXPENSES BEFORE DEPRECIATION	36,492,673	17,904,660	7,631,728	7,223,101	2,239,365	71,491,527	70,597,066
Depreciation	-	-	-	-	235,822	235,822	293,279
TOTAL EXPENSES BEFORE ALLOCATION OF MANAGEMENT AND GENERAL	36,492,673	17,904,660	7,631,728	7,223,101	2,475,187	71,727,349	70,890,345
Allocation of management and general:							
Indirect	1,304,309	639,942	272,771	258,166	(2,475,187)	-	-
	\$ 37,796,982	\$ 18,544,602	\$ 7,904,499	\$ 7,481,267	\$ -	\$ 71,727,349	\$ 70,890,345

The accompanying notes are an integral part of this schedule.

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

NOTES TO SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

NOTE 1 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities are presented in the Schedule of Functional Expenses and have been summarized on a functional basis in the statements of operations. As a managing entity, all costs, except for subcontractor expenses, are classified as supporting services expenses.

NOTE 2 - MANAGEMENT AND GENERAL ALLOCATION OF EXPENSES

Management and general expenses are allocated to programs based on the proportion of each program's subcontracted services to total subcontracted services.

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

SCHEDULE OF STATE EARNINGS

Year Ended June 30, 2018

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)	<u>-</u>
6 Maximum available earnings (line 5 x 75%)	-
7 Amount of state funds requiring match	<u>-</u>
8 Amount due to Department	<u><u>\$ -</u></u>

NOTE:

Central Florida Cares Health System, Inc. has met its matches requirements related to the amount of state funds requiring match through match provided by its subcontractors. Management has received schedules of state earnings from each subcontractor indicating that their individual matches have been met.

See Independent Auditor's Report.

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

SCHEDULE OF RELATED-PARTY TRANSACTION ADJUSTMENTS

Year Ended June 30, 2018

Allocation of Related-Party Transaction Adjustment

Related Party	State-Designated Cost Centers			Total
	1	2	3	
Revenues from Grantee:	N/A			
Rent	\$ -	\$ -	\$ -	\$ -
Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
TOTAL REVENUES FROM GRANTEE	-	-	-	-
Expenses Associated with Grantee Transactions:				
Personnel Services	-	-	-	-
Depreciation	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
TOTAL ASSOCIATED EXPENSES	-	-	-	-
RELATED-PARTY TRANSACTION ADJUSTMENT	\$ -	\$ -	\$ -	\$ -

NOTE: There is no activity to report on this schedule.

See Independent Auditor's Report.

SINGLE AUDIT



Certified Public Accountants

**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
Central Florida Cares Health System, Inc.
Orlando, Florida

We have audited, 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, the financial statements of Central Florida Cares Health System, Inc. ("CFCHS"), which comprise the statement of financial position as of June 30, 2018, and the related statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CFCHS'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 CFCHS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CFCHS'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of CFCHS'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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily 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.


To the Board of Directors of
Central Florida Cares Health System, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CFCHS's financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 10, 2018



Certified Public Accountants

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

To the Board of Directors of
Central Florida Cares Health System, Inc.
Orlando, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Central Florida Cares Health System, Inc.'s ("CFCHS") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("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 CFCHS's major federal programs and state projects for the year ended June 30, 2018. CFCHS'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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CFCHS's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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*. Those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about CFCHS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of CFCHS's compliance.

To the Board of Directors of
Central Florida Cares Health System, Inc.

Opinion on Each Major Federal Program and State Project

In our opinion, CFCHS 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, 2018.

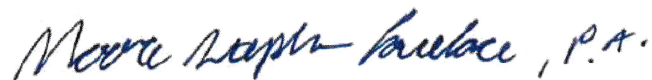
Report on Internal Control over Compliance

Management of CFCHS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CFCHS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CFCHS's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
December 10, 2018

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2018

Federal/State Agency/Pass-through Grantor Federal Program/State Projects	CFDA/ CSFA Numbers	Contract/ Grant Numbers	Expenditures	Transfer to Sub-recipients
FEDERAL PROGRAMS				
<i>U.S. Department of Health and Human Services</i>				
Passed-through:				
State of Florida Department of Children and Families:				
Temporary Assistance for Needy Families Block Grant	93.558	GHME1	\$ 1,343,895	\$ 1,273,693
Block Grants for Community Mental Health Services	93.958	GHME1	4,060,467	3,996,658
Block Grants for Prevention & Treatment of Substance Abuse	93.959	GHME1	12,863,184	12,831,586
Community Health Services Block Grant of the Homeless	93.150	GHME1	406,388	389,859
Mental Health Disaster Assistance and Emergency Mental Health	93.982	GHME1	446,358	446,358
State Targeted Response to the Opioid Crisis Grants	93.788	GHME1	1,873,132	1,873,132
<i>Total State of Florida Department of Children and Families</i>			<u>20,993,424</u>	<u>20,811,286</u>
State of Florida Department of Children and Families:				
Children's Health Insurance Program	93.767	GHME1	803,758	803,758
Medical Assistance Program	93.778	GHME1	836,213	785,414
<i>Total State Department of Agency for Health Care Administration</i>			<u>1,639,971</u>	<u>1,589,172</u>
Total Expenditures of Federal Awards			<u>22,633,395</u>	<u>22,400,458</u>
STATE PROJECTS				
<i>State of Florida Department of Children and Families</i>				
Community Forensic Beds and Competency Restoration	60.114	GHME1	1,153,084	1,153,084
SAMH Community Services	60.153	GHME1	2,079,824	2,079,824
SAMH Crisis Prevention & Stabilization Services	60.155	GHME1	970,000	970,000
Centralized Receiving Facilities	60.163	GHME1	3,691,539	3,691,539
<i>Total State of Florida Department of Children and Families</i>			<u>7,894,447</u>	<u>7,894,447</u>
Total Expenditures of State Financial Assistance			<u>7,894,447</u>	<u>7,894,447</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 30,527,842</u>	<u>\$ 30,294,905</u>

The accompanying notes are an integral part of this schedule.

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2018

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity for Central Florida Cares Health System, Inc. ("CFCHS") under programs of the federal government and the state of Florida for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the 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 State of Florida Auditor General. Because the Schedule presents only a selected portion of the operations of CFCHS, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CFCHS. Pass-through entity identifying numbers are presented, where available.

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CFCHS's indirect cost rate is dictated by its contract terms with the State of Florida Department of Children and Families ("DCF"). The 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance, is not in effect, nor is it available under its GHME1 contract with DCF.

NOTE 3 - OTHER STATE FINANCIAL ASSISTANCE RECEIVED

CFCHS received funding from the DCF that was not subject to Section 215.97, Florida Statutes, as follows:

<i>State of Florida Department of Children and Families</i>	Agency or Pass-through Number	Current Year Expenditure	Transfer to Sub- recipients
A. Matching Funds for Federal Programs:			
State Matching Funds-93.958 Block Grants for Community Mental Health Services	GHME1	\$ 28,058,183	\$ 26,683,454
State Matching Funds-93.959 Block Grants for Prevention & Treatment of Substance Abuse	GHME1	12,757,887	12,152,580
State Matching Funds-93.767 Children's Health Insurance Program	GHME1	32,358	32,358
Total State Funds Awarded for Matching		<u>\$ 40,848,428</u>	<u>\$ 38,868,392</u>

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2018

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Significant deficiency(ies) identified? Yes None reported
- Material weakness(es) identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

- Significant deficiency(ies) identified? Yes None reported
- Material weakness(es) identified? Yes No

Type of auditor's report issued on compliance for major federal programs and state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform

Guidance or Chapter 10.650, Rules of Auditor General? Yes No

Identification of Major Federal Programs and State Projects:

CFDA Numbers

Name of Federal Programs

93.558	Temporary Assistance for Needy Families Block Grant
93.958	Block Grants for Community Mental Health Services
93.982	Mental Health Disaster Assistance and Emergency
93.788	State Targeted Response to the Opioid Crisis
93.767	Title XXI – State Children's Health Insurance Program
93.778	Medical Assistance Program

CSFA Numbers

Name of State Projects

60.114	Community Forensic Beds and Competency Restoration
60.163	Centralized Receiving Facilities

Dollar threshold used to distinguish between

Type A and Type B programs: Federal \$750,000

State \$300,000

Auditee qualified as low-risk auditee? Yes No

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Year Ended June 30, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS SECTION

None reported.

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

None reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

None reported.

No management letter will be issued in current year.

CENTRAL FLORIDA CARES HEALTH SYSTEM, INC.

**COMMUNICATIONS WITH THE
FINANCE COMMITTEE**

Year Ended June 30, 2018



December 10, 2018

Finance Committee
Central Florida Cares Health System, Inc.
707 Mendham Blvd., Suite 201
Orlando, FL 32825

To the Finance Committee:

We have audited the financial statements of **Central Florida Cares Health System, Inc.** (the "Organization") for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 20, 2017. There was no change in the planned scope and timing previously communicated to the Finance Committee. Professional standards also require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We have made tests of these estimates and deemed them to be appropriate.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated on December 12, 2018 (copy attached).

To the Finance Committee
Central Florida Cares Health System, Inc.
December 10, 2018
Page 2

Management Consultations with Independent Accountants

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

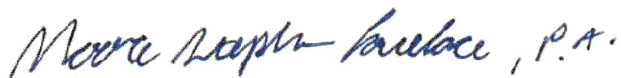
Affirmation of Independence

We hereby confirm that as of the date of this letter, we are independent accountants with respect to the Organization within the meaning of the independence standards developed by the American Institute of Certified Public Accountants.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance Committee, Board of Directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 10, 2018

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Attachments – Signed Management Representation Letter



December 7, 2018

Moore Stephens Lovelace, P.A.
Certified Public Accountants and
Management Consultants
255 S. Orange Avenue, Suite 600
Orlando, FL 32801

We are providing this letter in connection with your audit of the statement of financial position of Central Florida Cares Health System, Inc. (the "CFCHS") as of June 30, 2018 and 2017, and the related statements of operations and changes in net assets, and cash flows for the year then ended, and for the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of CFCHS in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

GENERAL

We believe the financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 20, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

We have made available to your representatives all financial records and related data.

We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or

misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors. We recognize that we are responsible for adjusting the financial statements to correct material misstatements.

INTERNAL ACCOUNTING CONTROL

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

We recognize that we are responsible for establishing and maintaining a system of internal accounting control, the objectives of which are to provide us with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed as authorized and properly recorded to permit preparation of such financial statements.

We acknowledge our responsibility 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, error or non-compliance with laws and regulations.

There are no material weaknesses in the system of internal accounting control, including any for which we believe the cost of corrective actions exceeds the benefits. There have been no changes in the system of internal accounting control since the date of the financial statements that would significantly affect the system.

MINUTES AND CONTRACTS

We have made available to you all minutes of the meetings of the Board of Directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

OWNERSHIP AND PLEDGING OF ASSETS

CFCHS has satisfactory title to all assets appearing in the statement of financial position. There are no liens or encumbrances on such assets nor has any asset been pledged. All assets to which CFCHS has satisfactory title appear in the statement of financial position.

RECEIVABLES

Receivables represent valid claims against the debtors indicated and do not include amounts for services provided subsequent to the balance sheet dates.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to June 30, 2018 in respect of sales and services rendered prior to that date and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

LONG-LIVED ASSETS, INCLUDING INTANGIBLE ASSETS

We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and have appropriately recorded the adjustment. No events or circumstances have occurred that indicate the carrying amount of long-lived assets to be held and used may not be recoverable.

RELATED-PARTY TRANSACTIONS

FASB ASC 850 defines related parties as follows: Affiliates of the enterprise; entities for which investments are accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; members of the immediate families of principal owners of the enterprise and its management; and other parties with which the enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Transactions with related parties, as defined in FASB ASC 850, and related amounts receivable, or payable, sales, purchases, loans, transfers, leasing arrangements, guarantees, etc., have been properly recorded and disclosed in the financial statements.

We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

ARRANGEMENTS WITH FINANCIAL INSTITUTIONS

There are no arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.

CONTINGENT LIABILITIES

The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

There have been no violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There are no unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with ASC 450, "Contingencies."

There have been no communications from regulatory agencies or government representatives, employees or others concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction or deficiencies in financial reporting practices or other matters that could have a material adverse effect on the financial statements.

There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5 nor are there any accruals for loss contingencies included in the statement of financial position which are not in conformity with the provisions of Statement of Financial Accounting Standards No. 5.

There are no oral or written guarantees under which CFCHS may be liable.

We have purchased insurance coverage that we believe is adequate and meets all applicable regulatory requirements and requirements of our creditors.

There have been no violations or possible violations of laws or regulations in any jurisdictions whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

INSTANCES OF FRAUD AND CONFLICTS OF INTEREST

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have no knowledge of any fraud or suspected fraud affecting CFCHS involving management or employees who have significant roles in the system of internal accounting control.

We have no knowledge of any fraud or suspected fraud affecting CFCHS involving others that could have a material effect on the financial statements.

There are no instances where any officer or employee of the CFCHS has an interest in a company with which CFCHS does business which would be considered a "conflict of interest." Such an interest would be contrary to CFCHS policy.

We have no knowledge of any allegations of fraud or suspected fraud affecting CFCHS received in communications from employees, former employees, analysts, regulators, short sellers, or others.

ACCOUNTING ESTIMATES

We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates and the underlying assumptions are reasonable.

The development of accounting estimates has been consistently computed between reporting periods. Disclosures related to accounting estimates are complete and appropriate.

There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. No subsequent events have occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.

CONCENTRATIONS

There are no concentrations existing at the date of the financial statements that make CFCHS vulnerable to the risk of a near-term, severe impact that have not been disclosed in the financial statements. We understand that concentrations include individual or group concentrations of customers, suppliers, lenders, products, services, or markets.

GOVERNMENTAL REPORTING REQUIREMENTS

With respect to federal award programs and state projects:

We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the applicable provisions of Florida Statutes and the Rules of Auditor General related to the Florida Single Audit Act, including requirements relating to preparation of the schedule of expenditures of federal and state awards.

We acknowledge our responsibility for presenting the schedule of expenditures of federal and state awards (“SEFA”) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and state projects, and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.

We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs and state projects that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs and state projects. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to internal control deficiencies reported in the schedule of findings and questioned costs.

We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal programs and state projects and related activities.

We have received no requests from a federal or state agency to audit one or more specific programs as a major program.

We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the OMB *Compliance Supplement*, relating to federal awards and the applicable provisions of Florida Statutes and the Rules of the Auditor General related to the Florida Single Audit Act, and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and state awards.

We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor’s report.

Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, Subpart E), and OMB Circular A-122, *Cost Principles for Nonprofit Organizations*.

We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and state project financial reports and claims for advances and reimbursements.

We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

No changes have been made in internal control over compliance or other factors that might significantly affect internal control (including material weaknesses in internal control over compliance) have occurred subsequent to the date as of which compliance was audited.

Federal program and state project financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.

We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of The Uniform Guidance.

We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.

We have considered the results of subrecipients audits and have made any necessary adjustments to our books and records.

We have charged costs to federal and state awards in accordance with applicable cost principles.

We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

We are responsible for and have accurately prepared the Auditee section of the Data Collection Form, as required by The Uniform Guidance.

We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

SUPPLEMENTAL INFORMATION

We are responsible for the supplemental information accompanying the combined financial statements, including its form and content. We believe the supplemental information is fairly presented in conformity with accounting principles generally accepted in the United States of America.

There were no significant assumptions or interpretations underlying the measurement or presentation of the supplemental information that differ from those used in the preparation of the financial statements.

SUBSEQUENT EVENTS

No events or transactions have occurred since June 30, 2018 which would have a material effect upon the financial statements at that date or for the period then ended, or which are of such significance in relation to CFCHS's affairs as to require mention in a note to the financial statements or in the schedule of findings and questioned costs in order to make them not misleading as to the financial position, results of operations or cash flows of CFCHS.

Very truly yours,

**CENTRAL FLORIDA CARES
HEALTH SYSTEM, INC.**

 12/10/18

Chief Executive Officer



Treasurer



Chief Financial Officer