




# **Central Florida Cares Health System, Inc**

## **Independent Auditor's Report and Financial Statements**

June 30, 2025 and 2024



**Central Florida Cares Health System, Inc**  
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**June 30, 2025 and 2024**

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of Central Florida Cares Health System, Inc. ("CFCHS"), which comprise the statement of financial position as of June 30, 2025, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CFCHS as of June 30, 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of CFCHS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Prior Year Audited By Other Auditors***

The 2024 financial statements were audited by other auditors and their report thereon, dated January 10, 2025, expressed an unmodified opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CFCHS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CFCHS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CFCHS's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state earnings, the schedule of related-party transaction adjustments, and the schedule of expenditures of federal awards and state projects 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 of the *Rules of the Auditor General*, respectively, 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Forvis Mazars, LLP**

Orlando, Florida  
April 3, 2026

**Central Florida Cares Health System, Inc.**  
**Statements of Financial Position**  
**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 11,645,468	\$ 9,093,390
Grants receivable	239,492	586,792
Amount due from Florida Department of Children and Families	20,402,568	18,797,453
Prepaid expenses	69,523	8,511
Other	26,375	26,374
<b>Total Current Assets</b>	32,383,426	28,512,520
<b>Property and Equipment, Net</b>	102,813	216,061
<b>Right-of-Use Assets - Operating Leases</b>	454,541	667,356
<b>Total Assets</b>	<u>\$ 32,940,780</u>	<u>\$ 29,395,937</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 13,353,586	\$ 12,296,402
Accrued wages and benefits	271,764	228,729
Amount due to Florida Department of Children and Families	1,254,215	1,651,903
Current portion of operating lease liabilities	244,138	238,329
Deferred revenue	16,792,797	14,193,083
<b>Total Current Liabilities</b>	31,916,500	28,608,446
<b>Operating Lease Liabilities</b>	221,932	429,027
	32,138,432	29,037,473
<b>Total Net Assets</b>	802,348	358,464
<b>Total Liabilities and Net Assets</b>	<u>\$ 32,940,780</u>	<u>\$ 29,395,937</u>

**Central Florida Cares Health System, Inc.**  
**Statements of Activities and Changes of Net Assets**  
**Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Revenues, Gains, and Other Support</b>		
Grants and contract revenue	\$ 127,244,690	\$ 120,764,877
Contributions	-	700
Other revenue	6,664	-
<b>Total Revenues, Gains, and Other Support</b>	<u>127,251,354</u>	<u>120,765,577</u>
<b>Expenses and Losses</b>		
Adult mental health program	69,347,320	62,792,119
Adult substance abuse program	46,534,862	36,451,644
Children/adolescent substance abuse health program	5,675,102	12,270,023
Children/adolescent mental health program	1,236,585	4,744,758
Total program services	<u>122,793,869</u>	<u>116,258,544</u>
Management and general	4,013,601	3,658,974
Loss on asset theft	-	1,729,853
Total support services	<u>4,013,601</u>	<u>5,388,827</u>
<b>Total Expenses and Losses</b>	<u>126,807,470</u>	<u>121,647,371</u>
<b>Change in Net Assets</b>	443,884	(881,794)
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<u>358,464</u>	<u>1,240,258</u>
<b>Net Assets Without Donor Restrictions, End of Year</b>	<u>\$ 802,348</u>	<u>\$ 358,464</u>

Central Florida Cares Health System, Inc.  
**Statements of Functional Expenses**  
**Years Ended June 30, 2025 and 2024**

	2025						
	Program Services					Support Services	
	Adult Mental Health	Adult Substance Abuse	Children's Substance Abuse	Children's Mental Health	Total Program Services	Management and General	Total
Subcontracted services	\$ 69,347,320	\$ 46,534,862	\$ 5,675,102	\$ 1,236,585	\$ 122,793,869	\$ -	\$ 122,793,869
Personnel expenses	-	-	-	-	-	2,297,530	2,297,530
Advertising	-	-	-	-	-	530,830	530,830
Professional fees and services	-	-	-	-	-	545,211	545,211
Occupancy	-	-	-	-	-	257,229	257,229
Depreciation	-	-	-	-	-	121,081	121,081
Other	-	-	-	-	-	109,833	109,833
Due and subscriptions	-	-	-	-	-	39,454	39,454
Training meetings and seminars	-	-	-	-	-	44,263	44,263
Telephone and internet	-	-	-	-	-	23,509	23,509
Equipment costs	-	-	-	-	-	24,321	24,321
Travel	-	-	-	-	-	6,012	6,012
Equipment rental	-	-	-	-	-	4,797	4,797
Supplies	-	-	-	-	-	9,531	9,531
<b>Total Expenses</b>	<b>\$ 69,347,320</b>	<b>\$ 46,534,862</b>	<b>\$ 5,675,102</b>	<b>\$ 1,236,585</b>	<b>\$ 122,793,869</b>	<b>\$ 4,013,601</b>	<b>\$ 126,807,470</b>

	2024						
	Program Services					Support Services	
	Adult Mental Health	Adult Substance Abuse	Children's Substance Abuse	Children's Mental Health	Total Program Services	Management and General	Total
Subcontracted services	\$ 62,792,119	\$ 36,451,644	\$ 12,270,023	\$ 4,744,758	\$ 116,258,544	-	\$ 116,258,544
Personnel expenses	-	-	-	-	-	2,182,129	2,182,129
Advertising	-	-	-	-	-	380,151	380,151
Professional fees	-	-	-	-	-	495,377	495,377
Occupancy	-	-	-	-	-	234,360	234,360
Depreciation	-	-	-	-	-	143,483	143,483
Other	-	-	-	-	-	1,809,614	1,809,614
Dues and subscriptions	-	-	-	-	-	47,864	47,864
Training meetings and seminars	-	-	-	-	-	35,981	35,981
Telephone and internet	-	-	-	-	-	25,439	25,439
Equipment costs	-	-	-	-	-	11,956	11,956
Travel	-	-	-	-	-	9,740	9,740
Equipment rental	-	-	-	-	-	7,566	7,566
Supplies	-	-	-	-	-	5,167	5,167
<b>Total Expenses</b>	<b>\$ 62,792,119</b>	<b>\$ 36,451,644</b>	<b>\$ 12,270,023</b>	<b>\$ 4,744,758</b>	<b>\$ 116,258,544</b>	<b>\$ 5,388,827</b>	<b>\$ 121,647,371</b>

See Notes to Financial Statements

**Central Florida Cares Health System, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating Activities</b>		
Change in net assets	\$ 443,884	\$ (881,794)
Items not requiring (providing) cash		
Depreciation	121,081	143,483
Noncash operating lease expense	212,815	-
Changes in		
Grants receivable	347,300	(350,622)
Amount due from Florida Department of Children and Families	(1,605,115)	(1,829,282)
Prepaid expenses	(61,013)	93,173
Accounts payable	1,057,184	(3,430,192)
Accrued wages and benefits	43,035	(87,739)
Operating lease liability	(201,286)	-
Amount due to Florida Department of Children and Families	(397,688)	184,773
Deferred Revenue	2,599,714	6,023,537
	<u>2,559,911</u>	<u>(134,663)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>		
<b>Investing Activities</b>		
Purchase of property and equipment	\$ (7,833)	\$ (67,175)
<b>Cash and Cash Equivalents</b>		
Increase (decrease)	2,552,078	(201,838)
Beginning of year	<u>9,093,390</u>	<u>9,295,228</u>
<b>End of Year</b>	<u><u>\$ 11,645,468</u></u>	<u><u>\$ 9,093,390</u></u>

**Note 1. Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Central Florida Cares Health System, Inc. (“CFCHS”) is a tax-exempt organization 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’ 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.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash Equivalents***

CFCHS considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2025 and 2024, cash equivalents consisted primarily of money market sweep accounts.

At June 30, 2025, CFCHS’s cash accounts exceed federally insured limits by approximately \$11,385,000.

***Property and Equipment***

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture and Fixtures	3 to 5 years
Software	3 to 5 years

***Long-Lived Asset Impairment***

CFCHS evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2025 and 2024.

**Central Florida Cares Health System , Inc**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**Deferred Revenue**

Revenue from fees for grants is deferred and recognized over the periods to which the fees relate.

**Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. As of June 30, 2025 and 2024, there are no net assets with donor restrictions

**Contributions**

Contributions are provided to CFCHS either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the [Organization] overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

**Central Florida Cares Health System , Inc**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

***Government Grants***

Support funded by grants is recognized as CFCHS meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

***Income Taxes***

CFCHS is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the CFCHS is subject to federal income tax on any unrelated business taxable income.

The CFCHS files tax returns in the U.S. federal jurisdiction.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program and management and general based on the proportion of each program's subcontracted services to total subcontracted services.

***Reclassifications***

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. These reclassifications had no effect on change in net assets.

***Subsequent Events***

Subsequent events have been evaluated through April 3, 2026, which is the date the financial statements were available to be issued.

**Note 2. Grant Reimbursements Receivable, Payables and Future Commitments**

CFCHS receives all its grant support from DCF. Since the financial statements of CFCHS are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2025 have been recorded as amounts due from DCF on the statement of financial position. Overpayment of advances that will not carryforward as of June 30, 2025 have been recorded as amounts due to DCF on the statement of financial position. The grant carryforward commitments that will extend beyond June 30, 2025 are approximately \$16,793,000. As of July 1, 2025, CFCHS entered into a new five year renewable contract with DCF.

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 3. Defined Contribution Plan**

CFCHS has a defined contribution pension 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. CFCHS made discretionary contributions to the Plan of 6% and 3%, respectively, of each participant's eligible compensation for 2025 and 2024. Contribution expense was approximately \$95,000 and \$53,000 for 2025 and 2024, respectively.

**Note 4. Leases**

Effective June 30, 2024, CFCHS entered into an operating lease for office space. The terms of the lease provide, among other things, for monthly lease payments of approximately \$18,500 through the three-year term of the lease which ends June 30, 2027. The right to use the offices was recorded in the statement of financial position at the present value of the future lease payments, discounted using the risk-free rate (4.53%) as of the lease inception date.

Approximate future lease payments through the expiration of the lease term are approximately as follows:

	<u>Operating Lease</u>
2026	\$ 238,140
2027	<u>250,047</u>
Total future undiscounted lease payments	488,187
Less imputed interest	<u>22,117</u>
Lease liability	<u>\$ 466,070</u>

Rent expense was approximately \$238,000 and \$234,000 during the years ended June 30, 2025, and 2024, respectively.

**Central Florida Cares Health System , Inc**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**Note 5. Liquidity and Availability**

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, with one year of June 30, 2025 and 2024 comprise of the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 11,645,468	\$ 9,093,390
Account receivable	<u>20,642,060</u>	<u>19,384,245</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 32,287,528</u>	<u>\$ 28,477,635</u>

CFCHS manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

**Note 6. Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Grants***

Approximately 100% of all grants were received from DCF.

***Regulatory Environment***

CFCHS operates in a heavily regulated environment. The operations of CFCHS are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies including, but not limited to, Department of Health and Human Services and DCF. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change which could impact CFCHS materially in the near term.

**Note 7. Related Party Transactions**

Members of the Board of Directors include key employees of certain Providers who contract for services with CFCHS. For year ended June 30, 2025 and 2024, payments to these Providers were approximately \$73,300,000 and \$70,500,000, respectively. Amounts payable to these providers at June 30, 2025 and 2024 were approximately \$7,131,000 and 8,300,000, respectively, included in accounts payable in the accompanying statement of financial position.

**Note 8. Loss From Cyber-Crime**

On October 25, 2023, CFCHS was the victim of an internet-based fraud scheme that resulted in unauthorized transfers from its operating bank account totaling approximately \$3,600,000. Upon discovery, CFCHS notified its financial institution and engaged legal counsel, an independent forensic information-technology consultant, and law enforcement. With their assistance, the individual responsible for the fraud was identified, and the Texas State Attorney filed criminal charges in connection with the incident. CFCHS also notified its primary funding agency, the Florida Department of Children and Families, and reported the matter to the Office of Inspector General in accordance with required protocols.

CFC maintains cyber-crime insurance coverage and filed a claim with its carrier, resulting in a recovery of approximately \$250,000 in 2024. In addition, with assistance from the authorities, CFCHS recovered approximately \$1,650,000 in 2024. The remaining unrecovered balance was recognized as a loss in the accompanying Statement of Activities for the year ended June 30, 2024.

Following the incident, CFCHS implemented several enhanced security protocols, including transitioning to a new banking institution with multi-factor authentication required for each transaction; establishing designated key authorization controls within the banking system; engaging a third-party forensic cybersecurity firm to identify vulnerabilities and reduce the risk of future cyber events; and providing ongoing employee training on phishing, pharming, and other cyber-fraud schemes.

In November 2025, the Texas court system issued a judgment against one of the individuals involved in the incident and initiated restitution collection. Restitution amounts received are remitted to CFCHS as collected.

***Supplementary Information***

**Central Florida Cares Health System, Inc.**  
**Schedule of State Earnings**  
**Year Ended June 30, 2025**

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

**NOTE:**

Central Florida Cares Health System, Inc. has met its match requirements related to the amount of state funds requiring match through match provided by its subcontractors. Management has received the Schedule of State Earnings from each subcontractor indicating that their individual matches have been met. Therefore there is no activity in this schedule.

**Central Florida Cares Health System, Inc.**  
**Schedule of Related- Party Transaction Adjustments**  
**Year Ended June 30, 2025**

<b>Allocation of Related-Party Transaction Adjustment</b>				
<b>Related Party</b>	<b>State-Designated Cost Centers</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Revenues from Grantee:	N/A			
Rent	\$ -	\$ -	\$ -	\$ -
Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total Revenue from Grantee	-	-	-	-
Expenses Associated with Grantee Transactions:				
Personnel services	-	-	-	-
Depreciation	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total Associated Expenses	-	-	-	-
Related-Party Transaction Adjustment	\$ -	\$ -	\$ -	\$ -

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

**Central Florida Cares Health System, Inc.**  
**Schedule of Expenditures of Federal Awards and State Projects**  
**Year Ended June 30, 2025**

<u>Federal Grant/State Agency/ Pass-through Grantor/Program or Cluster Title</u>	<u>Federal/State Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
<b>Federal Awards</b>				
<i>U.S. Department of Health and Human Services</i>				
<b>Passed-through from State of Florida Department of Children and Families:</b>				
Temporary Assistance for Needy Families	93.558	GHME1	2,693,677	5,242,666
Block Grants for Community Mental Health Services	93.958	GHME1	14,050,094	14,344,526
Block Grants for Prevention and Treatment of Substance Abuse	93.959	GHME1	16,994,717	17,437,148
Projects for Assistance in Transition from Homelessness	93.150	GHME1	537,681	537,681
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	GHME1	1,097,155	1,097,155
Opioid STR	93.788	GHME1	10,586,176	10,586,176
Children's Health Insurance Program	93.767	GHME1	1,016,884	1,016,884
Medicaid Cluster / Grants to States for Medicaid	93.778	GHME1	-	175,559
Total Federal Awards			<b><u>46,976,384</u></b>	<b><u>50,437,795</u></b>
<b>State Projects</b>				
<i>State of Florida Department of Children and Families</i>				
Forensic Services and Competency Restoration Training	60.114	GHME1	1,195,719	1,195,719
Substance Abuse and Mental Health-Community Services	60.153	GHME1	3,273,334	3,273,334
Substance Abuse and Mental Health - Crisis Prevention and Stabilization Services	60.155	GHME1	985,511	985,511
Centralized Receiving Systems	60.163	GHME1	9,039,035	9,039,035
SAMH-ME State Funded Federal Excluded Services	60.190	GHME1	232,652	232,652
State Opioid Settlement Trust Fund Services	60.355	GHME1	7,268,119	7,268,119
Total State Projects			<b><u>21,994,370</u></b>	<b><u>21,994,370</u></b>

**Central Florida Cares Health System, Inc**  
**Notes to the Schedule of Expenditures of Federal Awards and State Projects**  
**June 30, 2025**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Central Florida Cares Health System, Inc (CFCHS) under programs of the federal government and state programs for the year ended June 30, 2025. 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.

**Note 2. Summary of Significant Accounting Policies**

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

**Note 3. Indirect Cost Rate**

CFCHS has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

## **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***

### **Independent Auditor's Report**

Board of Directors  
Central Florida Cares Health Systems, Inc.  
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Central Florida Cares Health Systems, Inc. (CFCHS), which comprise CFCHS's statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 2, 2026, which contained a paragraph for prior year audited by other auditors.

#### **Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CFCHS's internal control. 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CFCHS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***CFCHS's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the CFCHS's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. CFCHS's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### ***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.

**Forvis Mazars, LLP**

**Orlando, Florida  
April 3, 2026**

## **Report on Compliance for Each Major Federal Program and Major State Project Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

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

#### **Report on Compliance for Each Major Federal Program and Major State Project**

##### ***Opinion on Each Major Federal Program and Major State Project***

We have audited Central Florida Cares Health System, Inc.'s (CFCHS) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Florida 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 major state projects for the year ended June 30, 2025. CFCHS's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CFCHS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2025.

##### ***Basis for Opinion on Each Major Federal Program and Major State Project***

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

We are required to be independent of CFCHS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of CFCHS's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CFCHS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CFCHS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of CFCHS's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

**Forvis Mazars, LLP**

**Orlando, Florida  
April 3, 2026**

**Central Florida Cares Health System  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2025**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified       Qualified       Adverse       Disclaimer

2. Internal control over financial reporting:

- Material weakness(es) identified?       Yes       No
- Significant deficiency(ies) identified?       Yes       None reported
3. Noncompliance material to the financial statements noted?       Yes       No

**Federal Awards**

4. Internal control over major federal programs:

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

5. Type of auditor’s report issued on compliance for major federal program(s):

- Unmodified       Qualified       Adverse       Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?       Yes       No

7. Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.788	Opioid STR
93.558	Temporary Assistance for Needy Families
93.958	Block Grants for Community Menal Health Services

8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,513,134.

9. Auditee qualified as a low-risk auditee?       Yes       No

**State Projects**

10. Internal control over major federal programs:

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



**Section II – Financial Statement Findings**

Reference Number	Finding
2025-001	<p><b>Criteria:</b> Effective conversion controls require that data migrated to a new financial system be complete, accurate, and reconciled to legacy system balances, with documented validation, exception resolution, and approval prior to go-live and financial reporting.</p> <p><b>Condition:</b> During fiscal year 2025, CFCHS implemented a new financial system. We noted that management did not perform reconciliations between legacy system account balances/subledgers and the corresponding opening balances and subsidiary records in the new system.</p> <p><b>Cause:</b> Management prioritized go-live and focused on the monthly data. Monthly amounts from the legacy system were utilized for reporting and not rolling 12-month data from the new system resulting in a delay in finding the issue.</p> <p><b>Effect or potential effect:</b> As a result, the initial trial balance provided as part of the audit was not accurate nor reflective of annual data which delayed the audit.</p> <p><b>Recommendation:</b> We recommend retroactively perform reconciliations for the conversion period, correct differences through properly supported entries, and maintain a complete audit trail to support beginning balances for subsequent audits.</p> <p><b>Views of responsible officials and planned corrective actions:</b> CFCHS agrees with the finding. See separate auditee document for implemented corrective action plan at the end of this report.</p>

Central Florida Cares Health System, Inc  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025

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**Section III – Federal Award Findings and Questioned Costs**

Reference Number	Finding
	No matters are reportable.

**Central Florida Cares Health System, Inc  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2025**

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<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.



March 31, 2026

RE: Management Response and Corrective Action Plan

**Uniform Guidance – Single Audit, Year Ended June 30, 2025**

**Reference Number: 2025-001**

**Single Audit Finding:** Financial Statement Data Migration

### **Management Response**

CFCHS acknowledges the importance of timely and complete account reconciliations as a key internal control over financial reporting. During fiscal year 2025, CFCHS was in process of transitioning and implementing a new financial system, which required the migration of legacy system balances using a 12-month roll-forward methodology. Due to the timing and complexity of the system conversion, additional reconciliation procedures were necessary to ensure the completeness and accuracy of financial data prior to the performance of audit procedures.

Management took prompt corrective action to address this matter. Comprehensive reconciliations between the legacy system subledgers and the new NetSuite financial system were completed for the conversion period. All identified variances were analyzed and resolved through properly supported journal entries. Management also engaged a NetSuite Implementation Specialist to assist with validating the reconciliation process and confirming that reconciled balances were accurately migrated on a full 12-month roll-forward basis.

As a result of these actions, CFCHS produced a complete, accurate, and reliable trial balance reflective of annual activity, enabling audit procedures to proceed without limitation. Management believes the corrective actions taken appropriately remediate the finding and strengthen internal controls over financial reporting during system transitions.

### **Corrective Action Taken**

The following actions have been completed to address Finding 2025-001:

- Performed retroactive reconciliations for the system conversion period of July 1, 2024, through March 31, 2025.
- Investigated and resolved all reconciling items with properly supported journal entries.
- Maintained a complete audit trail documenting reconciliation procedures and adjustments to support beginning balances for future audits.
- Engaged a NetSuite Implementation Specialist to assist with validation of data migration and reconciliation accuracy.



**Official Manager:** Chief Financial Officer, CFCHS

**Completion Date:** January 21, 2026

A complete and accurate trial balance from the new NetSuite financial system was provided to the audit team.

**Planned Ongoing Corrective Measures**

CFCHS will continue to perform monthly account reconciliations on a timely basis and will maintain enhanced oversight during periods of significant system or process changes to ensure continued compliance with internal control requirements and Uniform Guidance standards.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Bledsoe", is positioned above the printed name.

Maria Bledsoe  
Chief Executive Officer