

**CAMILLUS HOUSE, INC. AND  
SUBSIDIARIES**

CONSOLIDATED FINANCIAL  
STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED  
JUNE 30, 2023 AND 2022

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors of  
Camillus House, Inc. and Subsidiaries  
Miami, Florida

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Camillus House, Inc. and Subsidiaries (collectively referred to as the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Camillus House, Inc. and Subsidiaries as of June 30, 2023 and 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Armando Aburto, C.P.A.  
Jorge Albeirus, C.P.A.  
Viviana Bruno, C.P.A.  
Lisset I. Cascudo, C.P.A.  
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Pedro L. Silva, C.P.A.  
Michael Vildosola, C.P.A.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information on pages 40 and 41 is presented for the purpose of additional analysis and is not part of the consolidated financial statements. The accompanying additional schedules on pages 42 - 44, consisting of the schedule of state earnings, program/cost center actual expenses and revenues schedule are presented for purposes of additional analysis as required by the State of Florida Department of Children and Families

and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 13, 2023 on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 13, 2023

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,931,892	\$ 1,950,953
Restricted cash	4,857,519	5,247,084
Grants and contracts receivable, net	4,866,365	8,765,712
Contributions receivable, net	393,333	270,475
Prepaid expenses and other receivables	681,026	543,525
Investments, current	38,099	38,464
Note receivable - New Markets Tax Credit 2015	-	7,963,627
<b>TOTAL CURRENT ASSETS</b>	<b>12,768,234</b>	<b>24,779,840</b>
Investments, long-term	94,603	98,757
Endowment	4,778,415	3,224,704
Beneficial interest in perpetual trust	171,014	171,014
Contribution receivable, net	823,402	1,014,952
Right-of-use assets	129,601	-
Property and equipment, net	54,665,138	57,780,123
Due from related entities	268,339	161,214
Deferred charges and other assets	798,965	840,037
<b>TOTAL ASSETS</b>	<b>\$ 74,497,711</b>	<b>\$ 88,070,641</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,833,394	\$ 2,302,415
Line of credit	1,400,000	2,500,000
Note payable - New Markets Tax Credit 2015, net	-	13,216,347
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,233,394</b>	<b>18,018,762</b>
Due to related entities	264,399	84,886
Right-of-use liabilities	129,601	-
Mortgages and notes payable, net	21,320,771	23,702,815
Unearned revenues	16,847,200	15,329,159
Refundable advances	651,800	159,659
<b>TOTAL LIABILITIES</b>	<b>43,447,165</b>	<b>57,295,281</b>
<b>NET ASSETS</b>		
Without donor restriction:		
Attributable to controlling interest	35,408,570	34,185,127
Deficit attributable to non-controlling interest	(5,934,504)	(5,158,824)
	29,474,066	29,026,303
With donor restriction attributable to controlling interest	1,576,480	1,749,057
<b>TOTAL NET ASSETS</b>	<b>31,050,546</b>	<b>30,775,360</b>
	<b>\$ 74,497,711</b>	<b>\$ 88,070,641</b>

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUES, OTHER SUPPORT:						
Government contracts and grant revenue	\$ 16,433,110	\$ -	\$ 16,433,110	\$ 24,166,001	\$ -	\$ 24,166,001
Contributions	7,800,168	-	7,800,168	5,807,776	-	5,807,776
In-kind contribution	2,246,182	-	2,246,182	1,801,829	-	1,801,829
Client contributions	2,842,918	-	2,842,918	2,660,496	-	2,660,496
Other income	364,348	-	364,348	297,260	-	297,260
TOTAL REVENUE, GAINS AND OTHER SUPPORT	29,686,726	-	29,686,726	34,733,362	-	34,733,362
Net assets released from restriction due to expiration of time restrictions	172,577	(172,577)	-	513,314	(513,314)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	29,859,303	(172,577)	29,686,726	35,246,676	(513,314)	34,733,362
EXPENSES:						
Program services	30,542,450	-	30,542,450	36,070,926	-	36,070,926
Supporting services						
Management and general	3,569,989	-	3,569,989	2,928,703	-	2,928,703
Development activities	1,873,667	-	1,873,667	1,394,103	-	1,394,103
Total supporting services	5,443,656	-	5,443,656	4,322,806	-	4,322,806
TOTAL EXPENSES	35,986,106	-	35,986,106	40,393,732	-	40,393,732
Consolidated change in net assets before other gains (losses)	(6,126,803)	(172,577)	(6,299,380)	(5,147,056)	(513,314)	(5,660,370)
Gains on forgiveness of loans	907,329	-	907,329	982,330	-	982,330
Net Gain on dissolution of 2015 New Market Tax Credit	5,252,720	-	5,252,720	-	-	-
Investment gains (losses), net	414,517	-	414,517	(467,226)	-	(467,226)
Consolidated change in net assets	447,763	(172,577)	275,186	(4,631,952)	(513,314)	(5,145,266)
Change in net assets attributable to non-controlling interest	775,680	-	775,680	705,109	-	705,109
CHANGE IN NET ASSETS ATTRIBUTABLE TO CAMILLUS HOUSE, INC.'S CONTROLLING INTEREST	\$ 1,223,443	\$ (172,577)	\$ 1,050,866	\$ (3,926,843)	\$ (513,314)	\$ (4,440,157)

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES OF NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2023 AND 2022**

	Net Assets (Deficit) without Donor Restriction			Net Assets with Donor Restriction			Total Net Assets
	Controlling Interest	Non-controlling Interest	Total	Other Restricted Revenues	Restricted in Perpetuity	Total	
Balance, June 30, 2021	\$ 38,111,970	\$ (4,453,715)	\$ 33,658,255	\$ 2,094,582	\$ 167,789	\$ 2,262,371	\$ 35,920,626
Changes in net assets	(3,926,843)	(705,109)	(4,631,952)	(513,314)	-	(513,314)	(5,145,266)
Balance, June 30, 2022	\$ 34,185,127	\$ (5,158,824)	\$ 29,026,303	\$ 1,581,268	\$ 167,789	\$ 1,749,057	\$ 30,775,360
Changes in net assets	1,223,443	(775,680)	447,763	(172,577)	-	(172,577)	275,186
Balance, June 30, 2023	\$ 35,408,570	\$ (5,934,504)	\$ 29,474,066	\$ 1,408,691	\$ 167,789	\$ 1,576,480	\$ 31,050,546

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



**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services					Supporting Services			Total
	Compassionate Hospitality	Community-based Housing	Comprehensive Healing	Career Development	Total Program Services	Management & General	Development Activities	Total Supporting Services	
Expenses:									
Operating Expenses:									
Salaries, benefits and payroll taxes	\$ 4,371,994	\$ 2,781,406	\$ 2,083,099	\$ 831,101	\$ 10,067,600	\$ 472,444	\$ 236,076	\$ 708,520	\$ 10,776,120
Professional services	966,327	122,204	322,326	53,820	1,464,677	548,931	5,742	554,673	2,019,350
Pastoral services and expenses through related entities	182,275	17,838	125,676	-	325,789	120,104	12,690	132,794	458,583
Equipment and maintenance cost	174,027	94,215	72,112	7,379	347,733	92,479	5,107	97,586	445,319
Transportation	98,663	1,370	15,736	60	115,829	22,184	230	22,414	138,243
Food service costs	483,242	47,910	110,973	59	642,184	8,525	7,688	16,213	658,397
General and administration costs	153,415	241,672	69,681	1,376	466,144	503,678	17,559	521,237	987,381
Provision for doubtful accounts	528,272	15,976	16,333	509	561,090	-	-	-	561,090
Insurance	403,881	473,787	308,724	20,056	1,206,448	25,576	3,501	29,077	1,235,525
Marketing, public relations and fundraising events	3,284	7,175	1,653	640	12,752	29,132	1,440,734	1,469,866	1,482,618
Property taxes and interest expense	297	116,561	467	-	117,325	270,135	-	270,135	387,460
Ancillary services and supplies	141,868	49,565	107,698	2,884	302,015	5,642	1,951	7,593	309,608
Direct support	1,607,938	1,705,259	1,526,902	512,881	5,352,980	8,930	52,691	61,621	5,414,601
Repairs and maintenance expense	785,901	502,669	467,442	61,519	1,817,531	-	7,037	7,037	1,824,568
Travel and mileage reimbursements	4,612	2,280	4,585	247	11,724	16,849	7,795	24,644	36,368
Occupancy, utilities, security	734,603	498,721	642,661	31,531	1,907,516	1,112,715	6,671	1,119,386	3,026,902
<b>TOTAL OPERATING EXPENSES</b>	<b>10,640,599</b>	<b>6,678,608</b>	<b>5,876,068</b>	<b>1,524,062</b>	<b>24,719,337</b>	<b>3,237,324</b>	<b>1,805,472</b>	<b>5,042,796</b>	<b>29,762,133</b>
In-kind/depreciation and									
In-kind contributions expense	2,225,791	3,807	6,127	782	2,236,507	2,784	1,391	4,175	2,240,682
Depreciation expense	1,120,519	1,429,380	1,033,298	3,409	3,586,606	329,881	66,804	396,685	3,983,291
<b>TOTAL IN-KIND/DEPRECIATION EXPENSE</b>	<b>3,346,310</b>	<b>1,433,187</b>	<b>1,039,425</b>	<b>4,191</b>	<b>5,823,113</b>	<b>332,665</b>	<b>68,195</b>	<b>400,860</b>	<b>6,223,973</b>
<b>TOTAL EXPENSES</b>	<b>\$ 13,986,909</b>	<b>\$ 8,111,795</b>	<b>\$ 6,915,493</b>	<b>\$ 1,528,253</b>	<b>\$ 30,542,450</b>	<b>\$ 3,569,989</b>	<b>\$ 1,873,667</b>	<b>\$ 5,443,656</b>	<b>\$ 35,986,106</b>

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services					Supporting Services				Total
	Behavioral Health/Special Programs	Day Center/Lazarus Outreach	Emergency Housing	Permanent Housing	Career Development	Total Program Services	Management & General	Development Activities	Total Supporting Services	
Expenses:										
Operating Expenses:										
Salaries, benefits and payroll taxes	\$ 1,775,153	\$ 1,623,370	\$ 4,262,282	\$ 1,772,373	\$ 57,385	\$ 9,490,562	\$ 899,701	\$ 282,584	\$ 1,182,285	\$ 10,672,847
Professional services	52,986	162,474	1,201,685	239,350	-	1,656,495	400,151	28,794	428,945	2,085,440
Pastoral services and expenses through related entities	98,989	169,482	2,487	52,687	-	323,645	110,677	-	110,677	434,322
Equipment and maintenance cost	59,629	35,496	112,540	60,870	-	268,534	93,180	3,740	96,920	365,454
Transportation	7,524	3,718	98,997	14,765	-	125,004	9,925	138	10,063	135,067
Food service costs	148,080	112,037	259,636	576	137	520,467	14,041	10	14,051	534,518
General and administration costs	51,833	34,447	98,493	100,561	925	286,260	266,593	47,231	313,824	600,084
Provision for doubtful accounts	539	233	253,787	22,712	-	277,272	-	-	-	277,272
Insurance	375,761	14,978	417,429	372,180	11,148	1,191,496	1,072	-	1,072	1,192,568
Marketing, public relations and fundraising events	945	107	783	5,604	1,495	8,934	28,903	1,029,242	1,058,145	1,067,079
Property taxes and interest expense	3,392	152	5,782	126,932	-	136,259	498,884	-	498,884	635,143
Ancillary services and supplies	125,168	24,713	381,065	90,039	1,658	622,644	2,292	-	2,292	624,936
Direct support	42,138	89,832	8,203,774	2,762,499	147,376	11,245,617	19,470	-	19,470	11,265,088
Repairs and maintenance expense	548,105	56,752	834,374	482,032	41,303	1,962,566	-	-	-	1,962,566
Travel and mileage reimbursements	212	2,171	3,626	7,176	-	13,184	2,997	878	3,875	17,059
Occupancy, utilities, security	628,784	50,498	1,283,506	895,422	14,811	2,873,021	14,371	766	15,137	2,888,158
<b>TOTAL OPERATING EXPENSES</b>	<b>3,919,238</b>	<b>2,380,461</b>	<b>17,420,245</b>	<b>7,005,777</b>	<b>276,238</b>	<b>31,001,960</b>	<b>2,362,258</b>	<b>1,393,383</b>	<b>3,755,640</b>	<b>\$ 34,757,600</b>
In-kind/depreciation and										
In-kind contributions expense	3,789	331,068	1,463,102	-	-	1,797,959	3,150	720	3,870	1,801,829
Depreciation expense	998,908	37,007	884,487	1,350,605	-	3,271,007	563,296	-	563,296	3,834,303
<b>TOTAL IN-KIND/DEPRECIATION EXPENSE</b>	<b>1,002,697</b>	<b>368,075</b>	<b>2,347,589</b>	<b>1,350,605</b>	<b>-</b>	<b>5,068,966</b>	<b>566,446</b>	<b>720</b>	<b>567,166</b>	<b>5,636,132</b>
<b>TOTAL EXPENSES</b>	<b>\$ 4,921,935</b>	<b>\$ 2,748,536</b>	<b>\$ 19,767,834</b>	<b>\$ 8,356,383</b>	<b>\$ 276,238</b>	<b>\$ 36,070,926</b>	<b>\$ 2,928,705</b>	<b>\$ 1,394,103</b>	<b>\$ 4,322,806</b>	<b>\$ 40,393,731</b>

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 275,186	\$(5,145,266)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,983,291	3,834,303
Gain on forgiveness of loans	(885,716)	(982,330)
Noncash contributions of securities	(1,190,695)	(273,421)
Gain on forgiveness of 2015 New Market Tax Credit	(5,252,720)	-
Unrealized losses on investments	(358,497)	552,336
Debt issuance cost interest expense	21,713	212,208
Increase in provision for discount and allowance for doubtful accounts	243,692	72,130
Changes in operating assets and liabilities:		
Contributions receivable	-	1,015,633
Grants and contracts receivable	3,724,347	(992,014)
Prepaid expenses and other receivables	(137,501)	(77,648)
Due from/to related entities	72,388	(50,349)
Other assets	41,072	64,048
Accounts payable and accrued expenses	534,475	(288,469)
Refundable advances and unearned revenues	492,141	(486,543)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,563,176</u>	<u>(2,545,382)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(868,306)	(473,525)
Proceeds from investments, net	-	1,540,282
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(868,306)</u>	<u>1,066,757</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments) Proceeds on line of credit	(1,100,000)	1,610,924
Proceeds from debt, net	-	329,601
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(1,100,000)</u>	<u>1,940,525</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(405,130)	461,900
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>7,198,037</u>	<u>6,736,137</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,792,907	\$ 7,198,037
Cash and cash equivalents	\$ 1,931,892	\$ 1,950,953
Restricted cash	<u>4,857,519</u>	<u>5,247,084</u>
	<u>\$ 6,789,411</u>	<u>\$ 7,198,037</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest during the year	<u>\$ 166,067</u>	<u>\$ 103,346</u>
ROU implementation at July 1, 2022	\$ 98,379	\$ -
Additions during the year	94,090	-
Reduction	(62,867)	-
	<u>\$ 129,602</u>	<u>\$ -</u>

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

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**NOTE 1 – ORGANIZATION**

Camillus House, Inc. and Subsidiaries (the "Organization") includes the following legal entities:

- Camillus House, Inc., a Florida 501(c)(3) not-for-profit organization.
- Camillus Shepherd's, LLC, a wholly-owned subsidiary of Camillus House, Inc.
- Shepherd's Court Investor, LLC, a wholly-owned subsidiary of Camillus House, Inc.
- Shepherd's Court, LLC, a subsidiary in which Camillus Shepherd's, LLC has a controlling 0.01% membership interest. The remaining 99.99% interest is non-controlling in nature, and is held by unaffiliated third party investors, as more fully described below.
- New Camillus House Campus, Inc., an affiliate of Camillus House, Inc. and a Florida 501 (c)(3) not-for-profit organization.
- Brownsville Housing, Inc., an affiliate of Camillus House, Inc. and a Florida 501(c)(3) not for-profit organization.
- Charity Unlimited Foundation, Inc. - an affiliate of Camillus House, Inc. and a Florida 501(c)(3) not-for-profit organization.
- 350 NW, LLC, a subsidiary in which Camillus House, Inc. is the sole member of both managing member, CH Labre Place Manager, LLC which holds 0.01% membership interest and the investor member, CH Labre Place, LLC, which holds 99.99% membership interest.

*Camillus House, Inc.* was incorporated in Florida in 1987 for the purpose of providing meals, temporary shelter, counseling, readily accessible primary health care and job placement services to the people that are homeless and indigent in Miami-Dade County, Florida. Camillus House, Inc. has related operational relationships with other non-profit organizations controlled by the same members. The members in these corporations are limited to those persons who are the Provincial and his Council of the Hospitaller Order of St. John of God - Province of the Good Shepherd in North America (a religious order which is officially recognized by the Catholic Church). These relationships are operational in nature and do not meet the standards of control and, therefore, financial statement combination of these entities is not required. Therefore, the Boards of Directors have concluded that each organization should file separate financial statements and the balances reflected in these consolidated statements are solely those of Camillus House, Inc. and Subsidiaries.

*Camillus Shepherd's, LLC* was formed in 2011 as a manager-managed Florida Limited Liability Company. Its membership interest is held 100% by Camillus House, Inc. as of June 30, 2023.

*Shepherd's Court Investor, LLC* was formed in 2010 as a manager-managed Florida limited liability Company. Its membership interest is held 100% by Camillus House, Inc. as of June 30, 2023.

*Shepherd's Court, LLC* was formed in 2007 as a Florida Limited Liability Company, with the purpose of acquiring, constructing, developing, and operating the Shepherds Court low-income housing project in Miami, Florida. Its membership interests as of June 30, 2023 are held as follows:

- 0.01% controlling interest by Camillus Shepherd's, LLC.
- 74.99% non-controlling interest by Shepherd's Investor, LLC, an unaffiliated third party for profit investor.
- 25.00% non-controlling interest by BHG-Shepherd's Investor Trust, LLC, an unaffiliated third party for-profit investor.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 1 – ORGANIZATION (Continued)**

*New Camillus House Campus, Inc. ("NCHCI")* was incorporated in 2010 as a Florida not-for-profit corporation for the purpose of acquiring, developing and leasing grounds for charitable purposes. There is no cross-ownership with Camillus House, Inc., and partial overlap at the Board of Directors and corporate membership levels.

*Brownsville Housing, Inc. ("BHI")* was originally incorporated in 2008 as a Florida not-for-profit corporation, due to the structure of the 2015 New Market Tax Credit ("NMTC") transaction and with the intention that the entity would ultimately acquire the Brownsville House 74 Unit building. As a result, BHI is included in the consolidated financial statements. In May 2020, the deed to the building was transferred to and is held by Camillus House, Inc.

*Charity Unlimited Foundation, Inc. ("CUF")* was incorporated in 2015 as a Florida not-for-profit corporation for the purpose of acquiring, developing and leasing grounds for charitable purposes. Furthermore, CUF holds assets that have been transferred from Camillus House, as required due to the structure of the 2015 NMTC transaction. As a result of this asset transfer, CUF is included in the consolidated financial statements.

*350 NW LLC. ("350 NW")* was incorporated in 2006 and was formed as a limited liability company under the laws of the state of Florida for the purpose of investing in, acquiring, construction and operating a 90 unit residential housing project, "Labre Place", in Miami, Florida. Effective September 2, 2019, Florida Housing Finance Corporation ("FHFC") approved the transfer of the 0.01% managing member interest to CH Labre Place Manager, LLC and the 99.99% investor member interest to CH Labre Place, LLC. The sole member of the managing member and the investor member is Camillus House, Inc. In addition, both the managing member and investor member have no activity other than acting as managing and investor members. As a result, 350 NW is included in the consolidated financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) is the source of authoritative GAAP. Revenues are recorded when earned and realized/realizable. Expenses are recorded when materials are received or services are provided. Expenses incurred at fiscal year-end have been accrued and expenses applicable to future periods have been deferred.

**Consolidation**

The consolidated financial statements include the accounts of Camillus House, Inc., its wholly owned subsidiaries Camillus Shepherd's, LLC, Shepherd's Court Investor, LLC and 350 NW, its indirectly controlled subsidiary Shepherd's Court, LLC, and NCHCI, BHI, and CUF, affiliates of Camillus House Inc. These subsidiaries were created for the purposes mentioned above and the results of their operations are reflected in the consolidated financial statements. All significant inter-company accounts and transactions have been eliminated in consolidation.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial Statement Presentation**

In accordance with U.S. generally accepted accounting principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization are classified and reported as follows:

- *Net assets without donor restrictions:* include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class. Net assets without donor restriction include board designated net assets held in endowment investments of \$4,778,415, and \$3,224,704 at June 30, 2023 and June 30, 2022, respectively. See Note 11.
- *Net assets with donor restrictions:* include those net assets whose use by the Organization has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations. Net assets with donor restrictions totaled \$1,576,480 and \$1,749,057 at June 30, 2023 and June 30, 2022, respectively. See Note 16.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. A portion of supporting services such as general and administrative has been allocated to all the programs based on management's allocation plan, as provided by Subpart E - Cost Principles of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments that have an original maturity of three months or less as cash equivalents.

**Restricted Cash**

The Organization is required to maintain operating deficit reserve funds. The reserves were funded with proceeds from the loans that funded the Shepherds Court and Labre Place projects and is established to cover operating deficits for the Shepherds Court and Labre Place developments in future years. These funds are expected to be fully disbursed by year 15 of operations of each of the projects. As of June 30, 2023 and June 30, 2022, the balance in the operating deficit reserves totaled \$4,071,169, and \$4,348,048, respectively.

The Organization is also required to maintain replacements reserves to fund certain facilities expenses on the Shepherds Court and Labre Place properties of \$300 per unit per year on a monthly basis upon commencement of the earlier of 1) the first month after occupancy of ninety percent; or 2) three years after loan closing. The Organization is required to maintain a minimum balance of \$1,500 per unit in the reserve at all times. As of June 30, 2023 and June 30, 2022, the replacement reserves had a total balance of \$552,378 and \$490,121, respectively.

The Organization is required to fund a tax and insurance reserve in connection with the Shepherds Court and Labre Place properties concurrently with each monthly installment of principal and interest upon commencing of the permanent financing phase of the projects. At June 30, 2023 and June 30, 2022, the tax and insurance reserves had a total balance of \$233,972 and \$187,406, respectively.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Concentration of Credit Risk**

The Organization maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits. The bank account balances are insured up to \$250,000 per depositor accounts by the Federal Deposit Insurance Corporation (the “FDIC”), an independent agency of the United States government. The uninsured cash balance of cash and cash equivalents as of June 30, 2023 and June 30, 2022 totaled \$2,859,301 and \$5,983,995, respectively, which includes restricted and unrestricted cash and cash equivalents.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets investment income and gains restricted by a donor are reported as increases in donor restricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. Purchases in excess of \$1,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful life of the assets or lease terms, whichever is shorter. The estimated useful lives used to compute depreciation range from 5 years to 40 years. Donated property and equipment are recorded at their estimated fair value at the date of donation. Cost of major additions and improvements that extend the life of the asset are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**Deferred Charges**

Deferred charges consist of tax credit monitoring fees. Tax credit monitoring fees paid to the housing agency in advance are amortized over the 15-year compliance period under the straight-line method. Amortization expense of \$35,669 and \$212,959 has been recorded for the year ended June 30, 2023 and June 30, 2022, respectively, and was included as interest expense in the consolidated statement of functional expenses.

**Impairment of Long-Lived Assets**

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss, if any, is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended June 30, 2023 and June 30, 2022.

**Unearned Revenues**

Unearned revenues consist of portions of the Tax Credit Exchange Program notes payable which have been forgiven and are considered government grant assistance related to the Shepherd's Court, LLC and 350 NW, LLC assets. The Organization records the portions of the loan which are forgiven as unearned revenues which is recognized as income based on the total amount of the loan expected to be forgiven and amortized on a straight line basis over the 40-year depreciable life of the investment in rental property. For the years ended June 30, 2023 and June 30, 2022, the annual income was approximately \$907,000 and \$907,000, included within gain on forgiveness of loans in the consolidated statement of activities.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Refundable Advances**

Refundable advances consist of monies received from governmental and other funding sources prior to the performance of services or incurring eligible costs. These advances are recognized as revenue as the services are performed or the costs are incurred.

**Public Support and Revenue**

Grants and other contributions of cash and other assets are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restriction and are reported in the consolidated statement of activities as net assets released from restrictions. Cash contributions are generally available for use without restriction in the related year unless specifically restricted by the donor.

Contributions receivable are recognized as revenues in the period received and are recorded at their fair value. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions received as well as collectible unconditional promises to give are recognized in the period received. Contributions with donor-imposed restrictions are reported as donor restricted revenues. Donor restricted net assets are reclassified to net assets without restriction when the donor restrictions are satisfied.

**In-kind Contributions**

In-kind contributions are recorded as revenue and expense in the accompanying consolidated statement of activities. In-kind contributions of donated non-cash assets are recorded at their fair value in the period received. They consist primarily of donated food, furniture, clothing, hygiene and medical supplies. Donated equipment, when applicable, is capitalized at its estimated fair value at the date of donation and depreciated over the estimated useful life of the asset. Donated services are recorded at their fair value in the period received. See Note 12.

**Management's Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at June 30, 2023 June 30, 2022 and the reported amounts of revenue and expenses during the years then ended. Actual results could differ from those estimates.

**Income Taxes**

Camillus House, Inc., NCHCI, BHI and CUF have been granted an exemption from income taxes under Internal Revenue Code §501 (c)(3) as not-for-profit organizations affiliated with the United States Conference of Catholic Bishops, the legal entity that represents the Catholic Church in the United States, and are classified as public charities. Accordingly, no provision for income taxes is required for these entities for the years ended June 30, 2023 and 2022, with the exception of Camillus House Inc. which has an unrelated business income tax provision of \$38,367 and \$52,851 for the years ended June 30, 2023 and June 30, 2022, respectively.

Camillus Shepherd's, LLC has elected to be treated as an association taxable as a corporation for income tax purposes, and is subject to taxes on income, if any. During the years ended June 30, 2023 and June 30, 2022, no taxes were incurred.



**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Taxes (continued)**

Shepherd's Court, LLC and 350 NW, LLC have elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions, if any, are passed through to and are reported by its owners.

Shepherd's Court Investor, LLC has elected to be treated as a disregarded entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions, if any, are passed through to and are reported by its sole owner, Camillus House, Inc., which is exempt from income taxes as defined above.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization does not believe its consolidated financial statements include any uncertain tax positions. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

**Reclassifications**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported consolidated statement of activities.

**Adopted Accounting Pronouncements**

The Organization adopted ASC 842, Leases, effective July 1, 2022, which requires lessees to recognize leases on the balance sheet as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the Organization has elected to use practical expedients, including but not limited to, not reassessing past lease accounting, and not recording assets or liabilities for leases with terms of one year or less. Upon adoption, the Organization recognized operating ROU assets and lease liabilities of approximately \$98,000 at July 1, 2022. See Note 14.

The FASB has issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020. This new guidance provides optional expedients for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform, on financial reporting. The risk of termination of the London Interbank Offered Rate (LIBOR), has caused regulators to undertake reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based that are less susceptible to manipulation. ASU 2020-04 is effective between March 12, 2020 and December 31, 2022.

In addition, in January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope. The amendments in this update refine the scope for certain optional expedients and exceptions for contract modifications and hedge accounting to apply to derivative contracts and certain hedging relationships affected by the discounting transition. The amendments in this update are effective for all entities as of March 12, 2020 through December 31, 2022. The Organization has identified agreements which utilize LIBOR and has updated or amended loan documents to a revised index prior to the expiration of LIBOR. See Note 13.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 3 - PASSIVE INVESTMENT TRANSACTION SHEPHERD'S COURT, LLC**

Effective December 15, 2010, Camillus House, Inc., Shepherd's Court Investor, LLC, Shepherd's Investor, LLC, and BHG-Shepherd's Investor Trust, LLC entered into an Amended and Restated Operating Agreement of Shepherd's Court, LLC (the "Passive Investment Transaction"). The main provisions of this Passive Investment Transaction are outlined:

- Transfer by Shepherd's Court Investor, LLC of its non-managing 99.99% membership interest into Shepherd's Court, LLC to two unaffiliated third-party for-profit investors (the "Passive Investors"): Shepherd's Investor, LLC, which acquired a non-controlling 74.99% membership interest, and BHG-Shepherd's Investor Trust, LLC, which acquired a non-controlling 25.00% membership interest.
- Camillus House, Inc. retained its direct 0.01% membership interest in Shepherd's Court, LLC. The Passive Investment Transaction also provided for Camillus House, Inc. to retain managing control over Shepherd's Court, LLC. The Passive Investors retain a 99.99% non-controlling ownership interest.
- Shepherd's Investor, LLC agreed to pay Shepherd's Court Investor, LLC the sum of \$931,013 for the 74.99% transfer of ownership. This amount was paid, 10% or \$93,101, upon the execution of the Passive Investment Transaction, and 90% was due after the achievement of certain milestones.
- BHG-Shepherd's investor Trust, LLC did not pay any monetary consideration to Shepherd's Court Investor, LLC for the 25% transfer of ownership.
- The distribution of profits and losses is such that 99.99% of the annual depreciation expense of the 80-unit Shepherds Court apartment building asset is passed through to the Passive Investors. The for-profit Passive Investors are then able to benefit from the associated deduction for tax purposes, as is the norm in tax-credits-based projects of this type.
- After 15 years, the 99.99% membership interest in Shepherd's Court, LLC held by the Passive Investors reverts to Shepherd's Court Investor, LLC.

Effective December 26, 2011, Camillus House, Inc. assigned its 0.01% controlling interest to its wholly-owned subsidiary Camillus Shepherd's, LLC. As provided by the Passive Investment Transaction, the total consideration for the transfer of 99.99% non-controlling interest increased from \$931,013 to \$1,136,345 during the year ended June 30, 2012. The increase of \$205,332 was recorded as a gain on the sale of non-controlling interest in the subsidiary in the consolidated statement of activities for the year ended June 30, 2012. The remaining payment of \$1,043,244 was received by Shepherd's Court Investor, LLC in July 2012. This sum was immediately distributed to Camillus House, Inc. upon receipt, and was used in the new campus construction project and repayment of loans thereon.

Because Camillus House, Inc. retains indirect controls in spite of its economic interest being limited to 0.01%, the financial statements of Shepherd's Court, LLC are consolidated within the consolidated financial statements of the Organization, as provided by Accounting Standards Codification "(ASC)" 810-10.

The Organization's consolidated statement of financial position also reflects net assets attributable to the 99.99% non-controlling interest, which is equivalent to a deficit of \$5,934,504, and \$5,158,824 at June 30, 2023 and June 30, 2022, respectively. The Organization's consolidated statement of activities also reflects a change in net assets attributable to the 99.99% non-controlling interest, which for the years ended June 30, 2023 and June 30, 2022, is equivalent to a net loss of \$775,680, and \$705,109, respectively.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 – FAIR VALUE MEASUREMENTS**

Accounting Standard Codification (ASC) 820 - Fair Value Measurement defines fair value and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820-10, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

*Level 1 inputs* are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization have the ability to access.

*Level 2 inputs* are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

*Level 3 inputs* are unobservable inputs for the asset or liability, used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market data, which requires management to develop its own assumptions.

Investments: The Organization maintains certain investment accounts. These investments are comprised primarily of money market mutual funds, corporate stocks and a real estate investment trust. The money market mutual funds and corporate stocks are publicly traded and the fair values for these are based on quoted market prices in an active market.

The Organization determines the fair value of the assets for which it cannot obtain quoted market prices as follows:

*Money markets funds*

Money market funds are comprised of short-term or long-term investments and are valued at quoted prices of active markets and are classified as Level 1 within the fair value hierarchy.

*Fixed income*

The fair value of fixed income and equity securities are priced by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value and as such are classified as Level 1 within the fair value hierarchy.

*Equity*

Equity investments are valued at the closing price reported on the active market on which the individual securities are traded and as such are classified as Level 1 within the fair value hierarchy.

*Real estate investment trust:* The fair value of the real estate investment trust is based on the net asset value calculation estimated by the fund manager and are classified as Level 2 within the fair value hierarchy.

*Beneficial interest in perpetual trust:* The Organization values its beneficial interest in perpetual trust based on the value of the Organization's proportional share of the overall asset held by the trustee. This is classified as Level 3 within the fair value hierarchy.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth the Organization's assets as of June 30, 2023 and June 30, 2022 that is measured at fair value, segregated by level within the fair value hierarchy:

Description	Fair Value 6/30/2023	Quoted Prices		
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Bank deposits	\$ 84,452	\$ 84,452	\$ -	\$ -
Money market funds	27,713	27,713	-	-
Fixed income	1,609,549	1,609,549	-	-
Equity	3,170,579	3,170,579	-	-
Real estate investment trust	18,824	-	18,824	-
Beneficial interest in perpetual trust	171,014	-	-	171,014
	<u>\$ 5,082,131</u>	<u>\$ 4,892,293</u>	<u>\$ 18,824</u>	<u>\$ 171,014</u>

Description	Fair Value 6/30/2022	Quoted Prices		
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market funds	\$ 39,191	\$ 39,191	\$ -	\$ -
Fixed income	1,385,815	1,385,815	-	-
Equity	1,934,625	1,934,625	-	-
Real estate investment trust	2,294	-	2,294	-
Beneficial interest in perpetual trust	171,014	-	-	171,014
	<u>\$ 3,532,939</u>	<u>\$ 3,359,631</u>	<u>\$ 2,294</u>	<u>\$ 171,014</u>

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended June 30, 2023 and June 30, 2022:

	Interest in Perpetual Trust	Total
Beginning balance, June 30, 2021	\$ 171,014	\$ 171,014
Change in value	-	-
Beginning balance, June 30, 2022	171,014	171,014
Change in value	-	-
Ending balance, June 30, 2023	<u>\$ 171,014</u>	<u>\$ 171,014</u>

There was no change in value in the beneficial interest in perpetual trust during the years ended June 30, 2023 and June 30, 2022.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5 – GRANTS AND CONTRACTS RECEIVABLE**

The Organization renders services to clients under contractual agreements with governmental organizations. These agreements require the Organization to apply for renewal. Certain agreements provide for termination by either party upon thirty days written notice.

As of June 30, 2023, the remaining amount of federal, state and other financial assistance receivable from grantors for reimbursement of eligible expenditures incurred by the Organization was \$4,866,365, net of an allowance for doubtful accounts of \$450,000. As of June 30, 2022, the remaining amount of federal, state and other financial assistance receivable from grantors for reimbursement of eligible expenditures incurred by the Organization was \$8,765,712, net of an allowance for doubtful accounts of \$275,000. Grants and contracts receivable are due from the Miami-Dade County Homeless Trust, other Miami-Dade County offices, and by other State and federal agencies.

The Organization is subject to review or audit by these agencies regarding compliance with terms and conditions of the grants and contracts and specific program performance. Management believes that the Organization has complied with all aspect of the grant and contract provisions and that adjustment, if any, would be insignificant to the financial positon of the Organization.

**NOTE 6 – BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Organization is a named beneficiary in a perpetual trust held by a third party. Under the terms of the trust, the Organization is to receive one twenty-fourth of the income generated by the trust assets annually. The recognized value of the Organization's beneficial interest in the perpetual trust is measured as the present value of the estimated future cash receipts from the trust assets, which is equivalent to one twenty-fourth of the fair value of the trust assets. The estimated fair value of the trust's assets at June 30, 2023 and June 30, 2022 was \$171,014 and \$171,014.

**NOTE 7 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable at June 30, 2023 and June 30, 2022 amounted to \$1,216,735 and \$1,285,427, respectively, net of present value discounts and a reserve for doubtful accounts, and consist of outstanding pledges for completed capital campaign projects and other pledge contributions from individuals, utilizing a discount rate of 3% at June 30, 2023, consist of:

	With donor restriction	Without donor restriction	Total
Receivables due in less than a year	\$ 60,000	\$ 333,333	\$ 393,333
Receivables due in one to five years	452,782	757,714	1,210,496
Receivables due in more than five years	74,855	-	74,855
Less: discounts to net present value	(119,075)	(57,574)	(176,649)
Less: reserve for doubtful accounts	(285,300)	-	(285,300)
Contribution receivable, net	<u>\$ 183,262</u>	<u>\$ 1,033,473</u>	<u>\$ 1,216,735</u>

**NOTE 8 – RELATED PARTY TRANSACTIONS**

Camillus Health Concern, Inc. (“CHC”) provides various social, administrative and development services to the Organization in accordance with an executed agreement. For the fiscal years ended June 30, 2023 and June 30, 2022, total expenses incurred were \$170,531 and \$176,422, respectively. At June 30, 2023 and June 30, 2022, no amounts were owed to CHC.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
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**NOTE 8 – RELATED PARTY TRANSACTIONS (Continued)**

The Organization also pays certain bills on behalf of Charity Unlimited of Florida, Inc., Emmaus Place, Inc., and Good Shepherd Villas, Inc. and borrowed working capital from Emmaus Place, Inc. in a previous fiscal year. These unconsolidated entities have separate Boards of Directors from the Organization, although membership in these entities and the Organization is controlled by the Provincial and his Council of the Hospitaller Order of St. John of God - Province of the Good Shepherd in North America. Amounts due from and due to, of these related entities totaled \$88,826 and \$84,886, respectively, as of June 30, 2023. Amounts due from and due to, of these related entities totaled \$161,214 and \$84,886, respectively, as of June 30, 2022.

In 2006, Charity Unlimited of Florida, Inc. entered into a 55-year land lease agreement with 350 NW, whereby the entire lease amount of \$1,100,000 was paid in full at the inception of the lease agreement. See Note 14.

**NOTE 9 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30,:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 4,718,572	\$ 4,718,572
Buildings improvements	3,701,829	3,491,892
Furniture fixtures and equipment	11,405,473	10,948,205
Computer hardware and software	815,811	768,875
Vehicles	948,428	893,806
60-yr sub leasehold asset	1,629,604	1,629,604
Shepherds Court low-income housing project	15,545,130	15,545,130
New Camillus House campus finished buildings	38,802,256	38,728,680
New Camillus House campus, land	630,200	630,200
Labre Place, low income housing project	15,517,650	15,521,738
Brownsville, building	1,361,308	1,356,801
Brownsville, land	579,523	579,523
	<u>95,655,784</u>	<u>94,813,026</u>
Less: accumulated depreciation and amortization	<u>(40,990,646)</u>	<u>(37,032,903)</u>
Property and equipment, net	<u>\$ 54,665,138</u>	<u>\$ 57,780,123</u>

Shepherds Court is an 80-unit, midrise permanent low-income housing facility located in Miami, Florida. The project was completed, occupied and in operation during the year ended June 30, 2012.

The New Camillus House Campus consists of six buildings with a total capacity of over 300 beds on three acres near the University of Miami Jackson Memorial Hospital complex in the Allapattah area in the City of Miami, budgeted at \$62 million. This eco-friendly facility provides emergency shelter, medical clinic beds, substance abuse treatment, and job training and job placement, all designed with the purpose of ending chronic homelessness in Miami-Dade County.

Labre Place is a 90-unit, residential housing facility located in Miami, Florida, which was acquired via transfer of ownership during the year ended June 30, 2020.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
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**NOTE 9 – PROPERTY AND EQUIPMENT (Continued)**

Brownsville is a 74-unit permanent housing facility in Miami, Florida. The Organization obtained the deed to the property during the year ended June 30, 2020.

For the years ended June 30, 2023 and June 30, 2022, total depreciation expense was \$3,510,242, and \$3,834,303, respectively.

**NOTE 10 – MORTGAGES AND NOTES PAYABLE**

Mortgages and notes payable consisted of the following at at June 30, :

Mortgage notes payable in connection with a construction loan agreement with Florida Housing Finance Corporation for the construction of the Shepherds Court low-income housing project, under the Tax Credit Assistance Program (TCAP) for an amount not to exceed \$5,163,919. The loan is comprised of a TCAP loan in the principal amount of \$4,483,919 and a TCAP supplemental loan in the principal amount of \$680,000. Both notes bear interest at zero percent (0%) and are non-amortizing during the term of the notes. The entire unpaid principal amount of the TCAP loan is due and payable in February 2027, the maturity date. The TCAP loan is secured by the leasehold interest of the site and the improvements constructed thereon. The TCAP supplemental loan is payable with a balloon payment in April 2026, the supplemental loan maturity date. However, the loan shall be forgivable if all conditions and requirements in the loan documents are met.

	<u>2023</u>	<u>2022</u>
	\$ 5,163,919	\$ 5,163,919

Tax Credit Exchange Program (TCEP) sub-award promissory note payable in connection with a construction loan agreement with Florida Housing Finance Corporation for the construction of the Shepherds Court property, under the Tax Credit Exchange Program (TCEP). The TCEP loan is secured by a subordinate mortgage lien on the low-income housing property. The loan is subordinated to the TCAP mortgage and HOME loan for the Shepherds Court property. The original amount of the note was \$17,104,805. The note does not bear interest, and matures in 2027. Principal is forgiven annually at the rate of 6.67% over the 15-year tax credit compliance period, subject to maintaining compliance with all conditions and requirements in the loan documents. The Organization records the portions of the loan which are forgiven as a deferred liability, which is recognized as income based on the total amount of the loan expected to be forgiven, amortized on a straight line basis over the 40-year depreciable life of the construction property. During the year ended June 30, 2023, a gain on forgiveness of loans of \$427,620 was recognized related to the portion of the TCEP loan forgiven.

	4,555,011	5,695,901
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**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 10 – MORTGAGES AND NOTES PAYABLE (Continued)**

HOME loan agreement with Florida Housing Finance Corporation in connection with a construction loan agreement for the construction of the Shepherds Court low-income housing project. The loan may be advanced to the Organization in an amount not to exceed \$116,081. The loan bears interest at zero percent (0%) and is non-amortizing during the term of the note. The entire unpaid principal balance is due in May 2031, the maturity date.	116,081	116,081
Tax Credit Exchange Program (TCEP) sub-award promissory note payable in connection with a construction loan agreement with Florida Housing Finance Corporation for the construction of the Labre Place property, under the Tax Credit Exchange Program (TCEP). The TCEP loan is secured by a subordinate mortgage lien on the low-income housing property. The loan is subordinated to the HOME, AHTF and SAIL loan for the Labre Place property. The original amount of the note was \$19,188,358. The note does not bear interest, and matures in 2025. Principal is forgiven annually at the rate of 6.67% over the 15-year tax credit compliance period, subject to maintaining compliance with all conditions and requirements in the loan documents. The Organization records the portions of the loan which are forgiven as a deferred liability, which is recognized as income based on the total amount of the loan expected to be forgiven, amortized on a straight line basis over the 40-year depreciable life of the construction property. During the year ended June 30, 2023, a gain on forgiveness of loans of \$479,709 was recognized related to the portion of the TCEP loan forgiven.	4,469,970	5,749,791
HOME loan agreement with the City of Miami in connection with a construction loan agreement for the construction of the Labre Place project in the original amount of \$385,027. The loan bears interest at zero percent (0%) through August 31, 2038. At that time, the loan will bear simple interest at 1% per annum. Five year interest only payments of any unpaid principal will begin on September 1, 2039. The loan is secured by a security agreement encumbering the leasehold interest in the Labre Place project and matures on September 1, 2043, at which time all outstanding interest and principal balances are due.	385,027	385,027
Affordable Housing Trust Fund (“AHTF”) loan agreement with the City of Miami in connection with the Labre Place project in the original amount of \$452,026. This Loan bears no interest through August 31, 2038. At that time, the loan will bear interest at 1% per annum. Five yearly interest only payments of any unpaid principal will begin on September 1, 2039. The loan is secured by a security agreement encumbering the leasehold interest in the Labre Place project and matures on September 1, 2043, at which time all outstanding interest and principal balances are due.	452,026	452,026
SAIL loan agreement with the Florida Housing Finance Corporation in the original amount of \$4,000,000 in connection with the Labre Place project. The loan bears simple interest of 0.44% per annum on the outstanding principal balance and is secured by a security agreement encumbering the leasehold interest in the Labre Place project. The loan matures on July 30, 2025, at which time the entire balance of unpaid principal and interest are due. At June 30, 2023, \$26,400 of SAIL loan interest expense remained payable and is included in accounts payable and accrued expenses on the accompanying consolidated statement of financial position.	4,000,000	4,000,000



**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
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**NOTE 10 – MORTGAGES AND NOTES PAYABLE (Continued)**

Forgivable loan by Miami-Dade County, funded by Surtax funds. Proceeds of the loan were used to reimburse the Organization for construction costs incurred in one of the buildings of the new campus. The loan bears interest of 1% per annum, and is secured by a mortgage on the same building. During the deferment period, lasting until December 31, 2041, interest accrues but is not due, as long as compliance with various provisions is kept, including the provisions of a rental regulatory agreement. Principal and accrued interest are forgivable in increments of 25% per year, in years 27 through 30 of the loan.

2,000,000      2,000,000

HOME loan agreement with the Miami-Dade County in connection with a construction loan agreement for the renovation of the Somerville residence. During the construction period ending December 1, 2023, there shall be 0% interest and no payments of principal or interest shall be due. Following this period, the loan bears simple interest of .5% per annum, and is secured by a mortgage on the same building. Annual interest-only payments of \$1,735 shall be due annually until the maturity date of December 1, 2051. At which point all outstanding principal and accrued interest shall be due and payable.

329,601      329,601

Total outstanding mortgages and notes payable

21,471,635      23,892,346

Less: Unamortized debt issuance costs

(150,864)      (189,531)

Total

\$ 21,320,771      \$23,702,815

The Organization adopted the requirements in FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the debt issuance costs is reported as interest expense in the consolidated statement of activities.

Aggregate annual maturities and amounts forgiven of the mortgages and notes payable over each of the next five years and thereafter are as follows as of June 30, 2023:

Year Ending June 30,	
2024	\$ 2,420,754
2025	3,100,754
2026	7,553,095
2027	5,114,297
2028	116,081
2029-2033	-
2034-2038	-
2039-2043	2,000,000
2044-2048	837,053
2049-2051	<u>329,601</u>
	21,471,635
Less: Unamortized debt issuance costs	<u>(150,864)</u>
Total	<u>\$ 21,320,771</u>

Amounts recorded as due in 2024 have not been recorded as current liabilities on the consolidated statement of financial position as they are expected to be forgiven.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 11 – ENDOWMENT**

The Organization’s endowment was established during the year ended June 30, 2020 to provide for the financial sustainability of the Organization. The endowment includes board designated endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence of absence of donor-imposed restrictions. The Organization’s endowment funds are not subject to donor restrictions and are therefore not subject to the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”). The balance in the Board designated endowment as of June 30, 2023 and June 30, 2022 was \$4,778,415 and \$3,224,704, respectively.

Changes in endowment net assets for the years ended June 30, 2023 and June 30, 2022 were as follows:

	Without donor restriction
	Board Designated
Endowment net assets, June 30, 2021	\$ 4,531,203
Transfers out, net	(737,249)
Investment loss, net	(569,250)
Endowment net assets, June 30, 2022	3,224,704
Transfers in, net	1,190,695
Investment gains, net	363,016
Endowment net assets, June 30, 2023	\$ 4,778,415

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

**NOTE 12 – CONTRIBUTED NON-FINANCIAL ASSETS**

For the years ended June 30, 2023 and June 30, 2022, contributed non-financial assets recognized within the statement of activities included:

	2023	2022
Food	\$ 1,349,057	\$ 921,843
Goods	759,538	754,552
Services	137,587	125,434
	\$ 2,246,182	\$ 1,801,829

**Goods**

The Organization receives donations of goods, such as clothing, personal hygiene, and other supplies to serve clients under various programs. The Organization recognized as contribution revenue along with a corresponding expense at an amount approximating fair value at the time of the donation.

**Food**

The Organization receives in-kind contributions of food from members of the community that assist in providing meals to program clients. The Organization recognizes revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

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NOTE 12 – CONTRIBUTED NON-FINANCIAL ASSETS (Continued)

**Services**

The Organization receives in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation

NOTE 13 – LINE OF CREDIT

The Organization has a \$1,500,000 revolving line of credit, which was increased to \$2,500,000 in October 2021. The line of credit bears an interest equal to the greater of 2.5% or the sum of the Overnight LIBOR rate plus 2.5%. Under the terms of the agreement, the Organization shall pay a quarterly unused commitment fee in an amount equal to 0.35% of the daily unused portion of the line of credit for each month in the previous quarter. The balance outstanding as of June 30, 2023 and June 30, 2022 was \$1,400,000 and \$2,500,000, respectively.

In response to the termination of LIBOR (See Note 1) the Organization subsequently entered into a new line of credit agreement. The new line of credit agreement matures August 2025. Under the terms of the new agreement, the Organization shall pay the greater of 2.5% or the sum of Daily simple SOFR rate plus 2.5%.

NOTE 14 – LEASES

The Organization determines if an arrangement is a lease at inception and when the terms of an existing contract are changed. All leases are recorded on the consolidated balance sheet except for leases with an initial term less than 12 months for which the Organization made the short-term lease election. At the implementation date of July 1, 2022, the Organization recorded a lease right-of-use (ROU) asset of \$98,379 and a ROU liability of \$98,379 for existing leases. Subsequent to the implementation date the Organization entered into new lease agreements and recorded additional ROU assets and liabilities.

Lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term discounted using the rate implicit on the lease (if available) or the Organization’s average incremental borrowing rate.

Operating lease cost is recognized on a straight-line basis over the lease term and are included within operating expenses in the consolidated statement of activities.

The Organization leases numerous vehicles and office equipment under operating lease agreements with maturity dates until fiscal year 2027. Future maturities of lease liabilities are presented as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 72,155	\$ 4,581	\$ 76,736
2025	34,438	1,995	36,433
2026	18,970	650	19,620
2027	4,038	62	4,100
	<u>\$ 129,601</u>	<u>\$ 7,288</u>	<u>\$ 136,889</u>

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE 14 – LEASES (Continued)

**Short Term Operating Leases**

The Organization leases various apartments for its community-based housing programs and office equipment under operating lease agreements. These leases are for various terms all expiring within a year. As mentioned in Note 1, the Organization has elected to use practical expedients where the Organization does not record assets and lease liabilities with terms of one year or less. As such, no ROU asset or liabilities are recorded for these leases. In the normal course of operations, it is expected the leases will be renewed or replaced.

For the years ended June 30, 2023, and June 30, 2022 rent expense under the short-term operating leases was \$4,606,655 and \$6,047,259, respectively.

**Land Leases**

On June 10, 2008, the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida granted the State of Florida Department of Children and Family Services a 60-year lease on a parcel of land in Miami, Florida. On the same date, the State of Florida Department of Children and Family Services and Camillus House, Inc. entered into a sublease agreement for the land, for the construction of the New Camillus House Campus. On the same date, Camillus House, Inc. and Shepherd's Court, LLC entered into a sub-sublease agreement for a portion of the land. The sub- subleased portion is for the construction of an 80 unit low-income housing project. During the term of the agreement, Shepherd's Court, LLC is responsible for the payment of all taxes, insurance, maintenance and the payment of an annual administrative fee of \$300.

The Organization recognized a contribution of the land sub-leasehold asset at a value of \$1,629,604 in the fiscal year ended June 30, 2012. This was accounted for as a temporarily restricted asset and released from restrictions as the contribution is amortized over 60 years, the lease period. At June 30, 2023 and June 30, 2022, the value of the sub-leasehold asset was \$1,222,204 and \$1,249,364, respectively, net of accumulated amortization, and is included in property and equipment, net in the consolidated statement of financial position. See Note 9

The Organization entered into a lease agreement with Miami-Dade County in June 1999 to lease the South Miami-Dade Homeless Housing Land. The lease is for 100 years and the payment is \$1 per year. The Organization did not recognize a contribution related to this lease as the estimated value was not considered to be significant.

In 2006, 350 NW entered into a 55-year land lease agreement with Charity Unlimited of Florida, Inc. See Note 9. The entire rent of \$1,100,000 was paid in full as defined in the lease agreement. As of June 30, 2023 and June 30, 2022, the balance of the prepaid land lease was \$762,795 and \$782,438, respectively and is included in deferred charges and other assets in the accompanying consolidated statement of financial position. For the years ended June 30, 2023 and June 30, 2022, the Organization recorded lease expense of \$19,643 and \$19,643, respectively, related to the agreement.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 15 – OTHER COMMITMENTS AND CONTINGENCIES**

**Operating Deficit Guaranty**

Pursuant to the operating agreement, Camillus House, Inc., as the sole member of the managing member of Shepherd's Court, LLC, is required to loan Shepherd's Court, LLC amounts to cover operating deficits of the Shepherd's Court project for the guaranty period commencing with the date of the loan closing and ending on the last day of the first fifteen years of the compliance period. Any required funding prior to rental achievement is without limitation. Subsequent to rental achievement, the funding is limited to \$334,803. Funds in the operating reserve may be used prior to any advances being made. As of June 30, 2023 and June 30, 2022, advances of \$211,417 and \$236,661, respectively had been made which has been eliminated upon consolidation.

In addition, pursuant to the operating agreement, Camillus House, Inc., as the sole member of the managing member of 350 NW, LLC, is required to loan 350 NW, LLC amounts to cover operating deficits of the Labre Place project for the guaranty period commencing with the date of the loan closing and ending on the last day of the first fifteen years of the compliance period. Any required funding prior to rental achievement is without limitation. Subsequent to rental achievement, the funding is limited to 9 months of operating expenses (inclusive of replacement reserves) and 9 months of debt services. Pursuant to the SAIL loan agreement, the managing member is required to provide the standard Florida Housing Finance Corporation operating deficit guaranty, to be released upon achievement of an average of 1.00 debt service coverage for a minimum of 6 consecutive months for the SAIL loan. Funds in the operating reserve may be used prior to any advances being made. As of June 30, 2023 and June 30, 2022, no operating deficit advances have been made.

**Recapture of Exchange Funds and Forgivable loans**

Failure to comply with all TCEP and other forgivable loan requirements could result in recapture and any debt subject to recapture shall be due and payable immediately to Florida Housing Finance Corporation or other agency.

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restriction contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Organization. These net assets are then released and reclassified to net assets without donor restriction, from which they are expended.

Net assets with donor restriction at June 30, 2023 and June 30, 2022 totaled \$1,576,480 and \$1,749,057, respectively, and are comprised of the following:

	<u>2023</u>	<u>2022</u>
Donor-imposed time restrictions-		
held in contributions receivable, net	\$ 183,262	\$ 328,679
60-year sub leasehold asset in new campus		
land, net of amortization	1,222,204	1,249,364
Beneficial interest in perpetual trust-		
original gift \$167,789	171,014	171,014
Total net assets with donor restriction	<u>\$ 1,576,480</u>	<u>\$ 1,749,057</u>

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
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**NOTE 17 – DEFINED CONTRIBUTION PLAN**

The Organization sponsors a defined contribution retirement plan for all full-time employees completing six months of continuous employment. Contributions to the plan are at the discretion of the Board of Directors. In July 2009, the Organization terminated its matching contribution to the defined contribution benefit plan for all employees. A matching program was resumed in October 2016. For the years ended June 30, 2023 and June 30, 2022, the Organization contributed \$126,684 and \$161,286, respectively as a match.

**NOTE 18 – NEW MARKETS TAX CREDITS TRANSACTION 2015**

On December 15, 2015, Camillus House, Inc. and CUF entered into a New Markets Tax Credits transaction (the "NMTC 2015 Transaction") with The Northern Trust Company ("TNT"), U.S. Bancorp Community Development Corporation ("USBCDC"), Citibank ("Citi"), VAF FL Investment Fund II, LLC ("VAF FL"), UACD FL Investment Fund II, LLC ("UACD FI"), Camillus House Investment Fund, LLC, an affiliate of Citibank ("Citi Fed Fund"), Citi NMTC Subsidiary CDE XXII 1 LLC ("Citi Sub-CDE"), UACD Sub-CDE XIV, LLC ("UACD XIV") and UACD Sub-CDE 25, LLC ("UACD 25").

The following other entities participated in the overall NMTC 2015 Transaction, but the Organization did not enter into any direct legal agreements with them at closing date: Stonehenge Florida NMTC Investment Fund VI, LLC ("Stonehenge"), VAF Sub-CDE XVIII, LLC, Citibank NMTC Corporation, and Twain Investment Fund 138, LLC.

The NMTC 2015 Transaction is composed of several sub-transactions, as described below:

*Bridge Loan:* Under the NMTC 2015 Transaction, CUF obtained a Bridge Loan from TNT for \$5,000,000, secured by certain financial assets recently assigned to CUF via the NMTC 2012 Transaction, and guaranteed by the Organization's non-consolidated affiliate Camillus Health Concern, Inc. The Bridge Loan has been paid in full and the collateral and guarantee are no longer in effect.

*Leverage Loans:* Under the NMTC 2015 Transaction, CUF made three separate leverage loans, as follows:

- \$3,914,627 to UACD FL bearing an interest of 1.00% per annum, and maturing December, 2037.
- \$2,356,500 to VAF FL, bearing an interest of 1.00% per annum, and maturing December, 2041.
- \$1,692,500 to Citi Fed Fund, bearing an interest of 1.00% per annum, and maturing December, 2032.

These three loans are unsecured, but are supported by the pledge of equity interests in the 2015 NMTC transaction, and the loans proceeds were used by the borrowing entities to make qualified equity investments ("QEIs") into other entities party to the NMTC 2015 Transaction. The put/call options available under the terms of the transaction were exercised in December 2022. Therefore, the balance of the Leverage Loan receivable was dissolved and a loss of \$7,963,627 is reflected in the accompanying consolidated statement of activities during the year ended June 30, 2023.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE 18 – NEW MARKETS TAX CREDITS TRANSACTION 2015 (Continued)

*Qualified Low-Income Community Investment ("QLICI") Loans:* Under the NMTC 2015 Transaction, Camillus House, Inc. obtained several QLICI loans, as follows:

- \$4,692,500 from Citi Sub-CDE (Note A4), bearing an interest of 0.95334% per annum, and maturing December, 2045.
- \$2,167,500 from Citi Sub-CDE (Note 84), bearing an interest of 0.95334% per annum, and maturing December, 2045.
- \$2,531,594 from UACD XIV (Note B1), bearing an interest of 1.0401% per annum, and maturing December, 2045.
- \$3,885,500 from UACD 25 (Note A3), bearing an interest of 1.97494% per annum, including a balloon principal payment of \$60,000 due in December, 2023, and maturing December, 2045.
- \$34,500 from UACD 25 (Note B3), bearing an interest of 1.97494% per annum, and maturing December, 2045.

The QLICI loans are unsecured. The loan proceeds were used by Camillus House, Inc. to pay for capital expenses recently incurred and ongoing at the time, reduce to \$0 the balance of its revolving line of credit with TNT, repay the \$500,000 construction loan with TNT, cover operational costs, pay legal and consulting closing costs and fund 7-year deal reserves. During the fiscal year, the Organization recorded \$77,993 of interest expense under these loans as part of Property Taxes and Interest expense in the Organization's Consolidated Statement of Activities. The put/call options available under the terms of the transaction were exercised in December 2022. Therefore, the QLICI loan payable was dissolved and a gain of \$13,216,347 is reflected in the accompanying consolidated statement of activities during the year ended June 30, 2023.

*Put/Call Option Agreements, Call Option Agreements, and put option provisions embedded in Leverage Loans documents (the "Put/Call Options"):* The NMTC 2015 Transaction legal documents include Put/Call Options between CUF and USBCOC, UACD FL, VAF FL and Citi. These put/call option agreements were exercised in December 2022 and therefore, CUF became the controlling owner of certain other parties to the deal, including Twain Investment Fund 138, LLC; UACO XIV, VAF Sub-CDE XVIII, LLC; and Citi Fed Fund. As such CUF gained control of all outstanding loans payable and receivable under the NMTC 2015 Transaction. As a result, the Organization recorded a net gain of \$5,252,720 associated with a loss dissolution of the Leverage Loan receivable of \$7,963,627, and a gain from the dissolution of of the QLICI loan payable of \$13,216,347. Upon the exercise of these option agreements, there are no residual amounts due to or from any external third parties.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 19 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The Organization monitors its liquidity so that it is able to meet its operating needs while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could be made readily available within one year of the statement of financial position date to fund operating expenses without limitation, such as donor imposed or contractual restrictions or internal designations, as of June 30, 2023 and June 30, 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, without restrictions	\$ 1,931,892	\$ 1,950,953
Grants and contracts receivable, net	4,866,365	8,765,712
Contributions receivable, current portion, without donor restrictions	333,333	
Investments, current	38,099	38,464
Financial assets available to meet cash needs for operating expenses within one year:	<u>\$ 7,169,689</u>	<u>\$10,755,129</u>

Although not expected to be needed, the Organization also has available the Board designated endowment investments totaling \$4,778,415 and \$3,224,704 as of June 30, 2023 and June 30, 2022, respectively. These resources are invested for long-term appreciation and current income may be spent at the discretion of the Board. In addition, the Organization has a \$2,500,000 revolving line of credit, of which \$1,400,000 and \$2,500,000 was outstanding as of June 30, 2023 and June 30, 2022, respectively.

**NOTE 20 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 13, 2023, which is the date the consolidated financial statements were available to be issued. See Note 13.



## COMPLIANCE REPORTS



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*

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To the Boards of Directors of  
Camillus House, Inc. and Subsidiaries

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Camillus House, Inc. and Subsidiaries (collectively referred to as the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 13, 2023.

### Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 13, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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To the Boards of Directors of  
Camillus House, Inc. and Subsidiaries

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Camillus House, Inc's. and Subsidiaries, (collectively referred to as the "Organization") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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); Our responsibilities under those standards, Uniform Guidance, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

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

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

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

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

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

## Report on Internal Control Over Compliance

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 13, 2023

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Federal Program Title Pass-through Grantor	Federal Assistance Listing Number	Pass-Through Contract Grant Number	Expenditure
<b>FEDERAL AWARDS:</b>			
<b>U.S. Department of Housing and Urban Development</b>			
<i>Continuum of Care Program:</i>			
Pass-through Miami-Dade County	14.267	See (a) below	\$ 5,396,507
<i>Emergency Solutions Grant Program</i>			
Pass-through Miami-Dade County	14.231	Resolution #R-685-21	1,100,900
Pass-through Miami-Dade County	14.231	Resolution #R-165-13	523,303
Pass-through City of Miami	14.231	91-03806CAM	2,423,036
Program Total			<u>4,047,239</u>
<i>Section 8 Project-Based Cluster:</i>			
<i>Lower Income Housing Assistance - Section 8 Program</i>			
Pass-through Miami-Dade County	14.856	FL29-K005-025	317,179
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 9,760,925</b>
<b>U.S. Department of Health and Human Services</b>			
<i>Block Grants for Community Mental Health Services Program:</i>			
Pass-through South Florida Behavioral Health Network	93.958	ME 225-12-24	\$ 569,919
<i>Projects for Assistance in Transition from Homelessness (PATH) Program:</i>			
Pass-through South Florida Behavioral Health Network	93.150	ME 225-12-24	246,327
<i>Opioid STR Program:</i>			
Pass-through South Florida Behavioral Health Network	93.788	ME 225-12-24	135,605
<i>Block Grants for Prevention and Treatment of Substance Abuse Program:</i>			
Pass-through South Florida Behavioral Health Network	93.959	ME 225-12-24	365,110
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 1,316,961</b>
<b>U.S. Department of Veteran Affairs</b>			
<i>VA Homeless Providers Grant and Per Diem Program:</i>			
Direct- U.S. Department of Veteran Affairs	64.024	CAM1862-1336-546-PD-21	\$ 725,398
40 Program Total			
<b>Total U.S. Department of Veteran Affairs</b>			<b>\$ 725,398</b>
<b>U.S. Department of Treasury</b>			
<i>Coronavirus State and Local Fiscal Recovery Funds</i>			
Pass-Through City of Miami	21.027	FL29-K005-025 ARPA	\$ 324,849
<b>Total U.S. Department of Agriculture</b>			<b>\$ 324,849</b>
<b>U.S. Federal Emergency Management Agency</b>			
<i>Emergency Food and Shelter National Board Program:</i>			
Pass-Through United Way of Miami-Dade County	97.024	LRO-159400-047	\$ 197,194
<b>Total U.S. Federal Emergency Management Agency</b>			<b>197,194</b>
<b>U.S. Department of Justice</b>			
<i>Services for Trafficking Victims</i>			
Pass-Through Office for Victims of Crime	16.320	2020-VT-BX-0052	\$ 166,500
<b>Total U.S. Department of Justice</b>			<b>\$ 166,500</b>
<b>U.S. Department of Transportation</b>			
<i>Enhanced Mobility of Seniors and Individuals with Disabilities Program:</i>			
Pass-Through Florida Department of Transportation	20.513	G2H18	\$ 50,028
<b>Total U.S. Department of Transportation</b>			<b>\$ 50,028</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 12,541,855</b>

(a) Grantor contract numbers included are:

FL03111L4D002012; FL03111L4D002113; FL0703L4D002003; FL0703L4D002104; FL0590L4D002005; FL0590L4D002106; FL0655L4D002004; FL0655L4D002105; FL0343L4D002009; FL0343L4D002110; FL0344L4D002009; FL0344L4D002110

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**1. Basis of Presentation**

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2023. This information in the schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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.

**3. Indirect Cost Rate**

The Organization has negotiated and received a federally approved indirect rate of 16.2% with its cognizant agency. When a contract is subjected to legislative limitations on administrative/indirect cost by the funding source, it is not eligible for the federally approved indirect rate and the Organization therefore applies the indirect cost rate in accordance with the limitations.



**CAMILLUS HOUSE, INC. AND SUBSIDIARIES  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of Auditor’s report issued on whether the  
 Financial statements audited were prepared in  
 Accordance with GAAP

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not  
 considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***Federal Awards***

Type of Auditor’s report issued on compliance for major  
 program:

*Unmodified*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not  
 considered to be material weaknesses?  yes  none reported

Any audit findings disclosed that are required to be  
 reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major programs:

***Federal Program***

***Assistance Listing Number/Program Description***

14.267 – Continuum of Care Program	\$5,396,507
21.027 – Coronavirus State and Local Fiscal Recovery Funds	\$324,849

Dollar threshold used to distinguish between type A and  
 type B programs. \$750,000

Auditee qualified as low-risk auditee? No

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV - OTHER ISSUES**

1. A management letter was issued and reported to management in a separate letter dated December 13, 2023.
2. A Summary Schedule of Prior Audit Findings was not required as corrective action has been taken on all prior audit findings.
3. No corrective action plan is required because there were no findings required to be reported under Federal OMB Circular Compliance Supplement.

SUPPLEMENTARY INFORMATION

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

	Camillus House, Inc.	Shepherd's Court LLC	Shepherd's Court Investor, LLC	New Camillus House Campus, Inc.	Charity Unlimited Foundation, Inc.	Brownsville Housing, Inc.	350 NW, LLC	Inter-company Eliminations and non-controlling interest adjustment	Consolidated Total
<b>CURRENT ASSETS</b>									
Cash and cash equivalents	\$ 1,474,259	\$ 36,302	\$ -	\$ -	\$ 401,775	\$ -	\$ 19,556	\$ -	\$ 1,931,892
Restricted cash	-	1,753,797	-	-	-	-	3,103,722	-	4,857,519
Grants and contracts receivable, net	4,866,365	-	-	-	-	-	-	-	4,866,365
Contributions receivable, net	393,333	-	-	-	-	-	-	-	393,333
Prepaid expenses and other receivables	553,813	72,452	-	2,295,200	-	2,458	52,303	(2,295,200)	681,026
Invesments, current	33,028	-	-	-	5,003	-	-	68	38,099
<b>TOTAL CURRENT ASSETS</b>	<b>7,320,798</b>	<b>1,862,551</b>	<b>-</b>	<b>2,295,200</b>	<b>406,778</b>	<b>2,458</b>	<b>3,175,581</b>	<b>(2,295,132)</b>	<b>12,768,234</b>
Invesments, long-term	20,099	-	-	-	74,504	-	-	-	94,603
Endowment	-	-	-	-	4,778,415	-	-	-	4,778,415
Beneficial interest in perpetual trust	-	-	-	-	171,014	-	-	-	171,014
Contribution receivable, net	823,402	-	-	-	-	-	-	-	823,402
Right-of-use assets	129,601	-	-	-	-	-	-	-	129,601
Property and equipment, net	19,649,301	10,495,608	-	14,557,726	-	-	10,917,478	(954,975)	54,665,138
Due from related entities	648,288	2,035,165	-	-	2,322,681	-	92	(4,737,887)	268,339
Deferred charges and other assets	36,170	-	-	-	-	-	762,795	-	798,965
<b>TOTAL ASSETS</b>	<b>\$ 28,627,659</b>	<b>\$ 14,393,324</b>	<b>\$ -</b>	<b>\$ 16,852,926</b>	<b>\$ 7,753,392</b>	<b>\$ 2,458</b>	<b>\$ 14,855,946</b>	<b>\$ (7,987,994)</b>	<b>\$ 74,497,711</b>
<b>CURRENT LIABILITIES</b>									
Accounts payable and accrued expenses	\$ 4,985,105	\$ 5,054	\$ -	\$ -	\$ -	\$ -	\$ 138,435	\$ (2,295,200)	\$ 2,833,394
Line of credit	1,400,000	-	-	-	-	-	-	-	1,400,000
Notes payable - New Markets Tax Credit 2015	-	-	-	-	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,385,105</b>	<b>5,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,435</b>	<b>(2,295,200)</b>	<b>4,233,394</b>
Due to related entities	1,886,509	2,926,066	-	177,659	-	-	12,052	(4,737,887)	264,399
Right-of-use liabilities	129,601	-	-	-	-	-	-	-	129,601
Mortgages and notes payable, net	2,329,601	9,760,473	-	-	-	-	9,230,697	-	21,320,771
Unearned revenues	-	7,636,235	-	-	-	-	9,210,965	-	16,847,200
Refundable advances	638,465	-	-	-	-	-	13,335	-	651,800
<b>TOTAL LIABILITIES</b>	<b>11,369,281</b>	<b>20,327,828</b>	<b>-</b>	<b>177,659</b>	<b>-</b>	<b>-</b>	<b>18,605,484</b>	<b>(7,033,087)</b>	<b>43,447,165</b>
<b>NET ASSETS</b>									
Attributable to controlling interest	17,258,378	(5,934,504)	-	16,675,267	7,753,392	2,458	(3,749,538)	4,979,597	36,985,050
Deficit attributable to non-controlling interest	-	-	-	-	-	-	-	(5,934,504)	(5,934,504)
<b>TOTAL NET ASSETS, CONSOLIDATING ENTITY</b>	<b>17,258,378</b>	<b>(5,934,504)</b>	<b>-</b>	<b>16,675,267</b>	<b>7,753,392</b>	<b>2,458</b>	<b>(3,749,538)</b>	<b>(954,907)</b>	<b>31,050,546</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 28,627,659</b>	<b>\$ 14,393,324</b>	<b>\$ -</b>	<b>\$ 16,852,926</b>	<b>\$ 7,753,392</b>	<b>\$ 2,458</b>	<b>\$ 14,855,946</b>	<b>\$ (7,987,994)</b>	<b>\$ 74,497,711</b>

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Camillus House, Inc.	Shepherd's Court LLC	Shepherd's Court Investor, LLC	New Camillus House Campus, Inc.	Charity Unlimited Foundation, Inc.	Brownsville Housing, Inc.	350 NW, LLC	Inter-company Eliminations and non-controlling interest adjustment	Consolidated Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT:									
Government contracts and grant revenue	\$ 16,276,887	\$ 156,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,433,110
Contributions	6,607,591	-	-	-	1,192,577	-	-	-	7,800,168
In-kind contributions	2,246,182	-	-	-	-	-	-	-	2,246,182
Client contributions	1,909,721	267,235	-	-	-	-	665,962	-	2,842,918
Other income	335,251	24,694	-	879,000	-	-	4,403	(879,000)	364,348
<b>TOTAL REVENUE, GAINS (LOSSES), AND OTHER SUPPORT</b>	<b>27,375,632</b>	<b>448,152</b>	<b>-</b>	<b>879,000</b>	<b>1,192,577</b>	<b>-</b>	<b>670,365</b>	<b>(879,000)</b>	<b>29,686,726</b>
EXPENSES:									
Operating expenses:									
Salaries, benefits and payroll taxes	10,598,481	133,891	-	-	-	-	83,804	-	10,816,176
Professional services	1,901,812	31,192	-	-	21,349	-	51,295	-	2,005,648
Pastoral services and expenses through related entities	457,382	-	-	-	-	-	-	-	457,382
Equipment and maintenance cost	426,115	13,182	-	-	-	-	6,022	-	445,319
Transportation	138,243	-	-	-	-	-	-	-	138,243
Food service costs	658,396	-	-	-	-	-	-	-	658,396
General and administration costs	678,973	336,981	-	-	-	-	60,401	-	1,076,355
Provision for doubtful accounts	540,355	7,163	-	-	-	-	13,574	-	561,092
Insurance	1,038,284	121,266	-	-	-	-	75,972	-	1,235,522
Marketing and public relations	1,478,143	-	-	-	-	-	4,989	-	1,483,132
Property taxes and interest expense	253,130	20,424	-	-	-	-	96,602	-	370,156
Ancillary services and supplies	308,112	-	-	-	-	-	1,130	-	309,242
Direct support	5,416,185	553	-	-	-	-	670	-	5,417,408
Repairs and maintenance expense	1,618,148	101,460	-	-	-	-	104,960	-	1,824,568
Travel	36,278	85	-	-	-	-	4	-	36,367
Occupancy, utilities, security	3,396,197	207,143	-	-	-	-	202,787	(879,000)	2,927,127
<b>TOTAL OPERATING EXPENSES</b>	<b>28,944,234</b>	<b>973,340</b>	<b>-</b>	<b>-</b>	<b>21,349</b>	<b>-</b>	<b>702,210</b>	<b>(879,000)</b>	<b>29,762,133</b>
In-kind/depreciation expense:									
In-kind contribution expense	2,240,682	-	-	-	-	-	-	-	2,240,682
Depreciation expense	2,121,530	680,492	-	741,738	-	-	457,804	(18,273)	3,983,291
<b>TOTAL IN-KIND/DEPRECIATION EXPENSE</b>	<b>4,362,212</b>	<b>680,492</b>	<b>-</b>	<b>741,738</b>	<b>-</b>	<b>-</b>	<b>457,804</b>	<b>(18,273)</b>	<b>6,223,973</b>
<b>TOTAL EXPENSES</b>	<b>33,306,446</b>	<b>1,653,832</b>	<b>-</b>	<b>741,738</b>	<b>21,349</b>	<b>-</b>	<b>1,160,014</b>	<b>(897,273)</b>	<b>35,986,106</b>
CONSOLIDATING CHANGE IN NET ASSETS BEFORE OTHER GAINS (LOSSES)	(5,930,814)	(1,205,680)	-	137,262	1,171,228	-	(489,649)	18,273	(6,299,380)
Gains on forgiveness of loans	-	427,620	-	-	-	-	479,709	-	907,329
Gains (losses) on dissolution of 2015 New Market Tax Credit	13,216,347	-	-	-	(7,963,627)	-	-	-	5,252,720
Investment and interest (loss) income	(1,990)	2,380	-	-	400,634	-	13,493	-	414,517
	7,283,543	(775,680)	-	137,262	(6,391,765)	-	3,553	18,273	275,186
NON-CONTROLLING INTEREST	-	-	-	-	-	-	-	775,680	775,680
CHANGE IN NET ASSETS ATTRIBUTABLE TO CAMILLUS HOUSE, INC. CONTROLLING INTEREST	\$ 7,283,543	\$ (775,680)	\$ -	\$ 137,262	\$ (6,391,765)	\$ -	\$ 3,553	\$ 793,953	\$ 1,050,866
BEGINNING NET ASSETS	9,974,835	(5,158,824)	-	16,538,005	14,145,157	2,458	(3,753,091)	(973,180)	30,775,360
Non-controlling Interest	-	-	-	-	-	-	-	-	(775,680)
ENDING NET ASSETS	\$ 17,258,378	\$ (5,934,504)	\$ -	\$ 16,675,267	\$ 7,753,392	\$ 2,458	\$ (3,749,538)	\$ (954,907)	\$ 31,050,546

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**SCHEDULE OF STATE EARNINGS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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1.	Total Expenditures	\$ 35,986,106
2.	Less other State and Federal Funds	(6,918,426)
3.	Less Non-Match SAMH Funds	(1,316,963)
4.	Less Unallowable Costs, per 65E-14, F.A.C.	<u>(857,632)</u>
5.	Total Allowable Expenditures (Sum of lines 1,2,3 and 4)	<u>26,893,085</u>
6.	Maximum Available Earnings (Line 5 times 75%)	20,169,814
7.	Amount of Funds Requiring Local Match	40,135
8.	Amount Due to Department, if negative (Subtract line 7 from line 6)	<u><u>NONE</u></u>

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedule of expenditures of federal awards.

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES – PART I**  
**FOR THE YEAR ENDED JUNE 30, 2023**

		STATE-FUNDED																						
		Mental Health									Substance Abuse													
FUNDING SOURCES & REVENUES		Case Management	Day Treatment	Outpatient (Indiv.)	Outreach	Residential II	Residential IV	Incidental Expenses	R&B with Sup. II	Transition Voucher	Mental Health Total	Day Treatment	Residential II	Residential IV	Incidental Expenses	R&B with Sup. II	Transition Voucher	Substance Abuse Total	Total for State SAMH-Funded Covered Services or Projects	Total for Non-State-Funded Covered Services or Projects	Total for All Covered Services or Projects	Non-SAMH Covered Services or Projects	Total Funding	
A		02	06	14	15	19	21	28	37	B2	B	06	19	21	28	37	B2	C	D	E	F	G	H	
<b>IA. STATE SAMH FUNDING</b>																								
<b>Current Year Funding</b>																								
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State P-P Federal and State																						
MH001	ME225-12-24	F/S				\$ 142,778.68	\$ 97,747.95	\$ 998.00	\$ 280,057.48	\$ 521,582.11								\$ -	\$ 521,582.11		\$ 521,582.11		\$ 521,582.11	
MH009	ME225-12-24	F/S	\$ 23,980.88					\$ 40.00		\$ 24,020.88								\$ -	\$ 24,020.88		\$ 24,020.88		\$ 24,020.88	
MH0PG	ME225-12-24	F	\$ 27,593.73	\$ 55,112.91	\$ 163,465.12			\$ 156.00		\$ 246,327.76								\$ -	\$ 246,327.76		\$ 246,327.76		\$ 246,327.76	
MHTRV	ME225-12-24	F/S								\$ 24,316.50	\$ 24,316.50							\$ -	\$ 24,316.50		\$ 24,316.50		\$ 24,316.50	
MS003	ME225-12-24	F/S								\$ -	\$ 187,750.64	\$ 30,633.45			\$ 59,439.11			\$ 277,823.20	\$ 277,823.20		\$ 277,823.20		\$ 277,823.20	
MS011	ME225-12-24	F/S								\$ -	\$ 36,195.76			\$ 15.00				\$ 36,195.76	\$ 36,195.76		\$ 36,195.76		\$ 36,195.76	
MSCB5	ME225-12-24	S								\$ -	\$ 28,403.76			\$ 87.00	\$ 19,730.31			\$ 48,221.07	\$ 48,221.07		\$ 48,221.07		\$ 48,221.07	
MSSM4	ME225-12-24	F						\$ 1,256.64	\$ 59,665.76	\$ 121.00	\$ 13,956.40							\$ 74,999.80	\$ 74,999.80		\$ 74,999.80		\$ 74,999.80	
MSSM5	ME225-12-24	F							\$ 663.40	\$ 40,372.64								\$ 60,605.17	\$ 60,605.17		\$ 60,605.17		\$ 60,605.17	
MSTRV	ME225-12-24	S								\$ -								\$ 2,870.25	\$ 2,870.25		\$ 2,870.25		\$ 2,870.25	
<b>Total Current Year Funding</b>			\$ 27,593.73	\$ 23,980.88	\$ 55,112.91	\$ 163,465.12	\$ 142,778.68	\$ 97,747.95	\$ 1,194.00	\$ 280,057.48	\$ 24,316.50	\$ 816,247.25	\$ 38,100.80	\$ 316,192.80	\$ 30,633.45	\$ 310.00	\$ 112,607.95	\$ 2,870.25	\$ 500,715.25	\$ 1,316,962.50		\$ 1,316,962.50		\$ 1,316,962.50
<b>TOTAL STATE SAMH FUNDING =</b>			\$ 27,593.73	\$ 23,980.88	\$ 55,112.91	\$ 163,465.12	\$ 142,778.68	\$ 97,747.95	\$ 1,194.00	\$ 280,057.48	\$ 24,316.50	\$ 816,247.25	\$ 38,100.80	\$ 316,192.80	\$ 30,633.45	\$ 310.00	\$ 112,607.95	\$ 2,870.25	\$ 500,715.25	\$ 1,316,962.50		\$ 1,316,962.50		\$ 1,316,962.50
<b>IB. OTHER GOVERNMENT FUNDING</b>																								
(1) Other State Agency Funding										\$ -								\$ -	\$ -		\$ -	\$ 1,313,009.47	\$ 1,313,009.47	
(2) Medicaid										\$ -								\$ -	\$ -		\$ -	\$ 15,187.09	\$ 15,187.09	
(3) Local Government										\$ -								\$ -	\$ -		\$ -	\$ 4,346,452.12	\$ 4,346,452.12	
(4) Federal Grants and Contracts										\$ -								\$ -	\$ -		\$ -	\$ 9,325,809.92	\$ 9,325,809.92	
(5) In-kind from local govt. only										\$ -								\$ -	\$ -		\$ -	\$ -	\$ -	
<b>TOTAL OTHER GOVERNMENT FUNDING =</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,458.60	\$ 15,000,458.60	
<b>IC. ALL OTHER REVENUES</b>																								
(1) 1st & 2nd Party Payments										\$ -								\$ -	\$ -		\$ -	\$ -	\$ -	
(2) 3rd Party Payments (except Medicare)										\$ -								\$ -	\$ -		\$ -	\$ -	\$ -	
(3) Medicare										\$ -								\$ -	\$ -		\$ -	\$ -	\$ -	
(4) Contributions and Donations										\$ -								\$ -	\$ -		\$ -	\$ 10,842,891.18	\$ 10,842,891.18	
(5) Other										\$ -								\$ -	\$ -		\$ -	\$ 334,214.26	\$ 334,214.26	
(6) In-kind										\$ -								\$ -	\$ -		\$ -	\$ 2,246,182.03	\$ 2,246,182.03	
<b>TOTAL ALL OTHER REVENUES =</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,423,287.47	\$ 13,423,287.47	
<b>TOTAL FUNDING =</b>			\$ 27,593.73	\$ 23,980.88	\$ 55,112.91	\$ 163,465.12	\$ 142,778.68	\$ 97,747.95	\$ 1,194.00	\$ 280,057.48	\$ 24,316.50	\$ 816,247.25	\$ 38,100.80	\$ 316,192.80	\$ 30,633.45	\$ 310.00	\$ 112,607.95	\$ 2,870.25	\$ 500,715.25	\$ 1,316,962.50	\$ -	\$ 1,316,962.50	\$ 28,423,746.07	\$ 29,740,708.57

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

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES**  
**SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES – PART II**  
**FOR THE YEAR ENDED JUNE 30, 2023**

SAMH COVERED SERVICES																										
EXPENSE CATEGORIES	Mental Health								Substance Abuse								*except IIC & IID									
	Case Management	Day Treatment	Outpatient (Indiv.)	Outreach	Residential II	Residential IV	Incidental Expenses	R&B with Sup. II	Transition Voucher	Mental Health Total	Day Treatment	Residential II	Residential IV	Incidental Expenses	R&B with Sup. II	Transition Voucher	Substance Abuse Total	Total for State SAMH Funded Covered Services	Total for Non-State-Funded Covered Services	Total for All Covered Services	Non-SAMH Covered Services	Other Support Costs (optional)	Administration	Total Expenses (F+G+H+I+J)		
	02	06	14	15	19	21	28	37	B2	B	06	19	21	28	37	B2	C	D (B+C)	E	F (D+E)	G	H	I	J		
<b>IA. PERSONNEL EXPENSES</b>	0%	0%	0%	1%	1%	0%	0%	3%	0%	0%	1%	0%	0%	0%	0%	0%	0%				67%		25%			
Salaries	8,755,171.41	18,344.32	7,971.25	18,319.54	130,406.00	104,163.25	32,491.44	396.89	223,418.78	8,082.81	543,594.27	12,664.71	105,102.54	10,182.56	103.04	37,430.90	954.07	166,437.84	710,032.11		710,032.00	5,885,213.41		2,149,926.00	8,755,171.41	
Fringe Benefits	2,020,949.12	3,734.40	1,840.00	3,728.68	18,822.51	16,582.16	7,499.97	91.61	35,651.31	1,865.75	89,816.41	2,923.39	16,741.73	2,350.43	23.79	6,760.14	220.23	29,019.71	118,836.12		118,836.12	1,286,434.00		615,679.00	2,020,949.12	
<b>TOTAL PERSONNEL EXPENSES =</b>	\$ 22,078.73	\$ 9,811.25	\$ 22,048.23	\$ 149,228.52	\$ 120,745.41	\$ 39,991.41	\$ 488.50	\$ 259,070.09	\$ 9,948.56	\$ 633,410.68	\$ 15,568.10	\$ 121,844.28	\$ 12,533.00	\$ 126.83	\$ 44,191.05	\$ 1,174.30	\$ 195,457.55	\$ 828,868.23	\$ -	\$ 828,868.23	\$ 7,181,647.41	\$ -	\$ 2,765,605.00	\$ 10,776,120.64		
<b>IB. OTHER EXPENSES</b>																										
Building Occupancy	4,787,638.95	10,031.33	4,358.96	10,017.78	71,310.64	57,095.78	17,767.47	217.03	122,173.33	4,419.97	297,392.29	6,925.52	57,473.81	5,568.19	56.35	20,468.55	521.72	91,014.13	388,406.41		388,406.41	3,590,729.21		808,503.00	4,787,638.63	
Professional Services	2,019,350.45	4,231.06	1,839.54	4,225.34	30,077.70	24,082.10	7,494.04	91.54	51,530.78	1,864.27	125,435.37	2,921.07	24,241.54	2,348.57	23.77	8,633.31	220.05	38,388.32	163,823.69		163,823.69	1,514,512.84		341,013.93	2,019,350.45	
Travel	36,368.95	76.20	33.11	76.10	541.71	433.72	134.97	1.85	928.08	33.58	2,259.12	52.61	436.60	42.30	0.43	155.49	3.96	691.38	2,950.50		2,950.50	27,276.71		6,141.74	36,368.95	
Equipment	445,319.56	933.06	405.45	931.80	6,632.92	5,310.73	1,652.63	20.19	11,363.88	411.12	27,861.78	644.17	5,345.89	517.92	5.24	1,903.87	48.53	8,465.63	36,127.41		36,127.41	333,989.67		75,202.00	445,319.56	
Food Services	658,396.12	1,379.51	599.44	1,377.64	9,806.64	7,851.81	2,443.38	29.85	16,801.28	607.83	40,897.39	952.40	7,903.80	765.74	7.75	2,814.83	71.75	12,516.26	53,413.65		53,413.65	493,797.00		111,185.00	658,396.12	
Medical and Pharmacy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-			-	
Subcontracted Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-			-	
Insurance	1,235,522.91	2,588.74	1,124.90	2,585.24	18,402.79	14,734.43	4,585.17	56.01	31,526.68	1,140.64	76,746.59	1,787.23	14,831.99	1,436.96	14.54	5,282.22	134.64	23,487.58	100,234.17		100,234.17	926,642.19		208,647.00	1,235,522.35	
Interest Paid	387,459.76	811.83	352.77	810.73	5,771.11	4,620.72	1,437.91	17.96	9,887.39	357.70	24,067.72	560.48	4,651.31	450.63	4.56	1,656.50	42.22	7,365.70	31,433.42		31,433.42	290,594.82		65,432.00	387,460.24	
Operating Supplies & Expenses	8,151,095.17	17,078.63	7,421.26	17,055.56	121,408.45	97,207.24	30,249.64	369.50	208,003.66	7,525.12	506,319.05	11,790.89	97,850.83	9,480.00	95.93	34,848.30	888.24	154,954.21	661,273.26		661,273.26	6,113,321.38		1,376,501.00	8,151,095.64	
Other-Bad Debt	553,928.85	1,180.62	504.33	1,159.05	8,250.63	6,605.97	2,055.69	25.11	14,135.43	511.39	34,408.23	801.28	6,649.71	644.24	6.52	2,368.21	60.36	10,530.32	44,938.54		44,938.54	415,446.64		93,544.00	553,929.18	
Donated Items	6,245,069.45	13,085.02	5,685.90	13,067.34	93,018.69	74,476.61	23,176.16	283.10	159,384.76	5,765.47	387,923.05	9,033.75	74,969.71	7,263.23	73.50	26,699.49	680.54	118,720.22	506,643.26		506,643.26	4,683,802.09		1,054,624.00	6,245,069.35	
<b>TOTAL OTHER EXPENSES =</b>	\$ 51,375.98	\$ 22,324.66	\$ 51,306.58	\$ 365,221.27	\$ 292,419.12	\$ 90,997.06	\$ 1,111.54	\$ 625,717.27	\$ 22,637.10	\$ 1,523,110.58	\$ 35,469.40	\$ 294,355.19	\$ 28,517.77	\$ 288.59	\$ 104,830.77	\$ 2,672.02	\$ 466,133.74	\$ 1,989,244.32	\$ -	\$ 1,989,244.32	\$ 18,390,112.63	\$ -	\$ 4,140,793.67	\$ 24,520,150.61		
<b>TOT. PERSONNEL &amp; OTH. EXP. =</b>	\$ 73,454.71	\$ 32,135.90	\$ 73,354.81	\$ 514,449.79	\$ 413,164.53	\$ 130,988.47	\$ 1,600.04	\$ 884,787.36	\$ 32,585.66	\$ 2,156,521.26	\$ 51,057.50	\$ 416,199.47	\$ 41,050.77	\$ 415.42	\$ 149,021.82	\$ 3,846.32	\$ 661,591.29	\$ 2,818,112.55	\$ -	\$ 2,818,112.55	\$ 25,571,760.04	\$ -	\$ 6,906,398.67	\$ 35,296,271.26		
<b>IC. DISTRIBUTED INDIRECT COSTS</b>																										
(a) Other Support Costs (Optional)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-				
(b) Administration	2,429,770.05	5,080.99	2,212.21	5,084.11	36,190.79	28,976.63	9,017.15	110.15	62,004.07	2,243.17	150,929.27	3,514.76	29,168.48	2,825.91	28.60	10,387.97	264.78	46,190.49	197,119.77		197,119.77	2,232,650.28		(6,906,398.67)	(4,476,628.62)	
<b>TOT. DISTRD. INDIRECT COSTS =</b>	\$ 5,080.99	\$ 2,212.21	\$ 5,084.11	\$ 36,190.79	\$ 28,976.63	\$ 9,017.15	\$ 110.15	\$ 62,004.07	\$ 2,243.17	\$ 150,929.27	\$ 3,514.76	\$ 29,168.48	\$ 2,825.91	\$ 28.60	\$ 10,387.97	\$ 264.78	\$ 46,190.49	\$ 197,119.77	\$ -	\$ 197,119.77	\$ 2,232,650.28	\$ -	\$ -	\$ -		
<b>TOTAL ACTUAL OPER. EXPENSES =</b>	\$ 78,545.70	\$ 34,348.12	\$ 78,438.92	\$ 550,640.58	\$ 442,141.16	\$ 140,005.62	\$ 1,710.18	\$ 946,791.43	\$ 34,828.83	\$ 2,307,450.53	\$ 54,572.26	\$ 445,367.94	\$ 43,876.68	\$ 444.02	\$ 159,409.79	\$ 4,111.10	\$ 707,781.78	\$ 3,015,232.31	\$ -	\$ 3,015,232.31	\$ 27,804,410.32	\$ 0.00	\$ 0.00	\$ 30,819,642.63		
<b>ID. UNALLOWABLE COSTS</b>																										
<b>TOT. ALLOWABLE OPER. EXP. =</b>	\$ 78,545.70	\$ 34,348.12	\$ 78,438.92	\$ 550,640.58	\$ 442,141.16	\$ 140,005.62	\$ 1,710.18	\$ 946,791.43	\$ 34,828.83	\$ 2,307,450.53	\$ 54,572.26	\$ 445,367.94	\$ 43,876.68	\$ 444.02	\$ 159,409.79	\$ 4,111.10	\$ 707,781.78	\$ 3,015,232.31	\$ -	\$ 3,015,232.31	\$ 27,804,410.32	\$ -	\$ -	\$ 30,819,642.63		
<b>IE. CAPITAL EXPENDITURES</b>																										

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



**CAMILLUS HOUSE, INC. AND  
SUBSIDIARIES**

MANAGEMENT LETTER

JUNE 30, 2023

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## MANAGEMENT LETTER

To the Board of Directors of  
Camillus House, Inc. and Subsidiaries  
Miami, Florida

### **Report on the Financial Statements**

We have audited the consolidated financial statements of Camillus House, Inc. and Subsidiaries (collectively referred to as the “Organization”), as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated December 13, 2023.

### **Auditor’s Responsibility**

We conducted our audit 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; and 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).

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor’s Report on Compliance for Each Major Federal Program, and Report on Internal Control over Compliance in accordance with the Uniform Guidance. Disclosures in those reports, which are dated December 13, 2023, should be considered in conjunction with this management letter.

### **Management Letter**

In planning and performing our audit of the financial statements of the Organization as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, other material weaknesses may exist that have not been identified.

During our audit, we became aware of certain matters other than significant deficiencies or material weaknesses, that are opportunities for strengthening internal controls and operating efficiency. The schedule that accompanies this letter summarizes our observations and suggestions concerning those matters. This letter does not affect our reports dated December 13, 2023 on the financial statements of the Organization.

#### **Purpose of this Letter**

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, and regulatory agencies to which the Organization is subject, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 13, 2023

**CAMILLUS HOUSE, INC. AND SUBSIDIARIES  
OBSERVATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINANCIAL CLOSING AND CONSOLIDATION PROCESS**

Observation

During our audit, it was noted that the consolidated financial statements provided did not include the correct opening balances that agreed to the prior audit and several adjustments were required. The eliminating entries provided were also incorrect and there were insignificant differences between amounts due to/from consolidated entities and non-consolidated affiliates in comparison to the affiliate records.

Recommendation

Closing procedures should include the reconciliation of each consolidated entities' beginning net asset balances to that of the prior year audit, and reconciliation of balance sheet accounts to supporting schedules or ledgers provided by other departments. In addition, separate intercompany "transfer" accounts should be maintained for non-consolidated entities.

Management response

Proper procedures will be implemented to ensure that all audit adjustments are recorded and that final balances in the organization's financial statements agree to the year end audit. Furthermore, beginning balances for the next fiscal year will be checked to ensure that they tie to the ending balances from the prior fiscal year. Intercompany accounts will be properly maintained for all non-consolidated entities. These procedures will be reviewed by the financial leader of the organization.

**OVERSIGHT OF THIRD-PARTY ACCOUNTING**

Observation

The Organization has entities under third-party management, such as Shepherd's Court and Labre Place. Certain accounts pertain to cash, debt, grant revenue, and expenses where not properly recorded by the third-party management. These accounts were then incorrectly booked into the Organization's accounting system. As such balances were shown at the incorrect balances until the time of the audit.

Recommendation

The accounting of the entities that are managed by third parties should be reviewed by management of the Organization by obtaining and reconciling supporting schedules for all accounts in order to ensure the accuracy of the accounting.

Management response

Financial management will review all financial statements related to 3<sup>rd</sup> party managed related entities to ensure that proper accounting processes and reconciliation are performed accurately and completely. Such reviews will be performed on a timely basis after receipt of financials and underlying supporting documentation.