

Chatham County Safety Net Planning Council, Inc.

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

June 30, 2014 and 2013



HILLIARD & MILTON, LLC

Certified Public Accountants

Certified Internal Auditors

Certified Government Auditing Professionals

Chatham County Safety Net Planning Council, Inc.

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Years Ended June 30, 2014 and 2013

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HILLIARD & MILTON, LLC

A Professional Services Firm of:
Certified Public Accountants
Certified Government Auditing Professionals
Certified Internal Auditors

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18 S. Third Ave.
McRae, GA 31055

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Chatham County Safety Net Planning Council, Inc.
Savannah, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of Chatham County Safety Net Planning Council, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chatham County Safety Net Planning Council, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 5 and 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hilliard & Milton, LLC

McRae, Georgia

October 10, 2014

Chatham County Safety Net Planning Council, Inc.

Statements of Financial Position

June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents - undesignated	\$ 816,072	\$ 551,204
Receivables:		
Indigent care trust funds	36,068	36,068
Donations	-	2,500
Other	479	-
Total current assets	<u>852,619</u>	<u>589,772</u>
Fixed assets - at cost, less accumulated depreciation of \$373,107 and \$289,806, respectively	<u>74,001</u>	<u>157,302</u>
Total assets	<u>\$ 926,620</u>	<u>\$ 747,074</u>
LIABILITIES AND NET ASSETS		
Current liabilities -		
Accounts payable	<u>\$ 5,230</u>	<u>\$ 21,102</u>
Total current liabilities	<u>5,230</u>	<u>21,102</u>
Net assets -		
Unrestricted - undesignated	<u>921,390</u>	<u>725,972</u>
Total net assets	<u>921,390</u>	<u>725,972</u>
Total liabilities and net assets	<u>\$ 926,620</u>	<u>\$ 747,074</u>

See independent auditor's report and accompanying notes to financial statements.

Chatham County Safety Net Planning Council, Inc.

Statement of Functional Expenses
Actual and Budget

Year Ended June 30, 2014

	HIE Chatham County		Chatham		Capacity Building		Administration	Total Expenses	Budget	Variance Favorable (Unfavorable)
	Indigent Care		Connect		Grant					
Expenses:										
Travel / training	\$ 1,491	\$ -	\$ -	\$ 1,017	\$ -	\$ -	\$ 1,017	\$ 2,508	\$ 18,001	\$ 15,493
Contracted services	196,590	21,500	40,927	89,428	40,927	-	89,428	348,445	741,969	393,524
Postage	28	25	99	102	99	-	102	254	324	70
Supplies and materials	9	-	-	1,380	-	-	1,380	1,389	4,500	3,111
Publications / printing	-	-	-	145	-	-	145	145	1,000	855
Depreciation	-	-	-	83,301	-	-	83,301	83,301	-	(83,301)
Insurance and bonding	-	-	17,902	1,920	-	-	1,920	19,822	48,850	29,028
Other	328	73,797	-	3,691	-	-	3,691	77,816	42,914	(34,902)
Total expenses	\$ 198,446	\$ 95,322	\$ 58,928	\$ 180,984	\$ 58,928	\$ -	\$ 533,680	\$ 857,558	\$ 323,878	

See independent auditor's report and accompanying notes to financial statements.

Chatham County Safety Net Planning Council, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 195,418	\$ 26,182
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	83,301	103,921
Net change in donations receivable	2,500	77,500
Net change in other receivables	(479)	-
Net change in accounts payable	(15,872)	21,102
Net cash provided by operating activities	264,868	228,705
Cash flows from investing activities -		
Acquisition of fixed assets	-	(85,257)
Net cash used by investing activities	-	(85,257)
Cash flows from financing activities -	-	-
Increase in cash and cash equivalents	264,868	143,448
Cash and cash equivalents beginning of year	551,204	407,756
Cash and cash equivalents end of year	\$ 816,072	\$ 551,204
 SUPPLEMENTAL CASH FLOW DISCLOSURE -		
Cash paid for interest	\$ -	\$ -

See independent auditor's report and accompanying notes to financial statements.

Chatham County Safety Net Planning Council, Inc.

Notes to Financial Statements

Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Contributed Services

Safety Net does receive services contributed by volunteers. However, no amounts have been recognized for these donated services in the statements of activities because the criteria for recognition under ASC 958 have not been satisfied.

G. Allowance for Uncollectible Accounts

An allowance for uncollectible accounts is provided based on accounts deemed by management to be uncollectible. Management considers all accounts receivable to be collectible and has therefore reflected no allowance for uncollectible accounts as of June 30, 2014 and 2013.

H. Income Tax Status

Safety Net qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

I. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase and include restricted and unrestricted balances.

J. Fixed Assets

All expenditures for equipment and software are stated at cost. Major improvements which extend the lives of existing property and equipment are capitalized. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is computed by the straight-line method, beginning in the year of acquisition, at rates based on the following estimated useful lives:

	<u>Years</u>
Equipment	5
Software	3

Chatham County Safety Net Planning Council, Inc.

Schedule of State Contractual Assistance

Year Ended June 30, 2014

<u>Program Name</u>	<u>Contract Number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Amount Due To/From State</u>
Department of Community Health - Georgia Health Information Network Capacity Building Grant Program	14003G-ARRA	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>
Total State Grants and Contracts		<u><u>\$ 200,000</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ -</u></u>

See independent auditor's report