

**CHATHAM COUNTY SAFETY NET
PLANNING COUNCIL, INC.**

SAVANNAH, GEORGIA

*

**FINANCIAL STATEMENTS
WITH
AUDITOR'S REPORT**

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JUNE 30, 2017

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Independent Auditor's Report

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

We have audited the accompanying financial statements of Chatham County Safety Net Council, Inc., (a nonprofit organization) which comprise the statement of financial position as of June 30, 2017 and the related statement of activities, functional expenses and cash flows for the year 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 State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant'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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Chatham County Safety Net Planning Council, Inc. as of June 30, 2016 were audited by other auditors whose report dated October 3, 2016, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses - Budget vs. Actual for the year ended June 30, 2017 on page 10 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. The Schedule of Expenses - Budget vs. Actual for the year ended June 30, 2016, on Page 11 was subject to the auditing procedures applied in the year ended June 30, 2016, audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the June 30, 2016 year end statements as a whole.

Canady, Richbourg, & Woodward, LLP

October 5, 2017

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	1,254,711	1,268,205
Accounts receivable	108,684	5,241
Prepaid expenses	15,156	-
Total current assets	<u>1,378,551</u>	<u>1,273,446</u>
Property and equipment		
Software	-	409,000
Equipment	44,393	40,141
Less - accumulated depreciation	<u>(37,881)</u>	<u>(438,988)</u>
Total property and equipment	<u>6,512</u>	<u>10,153</u>
Total Assets	<u><u>1,385,063</u></u>	<u><u>1,283,599</u></u>
 <u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	82,501	21,092
Payroll liabilities	7,103	-
Total current liabilities	<u>89,604</u>	<u>21,092</u>
Net assets		
Unrestricted net assets:	<u>1,295,459</u>	<u>1,262,507</u>
Total net assets	<u>1,295,459</u>	<u>1,262,507</u>
Total Liabilities and Net Assets	<u><u>1,385,063</u></u>	<u><u>1,283,599</u></u>

The accompanying notes are an integral part of these financial statements

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Changes in Unrestricted Net Assets :		
Support and Revenues		
Local grants	517,818	566,461
Federal grants	230,602	-
Contributions	9,393	7,500
Interest income	484	5
Total support and revenues	<u>758,297</u>	<u>573,966</u>
Expenses		
Program services	626,295	373,728
Supporting services		
Administration	99,050	108,746
Total expenses	<u>725,345</u>	<u>482,474</u>
Increase in net assets	32,952	91,492
Unrestricted net assets - beginning of year	<u>1,262,507</u>	<u>1,171,015</u>
Unrestricted net assets - end of year	<u><u>1,295,459</u></u>	<u><u>1,262,507</u></u>

The accompanying notes are an integral part of these financial statements

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	PROGRAM SERVICES						Totals	
	HIE Chatham County Indigent Care	CHIPRA Program	Community Catalyst	Healthcare Georgia Foundation	Total Program Services	SUPPORTING SERVICES - Administration	2017	2016
Salaries	59,715	106,114	2,105	14,266	182,200	44,567	226,767	134,593
Employee benefits	-	2,658	177	-	2,835	4,450	7,285	-
Taxes and licenses	4,581	9,698	170	1,074	15,523	3,952	19,475	11,658
Travel / training	7,235	8,950	-	680	16,865	1,464	18,329	13,457
Contracted services	256,628	2,148	-	-	258,776	17,977	276,753	266,313
Subgrants	-	89,467	-	8,000	97,467	-	97,467	-
Communications	2,265	2,739	-	-	5,004	2,327	7,331	3,013
Postage	169	429	-	-	598	37	635	43
Supplies and materials	3,504	1,574	-	-	5,078	1,664	6,742	2,315
Publications/printing	-	5,581	-	2,745	8,326	-	8,326	779
Depreciation	7,893	-	-	-	7,893	-	7,893	18,569
Insurance and bonding	10,379	-	-	-	10,379	2,886	13,265	20,021
Building rent	-	-	-	-	-	12,581	12,581	4,437
Expendable equipment	12,931	111	-	-	13,042	-	13,042	-
Other	2,309	-	-	-	2,309	7,145	9,454	7,276
Total expenses	367,609	229,469	2,452	26,765	626,295	99,050	725,345	482,474

The accompanying notes are an integral part of these financial statements

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CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from (for) operating activities		
Increase in net assets	32,952	91,492
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	7,893	18,569
Changes in operating assets and liabilities:		
Accounts receivable	(103,443)	31,518
Prepaid expenses	(15,156)	-
Accounts payable	61,409	(63,555)
Payroll liabilities	7,103	-
Net cash provided by (used for) operating activities	<u>(9,242)</u>	<u>78,024</u>
 Cash flows for investing activities		
Purchase of property and equipment	<u>(4,252)</u>	<u>-</u>
 Net increase (decrease) in cash and cash equivalents	 (13,494)	 78,024
 Beginning cash and cash equivalents	 <u>1,268,205</u>	 <u>1,190,181</u>
 Ending cash and cash equivalents	 <u><u>1,254,711</u></u>	 <u><u>1,268,205</u></u>
 Supplemental cash flow information		
Interest paid	<u><u>-</u></u>	<u><u>-</u></u>
Income taxes paid	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1. Nature of Activities

Chatham County Safety Net Planning Council, Inc. (Safety Net) is a non-profit council designed to develop an infrastructure to maximize access and utilization of health services and to leverage available resources to assure improved health status for Chatham County residents. Safety Net leverages, through collaboration and ongoing evaluation, its partners efforts to improve the efficiencies of their respective agency's delivery of health care services. Sources of revenue include government grants and contracts, and contributions from partners and the general public.

Note 2. Summary of Significant Accounting Policies

Accounting Method - The organization uses the accrual method of accounting, recognizing revenue when earned and expenses when incurred.

Advertising Costs - Advertising and marketing costs are expensed as incurred.

Cash and Cash Equivalents - For purpose of the Statement of Cash Flows, Safety Net considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Receivables - Grants receivable are stated at the amount management expects to collect from outstanding balances. No allowance for uncollectible accounts has been recorded since management considers all outstanding balances to be collectible.

Property and Equipment - All expenditures for equipment 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.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax - Safety Net is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been determined by the Internal Revenue Service not to be a private foundation under Section 509(a) of the Code.

As of June 30, 2017, the tax years that remain subject to examination by taxing authorities begin with the fiscal year ending June 30, 2014.

Basis of Presentation - The organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

Concentration of Credit Risk - The organization occasionally maintains deposits in excess of federally insured limits. Accounting standards identify these items as a concentration of credit risk requiring disclosure regardless of the degree of risk. At June 30, 2017, Safety Net's cash balances exceeded insured limits by \$1,004,711. The risk is managed by maintaining all deposits in high quality financial institutions. Safety Net has not experienced any losses on such accounts.

Subsequent Events - Management has evaluated subsequent events through October 5, 2017, the date the financial statements were available to be issued. Management was not aware of any subsequent events through this date that would have a material effect on these financial statements.

Note 3 - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 4 - Concentration of Risk Factors

Safety Net is a publicly supported agency and is primarily dependent upon Federal, State and local grants and contracts and local contributions for its support and revenues. Safety Net is subject to potential risk related to changes in business, economic, budgetary, political, and other factors at the Federal, State and local levels. These factors may be heightened as a result of the current economic environment.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 5 - Retirement Plan

Safety Net maintains a tax deferred 403(b) retirement plan to provide retirement benefits for all eligible employees. Employees are eligible after six months of service. The plan provides for employer contributions of 3% of eligible employee compensation. The organization's expense related to this plan was \$810 for the year ended June 30, 2017.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2017

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	226,767	255,471	28,704
Employee benefits	7,285	19,500	12,215
Taxes and licenses	19,475	30,930	11,455
Travel / training	18,329	36,200	17,871
Contracted services	276,753	371,225	94,472
Subgrants	97,467	105,176	7,709
Communications	7,331	12,755	5,424
Postage	635	1,302	667
Supplies and materials	6,742	7,560	818
Publications/printing	8,326	11,350	3,024
Depreciation	7,893	-	(7,893)
Insurance and bonding	13,265	22,010	8,745
Building rent	12,581	12,674	93
Expendable equipment	13,042	24,700	11,658
Other	9,454	68,200	58,746
Total expenses	725,345	979,053	253,708

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2016

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	134,593	148,648	14,055
Taxes and licenses	11,658	17,329	5,671
Travel / training	13,457	14,507	1,050
Contracted services	266,313	308,567	42,254
Communications	3,013	3,890	877
Postage	43	630	587
Supplies and materials	2,315	4,800	2,485
Publications/printing	779	1,110	331
Depreciation	18,569	-	(18,569)
Insurance and bonding	20,021	21,120	1,099
Building rent	4,437	4,437	-
Other	7,276	32,335	25,059
Total expenses	482,474	557,373	74,899