

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

SAVANNAH, GEORGIA

**FINANCIAL STATEMENTS
WITH
AUDITOR'S REPORT**

JUNE 30, 2020

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Independent Auditor's Report

SAVANNAH, GEORGIA

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, 2020 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 States 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, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Chatham County Safety Net Planning Council, Inc.'s financial statements for the year ended June 30, 2019, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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, 2020 on page 11 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.

Canady, Richbourg ; Associates, LLP

October 6, 2020

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	766,919	825,505
Investments	305,433	502,101
Accounts receivable	6,829	114,933
Prepaid expenses	6,130	9,479
Total current assets	<u>1,085,311</u>	<u>1,452,018</u>
Property and equipment		
Equipment	10,872	11,601
Less - accumulated depreciation	<u>(5,915)</u>	<u>(4,809)</u>
Total property and equipment	<u>4,957</u>	<u>6,792</u>
Total Assets	<u><u>1,090,268</u></u>	<u><u>1,458,810</u></u>
 <u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	8,021	24,681
Payroll liabilities	<u>1,842</u>	<u>1,928</u>
Total current liabilities	<u>9,863</u>	<u>26,609</u>
Net assets		
Net assets without donor restrictions:		
Undesignated	596,899	953,587
Designated for operating reserve	475,000	475,000
Net assets with donor restrictions	<u>8,506</u>	<u>3,614</u>
Total net assets	<u>1,080,405</u>	<u>1,432,201</u>
Total Liabilities and Net Assets	<u><u>1,090,268</u></u>	<u><u>1,458,810</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, 2020 AND 2019

	2020			2019		
	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
Changes in Net Assets :						
Support and Revenues						
Local grants	-	-	-	435,422	-	435,422
Federal grants	-	-	-	8,500	-	8,500
State grants	47,464	-	47,464	119,602	-	119,602
Program fees	27,438	-	27,438	-	-	-
Conference registration fees	11,010	-	11,010	55,250	-	55,250
Contributions	57,820	25,000	82,820	34,625	50,000	84,625
Investment income	13,591	-	13,591	12,997	-	12,997
Unrealized gain on investments	3,333	-	3,333	7,150	-	7,150
Loss on sale of equipment	(566)	-	(566)	(423)	-	(423)
Net assets released from restrictions	20,108	(20,108)	-	74,023	(74,023)	-
Total support and revenues	<u>180,198</u>	<u>4,892</u>	<u>185,090</u>	<u>747,146</u>	<u>(24,023)</u>	<u>723,123</u>
Expenses						
Program services	344,366	-	344,366	610,235	-	610,235
Supporting services						
Administration	192,520	-	192,520	117,329	-	117,329
Total expenses	<u>536,886</u>	<u>-</u>	<u>536,886</u>	<u>727,564</u>	<u>-</u>	<u>727,564</u>
Increase (decrease) in net assets	(356,688)	4,892	(351,796)	19,582	(24,023)	(4,441)
Net assets - beginning of year	<u>1,428,587</u>	<u>3,614</u>	<u>1,432,201</u>	<u>1,409,005</u>	<u>27,637</u>	<u>1,436,642</u>
Net assets - end of year	<u><u>1,071,899</u></u>	<u><u>8,506</u></u>	<u><u>1,080,405</u></u>	<u><u>1,428,587</u></u>	<u><u>3,614</u></u>	<u><u>1,432,201</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, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	PROGRAM SERVICES					Totals	
	HIE Chatham County Indigent Care	Suicide Prevention and Intervention	Other Programs	Total Program Services	SUPPORTING SERVICES Administration	2020	2019
Salaries	-	60,301	31,005	91,306	100,951	192,257	294,501
Employee benefits	-	1,809	1,403	3,212	1,332	4,544	28,957
Payroll taxes	-	4,816	1,985	6,801	8,560	15,361	23,733
Travel / training	-	17,887	1,700	19,587	2,862	22,449	34,848
Contracted services	141,296	41,734	5,623	188,653	39,692	228,345	249,400
Subgrants	-	-	-	-	-	-	19,305
Communications	-	1,741	1,316	3,057	2,457	5,514	11,649
Postage	-	-	-	-	44	44	2
Supplies and materials	-	17,829	-	17,829	2,236	20,065	5,826
Publications/printing	-	398	-	398	972	1,370	4,013
Depreciation	-	-	-	-	1,898	1,898	1,946
Insurance and bonding	1,596	-	-	1,596	10,413	12,009	13,984
Building rent	-	-	-	-	14,995	14,995	14,033
Expendable equipment and software	-	896	-	896	2,569	3,465	5,200
Other	-	7,042	3,989	11,031	3,539	14,570	20,167
Total expenses	142,892	154,453	47,021	344,366	192,520	536,886	727,564

The accompanying notes are an integral part of these financial statements

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from (for) operating activities		
Decrease in net assets	(351,796)	(4,441)
Adjustments to reconcile decrease in net assets to net cash used for operating activities:		
Depreciation	1,898	1,946
Unrealized gain on investments	(3,333)	(7,150)
Loss on disposal of equipment	566	423
Changes in operating assets and liabilities:		
Accounts receivable	108,104	12,868
Prepaid expenses	3,349	5,931
Accounts payable	(16,660)	(18,950)
Payroll liabilities	(86)	(1,010)
Net cash used for operating activities	<u>(257,958)</u>	<u>(10,383)</u>
 Cash flows from (for) investing activities		
Redemption of investments	213,292	112,816
Investment income reinvested	(13,291)	(11,940)
Purchase of equipment	(629)	(3,995)
Sale of equipment	-	500
Net cash provided by investing activities	<u>199,372</u>	<u>97,381</u>
 Net increase (decrease) in cash and cash equivalents	(58,586)	86,998
 Beginning cash and cash equivalents	<u>825,505</u>	<u>738,507</u>
 Ending cash and cash equivalents	<u><u>766,919</u></u>	<u><u>825,505</u></u>
 Supplemental cash flow information		
Interest paid	<u>-</u>	<u>-</u>
Income taxes paid	<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, 2020

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.

Liquidity Management - As part of the Safety Net's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Safety Net also operates with a balanced budget and anticipates covering its general expenditures with grants and other contributions. To help manage unanticipated liquidity needs, Safety Net has established a designated operating reserve of \$475,000, discussed in Note 6.

Investments – Investments consist of certificates of deposit through various financial institutions that generally mature within three years. Investments are reported at fair value.

Contributions - Contributions received are recorded as either without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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, 2020, the tax years that remain subject to examination by taxing authorities begin with the fiscal year ending June 30, 2017.

Basis of Presentation - The organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions or net assets with donor restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

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, 2020, Safety Net's cash balances exceeded insured limits by \$192,341. The risk is managed by maintaining all deposits in high quality financial institutions. Safety Net has not experienced any losses on such accounts.

Reclassifications - Certain prior year amounts have been reclassified to conform to the current year presentation.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 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 State and local levels. These factors may be heightened as a result of the current economic environment.

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 \$2,833 for the year ended June 30, 2020.

Note 6 –Net Assets without Donor Restrictions – Designated -Operating Reserve

In the fiscal year ending June 30, 2018, the Board of Directors established an Operating Reserve Fund. The purpose of this reserve fund is to maintain an adequate level of funds to support the organization's day-to-day operations in the event of unforeseen shortfalls. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

The amount designated for the Operating Reserve Fund was \$ 475,000 as of June 30, 2020, which approximates six-months of average recurring operating costs.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following at June 30, 2020:

Suicide prevention training programs	\$ <u>8,506</u>
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CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8 – Subsequent Events

COVID-19 Outbreak

Management has evaluated subsequent events through October 6, 2020, the date the financial statements were available to be issued. The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings. The organization has not experienced any negative impacts from the pandemic and management does not expect any negative impacts in the foreseeable future.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2020

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	192,257	263,523	71,266
Employee benefits	4,544	31,739	27,195
Taxes and licenses	15,361	36,008	20,647
Travel / training	22,449	78,376	55,927
Contracted services	228,345	232,022	3,677
Communications	5,514	10,525	5,011
Postage	44	530	486
Supplies and materials	20,065	13,660	(6,405)
Publications/printing	1,370	3,760	2,390
Depreciation	1,898	-	(1,898)
Insurance and bonding	12,009	13,592	1,583
Building rent	14,995	14,111	(884)
Expendable equipment and software	3,465	15,300	11,835
Other	14,570	41,111	26,541
Total expenses	536,886	754,257	217,371

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2019

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	294,501	371,124	76,623
Employee benefits	28,957	53,338	24,381
Taxes and licenses	23,733	32,009	8,276
Travel / training	34,848	31,631	(3,217)
Contracted services	249,400	363,675	114,275
Subgrants	19,305	35,070	15,765
Communications	11,649	10,900	(749)
Postage	2	480	478
Supplies and materials	5,826	6,850	1,024
Publications/printing	4,013	6,600	2,587
Depreciation	1,946	-	(1,946)
Insurance and bonding	13,984	28,550	14,566
Building rent	14,033	13,800	(233)
Expendable equipment and software	5,200	11,600	6,400
Other	20,167	28,933	8,766
Total expenses	<u>727,564</u>	<u>994,560</u>	<u>266,996</u>