

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

SAVANNAH, GEORGIA

*

**FINANCIAL STATEMENTS
WITH
AUDITOR'S REPORT**

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JUNE 30, 2021

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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, 2021 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, 2021, 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, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 years ended June 30, 2021 and 2020 on pages 11 and 12 are 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 27, 2021

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	587,856	766,919
Investments	100,279	305,433
Accounts receivable	6,866	6,829
Prepaid expenses	6,544	6,130
Total current assets	<u>701,545</u>	<u>1,085,311</u>
Property and equipment		
Equipment	10,872	10,872
Less - accumulated depreciation	<u>(7,683)</u>	<u>(5,915)</u>
Total property and equipment	<u>3,189</u>	<u>4,957</u>
Total Assets	<u><u>704,734</u></u>	<u><u>1,090,268</u></u>
 <u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	45,540	8,021
Payroll liabilities	<u>417</u>	<u>1,842</u>
Total current liabilities	<u>45,957</u>	<u>9,863</u>
Net assets		
Net assets without donor restrictions:		
Undesignated	592,946	596,899
Designated for operating reserve	63,000	475,000
Net assets with donor restrictions	<u>2,831</u>	<u>8,506</u>
Total net assets	<u>658,777</u>	<u>1,080,405</u>
Total Liabilities and Net Assets	<u><u>704,734</u></u>	<u><u>1,090,268</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, 2021 AND 2020

	2021			2020		
	<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	5,650	-	5,650	-	-	-
State grants	-	-	-	47,464	-	47,464
Program fees	6,900	-	6,900	27,438	-	27,438
Conference registration fees	2,575	-	2,575	11,010	-	11,010
Contributions	46,935	14,000	60,935	57,820	25,000	82,820
Investment income	5,508	-	5,508	13,591	-	13,591
Unrealized gain (loss) on investments	(5,154)	-	(5,154)	3,333	-	3,333
Loss on sale of equipment	-	-	-	(566)	-	(566)
Net assets released from restrictions	19,675	(19,675)	-	20,108	(20,108)	-
Total support and revenues	<u>82,089</u>	<u>(5,675)</u>	<u>76,414</u>	<u>180,198</u>	<u>4,892</u>	<u>185,090</u>
Expenses						
Program services	313,189	-	313,189	344,366	-	344,366
Supporting services						
Administration	184,853	-	184,853	192,520	-	192,520
Total expenses	<u>498,042</u>	<u>-</u>	<u>498,042</u>	<u>536,886</u>	<u>-</u>	<u>536,886</u>
Increase (decrease) in net assets	(415,953)	(5,675)	(421,628)	(356,688)	4,892	(351,796)
Net assets - beginning of year	<u>1,071,899</u>	<u>8,506</u>	<u>1,080,405</u>	<u>1,428,587</u>	<u>3,614</u>	<u>1,432,201</u>
Net assets - end of year	<u><u>655,946</u></u>	<u><u>2,831</u></u>	<u><u>658,777</u></u>	<u><u>1,071,899</u></u>	<u><u>8,506</u></u>	<u><u>1,080,405</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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	PROGRAM SERVICES					Totals	
	HIE Chatham County Indigent Care	Suicide Prevention and Intervention	Other Programs	Total Program Services	SUPPORTING SERVICES Administration	2021	2020
Salaries	-	70,203	-	70,203	90,005	160,208	192,257
Employee benefits	-	2,210	-	2,210	1,200	3,410	4,544
Payroll taxes	-	5,732	-	5,732	7,349	13,081	15,361
Travel / training	-	32,332	-	32,332	7,852	40,184	22,449
Contracted services	126,084	44,713	10,000	180,797	35,420	216,217	228,345
Communications	-	833	-	833	2,862	3,695	5,514
Postage	-	-	-	-	490	490	44
Supplies and materials	-	15,948	-	15,948	5,692	21,640	20,065
Publications/printing	-	419	-	419	1,939	2,358	1,370
Depreciation	-	-	-	-	1,768	1,768	1,898
Insurance and bonding	-	-	-	-	7,948	7,948	12,009
Building rent	-	-	-	-	16,997	16,997	14,995
Expendable equipment and software	-	-	-	-	-	-	-
Other	-	2,410	2,305	4,715	1,936	1,936	3,465
					3,395	8,110	14,570
Total expenses	126,084	174,800	12,305	313,189	184,853	498,042	536,886

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from (for) operating activities		
Decrease in net assets	(421,628)	(351,796)
Adjustments to reconcile decrease in net assets to net cash used for operating activities:		
Depreciation	1,768	1,898
Unrealized (gain) loss on investments	5,154	(3,333)
Loss on disposal of equipment	-	566
Changes in operating assets and liabilities:		
Accounts receivable	(37)	108,104
Prepaid expenses	(414)	3,349
Accounts payable	37,519	(16,660)
Payroll liabilities	(1,425)	(86)
Net cash used for operating activities	<u>(379,063)</u>	<u>(257,958)</u>
 Cash flows from (for) investing activities		
Redemption of investments	205,473	213,292
Investment income reinvested	(5,473)	(13,291)
Purchase of equipment	-	(629)
Net cash provided by investing activities	<u>200,000</u>	<u>199,372</u>
 Net decrease in cash and cash equivalents	(179,063)	(58,586)
 Beginning cash and cash equivalents	<u>766,919</u>	<u>825,505</u>
 Ending cash and cash equivalents	<u><u>587,856</u></u>	<u><u>766,919</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, 2021

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 \$63,000, discussed in Note 7.

Financial assets available within one year of the statement of financial position date, without donor or other restrictions limiting their use, comprise the following:

Cash and cash equivalents	587,856
Investments	100,279
Accounts receivable	6,866
Prepaid expenses	<u>6,544</u>
Total financial assets	701,545
Less amounts not available for general expenditures within one year	<u>2,831</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>698,714</u>

Investments – Investments are presented in the financial statements at market value. Realized and unrealized gains and losses are included in the statement of activities.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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, 2021, the tax years that remain subject to examination by taxing authorities begin with the fiscal year ending June 30, 2018.

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.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2021, Safety Net's had no cash balances exceeding insured limits.

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

Note 3 –New Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08 “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, “Not-for-Profit Entities”, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional”. Safety Net implemented this ASU as of and for the year ended June 30, 2021.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (ASC 606), which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances.

The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Safety Net adopted ASC 606 on July 1, 2020. The Corporation has identified program fees and conference registrations as the revenue category subject to the adoption of ASC 606. The results of applying ASC 606 using the modified retrospective approach did not have a material impact on the financial position, changes in net assets, cash flows, business processes, controls or systems of Safety Net.

Note 4 - 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.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - 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 6 - 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 \$3,306 for the year ended June 30, 2021.

Note 7 –Net Assets without Donor Restrictions – Designated -Operating Reserve

Safety Net has an established 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 target Operating Reserve Fund shall be equal to 3 months of average operating costs. The Operating Reserve will be reviewed and adjusted annually in response to internal and external changes.

The amount designated for the Operating Reserve Fund is \$ 63,000 as of June 30, 2021.

Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following at June 30, 2021:

Suicide prevention training programs	\$ <u>2,831</u>
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Note 9 – Subsequent Events

Management has evaluated subsequent events through October 27, 2021, the date the financial statements were available to be issued. The current global pandemic (COVID-19) continues to have an impact on the operations of the organization. In the period subsequent to the balance sheet date, the emergence of the delta variant of COVID-19 has affected the level of participation in outreach programs, since staff has been unable to conduct live, in-person events. Since some funding is determined by the number of participants, there has been a negative impact on revenue from these funding sources. The exact amount of the loss of funding cannot be reasonably estimated at this time.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2021

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	160,208	170,280	10,072
Employee benefits	3,410	3,000	(410)
Taxes and licenses	13,081	15,812	2,731
Travel / training	40,184	93,974	53,790
Contracted services	216,217	304,547	88,330
Communications	3,695	12,125	8,430
Postage	490	1,000	510
Supplies and materials	21,640	14,700	(6,940)
Publications/printing	2,358	3,150	792
Depreciation	1,768	-	(1,768)
Insurance and bonding	7,948	14,000	6,052
Building rent	16,997	14,140	(2,857)
Expendable equipment and software	1,936	10,000	8,064
Other	8,110	29,360	21,250
Total expenses	<u>498,042</u>	<u>686,088</u>	<u>188,046</u>

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	<u>536,886</u>	<u>754,257</u>	<u>217,371</u>