

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

SAVANNAH, GEORGIA

*

**FINANCIAL STATEMENTS
WITH
AUDITOR'S REPORT**

*

JUNE 30, 2023

CONTENTS

	<u>Page</u>
Independent Auditor’s Report.....	1-3
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements.....	8-11
Schedule of Expenses – Actual vs. Budget Year Ended June 30, 2023	12
Schedule of Expenses – Actual vs. Budget Year Ended June 30, 2022	13

Independent Auditor's Report

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

Opinion

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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chatham County Safety Net Council, Inc. as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chatham County Safety Net Council, Inc. 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 opinion.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the 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 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, including omissions, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Chatham County Safety Net Council, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chatham County Safety Net Council, Inc.'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.

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, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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, 2023 and 2022 on pages 12 and 13 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, Richbarg & Associates, LLP

January 3, 2024

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	235,206	337,732
Accounts receivable	40,322	12,500
Prepaid expenses	6,657	6,805
Total current assets	<u>282,185</u>	<u>357,037</u>
Property and equipment		
Equipment	13,459	13,459
Less - accumulated depreciation	(10,714)	(9,272)
Total property and equipment	<u>2,745</u>	<u>4,187</u>
Total Assets	<u>284,930</u>	<u>361,224</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	9,478	28,076
Deferred revenue	-	7,438
Payroll liabilities	-	442
Total current liabilities	<u>9,478</u>	<u>35,956</u>
Net assets		
Net assets without donor restrictions:		
Undesignated	212,452	262,268
Designated for operating reserve	63,000	63,000
Total net assets	<u>275,452</u>	<u>325,268</u>
Total Liabilities and Net Assets	<u>284,930</u>	<u>361,224</u>

The accompanying notes are an integral part of these financial statements

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023			2022		
	Without donor Restrictions	With donor Restrictions	Total	Without donor Restrictions	With donor Restrictions	Total
Changes in Net Assets :						
Support and Revenues						
Local grants	241,501	-	241,501	52,125	-	52,125
Contributions	145,276	-	145,276	40,352	-	40,352
Contributions - in-kind	129,147	-	129,147	105,698	-	105,698
Conference registration fees	73,025	-	73,025	5,550	-	5,550
Investment income	984	-	984	323	-	323
Realized gain (loss) on investments	-	-	-	(279)	-	(279)
Net assets released from restrictions	-	-	-	2,831	(2,831)	-
Total support and revenues	<u>589,933</u>	<u>-</u>	<u>589,933</u>	<u>206,600</u>	<u>(2,831)</u>	<u>203,769</u>
Expenses						
Program services	320,412	-	320,412	332,986	-	332,986
Supporting services						
Administration	319,337	-	319,337	204,292	-	204,292
Total expenses	<u>639,749</u>	<u>-</u>	<u>639,749</u>	<u>537,278</u>	<u>-</u>	<u>537,278</u>
Increase (decrease) in net assets	(49,816)	-	(49,816)	(330,678)	(2,831)	(333,509)
Net assets - beginning of year	<u>325,268</u>	<u>-</u>	<u>325,268</u>	<u>655,946</u>	<u>2,831</u>	<u>658,777</u>
Net assets - end of year	<u>275,452</u>	<u>-</u>	<u>275,452</u>	<u>325,268</u>	<u>-</u>	<u>325,268</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, 2023

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

PROGRAM SERVICES

	HIE Chatham County Indigent Care				Total Program Services	SUPPORTING SERVICES		Totals	
	Oral Health Clinic	Safety and Resilience				Administration		2023	2022
Salaries	-	-	-	-	-	170,525	-	170,525	175,265
Employee benefits	-	-	-	-	-	35,689	-	35,689	22,790
Payroll taxes	-	-	-	-	-	13,829	-	13,829	14,210
Travel / training	-	68,704	-	-	68,704	12,644	-	81,348	26,338
Contracted services	5,420	103,352	-	-	206,390	42,278	-	248,668	198,460
Communications	-	-	-	-	-	3,430	-	3,430	5,112
Postage	-	-	-	-	-	293	-	293	418
Supplies and materials	-	2,860	-	-	37,212	4,657	-	41,869	50,555
Publications/printing	-	-	-	-	-	3,345	-	3,345	3,946
Depreciation	-	-	-	-	-	1,442	-	1,442	1,589
Insurance and bonding	-	-	-	-	-	8,825	-	8,825	8,427
Building rent	-	-	-	-	-	15,794	-	15,794	15,028
Expendable equipment and software	-	1,275	-	-	1,275	799	-	2,074	1,672
Other	-	6,831	-	-	6,831	5,787	-	12,618	13,468
Total expenses	5,420	183,022	131,970	183,022	320,412	319,337	639,749	537,278	

The accompanying notes are an integral part of these financial statements
(6)

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from (for) operating activities		
Decrease in net assets	(49,816)	(333,509)
Adjustments to reconcile decrease in net assets to net cash used for operating activities:		
Depreciation	1,442	1,589
Realized loss on investments	-	279
Changes in operating assets and liabilities:		
Accounts receivable	(27,822)	(5,634)
Prepaid expenses	148	(261)
Accounts payable	(18,598)	(17,464)
Deferred revenue	(7,438)	7,438
Payroll liabilities	(442)	25
Net cash used for operating activities	<u>(102,526)</u>	<u>(347,537)</u>
 Cash flows from (for) investing activities		
Redemption of investments	-	100,000
Purchase of equipment	-	(2,587)
Net cash provided by investing activities	<u>-</u>	<u>97,413</u>
 Net decrease in cash and cash equivalents	(102,526)	(250,124)
 Beginning cash and cash equivalents	<u>337,732</u>	<u>587,856</u>
 Ending cash and cash equivalents	<u><u>235,206</u></u>	<u><u>337,732</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, 2023

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 6.

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	235,206
Accounts receivable	40,322
Prepaid expenses	<u>6,657</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>282,185</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, 2023

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, 2023, the tax years that remain subject to examination by taxing authorities begin with the fiscal year ending June 30, 2020.

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.

In-Kind Contributions and Donated Services - It is the Safety Net's policy to record non-cash items and in-kind gifts at their fair value on the date they are received.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Contributed services are recorded in the financial statements to the extent that those services create or enhance a nonfinancial asset or meet the following criteria: a) the service requires specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed.

For the year ended June 30, 2023, Safety Net received \$129,147 of in-kind contributions. In-kind contributions of \$31,748 consisted of health insurance premiums paid directly by Chatham County Board of Assessors. In-kind contributions of \$97,399 consisted professional dental services provided for the free oral health clinic event held by Safety Net.

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, 2023, Safety Net had no cash balances exceeding insured limits.

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

Recently Adopted Accounting Standards – In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. Safety Net adopted this ASU on July 1, 2021, and there was no impact upon adoption of this standard.

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.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 \$3,535 for the year ended June 30, 2023.

Note 6 –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, 2023.

Note 7 – Subsequent Events

Management has evaluated subsequent events through January 3, 2024, the date the financial statements were available to be issued.

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2023

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	170,525	170,519	(6)
Employee benefits	35,689	35,348	(341)
Taxes and licenses	13,829	13,829	-
Travel / training	81,348	18,500	(62,848)
Contracted services	248,668	256,963	8,295
Communications	3,430	7,500	4,070
Postage	293	1,500	1,207
Supplies and materials	41,869	65,362	23,493
Publications/printing	3,345	5,000	1,655
Depreciation	1,442	-	(1,442)
Insurance and bonding	8,825	8,677	(148)
Building rent	15,794	18,500	2,706
Expendable equipment and software	2,074	5,000	2,926
Other	12,618	53,746	41,128
Total expenses	639,749	660,444	20,695

CHATHAM COUNTY SAFETY NET PLANNING COUNCIL, INC.
SCHEDULE OF EXPENSES - ACTUAL VS. BUDGET
YEAR ENDED JUNE 30, 2022

Expenses:	Total Actual Expenses	Budget	Variance- Favorable (Unfavorable)
Salaries	175,265	181,125	5,860
Employee benefits	22,790	27,448	4,658
Taxes and licenses	14,210	24,000	9,790
Travel / training	26,338	32,334	5,996
Contracted services	198,460	128,508	(69,952)
Communications	5,112	8,285	3,173
Postage	418	480	62
Supplies and materials	17,148	8,920	(8,228)
Publications/printing	3,946	2,846	(1,100)
Depreciation	1,589	-	(1,589)
Insurance and bonding	8,427	8,800	373
Building rent	15,028	14,140	(888)
Expendable equipment and software	1,672	4,000	2,328
Oral health	33,407	32,528	(879)
Other	13,468	61,442	47,974
Total expenses	537,278	534,856	(2,422)