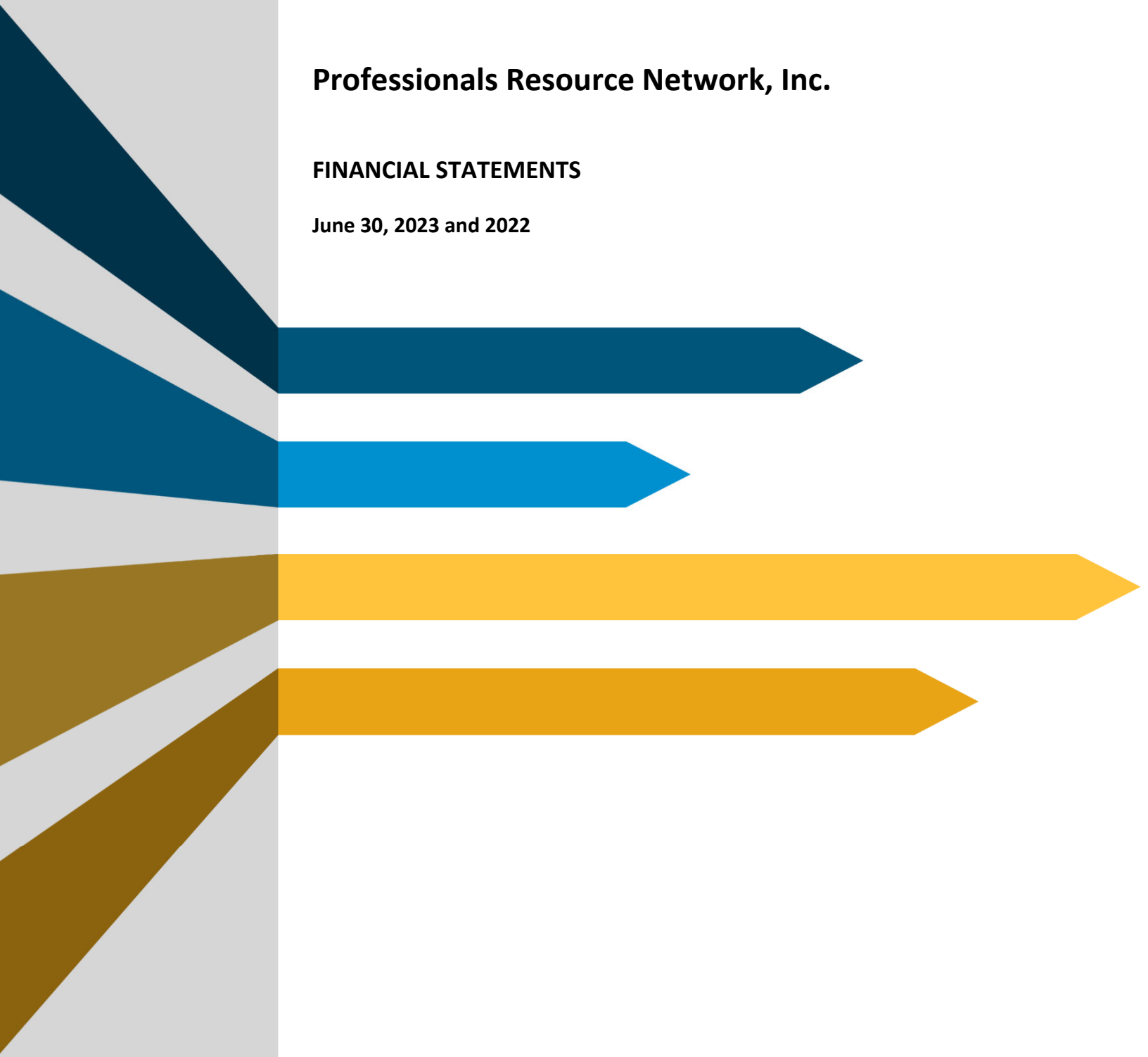
Professionals Resource Network, Inc.

FINANCIAL STATEMENTS

June 30, 2023 and 2022



Professionals Resource Network, Inc.
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June 30, 2023 and 2022

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REPORT

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Professionals Resource Network, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Professionals Resource Network, Inc. (a non-profit 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 present fairly, in all material respects, the financial position of Professionals Resource Network, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Professionals Resource Network, 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 opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in fiscal 2023, the Corporation adopted FASB ASC 842, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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 Professionals Resource Network, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 and *Government 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 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 and *Government 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 Professionals Resource Network, 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 Professionals Resource Network, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2024 on our consideration of Professionals Resource Network, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Professionals Resource Network, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Professionals Resource Network, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Professionals Resource Network, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
March 12, 2024

FINANCIAL STATEMENTS

Professionals Resource Network, Inc.
Statements of Financial Position

June 30,	**2023**	2022
Assets		
Current assets		
Cash and cash equivalents	**$ 666,779**	$ 1,223,908
Accounts receivable, net	**271,101**	409,114
Short-term investments	**889,369**	272,345
Prepaid expenses and other assets	**11,872**	15,197
Due from related parties	**-**	10,800
Total current assets	**1,839,121**	1,931,364
Non-current assets		
Investments	**638,305**	484,020
Furniture and equipment, net	**28,927**	26,824
Operating lease right-of-use assets, net	**656,086**	-
Total non-current assets	**1,323,318**	510,844
Total assets	**$ 3,162,439**	$ 2,442,208
Liabilities and Net Assets		
Current liabilities		
Accounts payable	**$ 14,907**	$ 44,386
Accrued expenses	**94,292**	103,770
Refundable advances	**24,725**	25,775
Current portion of operating lease liabilities	**128,341**	-
Total current liabilities	**262,265**	173,931
Non-current liabilities		
Operating lease liabilities, less current portion	**528,861**	-
Total non-current liabilities	**528,861**	-
Total liabilities	**791,126**	173,931
Net assets		
Without donor restrictions	**2,353,776**	2,246,844
With donor restrictions	**17,537**	21,433
Total net assets	**2,371,313**	2,268,277
Total liabilities and net assets	**$ 3,162,439**	$ 2,442,208

The accompanying notes are an integral part of these financial statements.

Professionals Resource Network, Inc.
Statements of Activities

For the years ended June 30,	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Summarized Total
Revenue and Other Support				
Grants and other contracts	$ 2,309,737	$ -	**$ 2,309,737**	$ 2,297,740
Contribution revenue	116,084	-	**116,084**	67,722
Other revenue	82,825	-	**82,825**	83,590
Investment income	28,704	-	**28,704**	9,824
Net assets released from restrictions				
Satisfaction of program restrictions	3,896	(3,896)	**-**	-
Total revenue and other support	2,541,246	(3,896)	**2,537,350**	2,458,876
Expenses				
Program services				
FL Dept of Health	2,076,038	-	**2,076,038**	2,162,950
FL Dept of Business and Professional Regulation	95,062	-	**95,062**	55,451
Universities	76,981	-	**76,981**	65,264
Total program services	2,248,081	-	**2,248,081**	2,283,665
Supporting services				
General and administrative	186,233	-	**186,233**	118,851
Total supporting services	186,233	-	**186,233**	118,851
Total expenses	2,434,314	-	**2,434,314**	2,402,516
Change in net assets	106,932	(3,896)	**103,036**	56,360
Net assets at beginning of year	2,246,844	21,433	**2,268,277**	2,211,917
Net assets at end of year	$ 2,353,776	$ 17,537	**$ 2,371,313**	$ 2,268,277

The accompanying notes are an integral part of these financial statements.

Professionals Resource Network, Inc.
Statements of Functional Expenses

For the year ended June 30,	Program Services				Supporting Services		
	FL Dept of Health	FL Dept of Business and Professional Regulation	Universities	Total Program Subtotal	General and administrative	**Total 2023**	Summarized Total 2022
Salaries and benefits	$ 1,456,972	$ 79,597	$ 64,335	$ 1,600,904	$ 4,818	**$ 1,605,722**	$ 1,670,257
Meetings and conferences	105,627	-	-	105,627	44,514	**150,141**	131,633
Rent	136,985	4,128	3,379	144,492	-	**144,492**	116,656
Management services	75,836	2,269	1,895	80,000	-	**80,000**	80,000
Professional fees	45,927	1,398	1,112	48,437	19,332	**67,769**	60,401
Data analysis	61,228	1,921	1,369	64,518	-	**64,518**	72,799
Travel	34,824	1,065	836	36,725	15,865	**52,590**	52,621
Other	6,336	190	157	6,683	44,479	**51,162**	45,176
Office expenses	45,549	1,372	1,123	48,044	-	**48,044**	50,363
Student hardship evaluations	-	-	-	-	40,942	**40,942**	7,500
Consultants	30,760	937	743	32,440	5,000	**37,440**	30,987
Software and communications	26,252	781	663	27,696	-	**27,696**	16,125
Utilities	25,195	757	623	26,575	-	**26,575**	26,294
Insurance	24,547	647	746	25,940	-	**25,940**	28,633
Depreciation	-	-	-	-	11,183	**11,183**	13,071
Bad debt expense	-	-	-	-	100	**100**	-
Total	$ 2,076,038	$ 95,062	$ 76,981	$ 2,248,081	$ 186,233	**$ 2,434,314**	$ 2,402,516

The accompanying notes are an integral part of these financial statements.

Professionals Resource Network, Inc.
Statements of Cash Flows

For the years ended June 30,	**2023**	2022
Operating Activities		
Change in net assets	**$ 103,036**	$ 56,360
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debts	**100**	-
Depreciation	**11,183**	13,071
Amortization of right-of-use asset	**97,181**	-
Changes in operating assets and liabilities:		
Accounts receivable, net	**137,913**	(6,414)
Prepaid expenses and other assets	**3,325**	7,299
Due from related parties	**10,800**	(10,800)
Accounts payable	**(29,479)**	28,659
Accrued expenses	**(9,478)**	(11,232)
Refundable advances	**(1,050)**	(15,625)
Operating lease liabilities	**(96,065)**	-
Net cash provided by (used in) operating activities	**227,466**	61,318
Investing Activities		
Purchases of furniture and equipment	**(13,286)**	(16,877)
Proceeds from sale of investments	**423,691**	130,000
Purchases of investments	**(1,195,000)**	(3,900)
Net cash provided by (used in) investing activities	**(784,595)**	109,223
Net change in cash and cash equivalents	**(557,129)**	170,541
Cash and cash equivalents at beginning of year	**1,223,908**	1,053,367
Cash and cash equivalents at end of year	**$ 666,779**	$ 1,223,908
Schedule of Noncash Transactions		
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	**$ 642,738**	$ -

The accompanying notes are an integral part of these financial statements.

Note 1: DESCRIPTION OF THE BUSINESS

The Professionals Resource Network, Inc. (the Corporation) is a not-for-profit organization created in June 2006 to administer the Impaired Practitioner Program (the Program) pursuant to Florida Statutes. Historically, the Program was administered by the Florida Medical Foundation. In October 2006, the State of Florida, Department of Health approved the assignment of the Program contract to the Corporation, and the Corporation began administering the Program in November 2006.

The Program provides for the evaluation, referral, and case management of certain Florida professional licensees who may be suffering from mental or physical disability or abuse of chemical substances with dependency. The Corporation has a contract with the State of Florida, Department of Health (DOH) to provide the Program to licensed Florida physicians. The Corporation also has a contract with the Florida Department of Business and Professional Regulation (DBPR) to provide the Program to licensed Florida harbor pilots and veterinarians.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services

The Corporation's program services consist of the following:

FL Department of Health – The Corporation provides evaluation, referral, and case management services to licensed Florida physicians who may be suffering from mental or physical disability or abuse of chemical substances with dependency.

FL Department of Business and Professional Regulation – The Corporation provides evaluation, referral, and case management services to licensed Florida harbor pilots and veterinarians who may be suffering from mental or physical disability or abuse of chemical substances with dependency.

Universities – The Corporation provides evaluation, referral, and case management services to medical students who may be suffering from mental or physical disability or abuse of chemical substances with dependency.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Receivables

Accounts receivable consists of revenues earned for services under state contracts, accrued interest, and other trade receivables. PRN Program loans receivable consists of loans that are made to admitted licensees for their initial treatment programs. Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Corporation provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of grantors, participants, and others to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Corporation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Investments

Investments consist of certificates of deposit. Investments maturing in less than one year are classified as short-term investments. Certificates of deposit are stated at cost, which approximate fair value. Investment income consists of interest earned on demand deposits and certificates of deposit.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and Equipment, Net

All acquisitions of furniture and equipment in excess of $1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Leases

The Corporation leases its office facility and certain equipment under various operating leases. The Corporation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statements of financial position.

ROU assets represent the Corporation's right to use an underlying asset for the lease term and lease liabilities represent the Corporation's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Corporation uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Corporation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Corporation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for a liquidity reserve.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Fee-for-service state contracts and conference income are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

The Corporation performs administrative services for specified agencies under state grant agreements, primarily with DOH and DBPR. These services are provided by the Corporation under a fixed price agreement. The contracts are performance-based with specified program outputs and evaluation measures. No commensurate value is received by DOH or DBPR in return as the Corporation’s services are provided to the agencies and ultimately the general public. Based on these factors, grants are considered conditional contributions and revenues are recognized as allowable costs for services are provided.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses which relate to multiple programs are allocated based on number of participants served within each program.

Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service, the Corporation is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code (IRC), and as such, is liable for tax only on business income unrelated to the purpose for which it is exempt. No provision for income taxes has been recorded in the accompanying financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 12 2024. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Corporation adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Corporation elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Corporation recognized on July 1, 2022, a lease liability of $117,349, which represents the present value of the remaining operating lease payments of $123,144, discounted using the Corporation's incremental borrowing rate of 4.75%, and a right-of-use asset of $110,529.

The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Corporation maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Corporation's expenditures come due. The following reflects the Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

June 30,	**2023**	2022
Total assets at year end	**$ 3,162,439**	$ 2,442,208
Less non-financial assets:		
Prepaid expenses and other assets	**(11,872)**	(15,197)
Furniture and equipment, net	**(28,927)**	(26,824)
Operating lease right-of-use assets, net	**(656,086)**	-
Financial assets at year-end	**2,465,554**	2,400,187
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	**(17,537)**	(21,433)
Board designations	**(231,994)**	(255,874)
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,216,023**	$ 2,122,880

As part of the Corporation'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. The board designated net assets may be drawn upon, after board authorization, in the event of financial distress or an immediate need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

June 30,	**2023**	2022
State contracts receivable	**$ 184,687**	$ 368,012
Other trade receivables	**86,414**	41,102
Accounts receivable, net	**$ 271,101**	$ 409,114

Bad debt expense related to accounts receivable for the years ended June 30, 2023 and 2022 was $100 and $-0-, respectively.

Note 5: PRN PROGRAM LOANS RECEIVABLE

PRN Program loans receivable consists of the following:

June 30,	**2023**	2022
Loans receivables	**$ 10,896**	$ 13,041
Less allowance for doubtful accounts	**(10,896)**	(13,041)
Total PRN program loans receivable, net	**$ -**	$ -

Bad debt expense related to the PRN program loans for the years ended June 30, 2023 and 2022 was $-0-.

Note 6: INVESTMENTS

Due to the nature of the certificates of deposit, they are not subject to the disclosure requirements under the Fair Value Measurement and Disclosure Topic of the FASB Accounting Standards Codification.

Investments consist of the following:

June 30, 2023	**Cost**	**Market Value**
Certificates of deposit, current	**$ 889,369**	**$ 889,369**
Certificates of deposit, noncurrent	**638,305**	**638,305**
Total investments	**$ 1,527,674**	**$ 1,527,674**

June 30, 2022	Cost	Market Value
Certificates of deposit, current	$ 272,345	$ 272,345
Certificates of deposit, noncurrent	484,020	484,020
Total investments	$ 756,365	$ 756,365

Note 7: FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following:

June 30,	Estimated Useful Lives (in years)	**2023**	2022
Furniture and equipment	5 - 10	**$ 157,569**	$ 144,283
Leasehold improvements	5 - 10	**46,027**	46,027
Total furniture and equipment		**203,596**	190,310
Less accumulated depreciation		**(174,669)**	(163,486)
Total furniture and equipment, net		**$ 28,927**	$ 26,824

Depreciation expense for the years ended June 30, 2023 and 2022 was $11,183 and $13,071, respectively.

Note 8: LEASES

Leases Accounted for under ASC 842

The Corporation has operating leases for office space and various equipment. The leases have remaining lease terms of 3 to 5 years.

The components of lease expense consist of the following:

For the year ended June 30,	2023
Operating lease cost	$ 105,675

Weighted average remaining lease term and discount rates consist of the following:

For the year ended June 30,	2023
Weighted average remaining lease term	
Operating leases	5 years
Weighted average discount rate	
Operating leases	4.75%

Note 8: LEASES (Continued)

Future minimum lease payments under non-cancellable leases as of June 30, 2023, were as follows:

For the years ending June 30,	Operating Leases
2024	$ 150,777
2025	154,041
2026	156,407
2027	148,927
2028	126,570
Total future minimum lease payments	736,722
Less imputed interest	(79,520)
Present value of lease liabilities	$ 657,202

Operating lease liabilities are presented in the statements of financial position as follows:

June 30,	2023
Current portion of operating lease liabilities	$ 128,341
Operating lease liabilities, less current portion	528,861
Present value of lease liabilities	$ 657,202

Leases Accounted for under ASC 840

The Corporation leases its office facility and certain equipment under various operating leases. Minimum future lease payments required under the terms of the leases including sales tax are as follows:

For the years ending June 30,	
2023	$ 88,330
2024	11,940
2025	11,940
2026	10,945
Total future minimum lease payments	$ 123,155

Rental expense was $116,656 in fiscal 2022.

Note 9: NET ASSETS

Net assets without donor restrictions consist of the following:

June 30,	**2023**	2022
Undesignated	**$ 2,121,782**	$ 1,990,970
Board designated	**231,994**	255,874
Total net assets without donor restrictions	**$ 2,353,776**	$ 2,246,844

Net assets with donor restrictions consist of the following:

June 30,	**2023**	2022
Purpose restricted		
Loans to participants fund	**$ 17,537**	$ 21,433
Total net assets with donor restrictions	**$ 17,537**	$ 21,433

Note 10: REVENUE

The Corporation's primary revenue source is from state grants. The Corporation's revenue from contracts with customers primarily relates to fees received from state universities.

Revenue from contracts with state universities consists of annual access fees and student fees, where revenue is recognized over time during the fiscal year.

Revenue from conference income is recognized at the point when the related event occurs.

The Corporation recognizes revenue at the time the performance obligations are met and at the time contributions are received.

Note 10: REVENUE (Continued)

A summary of disaggregated revenue information follows:

For the years ended June 30,	**2023**	2022
Revenue from contracts with customers		
Recognized over time		
Contracts with universities	**$ 91,000**	$ 79,000
Recognized at a point in time		
Conference income	**44,325**	37,740
Other revenue and support		
Grants	**2,218,737**	2,218,740
Contributions	**116,084**	67,722
Conference sponsorships	**38,500**	45,850
Investment income	**28,704**	9,824
Total revenue and other support	**$ 2,537,350**	$ 2,458,876

Contract balances for contracts with customers include the following:

June 30,	**2023**	2022
Receivable from contracts, beginning of year	**$ 28,000**	$ 33,000
Receivable from contracts, end of year	**$ 57,000**	$ 28,000

Receivable from contracts is included in accounts receivable, net in the statements of financial position.

Note 11: CONCENTRATIONS OF RISK

The Corporation maintains cash with a financial institution which exceeded the FDIC limit of $250,000 by $178,445 and $513,451 at June 30, 2023 and 2022, respectively. The Corporation manages these risks by maintaining deposits in high quality financial institutions.

The Corporation received approximately 86% and 88% of its revenues from a Florida Department of Health contract for the fiscal years ended June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, approximately 67% and 88%, respectively, of accounts receivable relate to this contract.

Note 12: CONTINGENCIES

The Corporation assesses potential liabilities in connection with lawsuits and threatened lawsuits under FASB ASC 450. The filing of a suit or formal assertion of a claim or assessment does not automatically indicate that accrual of a loss is appropriate. An accrual would be inappropriate, but disclosure would be required, if an unfavorable outcome is determined to be reasonably possible but not probable, or if the amount of loss cannot be reasonably estimated. If an unfavorable outcome is assessed as probable, an accrual would be appropriate if the amount of loss can be reasonably estimated, and disclosure would be required. The Corporation is currently a party to arbitrations in the normal course of operations; however, an accrual is not appropriate based on the unknown outcome of the arbitrations.

Note 13: PENSION PLAN

Eligible Corporation employees may participate in a safe harbor matching contribution plan equal to 100% of the participant's salary deferrals that do not exceed 3% of the participant's compensation plus 50% of the participant's salary deferrals between 3% and 5% of the participant's compensation. The safe harbor matching contribution is 100% vested. The Corporation also provides another 4% profit sharing match. Total employer contributions charged to expense for the years ended June 30, 2023 and 2022, were $60,633 and $81,633, respectively.

Note 14: RELATED PARTY TRANSACTIONS

The Corporation has an agreement with the Florida Medical Association (FMA) for FMA to perform certain administrative services. The FMA President, with the approval of the FMA board, appoints the members of the Corporation's board of directors. The Corporation paid FMA $80,000 for services for each of the years ended June 30, 2023 and 2022, respectively.

The Corporation made contributions of $20,000 to the Foundation for Healthy Floridians during each of the years ended June 30, 2023 and 2022. The Foundation for Healthy Floridians is considered a related party of FMA due to FMA's control and economic interest in the Foundation for Healthy Floridians. As of June 30, 2023 and 2022, the Corporation had a payable due to Foundation for Healthy Floridians in the amounts of $-0- and $20,000, respectively. There were no contributions to or receivables due from Foundation for Healthy Floridians for the years ended June 30, 2023 and 2022.

OTHER REPORTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Professionals Resource Network, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Professionals Resource Network, 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, and have issued our report thereon dated March 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Professionals Resource Network, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Professionals Resource Network, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Professionals Resource Network, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

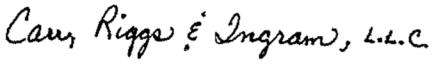
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Professionals Resource Network, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Carr, Riggs & Ingram, LLC

Tallahassee, Florida
March 12, 2024

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

The Board of Directors
Professionals Resource Network, Inc.

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Professionals Resource Network, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the Department of Financial Service's State Projects *Compliance Supplement* that could have a direct and material effect on Professionals Resource Network, Inc.'s major state project for the year ended June 30, 2023. Professionals Resource Network's major state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Professionals Resource Network, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2023.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.650, *Rules of the Auditor General*, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Professionals Resource Network Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of Professionals Resource Network, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Professionals Resource Network, Inc.'s state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Professionals Resource Network's compliance based on our audit. 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, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Professionals Resource Network, Inc.'s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Professionals Resource Network, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Professionals Resource Network, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Professionals Resource Network, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*,. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC

Tallahassee, Florida
March 12, 2024

SUPPLEMENTARY INFORMATION

Professionals Resource Network, Inc.
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2023

Grantor/Project Title	CSFA	Award Amount	Contract Number	Expenditures	Amount Provided to Subrecipients
STATE					
Florida Department of Health					
Impaired Practitioner Program	64.046	$ 2,169,907	COMX7	$ 2,076,038	$ -
Total expenditures of state financial assistance				$ 2,076,038	$ -

See Independent Auditors' Report.
See accompanying notes to the schedule of expenditures of state financial assistance.

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the Professionals Resource Network, Inc. (the Corporation). The information in the schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2: BASIS OF ACCOUNTING

The schedule was prepared on the accrual basis of accounting.

Note 3: CONTINGENCIES

Grant monies received and disbursed by the Corporation are subject to review by the grantor agency. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Corporation does not believe that such disallowance, if any, would have a material effect on the financial position of the Corporation. As of June 30, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 4: NONCASH ASSISTANCE

The Corporation did not receive any state noncash assistance for the year ended June 30, 2023.

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

1.	Type of auditors' report issued	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted
	c. Noncompliance material to the financial statements noted?	No

State Financial Assistance:

1.	Type of auditors' report issued on compliance for major projects	Unmodified
2.	Internal control over major projects:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3.	Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of Auditor General*?	No
4.	Identification of major projects:	

CSFA Number	State Project
64.046	Impaired Practitioner Program

5.	Dollar threshold used to distinguish between type A and type B projects:	$622,811

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS

None noted

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

None noted

SECTION V – OTHER MATTERS

(a) No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).