

**HEALTH PLANNING COUNCIL
OF SOUTHWEST FLORIDA,
INC.**

**Financial Statements
and Supplemental
Information**

Years Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of
Health Planning Council of Southwest Florida, Inc.
Fort Myers, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Health Planning Council of Southwest Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Health Planning Council of Southwest Florida, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Health Planning Council of Southwest Florida, 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.

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 Health Planning Council of Southwest Florida, Inc. 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 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 Health Planning Council of Southwest Florida, 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 Health Planning Council of Southwest Florida, 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 federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 federal awards 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 November 9, 2022, on our consideration of Health Planning Council of Southwest Florida, Inc. 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 Health Planning Council of Southwest Florida, Inc. 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 Health Planning Council of Southwest Florida, Inc. internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
November 9, 2022

Health Planning Council of Southwest Florida, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 962,813	\$ 1,683,176
Accounts receivable	2,282,193	1,730,951
Accrued revenue	110,494	8,127
Prepaid expenses	<u>102,135</u>	<u>28,802</u>
Total current assets	3,457,635	3,451,056
Property and equipment, net	14,378	17,592
Operating lease right-of-use assets	272,829	121,749
Deposits	<u>6,563</u>	<u>6,563</u>
Total assets	<u>\$ 3,751,405</u>	<u>\$ 3,596,960</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 488,769	\$ 223,402
Accrued payroll	498,702	689,736
Retirement plan payable	51,677	36,127
Deferred revenue	318,121	494,523
Operating lease liabilities	<u>102,785</u>	<u>101,582</u>
Total current liabilities	1,460,054	1,545,370
Non-current operating lease liabilities	<u>170,044</u>	<u>20,167</u>
Total liabilities	<u>1,630,098</u>	<u>1,565,537</u>
Net assets:		
Without donor restrictions	<u>2,121,307</u>	<u>2,031,423</u>
Total liabilities and net assets	<u>\$ 3,751,405</u>	<u>\$ 3,596,960</u>

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

Health Planning Council of Southwest Florida, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2022 and 2021

	2022	2021
	Without Donor Restrictions	Without Donor Restrictions
REVENUES AND SUPPORT		
State grants	\$ 5,500,547	\$ 5,589,569
Federal grants	4,795,657	3,118,809
Program fees	1,747,949	1,959,764
Contributions	22,033	20,260
Sales	5,384	13,776
Other	1,245	1,453
Interest	852	2,647
	12,073,667	10,706,278
EXPENSES		
Program services	11,481,523	10,205,641
Administrative and general	502,260	490,712
	11,983,783	10,696,353
Change in net assets	89,884	9,925
Net assets, beginning of year	2,031,423	2,021,498
Net assets, end of year	\$ 2,121,307	\$ 2,031,423

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

Health Planning Council of Southwest Florida, Inc.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 89,884	\$ 9,925
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,214	4,316
Changes in operating asset and liabilities:		
(Increase) decrease in accounts receivable	(551,242)	160,320
Increase in accrued revenue	(102,367)	(4,133)
(Increase) decrease in prepaid expenses	(73,333)	86,028
Increase (decrease) in accounts payable	265,367	(50,551)
(Decrease) increase in accrued payroll	(191,034)	82,790
Increase in retirement plan payable	15,550	986
(Decrease) increase in deferred revenue	<u>(176,402)</u>	<u>254,599</u>
Net cash (used in) provided by operating activities	<u>(720,363)</u>	<u>544,280</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	<u>-</u>	<u>(9,902)</u>
Net cash used in investing activities	<u>-</u>	<u>(9,902)</u>
Net (decrease) increase in cash and cash equivalents	(720,363)	534,378
Cash and cash equivalents, beginning of year	<u>1,683,176</u>	<u>1,148,798</u>
Cash and cash equivalents, end of year	<u>\$ 962,813</u>	<u>\$ 1,683,176</u>
Significant non-cash transactions - Operating lease:		
Operating lease right-of-use assets	\$ 272,829	\$ -
Operating lease liabilities	(272,829)	-

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

Health Planning Council of Southwest Florida, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022

	Program Services				Supporting Services		Total Expenses
	Navigator	HOPWA Program	Health Planning Services	Early Intervention	Total Program Services	Administration and Other Support	
Personnel expenses							
Salaries	\$ 296,739	\$ 74,778	\$ 274,482	\$ 5,548,347	\$ 6,194,346	\$ 366,160	\$ 6,560,506
Fringe benefits	56,140	19,685	64,459	1,297,721	1,438,005	78,007	1,516,012
Total personnel	352,879	94,463	338,941	6,846,068	7,632,351	444,167	8,076,518
Operating expenses							
Rent and utilities	17,605	1,937	7,878	183,674	211,094	7,758	218,852
Travel	6,943	26	4,021	19,356	30,346	162	30,508
Operating	132,650	5,508	116,314	376,735	631,207	50,161	681,368
Evaluation contracts	-	-	-	850	850	-	850
Total operating	157,198	7,471	128,213	580,615	873,497	58,081	931,578
Direct expenses	-	1,591,232	700,575	683,868	2,975,675	12	2,975,687
Total expenses before allocation of administrative	510,077	1,693,166	1,167,729	8,110,551	11,481,523	502,260	11,983,783
Indirect expenses							
Administration and support	21,971	28,847	43,802	407,640	502,260	(502,260)	-
Total expenses	\$ 532,048	\$ 1,722,013	\$ 1,211,531	\$ 8,518,191	\$ 11,983,783	\$ -	\$ 11,983,783

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

Health Planning Council of Southwest Florida, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

	<u>Program Services</u>				<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Navigator</u>	<u>HOPWA Program</u>	<u>Health Planning Services</u>	<u>Early Intervention Program</u>	<u>Total Program Services</u>	<u>Administration and Other Support</u>	
Personnel expenses							
Salaries	\$ 73,638	\$ 63,412	\$ 127,958	\$ 5,275,200	\$ 5,540,208	\$ 362,013	\$ 5,902,221
Fringe benefits	17,227	15,774	30,895	1,235,023	1,298,919	69,235	1,368,154
Total personnel	90,865	79,186	158,853	6,510,223	6,839,127	431,248	7,270,375
Operating expenses							
Rent and utilities	6,261	2,479	5,313	190,073	204,126	10,475	214,601
Travel	311	-	-	3,605	3,916	-	3,916
Operating	8,789	4,732	22,121	259,569	295,211	48,989	344,200
Evaluation contracts	-	-	-	113	113	-	113
Total operating	15,361	7,211	27,434	453,360	503,366	59,464	562,830
Direct expenses	-	1,688,114	597,682	577,352	2,863,148	-	2,863,148
Total expenses before allocation of administrative	106,226	1,774,511	783,969	7,540,935	10,205,641	490,712	10,696,353
Indirect expenses							
Administration and support	2,675	38,510	40,857	408,670	490,712	(490,712)	-
Total expenses	<u>\$ 108,901</u>	<u>\$ 1,813,021</u>	<u>\$ 824,826</u>	<u>\$ 7,949,605</u>	<u>\$ 10,696,353</u>	<u>\$ -</u>	<u>\$ 10,696,353</u>

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