

**EPILEPSY FLORIDA, INC.
D/B/A EPILEPSY ALLIANCE FLORIDA**

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT AND
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Epilepsy Florida, Inc.

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Lisset I. Cascudo, C.P.A.
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Elizabeth Jarvis, C.P.A.
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Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

Opinion

We have audited the accompanying financial statements of Epilepsy Florida, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 the Organization as of June 30, 2023 and 2022, 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 the Organization 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 the Organization'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 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 the Organization'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 the Organization'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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650 Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 15, 2023

EPILEPSY FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash and equivalents	\$ 1,001,603	\$ 1,145,622
Pledges and other receivables	44,329	625
Grants receivable	782,918	524,978
Prepaid expenses	7,669	6,418
TOTAL CURRENT ASSETS	1,836,519	1,677,643
NON-CURRENT ASSETS		
Property and equipment, net	7,168	11,461
Software, internal use, net	-	3,857
Right-of-use asset - operating	124,526	-
Other assets	12,982	13,044
TOTAL ASSETS	\$ 1,981,195	\$ 1,706,005
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 113,072	\$ 87,331
Accrued expenses	138,562	95,347
Deferred revenue	178,932	112,067
Right-of-use liability - operating	61,162	-
TOTAL CURRENT LIABILITIES	491,728	294,745
RIGHT-OF-USE LIABILITY - OPERATING	65,865	-
NET ASSETS		
Without restriction	1,387,123	1,377,946
With donor restriction	36,479	33,314
TOTAL NET ASSETS	1,423,602	1,411,260
TOTAL LIABILITIES AND NET ASSETS	\$ 1,981,195	\$ 1,706,005

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

EPILEPSY FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	2023		
	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Grants	\$ -	\$ 4,988,696	\$ 4,988,696
Contributions	236,961	21,166	258,127
Contributions - Clayton Feig Fund	-	71,821	71,821
United Way	-	95,984	95,984
Special events	762,054	-	762,054
In-kind medical services and other	248,948	-	248,948
Fees and other income	13,692	-	13,692
Net assets released from restriction	5,174,502	(5,174,502)	-
TOTAL SUPPORT AND REVENUE	\$ 6,436,157	\$ 3,165	\$ 6,439,322
EXPENSES			
Patient services	\$ 5,749,442	\$ -	\$ 5,749,442
Management and general	272,580	-	272,580
Fundraising	404,958	-	404,958
TOTAL EXPENSES	6,426,980	-	6,426,980
CHANGES IN NET ASSETS	9,177	3,165	12,342
NET ASSETS, at beginning of year	1,377,946	33,314	1,411,260
NET ASSETS, at end of year	\$ 1,387,123	\$ 36,479	\$ 1,423,602

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

EPILEPSY FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	2022		
	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Grants	\$ 113,199	\$ 3,354,098	\$ 3,467,297
Bequest	5,191	-	5,191
Contributions	231,096	10,950	242,046
Contributions - Clayton Feig Fund	-	72,465	72,465
United Way	-	115,489	115,489
Special events	573,021	-	573,021
In-kind medical services and other	244,382	-	244,382
Fees and other income	13,699	-	13,699
Net assets released from restriction	3,557,051	(3,557,051)	-
TOTAL SUPPORT AND REVENUE	\$ 4,737,639	\$ (4,049)	\$ 4,733,590
EXPENSES			
Patient services	\$ 4,277,944	\$ -	\$ 4,277,944
Management and general	220,463	-	220,463
Fundraising	320,750	-	320,750
TOTAL EXPENSES	4,819,157	-	4,819,157
CHANGES IN NET ASSETS BEFORE PPP LOAN FORGIVENESS			
	(81,518)	(4,049)	(85,567)
FORGIVENESS OF PPP LOAN			
	362,532	-	362,532
CHANGES IN NET ASSETS			
	281,014	(4,049)	276,965
NET ASSETS, at beginning of year			
	1,096,932	37,363	1,134,295
NET ASSETS, at end of year			
	\$ 1,377,946	\$ 33,314	\$ 1,411,260

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

EPILEPSY FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Special Events</u>	<u>Total Expenses</u>
Advertising	\$ 510,480	\$ 13,434	\$ 13,434	\$ 537,348
Bank and credit card fees	4,917	-	4,917	9,834
Communication and telephone	53,338	2,996	3,596	59,930
Computer support and supplies	145,494	8,174	9,809	163,477
Depreciation and amortization	7,253	408	489	8,150
Dues and subscriptions	46,783	1,282	16,021	64,086
Equipment rental and maintenance	25,535	1,435	1,721	28,691
Fundraising	150,759	-	109,171	259,930
In-kind medical services	248,948	-	-	248,948
Insurance	31,738	1,783	2,140	35,661
Medical services	159,839	-	-	159,839
Meeting and travel expenses	68,406	4,829	7,243	80,478
Occupancy	135,032	7,586	9,103	151,721
Office supplies	38,820	2,181	2,617	43,618
Other expenses	1,225	1,188	1,188	3,601
Printing and publication	79,318	4,456	5,347	89,121
Professional and contracted services	424,598	23,330	18,664	466,592
Salaries and benefits	3,590,970	199,498	199,498	3,989,966
Support group	25,989	-	-	25,989
TOTAL EXPENSES	\$ 5,749,442	\$ 272,580	\$ 404,958	\$ 6,426,980

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

EPILEPSY FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Supporting Services</u>		
	Program Services	Management and General	Fundraising	Total Expenses
Advertising	\$ 56,153	\$ 7,019	\$ 7,019	\$ 70,191
Bank and credit card fees	3,947	-	3,947	7,894
Communication and telephone	50,574	2,841	3,409	56,824
Computer support and supplies	160,423	9,012	10,815	180,250
Depreciation and amortization	19,855	1,116	1,339	22,310
Dues and subscriptions	38,632	1,058	13,230	52,920
Equipment rental and maintenance	24,176	1,358	1,630	27,164
Fundraising	120,455	-	87,226	207,681
In-kind medical services	244,382	-	-	244,382
Insurance	28,910	1,624	1,949	32,483
Medical services	134,424	-	-	134,424
Meeting and travel expenses	32,141	2,269	3,403	37,813
Occupancy	125,113	7,029	8,435	140,577
Other expenses	9,052	9,254	8,785	27,091
Office supplies	28,088	1,578	1,894	31,560
Printing and publication	51,366	2,886	3,463	57,715
Professional and contracted services	838,420	46,067	36,854	921,341
Salaries and benefits	2,292,331	127,352	127,352	2,547,035
Support group	19,502	-	-	19,502
TOTAL EXPENSES	\$ 4,277,944	\$ 220,463	\$ 320,750	\$ 4,819,157

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

EPILEPSY FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,342	\$ 276,965
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization expense	8,150	22,310
Reduction of right-of-use asset	(124,526)	-
Forgiveness of PPP loan	-	(362,532)
Changes in operating assets and liabilities:		
(Increase) decrease in pledges and other receivables	(43,704)	4,426
Increase in grants receivables	(257,940)	(55,679)
(Increase) decrease in prepaid expenses	(1,251)	11,445
Decrease in other assets	62	2,914
Increase in accounts payable	25,741	43,059
Increase in accrued expenses	43,215	32,448
Increase (Decrease) in deferred revenues	66,865	(86,212)
Increase in lease obligation	127,027	-
NET CASH USED IN OPERATING ACTIVITIES	(144,019)	(110,856)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(6,178)
NET CASH USED IN INVESTING ACTIVITIES	-	(6,178)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(144,019)	(117,034)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,145,622	1,262,656
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,001,603	\$ 1,145,622

Non-Cash activities:

Due to the implementation of FASB ASU 2016-02 - Leases (Topic 842), a right-of-use asset and lease liability were recognized during 2023 fiscal year, resulting in the following non-cash adjustments.

Initial right-of-use asset	<u>\$ 184,390</u>
Initial lease liability	<u>\$ 184,390</u>

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

EPILEPSY FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - ORGANIZATION

General

Epilepsy Florida, Inc. (the "Organization"), is a non-profit organization, an independent affiliate of Epilepsy Alliance America. The Organization provides epilepsy programs and services in 35 of Florida's 67 counties, as sponsored by the State of Florida, and is a sub grantee of the federal government to act as Patient Navigators for the Affordable Care Act in the federal healthcare marketplace exchange.

The Organization was formed under the Laws of the State of Florida in 1971 and provides health, education, and social services to persons with seizure disorders and their families. Services provided include seizure education, preventive services, case management, medical and counseling services, information and referrals, support groups, and advocacy for persons with epilepsy and their families, as well as consumer assistance with enrollment in the Federal healthcare marketplace exchange.

Through the year ended June 30, 2018, the Organization was affiliated with the national Epilepsy Foundation of America (the "Foundation"). On July 19, 2018, the Organization renamed itself Epilepsy Florida, Inc. as its affiliation with the Foundation ended. Together with a number of other recently disaffiliated chapters of the Foundation, the Organization helped found and joined Epilepsy Alliance America, a new national entity.

The Organization receives diverse grants from public and private foundations, various local municipalities and United Way organizations throughout the State of Florida. The Organization is contracted by the Florida Department of Health to provide comprehensive epilepsy services in 35 of the 67 Florida counties, including Alachua, Baker, Bradford, Broward, Citrus, Clay, Columbia, Dixie, Duval, Escambia, Flagler, Gilchrist, Hamilton, Hernando, Indian River, Lafayette, Lake, Levy, Marion, Martin, Miami-Dade, Monroe, Nassau, Okaloosa, Okeechobee, Palm Beach, Putnam, Santa Rosa, St. Johns, St. Lucie, Sumter, Suwannee, Union, Volusia, and Walton Counties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions:

- Net assets without donor restrictions: The portion of the net assets of the Organization that can be used subject only to the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the course of its business. The Organization has the greatest ability to choose when using these resources.

Net assets without donor restrictions generally result from grant revenue, contributions that are not subject to donor-imposed restrictions, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.

EPILEPSY FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

- Net assets with donor restrictions: The portion of the net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization's choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor's instructions. Net assets with donor restrictions generally result from donor-restricted contributions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers deposits with banks and highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents. The Organization maintains its cash and cash equivalents with high credit quality financial institutions, which at times may exceed federally insured limits.

Pledges and Other Receivables

Unconditional pledges to give cash are recognized as revenues at fair value in the period the pledge is made. Pledges to be received over more than one year are measured at the present value of estimated future cash flows using a discount rate that commensurate the risk involved as of the date the receivable is recognized. Other receivables consist of amounts due from customers for provided medical services and are stated at estimated net realizable value. The Organization had no significant pledges to be received over more than one year as of June 30, 2023 and 2022.

Grants Receivable

Amounts reflected as grants receivable represents the net realizable values of the grants as of June 30, 2023 and 2022.

Allowance for Doubtful Accounts

The Organization periodically reviews pledges and other receivables and grants receivable and provides an allowance for doubtful accounts which may become uncollectible. The allowance is based on prior years' experience and management's analysis of specific pledges, grants, and other receivables made. At June 30, 2023 and 2022, management considered the pledges and other receivables and grants receivable to be fully collectible within the current accounting period and no allowance for doubtful accounts was considered necessary.

Revenue Recognition/Deferred Revenue

It is the policy of the Organization to record the grant revenue at the time of award and defer the unexpended portion until earned. Grants restricted for operating purposes are deemed to be earned and reported as revenue when the Organization has incurred expenditures in compliance with specific restrictions.

EPILEPSY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Software – Internally Generated

The Organization has internally developed software exclusively to meet the Organization's internal needs. The Organization has no substantive plan to market the software externally. Internal-use software costs are divided into the research phase and the development phase. All research phase costs are expensed while development phase costs should be capitalized. The software is amortized over the useful life.

Support

The Organization is dependent upon public and governmental support for its operations. The amount and timeliness in which the support from fundraising events and governmental agencies is collected is essential to meet the normal cash flow needs of the Organization. Grant revenue is recognized when earned in accordance with the terms of the grant.

Contributions are recognized when the donor makes what is, in substance, a promise to give to the Organization that is unconditional. Grants and contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions for which donors have not stipulated restrictions or donor restricted contributions whose restrictions are met in the same accounting period are reported as without donor restricted support.

When a donor 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 reported in the statement of activities as net assets released from restriction. Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and would be typically purchased if not provided by donation. The value of donated services has been recorded only for those services for which a clear measurable basis is available. However, many other individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

The majority of donated professional services include doctor and specialist visits, medical tests and scans, blood testing, other related medical services and consulting services. The value of donated in-kind medical services is determined by the difference between (1) the doctors' standard billing rates and the number of medical tests at standard billing rates and (2) the negotiated prices that the Organization actually pays, multiplied by the actual number of visits or medical tests performed. In-kind consulting services is determined by the actual number of hours incurred at the consultant's standard billing rates. These services have been recorded in the accompanying statements of activities as in-kind medical services and other. The amount of in-kind donated medical services and other amounted to approximately \$248,000 and \$244,000 for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

Identifiable expenditures made in direct fulfillment of the Organization's expressed goals are classified as program services. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain common expenses have been allocated among the programs and supporting services benefitted based upon management's estimate of factors such as time spent or space utilized.

EPILEPSY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed as incurred.

Property and Equipment

Property and equipment, and significant improvements thereto, are recorded at cost. Expenditures for repairs and maintenance are charged to expense as incurred. Donated property and equipment are recorded at fair value at the date of donation. Expenditures for property and equipment in excess of \$1,000 are capitalized; the fair value of donated property and equipment is capitalized and recorded as contributions. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restriction support.

Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Upon the sale or disposition, the related costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of activities.

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements reflect no provision for income taxes and are subject to audit by federal tax authorities. Management is not aware of any activities that would jeopardize the Organization's exempt status.

Fair Value of Financial Instruments

At June 30, 2023 and 2022, the carrying values of cash and cash equivalents, pledges and other receivables, grants receivable, prepaid expenses, other assets, accounts payable, accrued expenses, and deferred revenue approximate fair value because of the short-term maturities of these instruments.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents and unsecured receivables. The Organization's ability to collect its receivables is dependent on economic conditions and the financial condition of its customers and grantor agencies. The Organization has not experienced losses related to its receivables. At times, cash balances may temporarily exceed the Federal Deposit Insurance Coverage insurance limit.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition and disclosure in the financial statements through December 15, 2023 the date in which the financial statements were available to be issued.

EPILEPSY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - WITH DONOR RESTRICTION

Net assets are restricted to the following purposes or time periods as of June 30:

	<u>2023</u>	<u>2022</u>
Seizure Dog	\$ 36,479	\$ 33,314
	<u>\$ 36,479</u>	<u>\$ 33,314</u>

Net assets released from net assets with donor restrictions for the year ended June 30:

	<u>2023</u>	<u>2022</u>
Net assets released from restriction	\$ 5,174,502	\$ 3,557,051

Net assets with restrictions consist of the following assets as of June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 36,479	\$ 33,314
	<u>\$ 36,479</u>	<u>\$ 33,314</u>

NOTE 4 - SOFTWARE

Software internal-use is comprised of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Cost	\$ 101,025	\$ 101,025
Less: accumulated amortization	(101,025)	(97,168)
	<u>\$ -</u>	<u>\$ 3,857</u>

Amortization expense for the years ended June 30, 2023 and 2022 was \$3,857 and \$14,455, respectively.

EPILEPSY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment comprises the following as of June 30:

	2023	2022
Office equipment	\$ 212,309	\$ 212,309
Furniture and fixtures	71,043	71,043
Leasehold improvements	52,763	52,763
	<u>336,115</u>	<u>336,115</u>
Less: accumulated depreciation	(328,947)	(324,654)
Total property and equipment, net	<u>\$ 7,168</u>	<u>\$ 11,461</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$4,292 and \$7,855, respectively.

NOTE 6 - NOTE PAYABLE

In 2021, the Organization received additional loan proceeds pursuant to the Paycheck Protection Program in the amount of \$362,532. During 2022, the loan was forgiven and as such reflected as income on the statement of activities.

NOTE 7 - COMMITMENT AND CONTINGENCIES

Financial awards from federal, state, and local government entities in the form of grants are subject to audit by the respective governmental agencies. The possible disallowance by the governmental agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. Accordingly, no provision for any liability that may result has been made in the financial statements.

During the normal course of the business, the Organization may be subject to claims. Management believes that their insurance coverage will be sufficient to pay potential liabilities, if any. Therefore, no amounts were recorded in these accompanying financial statements.

Leases

The Organization leases certain office space and equipment on a month-to-month basis. Rent expense is approximately \$167,000 and \$159,000 for the years ended June 30, 2023 and 2022, respectively. These amounts are included in occupancy in the accompanying statements of functional expenses.

The Organization determines if an arrangement is a lease at inception and when the terms of an existing contract are changed. All leases are recorded on the balance sheet except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

Lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term discounted using the rate implicit on the lease (if available) or the Organization's average incremental borrowing rate. Operating lease ROU assets are presented separately on the balance sheet. Operating lease cost is recognized on a straight-line basis over the lease term and is included within operating expenses in the statement of activities and changes in net assets.

EPILEPSY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7 - COMMITMENT AND CONTINGENCIES – (Continued)

The following table shows the right-of-use assets and lease liabilities as of June 30, 2023:

<u>Lease-Related Assets and Liabilities</u>	<u>Financial Statement Line Items</u>	
Right-of-use assets:		
Operating leases	Non-current assets	\$ 124,526
Total right-of-use assets		<u>\$ 124,526</u>
Lease liabilities:		
Operating Leases	Current liabilities	\$ 61,162
Operating Leases	Noncurrent liabilities	65,865
Total lease liabilities		<u>\$ 127,027</u>

Future minimum payments under operating leases with long-term term payment arrangements at June 30, 2023, are as follows:

	Operating Leases
2024	\$ 65,448
2025	67,416
Undiscounted liabilities	132,864
Less: Imputed interest	(5,837)
	<u>\$ 127,027</u>

NOTE 8 - ECONOMIC DEPENDENCE

The Organization provides its program services with funds primarily received from federal, state, and local governments. A significant reduction in the level of this funding, if this were to occur, may have an adverse effect on the Organization's programs and activities.

At June 30, 2023 and 2022, grants receivable from contracts with governmental entities were approximately 94% and 93%, respectively. Revenues received under contracts with governmental entities represented approximately 71% and 66% of the Organization's total support and revenue for the years ended June 30, 2023 and 2022, respectively.

NOTE 9 - UNITED WAY SUPPORT AND REVENUES

Individual United Way agency support and revenue is comprised as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
United Way of Miami-Dade County, Inc.	\$ 69,484	\$ 82,739
United Way of Palm Beach County, Inc.	20,000	20,000
United Way of Escambia County, Inc.	-	6,250
United Way of Martin County, Inc.	6,500	6,500
Total	<u>\$ 95,984</u>	<u>\$ 115,489</u>

EPILEPSY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 10 - RETIREMENT PLAN

Effective March 1, 2016, the Organization transitioned to a safe harbor retirement savings plan where employees are eligible to participate upon completing one year and 1,000 hours of continuous service; and age twenty-one or older. The Organization matches 100% of employee deferral up to 3% of participant compensation plus 50% of the deferral up to the next 2% of participant compensation. Participants are immediately 100% vested in all of their contributions and all safe harbor contributions.

The Organization's matching contribution expense for the years ended June 30, 2023 and 2022 was approximately \$42,600 and \$44,500, respectively.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table represents financial assets available for use for general expenditures within one year at June 30, 2023 and 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash and equivalents	\$ 965,124	\$ 1,097,309
Grants receivable	<u>782,918</u>	<u>524,978</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 1,748,042</u>	<u>\$ 1,622,287</u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Organization are expected to be met on a monthly basis from contributions and grants.

SUPPLEMENTARY INFORMATION

EPILEPSY FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

<i>Federal Pass-through Entity/ Federal Program or Cluster Title</i>	<i>ALN Number</i>	<i>Contract Grant Number</i>	<i>Federal</i>
FEDERAL GOVERNMENT			
U.S. Department of Health and Human Services:			
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332	NAVCA210430-03-0 NAVCA210430-01-0	\$ 2,153,512
Maternal and Child Health Federal Consolidated Programs	93.110	5 H98MC33240-03-00 5 H98MC33240-04-00	396,187
National Organizations of State and Local Officials	93.011	HRSA 21-136 CBO	175,500
Total U.S. Department of Health and Human Services			<u>2,725,199</u>
	TOTAL FEDERAL AWARDS		<u>2,725,199</u>
<i>Federal Pass-through Entity/ Federal Program or Cluster Title</i>	<i>CSFA Number</i>	<i>Contract Grant Number</i>	<i>State</i>
STATE OF FLORIDA			
Department of Health			
Epilepsy Services Program - Case Management, Epilepsy Education and Prevention	64.036	COHDC	<u>1,932,853</u>
Total - Department of Health			<u>1,932,853</u>
	TOTAL STATE FINANCIAL ASSISTANCE		<u>1,932,853</u>
TOTAL EXPENDITURES OF FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE			<u><u>\$ 4,658,052</u></u>

The accompanying notes are an integral part of this schedule.

EPILEPSY FLORIDA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all state award programs of Epilepsy Florida, Inc. (the "Organization") for the year ended June 30, 2023.

The information in the schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principled, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedules present only a selected portion of the operation of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - SCOPE OF AUDIT PURSUANT TO THE STATE SINGLE AUDIT ACTS

All federal and state grant operations of the Organization are included in the scope of the Federal Single Audit Act and Florida Single Audit Act. The Federal Single Audit was performed in accordance with the provisions of audit requirements of the OMB Compliance Supplement, and the Florida Single Audit was performed in accordance with the provisions of the *Department of Financial Services' State Projects Compliance Supplement*. Compliance testing of all requirements, as described in the OMB Compliance Supplement and the State Projects Compliance Supplement, was performed for the grant programs noted in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 4 - CONTINGENCY

The grants revenue amount received is subject to audit and adjustment. If any expenditure is disallowed by the grantor agency as a result of such an audit, any claim for the reimbursement to the grantor agency would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.



**INDEPENDENT AUDITOR'S 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***

To the Board Directors
Epilepsy Florida, 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 Epilepsy Florida, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 15, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

To the Board Directors
Epilepsy Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Epilepsy Florida, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Circular Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major state projects for the year ended June 30, 2023. The Organization's major federal and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650 Rules of the Auditor General of the State of Florida. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 federal program. Our audit does not provide a legal determination of the Organization'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 the Organization's federal programs and state projects.

Auditor's Responsibility

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 the Organization'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*, the Uniform Guidance 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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance 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 the Organization'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 the Organization'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 the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 federal program or 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 federal program and 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 15, 2023

**EPILEPSY FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

State Projects

Type of auditor’s report issued on compliance for major state projects: *Unmodified*

Internal control over major state projects:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or Chapter 10.656, Rules of the Auditor General? yes no

Identification of major federal and state projects:

Federal Program / State Project	ALN/CSFA Number	Expenditures
Federal Program		
<u>U.S. Department of Health and Human Services</u>		
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332	\$ 2,153,512
State Project		
<u>Department of Health</u>		
Epilepsy Services Programs – Direct Client Services and Prevention and Education Services	64.036	\$ 1,932,853

**EPILEPSY FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguish between type A and
type B federal programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Dollar threshold used to distinguished between type A and
type B state projects: \$ 187,500

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

The audit disclosed no matters that are reportable for the current year.

SECTION IV – OTHER ISSUES

1. No management letter was issued for the year ended June 30, 2023 because there were no findings required to be reported in the management letter (see AG Rules Section 10.656(3)(e)).
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal awards or state projects (see AG Rules 10.656(3)(d)(5)).
3. No corrective action plan is required because there were no findings required to be reported under the Uniform Guidance and the *Florida Department of Financial Services' State Projects Compliance Supplement*.