

**NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC.
(DBA WELLFLORIDA COUNCIL)**

FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

**NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC.
(DBA WELLFLORIDA COUNCIL)**

FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Central Florida Health Planning Council, Inc. DBA WellFlorida Council
Gainesville, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of North Central Florida Health Planning Council, Inc. DBA WellFlorida Council (the Council) 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 the Council 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council 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.

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 accepting auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 Council'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 Council'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 10.550, Rules of the Auditor General 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 schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information includes management's response to findings and the combining schedule of activities items as identified in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the Council'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 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 Council'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 Council's internal control over financial reporting and compliance.

Emphasis of Matter – Prior Period Adjustment

The Council restated multiple prior year balance sheet accounts to update balances to reconciled figures. This restatement is further discussed in Note 16 to the financial statements. Our opinions are not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Council's 2022 financial statements, and our report dated February 1, 2023, expressed an unmodified opinion on those audited financial statements. 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.



POWELL AND JONES CPA

Lake City, Florida

March 28, 2024

BASIC FINANCIAL STATEMENTS

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**STATEMENT OF FINANCIAL POSITION
June 30, 2023
(With Comparative Totals for June 30, 2022)**

	2023	2022 (restated)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,840,241	\$ 3,572,655
Grant and contract receivables	2,197,058	2,698,162
Prepaid expenses	38,356	56,966
Total current assets	6,075,655	6,327,783
Restricted Cash	100,058	99,999
Property and equipment		
Land	133,700	133,700
Building	1,500,341	1,500,341
Furniture and equipment	126,554	126,554
Accumulated depreciation	(762,510)	(723,515)
Net property and equipment	998,085	1,037,080
Total assets	\$ 7,173,798	\$ 7,464,862
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Accounts payable	\$ 2,750,059	\$ 1,123,449
Accrued liabilities	247,446	392,110
Accrued interest payable	1,562	1,726
Unearned revenue	482,786	2,567,907
Current portion of note payable	70,991	67,948
Total current liabilities	3,552,844	4,153,140
Long-term liabilities		
Compensated absences	148,568	163,093
Medicaid holdback	360,766	291,512
Note payable	586,434	657,429
Total long-term liabilities	1,095,768	1,112,034
Total liabilities	4,648,612	5,265,174
Net assets		
Net assets without donor restrictions		
Net investment in capital assets	340,660	311,703
Undesignated	882,217	850,817
Net assets with donor restrictions	1,302,309	1,037,168
Total net assets	2,525,186	2,199,688
Total liabilities and net assets	\$ 7,173,798	\$ 7,464,862

See notes to financial statements.

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)**

	Without Donor	With Donor	Totals	
	Restrictions	Restrictions		
	Administration	Program Services	2023	2022 (restated)
Support and revenues				
Federal awards	\$ 16,120	\$ 13,566,965	\$ 13,583,085	\$ 11,975,906
State financial assistance	-	2,600,371	2,600,371	272,225
Service contracts	800,205	585,387	1,385,592	1,321,760
Private contributions	29,416	6,046	35,462	30,313
Investment income	209	8	217	867
Other	10,230	247,771	258,001	409,638
Total support and revenues without donor restrictions	856,180	17,006,548	17,862,728	14,010,709
Expenses				
Personnel services	437,218	3,624,120	4,061,338	3,538,706
Contract services - case management	-	1,036,549	1,036,549	1,154,462
Contract services - clinical services	-	1,181,356	1,181,356	1,353,986
Emergency financial assistance	-	26,090	26,090	24,231
Dental	-	178,271	178,271	147,714
Drugs and prescriptions	-	198,034	198,034	102,488
Housing related assistance	-	817,464	817,464	711,785
Healthy start	-	1,492,771	1,492,771	1,492,771
Meals	-	86,716	86,716	33,232
Medicaid waiver	-	5,453,889	5,453,889	1,851,700
Other contractual services	92,688	1,579,836	1,672,524	2,239,848
Utilities/equipment rental/maintenance	5,466	81,359	86,825	83,987
Office expense and data processing	56,678	338,155	394,833	387,129
Accounting and professional services	3,306	54,832	58,138	84,833
Dues and training fees	22,639	262,204	284,843	186,421
Meetings and travel	42,867	86,123	128,990	90,319
Public awareness	15,623	81,596	97,219	125,942
Insurance and bonding	5,046	68,217	73,263	66,887
Interest	2,439	27,795	30,234	33,146
Depreciation	4,144	34,851	38,995	38,993
Other	107,709	31,179	138,888	106,439
Total expenses	795,823	16,741,407	17,537,230	13,855,019
Change in net assets	60,357	265,141	325,498	155,690
Net assets, beginning	1,162,520	1,037,168	2,199,688	2,043,998
Net assets, ending	\$ 1,222,877	\$ 1,302,309	\$ 2,525,186	\$ 2,199,688

See notes to financial statements.

North Central Florida Health Planning Council, INC. (DBA WELLFLORIDA COUNCIL)
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)

	Program Services					Total Program Services	Supporting Services	Totals	
	Ryan White Title II	Housing Opportunities for People with AIDS	Central Healthy Start	Healthy Start of North Central Florida	Other Programs		General Administration	2023	2022 (restated)
Personnel services	398,639	62,867	636,322	1,357,287	1,169,005	3,624,120	437,218	4,061,338	3,538,706
Contract services - case management	762,474	274,075	-	-	-	1,036,549	-	1,036,549	1,154,462
Contract services - clinical services	1,181,356	-	-	-	-	1,181,356	-	1,181,356	1,353,986
Emergency Financial Assistance	26,090	-	-	-	-	26,090	-	26,090	24,231
Dental	178,271	-	-	-	-	178,271	-	178,271	147,714
Drugs and prescriptions	198,034	-	-	-	-	198,034	-	198,034	102,488
Housing related assistance	-	817,464	-	-	-	817,464	-	817,464	711,785
Healthy start	-	-	482,768	1,010,003	-	1,492,771	-	1,492,771	1,492,771
Meals	71,316	15,400	-	-	-	86,716	-	86,716	33,232
Medicaid waiver	-	-	2,568,254	2,885,635	-	5,453,889	-	5,453,889	1,851,700
Other contractual services	84,723	37,840	-	2,050	1,455,223	1,579,836	92,688	1,672,524	2,239,848
Utilities/equipment rental/maintenan	5,950	708	14,075	31,706	28,920	81,359	5,466	86,825	83,987
Office expense and data processing	47,297	3,439	69,021	129,967	88,431	338,155	56,678	394,833	387,129
Accounting and professional services	24,810	284	8,293	13,957	7,488	54,832	3,306	58,138	84,833
Dues and training fees	2,362	312	59,733	102,700	97,097	262,204	22,639	284,843	186,421
Meetings and travel	2,079	-	12,137	21,904	50,003	86,123	42,867	128,990	90,319
Public awareness	356	18	14,279	28,716	38,227	81,596	15,623	97,219	125,942
Insurance and bonding	21,033	630	9,917	21,210	15,427	68,217	5,046	73,263	66,887
Interest	2,822	336	5,231	11,244	8,162	27,795	2,439	30,234	33,146
Depreciation	3,498	421	6,575	14,113	10,244	34,851	4,144	38,995	38,993
Other	49	104	15	37	30,974	31,179	107,709	138,888	106,439
Total expenses	\$ 3,011,159	\$ 1,213,898	\$ 3,886,620	\$ 5,630,529	\$ 2,999,201	\$ 16,741,407	\$ 795,823	\$ 17,537,230	\$ 13,855,019

See notes to financial statements.

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)**

	<u>2023</u>	<u>2022 (restated)</u>
Cash flows from operating activities:		
Cash received from federal grants and others	\$ 16,347,801	\$ 15,814,862
Cash paid to vendors and others	(13,388,053)	(10,739,198)
Interest payments on note payable	(30,234)	(33,289)
Cash paid for compensation and related expenses	(2,593,917)	(3,388,713)
Net cash provided by operating activities	<u>335,597</u>	<u>1,653,662</u>
Cash flow from financing activities:		
Principal payments on note payable	(67,952)	(65,050)
Net cash used in financing activities	<u>(67,952)</u>	<u>(65,050)</u>
Net increase in cash	267,645	1,588,612
Cash and cash equivalent, including restricted cash, beginning of year	<u>3,672,654</u>	<u>2,084,042</u>
Cash and cash equivalent, including restricted cash, end of year	<u>\$ 3,940,299</u>	<u>\$ 3,672,654</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 325,498	\$ 155,690
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,995	38,995
(Increase) decrease in current assets:		
Accounts receivable	501,104	124,128
Prepaid expenses	18,610	6,944
Increase (decrease) in current liabilities:		
Accounts payable	1,626,610	(567,633)
Accrued liabilities	(144,664)	54,139
Accrued interest payable	(164)	(143)
Unearned revenue	(2,085,121)	1,680,025
Due to other governments	-	109,716
Compensated absences	(14,525)	23,721
Medicaid holdback	69,254	28,080
Total adjustments	<u>10,099</u>	<u>1,497,972</u>
Net cash provided by operating activities	<u>\$ 335,597</u>	<u>\$ 1,653,662</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Central Florida Health Planning Council, Inc. (DBA WellFlorida Council) (the Council) is a nonprofit corporation organized under the Florida Not-for-Profit Corporation Act as North Central Florida Health Planning Council, Inc., and doing business as WellFlorida Council Inc. The Council was established to assist certain north Florida counties in implementing and complying with the public health provisions of Section 408.033, *Florida Statutes*.

Financial Statements - The Council has contracts with the Rural Health Partnership of North Central Florida, Inc. (Rural Health Partnership), Central Healthy Start, Inc. (Central Healthy Start), and Healthy Start of North Central Florida, Inc., collectively referred to as Affiliates, to provide lead agency services. Lead agency services include all administrative, fiscal and programmatic activities. As such, these financial statements include the accounts and transactions of the Council and its affiliates. All material intercompany accounts have been eliminated.

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. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide).

Income Taxes - The Council and its affiliates are exempt from income taxes according to provisions of Section 501(c)(3) of the Internal Revenue Code. The Council and its affiliates have not earned any unrelated business taxable income; therefore, no provision for federal income taxes is reported. In addition, the Council and each of its affiliates have been classified by the Internal Revenue Service as organizations that are not private foundations and they each qualify for the charitable contribution deduction. The Council and its affiliates are operated exclusively for charitable purposes. As required by Internal Revenue Service regulations, the Council and each of its affiliates annually file Forms 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those returns for fiscal years ending 2023, 2022, and 2021 are currently subject to review and adjustment by the Internal Revenue Service.

Basis of Accounting - The financial statements of the Council have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents - For purposes of reporting cash flows, the Council considers its investments in money market funds to be cash equivalents.

The Council invests excess cash in money market funds. These investments are reported at fair value and are readily convertible to known amounts of cash.

Restricted Cash - A provision of the note payable executed with the United States Department of Agriculture requires 10% of the total year's payment to be held in a reserve account. With USDA approval, these funds are held in an investment account. Amounts held in reserve were \$100,058 at June 30, 2023.

Revenue Recognition - The Council recognizes revenue from its grantors as contractual work is performed. Receivables are recorded when revenue is recognized before cash is received. Conversely, an advance is recorded when cash is received before revenue is recognized. There is no valuation allowance required for grants receivable since all amounts are considered collectible.

Property and Equipment – Property and equipment over \$5,000 are valued at cost if purchased, or estimated fair value at the date of donation. Property and equipment are depreciated using the straight-line method over estimated useful lives of thirty years for the building and three to five years for furniture and equipment. Management reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is measured by comparing the carrying amount of the assets to the sum of expected future cash flows (undiscounted and without interest charges) resulting from use of the asset and its eventual disposition. The Council has not recognized any impairment on its fixed assets.

Net Assets – The provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the Guide), require assets and revenues, and gains and losses to be classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Council and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Council. The Council’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or the by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained on perpetuity. The Council held \$1,302,309 with donor-imposed restrictions at year end.

Contributions to net assets with donor restrictions: The Council historically does not receive contributions from donors. Primarily all of its funding is through grants, which must be expended on specified programs or activities. Grant funds earned but not spent are the primary source of net assets with donor restrictions.

Measure of Operations - The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Council’s ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature. There were no non-operating activities for the year ended June 30, 2023.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Council to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

Reclassifications of Net Assets - Due to the nature of the Councils operations sometimes reclassifications of program services net assets to administration net assets are required to close out grants or contracts. This may occur for several reasons. First, when a program service grant or contract has remaining funds that are no longer restricted for use due to the termination of the agreement, this allows its net assets to become usable for administration purposes. The second occurs when a grant or contract becomes

overspent, which requires administration net assets to cover the deficit at the close of the contract. During the fiscal year there were no reclassifications net assets.

Unearned Revenues – The Council records unearned revenue on its statement of financial position. Unearned revenues arise when resources are received by the Council before it has fully earned them. As when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the Council has fully earned the revenues, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Fair Value of Financial Instruments – The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

- **Cash, Accounts Receivable and Accounts Payable** – Carrying amount approximates fair value due to the short maturity of these financial instruments.
- At June 30, 2023, the Council had no assets or liabilities subject to disclosure of fair value measurements as to valuation levels hierarchy per Financial Accounting Standards Board Statement No. 157.

Advertising Costs – The Council’s general policy is to expense advertising costs as incurred. Advertising costs expensed in the fiscal year ended June 30, 2023 totaled \$97,219.

NOTE 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available within one year of the statement of financial position date of June 30, 2023, for general expenditures are as follows:

Cash and cash equivalents	\$3,840,241
Grants and contracts receivable	2,197,058
Prepaid expenses	38,356
Accounts payable	(2,750,059)
Accrued liabilities	(247,446)
Accrued interest payable	(1,562)
Unearned revenue	(482,786)
Current portion of note payable	(70,991)
Total financial assets	<u>2,522,811</u>
Less amounts not available to be used within one year	
Donor restricted net assets	(1,404,857)
Total financial assets available to be used within one year	<u><u>\$1,117,954</u></u>

The Council manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

NOTE 3. COST ALLOCATIONS

The Council records costs that can be directly identified as benefiting a specific funding stream as direct expenses of the related program. Certain costs which are directly shared, have been allocated to programs based upon the relative benefit received. The Council allocates general and administrative costs that cannot be identified as benefiting a specific program. These costs are also allocated based upon the relative benefit received. The following is a table of cost allocation methodologies for expenditures which are allocated:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Directly charged by time and effort to programs or allocated based upon relative full time employees working in the programs.
Travel	Directly charged to programs by the purpose for the travel or allocated based upon relative full time employees working in the programs.
Facilities costs	Allocated based upon the full time employees dedicated to each program.
Professional services, office expenses equipment and insurance communications and other expenses	Directly charged to the program benefited or allocated based upon relative full time employees working in the programs.

NOTE 4. CONCENTRATIONS

Cash - The amount of deposits in excess of the amount insured by the Federal Deposit Insurance Corporation will vary during the year. At June 30, 2023, the Council had deposits of approximately \$3,490,567 in excess of insured amounts.

Receivables -Receivables at year end consisted of grant and contract revenues due from governmental agencies that were considered to be fully collectible.

Revenues - The Council receives substantial support from the State of Florida under contracts with the Department of Health. These contracts must be renegotiated at the end of each contract term. During the fiscal year ended June 30, 2023, support recognized under these agreements amounted to \$8,715,821. At June 30, 2023, approximately \$1,168,080 was due from the State related to these contracts.

NOTE 5. PROPERTY AND EQUIPMENT

A schedule of property and equipment on June 30, 2023 follows:

	Balance July 1, 2022	Additions	Dispositions	Balance June 30, 2023
Land	\$ 133,700	\$ -	\$ -	\$ 133,700
Building	1,500,341	-	-	1,500,341
Furniture and Equipment	126,554	-	-	126,554
Less: Accumulated depreciation	(723,515)	(38,995)	-	(762,510)
Net property and equipment	<u>\$ 1,037,080</u>	<u>\$ (38,995)</u>	<u>\$ -</u>	<u>\$ 998,085</u>

Depreciation for the year ended June 30, 2023 was \$38,995.

NOTE 6. UNEARNED REVENUE

Unearned revenue represents grant advances, payments and other funds which have been received, but for which the prescribed services have not yet been completed. These revenues will be recognized as income when these services are completed. At year end, unearned revenue is as follows:

Funding Source	Contract #	Funding Agency	Amount
Central Healthy Start	GFA089-05	Healthy Start MomCare Network, Inc.	\$ 604
MIECHV	1MIECHV-2223NCF	Florida Association of Healthy Start Coalitions	290,375
MIECHV-NFP	1MIECHV-2223WEL		92,833
Paramedicine Pilot for Individuals with I/DD	1058COV21	Florida Developmental Disabilities Council, Inc.	27,834
HIP	CODOQ	ViiV Healthcare	30,457
Other			40,683
			<u>\$ 482,786</u>

NOTE 7. LONG TERM DEBT

1. USDA Note

During 2007, the Council executed a note with the U.S. Department of Agriculture in the amount of \$1,477,000 payable in 25 years, at an interest rate of 4.375% per annum. The proceeds of the loan were used to finance the purchase and renovation of a new facility, land and building. These assets serve as collateral for the note.

At year end, the scheduled debt service requirements are as follows:

	Principal	Interest	Total
2024	\$ 70,991	\$ 27,349	\$ 98,340
2025	74,160	24,180	98,340
2026	77,470	20,870	98,340
2027	80,928	17,412	98,340
2028	84,541	13,799	98,340
Thereafter	269,335	18,401	287,736
Totals	<u>\$ 657,425</u>	<u>\$ 122,011</u>	<u>\$ 779,436</u>

Interest expense for the year ended June 30, 2023 was \$30,234.

2. Drummond Community Bank

Paycheck Protection Program – As a response to the COVID-19 outbreak, the U.S. government has responded with relief legislation. Certain legislation, under the CARES Act, authorized emergency loans to Organizations by establishing, and providing funding for, forgivable bridge loans under the Paycheck Protection Program (PPP). On April 23, 2020, the Council received \$190,945 under the PPP. Under the PPP, the Small Business Administration (SBA) will forgive the proceeds received if eligibility and certain other criteria are met related to use of the funds.

As of June 30, 2021, the Council had met the eligibility and certain other criteria related to use of the funds that forgiveness was granted. Accordingly, the Council recognized \$190,945 of proceeds received under the PPP as grant revenue during fiscal 2021.

SBA has the right to audit the Council's compliance with the PPP for a period of up to six years. Any unfavorable outcome resulting from the SBA's review or audit will be reported once known and may materially impact the Council's financial position and/or results of future operations.

NOTE 8. EMPLOYEE RETIREMENT PLAN

Employees of the Council may voluntarily participate in a defined contribution retirement plan. Benefits are based on the vested amounts of employer and employee contributions. The Council contributes 200% of employee contributions up to a maximum of 4% of their compensation. Retirement plan expense of the Council for the year ended June 30, 2023 was \$145,772.

NOTE 9. INVENTORIES

It has consistently been the policy of the Council to record acquisition of goods and supplies as expenditures at the time of purchase. The amount of such inventory on hand at any one time would be a nominal amount and considered to be immaterial.

NOTE 10. DONATED SERVICES

The Council received a significant amount of donated services from unpaid volunteers who serve as officers and board members and assist in special programs. No amounts have been recognized in the statement of activities because the criteria for recognition under Financial Accounting Standards Board Codification ASC 958 “Not-for-Profit Entities” have not been satisfied.

NOTE 11. RISK MANAGEMENT

The Council is exposed to various risk of loss related to torts, theft, damage to and destruction of assets, errors and omissions, and natural disasters for which the Council carries insurance. Insurance against losses is provided through various commercial insurers for the following types of risk:

- Workers’ Compensation and Employer’s Liability
- General and Professional Liability
- Personal Property Damage
- Automobile Physical Damage and Liability
- Director’s and Officers’ Liability

The Council’s coverage for workers’ compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Council’s experience with this type of risk.

NOTE 12. FUNCTIONAL EXPENSES

The Council incurred expenses during 2023 in the following functions:

The Council serves as one of the State's eleven local health councils. The local health councils provide leadership in their community to address healthcare issues and needs.	\$ 125,179
The Council manages provider contracts to deliver clinical case management, housing placement, and insurance continuation services for people with AIDS.	4,225,057
The Council provides HIV prevention services through a grant from the Florida Department of Health. The grant objective is to serve those populations facing the highest risk factors for HIV transmission. High Impact Prevention (HIP) also serves as linkage for newly diagnosed HIV positive clients or clients that have fallen out of care.	373,099

The Council functions as the local agency for two health coalitions: Central Healthy Start and Healthy Start of North Central Florida. Their primary objective is to address the prenatal and infant care needs of all pregnant women and infants, as well as provide home visiting services to at risk families.	9,043,966
The Council is working to develop and manage the provision of a pilot community paramedicine project focusing on supporting older persons with intellectual and developmental disabilities in the metro Orlando area in partnership with Health Council of East Central Florida's Care-a-Medix program	63,520
The Council operates the Family Partner Program which works with OB patients at the Center for Women's Health in Alachua County to provide education and refer patients to home visiting programs and community resources.	70,242
The Council functions as the lead agency for the Rural Health Partnership. Their primary objectives are to meet the health care needs of rural residents and to ensure viability of rural health care providers.	82,038
The Council participates in the LHC Vaccine Project which is a joint project targeting vaccine education and equity in vulnerable and underserved populations. In its region, the Council works with a network of partners to provide and promote vaccine education, outreach, and uptake.	329,129
The Council manages the Nurse-Family Partnership program, a national model for keeping children healthy and safe, and improving the lives of moms and babies.	784,960
The Council manages a Parents as Teachers program which builds strong communities, thriving families and children that are healthy, safe and ready to learn by matching parents and caregivers with trained professionals who make regular personal home visits during a child's earliest years in life, from prenatal through kindergarten.	1,622,147
Other functions of the Council include general administration and other health planning services.	817,893
	<u>\$ 17,537,230</u>

Expenses by function have been allocated among program and supporting services classifications on the basis of time records and on estimates made by the Council's management.

NOTE 13. COMPARATIVE DATA

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 Council's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Contingencies – There is a contingent liability due to the fact that all possible regulatory audits of the Council have not been fully completed for the year ended June 30, 2023. Under provisions of the funding agreements, any eventual expenditures determined to be not in compliance with grant regulations could be subject to repayment by the Council. The Council's administration believes that all expenditures were significantly in compliance with appropriate grant regulations.

NOTE 15. SUBSEQUENT EVENTS

The Council has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 28, 2024, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

NOTE 16. PRIOR PERIOD ADJUSTMENT

A thorough review of grant and contract related balances was conducted, and it was found that certain accounts needed to be corrected due to amounts that were misstated in prior years. The correction of these balances resulted in \$224,232 increase in net assets. The prior year financial statements were adjusted as reflected below:

	2022 Unadjusted Financial Statements	Adjustment	2022 Adjusted Financial Statements
Grants and contracts receivable	\$ 2,949,262	\$ (251,100)	\$ 2,698,162
Accounts payable	1,128,054	(4,605)	1,123,449
Accrued liabilities	544,531	(152,421)	392,110
Unearned revenue	2,886,213	(318,306)	2,567,907
Undesignated net assets	\$ 626,585	\$ 224,232	\$ 850,817

OTHER INFORMATION

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**COMBINING SCHEDULE OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)**

	Rural Health Partnership	Central Healthy Start		Healthy Start of North Central Florida			
				Program Services			
	Rural Health Partnership of North Central Florida	Central Healthy Start DOH	Central Healthy Start Mom-Care Network	Healthy Start of North Central Florida DOH	North Central Florida Mom-Care Network	NewboRN Visiting Program	CTAC - Family Partner
Support and revenues							
Federal awards	\$ 8,000	\$ 141,938	\$ 2,968,956	\$ 113,388	\$ 3,601,824	\$ -	\$ -
State financial assistance	55,555	831,720	-	1,587,917	-	-	-
Service contracts	73,032	2,000	-	8,667	-	402,941	70,242
Private contributions	-	3,016	-	3,030	-	-	-
Investment income	-	5	-	3	-	-	-
Other	-	-	-	-	-	-	-
Total support and revenues	136,587	978,679	2,968,956	1,713,005	3,601,824	402,941	70,242
Expenses							
Personnel services	52,762	350,348	285,974	519,140	456,911	325,675	55,561
Contract services - case management	-	-	-	-	-	-	-
Contract services - clinical services	-	-	-	-	-	-	-
Emergency Financial Assistance	-	-	-	-	-	-	-
Dental	-	-	-	-	-	-	-
Drugs and prescriptions	-	-	-	-	-	-	-
Housing related assistance	-	-	-	-	-	-	-
Healthy start	-	482,768	-	1,010,003	-	-	-
Meals	-	-	-	-	-	-	-
Medicaid waiver	-	-	2,568,254	-	2,885,635	-	-
Other contractual services	21,458	-	-	-	-	2,050	-
Utilities/equipment rental/maintenan	881	6,955	7,120	11,752	13,835	5,045	1,074
Office expense and data processing	3,566	45,817	23,204	55,791	41,575	28,077	4,524
Accounting and professional services	430	4,205	4,088	5,205	5,699	2,622	431
Dues and training fees	1,124	51,743	7,990	63,100	21,379	17,997	224
Meetings and travel	-	8,230	3,907	10,463	6,249	4,729	463
Public awareness	16	13,836	443	11,936	4,081	6,842	5,857
Insurance and bonding	802	5,010	4,907	7,272	8,482	4,498	958
Interest	428	2,599	2,632	3,799	4,537	2,398	510
Depreciation	536	3,289	3,286	4,794	5,673	3,006	640
Other	35	9	6	23	12	2	-
Total expenses	82,038	974,809	2,911,811	1,703,278	3,454,068	402,941	70,242
Change in net assets	54,549	3,870	57,145	9,727	147,756	-	-
Net assets, beginning	33,573	22,181	405,857	46,895	475,838	-	-
Net assets, ending	\$ 88,122	\$ 26,051	\$ 463,002	\$ 56,622	\$ 623,594	\$ -	\$ -

See notes to financial statements.

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**COMBINING SCHEDULE OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)**

	Wellflorida Council					
	Program Services					
	Housing					
	LHC Contract	Ryan White Title II	Opportunities for People with AIDS	High Impact Prevention	Regional Trauma Agency	FDDC Contract
Support and revenues						
Federal awards	\$ -	\$ 2,749,047	\$ 1,213,898	\$ 373,099	\$ -	\$ 63,520
State financial assistance	125,179	-	-	-	-	-
Service contracts	-	28,505	-	-	-	-
Private contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other	-	234,393	-	-	13,378	-
Total support and revenues	125,179	3,011,945	1,213,898	373,099	13,378	63,520
Expenses						
Personnel services	106,248	398,639	62,867	276,429	10,000	12,186
Contract services - case management	-	762,474	274,075	-	-	-
Contract services - clinical services	-	1,181,356	-	-	-	-
Emergency Financial Assistance	-	26,090	-	-	-	-
Dental	-	178,271	-	-	-	-
Drugs and prescriptions	-	198,034	-	-	-	-
Housing related assistance	-	-	817,464	-	-	-
Healthy start	-	-	-	-	-	-
Meals	-	71,316	15,400	-	-	-
Medicaid waiver	-	-	-	-	-	-
Other contractual services	4,760	84,723	37,840	3,675	12,000	47,400
Utilities/equipment rental/maintenan	1,400	5,950	708	7,354	-	265
Office expense and data processing	6,636	47,297	3,439	28,263	-	2,307
Accounting and professional services	562	24,810	284	1,959	70	139
Dues and training fees	991	2,362	312	1,732	-	81
Meetings and travel	1,813	2,079	-	6,086	-	-
Public awareness	26	356	18	37,236	-	634
Insurance and bonding	1,246	21,033	630	4,387	-	221
Interest	664	2,822	336	2,338	-	129
Depreciation	833	3,498	421	2,931	-	158
Other	-	49	104	709	-	-
Total expenses	125,179	3,011,159	1,213,898	373,099	22,070	63,520
Change in net assets	-	786	-	-	(8,692)	-
Net assets, beginning	-	20,659	-	-	32,165	-
Net assets, ending	\$ -	\$ 21,445	\$ -	\$ -	\$ 23,473	\$ -

See notes to financial statements.

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**COMBINING SCHEDULE OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)**

	Wellflorida Council				Totals	
	Program Services			Supporting Services	2023	2022 (restated)
	MIECHV North Central Florida	LHC Vaccine Project	Nurse Family Partnership	General Administration		
Support and revenues						
Federal awards	\$ 1,219,206	\$ 329,129	\$ 784,960	\$ 16,120	\$ 13,583,085	\$ 11,975,906
State financial assistance	-	-	-	-	2,600,371	272,225
Service contracts	-	-	-	800,205	1,385,592	1,321,760
Private contributions	-	-	-	29,416	35,462	30,313
Investment income	-	-	-	209	217	867
Other	-	-	-	10,230	258,001	409,638
Total support and revenues	1,219,206	329,129	784,960	856,180	17,862,728	14,010,709
Expenses						
Personnel services	78,705	80,872	551,803	437,218	4,061,338	3,538,706
Contract services - case management	-	-	-	-	1,036,549	1,154,462
Contract services - clinical services	-	-	-	-	1,181,356	1,353,986
Emergency Financial Assistance	-	-	-	-	26,090	24,231
Dental	-	-	-	-	178,271	147,714
Drugs and prescriptions	-	-	-	-	198,034	102,488
Housing related assistance	-	-	-	-	817,464	711,785
Healthy start	-	-	-	-	1,492,771	1,492,771
Meals	-	-	-	-	86,716	33,232
Medicaid waiver	-	-	-	-	5,453,889	1,851,700
Other contractual services	1,108,196	243,244	14,490	92,688	1,672,524	2,239,848
Utilities/equipment rental/maintenan	4,664	576	13,780	5,466	86,825	83,987
Office expense and data processing	3,072	1,893	42,694	56,678	394,833	387,129
Accounting and professional services	807	268	3,253	3,306	58,138	84,833
Dues and training fees	20,124	1,009	72,036	22,639	284,843	186,421
Meetings and travel	1,987	-	40,117	42,867	128,990	90,319
Public awareness	15	175	125	15,623	97,219	125,942
Insurance and bonding	743	493	7,535	5,046	73,263	66,887
Interest	396	268	3,939	2,439	30,234	33,146
Depreciation	496	331	4,959	4,144	38,995	38,993
Other	1	-	30,229	107,709	138,888	106,439
Total expenses	1,219,206	329,129	784,960	795,823	17,537,230	13,855,019
Change in net assets	-	-	-	60,357	325,498	155,690
Net assets, beginning	-	-	-	1,162,520	2,199,688	2,043,998
Net assets, ending	\$ -	\$ -	\$ -	\$ 1,222,877	\$ 2,525,186	\$ 2,199,688

See notes to financial statements.

SUPPLEMENTAL INFORMATION

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2023**

Federal Grantor/Pass Through Program Title	ALN / CSFA#	Contract # / Grant ID #	Award Period	Reported Prior Years	Award Amount	Revenues Recognized	Expenditures
FEDERAL AWARDS							
<i>US Department of Health and Human Services</i>							
<i>Health Resources and Services Administration</i>							
Passed through the Florida Association of Healthy Start Coalitions							
Visiting Grant Program	93.870	1MIECHV-2223WEL	10/10/2022 - 9/29/2023	\$ -	\$ 371,332	\$ 84,497	\$ 84,497
American Rescue Plan Act Funding for Home Visiting	93.870	1ARP-2223WEL	10/18/2022 - 09/30/2023	-	19,740	19,740	19,740
Visiting Grant Program	93.870	1MIECHV-2122NCF	9/30/2021 - 9/29/2022	934,293	1,183,000	247,498	247,498
Visiting Grant Program	93.870	1MIECHV-2223NCF	9/30/2021 - 9/29/2023	-	1,183,000	913,398	913,398
American Rescue Plan Act Funding for Home Visiting	93.870	1ARP-2223NCF	12/1/2021 - 9/30/2024	-	58,310	58,310	58,310
Passed through Healthy Start MomCare Network, Inc.							
Central Healthy Start - Medicaid Assistance Payments	93.778	GFA089-05	7/1/2022 - 6/30/2027	-	12,983,731	2,968,956	2,911,811
Healthy Start of North Central Florida - Medicaid Assistance Payments	93.778	GFA089-21	7/1/2022 - 6/30/2027	-	17,548,563	3,601,824	3,454,068
Passed through the Florida Department of Health:							
Ryan White Program	93.917	CODY	4/1/2022-3/31/2023	71,605	2,890,601	2,749,047	2,749,047
Central Healthy Start - Title V	93.994	COSHG - 22/23	7/1/2022 - 6/30/2023	-	141,938	141,938	141,938
Healthy Start of North Central Florida - Title V	93.994	COSGM - 22/23	7/1/2022 - 6/30/2023	-	113,388	113,388	113,388
HIV Prevention Services	93.940	CODOQ	1/1/2019-12/31/2023	1,351,055	1,560,000	373,099	373,099
State Office of Rural Health	93.913	CORHH	7/1/2020-6/30/2023	16,000	24,000	8,000	8,000
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	COTIA	7/1/2018-6/30/2023	64,077	80,600	16,120	16,120
Passed through Kids Central, Inc.:							
Administration for Children, Youth and Families-Child Abuse	93.669	C2021-CAPTA-MO173	10/20/2020 - 6/30/2023	1,216,125	2,311,454	680,723	680,723

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

(Continued)

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2023**

Federal Grantor/Pass Through Program Title	ALN / CSFA#	Contract # / Grant ID #	Award Period	Reported Prior Years	Award Amount	Revenues Recognized	Expenditures
FEDERAL AWARDS							
<i>US Department of Health and Human Services</i>							
<i>Health Resources and Services Administration</i>							
Passed through Treasure Coast Health Council Community-Based Workforce to Increase COVID-19 Vaccinations in Underserved Communities	93.011	HRSA 21-136	1/1/2022-7/31/2023	\$ 202,355	\$ 750,000	\$ 329,129	\$ 329,129
Passed through Florida Developmental Disabilities Council, Inc. Paramedicine Pilot for Individuals with I/DD	93.630	1058COV21	11/19/2021-9/29/2023	159,211	248,713	63,520	63,520
<i>US Department of Housing and Urban Development</i>							
Passed through the Florida Department of Health Housing Opportunities for Persons With Aids	14.241	CODUG	7/1/2022-6/30/2023	-	1,214,467	1,213,898	1,213,898
Total federal awards				<u>4,014,721</u>	<u>42,682,837</u>	<u>13,583,085</u>	<u>13,378,184</u>
STATE FINANCIAL ASSISTANCE							
<i>Florida Department of Health</i>							
Perinatal Mental Health - CHS	64.160	COSHG - 22/23	7/1/2022 - 6/30/2023	-	65,372	65,372	65,372
Healthy Start Coalitions - CHS	64.131	COSHG - 22/23	7/1/2022 - 6/30/2023	-	777,854	766,348	766,348
Perinatal Mental Health - HSNCF	64.160	COSGM - 22/23	7/1/2022 - 6/30/2023	-	86,867	81,206	81,206
Healthy Start Coalitions - HSNCF	64.131	COSGM - 22/23	7/1/2022 - 6/30/2023	-	1,517,965	1,506,711	1,506,711
Rural Health Networks	64.085	CORHH	7/1/2020-6/30/2023	111,110	166,665	55,555	55,555
Local Health Councils	64.032	CORGN	7/1/2019-6/30/2023	307,579	596,097	125,179	125,179
Total State Financial Assistance				<u>418,689</u>	<u>3,210,820</u>	<u>2,600,371</u>	<u>2,600,371</u>
Total Federal Awards and State Financial Assistance				<u>\$ 4,433,410</u>	<u>\$ 45,893,657</u>	<u>\$ 16,183,456</u>	<u>\$ 15,978,555</u>

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC.
(DBA WELLFLORIDA COUNCIL)**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2023**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal Awards and State Financial Assistance activity of North Central Florida Health Planning Council, Inc. DBA Wellflorida Council and Affiliates (the Council) for the year ended June 30, 2023 in accordance with the 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 10.550, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Council it is not intended to and does not present the financial position, change in net assets, or cash flows of the Council.

Note 2. Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented on the accrual basis of accounting. Expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited to reimbursement.

Note 3. Subrecipients

Included in the above schedule are amounts provided to subrecipients for the following federal and state programs:

<u>ALN</u>	<u>Expenditures</u>	<u>CSFA#</u>	<u>Expenditures</u>
14.241	\$ 311,915	63.131	\$ 1,492,771
93.917	1,972,063	Total State	<u>\$ 1,492,771</u>
93.778	5,453,889		
93.870	1,088,666		
93.630	47,400		
93.011	243,244		
Total Federal	<u>\$ 9,117,177</u>		

Note 4. Program Income

The following programs had program income that was not included as revenues recognized in the Schedule of Expenditures of Federal Awards and State Financial Assistance:

<u>Program Title</u>	<u>Contract #</u>	<u>Program Income</u>
Ryan White Program	CODTY	\$ 234,393

Note 5. De Minimis Indirect Cost Rate Election

The Council did not elect to use the de minimis indirect cost rate the fiscal year ended June 30, 2023.

OTHER REPORTS AND LETTERS

**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***

Board of Directors
North Central Florida Health Planning Council, Inc. DBA WellFlorida Council
Gainesville, Florida

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 North Central Florida Health Planning Council, Inc. DBA WellFlorida Council (the Council), which comprise the statement of financial position as of June 30, 2023 and the statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 the 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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. During our audit we identified a material weakness which is listed in the Schedule of Findings and Questioned costs as 2023-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
March 28, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To The Board of Directors of
North Central Florida Health Planning Council, Inc. DBA WellFlorida Council
Gainesville, Florida

Opinion on Each Major Federal Program

We have audited North Central Florida Health Planning Council, Inc. DBA WellFlorida Council's (the Council) compliance with the types of compliance requirements identified as subject to an audit in the *OMB Compliance Supplement* and the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended June 30, 2023. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council 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; and 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 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* 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 Council 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 and state project. Our audit does not provide a legal determination of the Council'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 Council's federal programs and state projects.

Auditor's 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 the Council'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 10.550, *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 Council's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550 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 Council'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 Council'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 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Council'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. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Council's compliance.

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 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 or 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 Auditor's 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 have not been identified.

Our audit report 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 *Uniform Guidance* and Chapter 10.550 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Powell and Jones CPA

Lake City, Florida

March 28, 2024

**NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. DBA WELLFLORIDA COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

Section 1. Summary of Auditor's Results

Financial statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

*Material weakness identified? Yes

*Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weakness identified? No

* Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.518(b) of the *Uniform Guidance* No

Identification of major programs:

<u>Federal Programs</u>	<u>Assistance Listing No.</u>
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***U.S. Department of Health and Human
Passed through Healthy Start MomCare
Network, Inc.***

Medicaid Assistance Payments	93.778
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<u>State Projects</u>	<u>CSFA No.</u>
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***Florida Department of Health
Healthy Start Coalitions***

	64.131
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Dollar threshold used to distinguish between Type A and Type B programs:

Federal	\$750,000
State	\$300,000

Auditee qualified as low-risk auditee? Yes

NORTH CENTRAL FLORIDA HEALTH PLANNING COUNCIL, INC. (DBA WELLFLORIDA COUNCIL)

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Fiscal Year Ended June 30, 2023**

Section 2. Financial Statement Findings

Current Year Findings:

Material Weaknesses

2023-01 Grant and Contract Balances

Criteria: The Council should have accurate grant related balances with supporting documentation that substantiates their valuation.

Condition: During our audit we initially found that the asset and liability balances related to grants and contracts were not being regularly reconciled to supporting documentation. In order to gain assurance as to the accuracy of these balances we were required to complete a detailed analysis. We discovered numerous variances during our analysis. These variances were primarily related to errors in prior years that had not been corrected.

Cause: These errors were caused by the lack of a regular reconciliation process comparing grant and contract balances to the accounting software and the finance department's lack of training on the software.

Effect: This caused our firm to spend substantially more time than projected to complete the audit, delaying the audit's completion. Without proper posting and regular reconciliation, the noted balances could cause a misstatement of the financial statements.

Prior Year Findings:

None reported.

Section 3. Findings and Questioned Costs – Federal Programs and State Projects

Current Year Findings and Questioned Costs:

None reported.

Prior Year Findings and Questioned Costs:

None reported.



March 29, 2024

Caleb Perla, CPA
Powell and Jones CPA

RE: Response to Audit Findings

Dear Mr. Perla:

This letter is to acknowledge the finding in the FY2022-2023 audit that asset and liability balances related to grants and contracts did not undergo a consistent reconciliation process comparing grant and contract balances to the accounting software. This situation resulted in additional detailed analysis which protracted the timing of the audit process as variances were identified and your team worked extensively with us to correct those variances. Management agrees with this finding and acknowledges the additional time your team devoted to working with us to address this issue.

As a result of your observations, Management will address the finding as follows:

1. Beginning in FY2023-2024, Management engaged James Moore, Inc. to provide consultancy for part-time chief financial officer services (CFO). Effectively immediately, Management will work with the CFO consultancy at James Moore to develop and implement more efficient and effective processes for proper posting and regular reconciliation of grant-related balances to the accounting software and ongoing scrutiny of those processes.
2. During the audit analysis, you observed that much of this issue was attributable to the Finance Department’s lack of training on MIP’s (our comprehensive fund accounting software) advanced reporting functions. As such, within sixty (60) days, the Senior Accountant and the Accountant will undertake and successfully complete MIP’s reporting and advanced report trainings.

Management thanks you for your observations and insights and working with us to highlight and address this finding during the FY2022-2023 audit process.

Sincerely,

Jeff Feller

Jeff Feller, MSISE
Chief Executive Officer

1785 NW 80th Boulevard, Gainesville, FL 32606
Tel: (352) 313-6500 Fax: (352) 313-6515
www.wellflorida.org



MANAGEMENT LETTER

To the Board of Directors
North Central Florida Health Planning Council, Inc. DBA WellFlorida Council
Gainesville, Florida

Report on Financial Statements

We have audited the financial statements of North Central Florida Health Planning Council, Inc. DBA WellFlorida Council (the Council) as of and for the year ended June 30, 2023, and have issued our report thereon dated March 28, 2024.

Auditor's Responsibility

We conducted our audit 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, *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.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 28, 2024, should be considered in conjunction with this management letter.

Additional Matters

In planning and performing our audit of the financial statements of the Council for the fiscal year ended June 30, 2023, we considered the Council's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Section 10.654(1)(e), Rules of the Auditor General and *Government Auditing Standards* require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

There are no other matters that are immaterial to our audit which we believe merit your attention.

We have reviewed our findings and recommendations with Management and have provided any relevant supporting documentation. These items will be reviewed with management in the following year to ensure they are adequately addressed.

Purpose of this Letter

This communication is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management of the Council, and is not intended to be and should not be used by anyone other than these specified parties.

Conclusion

We very much enjoyed the challenges and experiences associated with our audit of the Council. We appreciate the helpful assistance and courtesy afforded us by all employees and look forward to working with you in the future.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
March 28, 2024

Communication with Those Charged with Governance

To the Board of Directors
North Central Florida Health Planning Council, Inc. DBA WellFlorida Council

We have audited the financial statements of North Central Florida Health Planning Council, Inc. (DBA WellFlorida Council) (the Council) for the years ended June 30, 2023 and 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described Note 1 to the financial statements. There were no changes in accounting policies and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Council's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

During our audit we initially found that the asset and liability balances related to grants and contracts did not have adequate supporting information to substantiate their balances. In order to gain assurance as to the accuracy of these balances we were required to analyze the receivable and deferral balances for each program and make adjustments to correct them as necessary. This caused our firm to spend substantially more time than budgeted to complete the audit and delayed the audits completion.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. All misstatements identified were corrected. These are discussed in Note 16.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 28, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Council’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Council and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
March 28, 2024