

**BIG BEND AREA HEALTH
EDUCATION CENTER, INC.**

**Financial Statements
and Supplemental
Information**

**Year Ended
June 30, 2025**

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Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Bend Area Health Education Center, Inc.
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Big Bend Area Health Education Center, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 Organization as of June 30, 2025, 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 schedule of expenditures of state financial assistance, as required by State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 27, 2026

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 522,670	\$ 356,432
Restricted cash	16,001	27,212
Investments	960,623	885,202
Grants receivable	394,413	540,372
Accounts receivable	83,619	43,581
Prepaid expenses	-	16,734
Deposits	5,151	5,151
Total current assets	1,982,477	1,874,684
Property and equipment, net	6,023	-
Operating lease ROU asset	20,159	73,518
Total assets	<u>\$ 2,008,659</u>	<u>\$ 1,948,202</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities:		
Accounts payable	\$ 15,817	\$ 66,998
Accrued wages	27,237	27,484
Accrued compensated absences	34,235	34,235
Deferred revenue	-	90,729
Short-term lease liability	22,943	53,359
Funds held as agent for Nursing Action Coalition of FL	16,001	27,212
Total current liabilities	116,233	300,017
Operating lease liability, long-term	-	22,943
Total liabilities	116,233	322,960
Net assets without donor restrictions	1,892,426	1,625,242
Total liabilities and net assets	<u>\$ 2,008,659</u>	<u>\$ 1,948,202</u>

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

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
SUPPORT AND REVENUE		
Support		
Area Health Education Center grant funds		
Federal	\$ 676,862	\$ 932,083
State	950,924	892,707
Total support	<u>1,627,786</u>	<u>1,824,790</u>
Revenue		
Center income	185,101	114,845
Other income	-	150
Total revenue	<u>185,101</u>	<u>114,995</u>
Total revenue and support	<u>1,812,887</u>	<u>1,939,785</u>
EXPENSES		
Program services:		
Healthcare education		
Personnel services	884,319	871,081
Operating expenses	717,465	925,613
Total program services	<u>1,601,784</u>	<u>1,796,694</u>
Supporting services, management and general:		
Personnel services	-	14,050
Operating expenses	19,381	22,100
Total supporting services, management and general	<u>19,381</u>	<u>36,150</u>
Total expenses	<u>1,621,165</u>	<u>1,832,844</u>
Change in net assets before investments	191,722	106,941
Investment income	<u>75,462</u>	<u>54,462</u>
Change in net assets	267,184	161,403
Net assets, beginning of year	<u>1,625,242</u>	<u>1,463,839</u>
Net assets, end of year	<u>\$ 1,892,426</u>	<u>\$ 1,625,242</u>

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

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

	Program Services						Supporting	Total	Total	
	Model AHEC	Tobacco	Closing the Gap	Navigators	DEEP	Other Programs	Total Program Services			Management & General
PERSONNEL SERVICES										
Salaries	\$ 65,242	\$ 313,766	\$ 59,428	\$ 233,263	\$ 2,070	\$ 3,952	\$ 677,721	\$ -	\$ 677,721	\$ 707,135
Payroll taxes	5,653	28,607	5,407	17,921	158	267	58,013	-	58,013	56,356
Employee benefits	16,868	52,516	12,507	66,336	358	-	148,585	-	148,585	121,640
	<u>87,763</u>	<u>394,889</u>	<u>77,342</u>	<u>317,520</u>	<u>2,586</u>	<u>4,219</u>	<u>884,319</u>	<u>-</u>	<u>884,319</u>	<u>885,131</u>
OPERATING EXPENSES										
Accounting and auditing	5,318	37,136	4,038	30,786	14	5,005	82,297	-	82,297	69,520
Advertising	-	28,309	8	31,496	7	4,929	64,749	700	65,449	75,816
Bank charges	-	-	-	-	-	3	3	1,322	1,325	1,526
Computer maintenance	80	12,426	8,889	9,896	639	-	31,930	-	31,930	28,731
Conferences and meetings	1,413	2,525	-	7	-	2,635	6,580	820	7,400	4,934
Contractual services	-	3,210	7,422	47,688	7,650	1,500	67,470	2,001	69,471	83,560
Depreciation	-	210	107	-	-	-	317	-	317	-
Dues and subscriptions	-	-	248	2,014	180	-	2,442	6,582	9,024	19,520
Equipment rental and maintenance	-	875	117	2,507	-	-	3,499	-	3,499	25,486
Insurance	-	10,914	2,802	8,112	1,077	-	22,905	103	23,008	21,020
Marketing	-	22,898	59	18,007	-	-	40,964	151	41,115	85,913
Miscellaneous	305	1,671	182	944	153	942	4,197	-	4,197	73,946
Occupancy	-	27,677	7,968	21,874	-	-	57,519	-	57,519	56,971
Payroll expense	623	3,401	824	1,926	272	51	7,097	220	7,317	5,490
Postage	52	5,037	96	9,397	-	-	14,582	-	14,582	51,848
Printing and publication	486	15,838	13,931	3,471	3,846	-	37,572	883	38,455	65,030
Professional services	-	90	-	-	-	-	90	-	90	210
Program service agreements	-	36,000	-	20,648	-	-	56,648	-	56,648	21,212
Recruitment and training	24,929	16,315	4,763	1,466	2,756	-	50,229	307	50,536	54,902
Repairs and maintenance	-	9,538	3,495	5,724	16	-	18,773	592	19,365	27,523
Supplies	125	79,434	11,945	4,444	165	2,661	98,774	4,340	103,114	121,405
Telephone, internet and utilities	6	14,599	1,845	10,343	164	-	26,957	1,332	28,289	31,400
Travel	5,343	12,487	1,881	2,149	11	-	21,871	28	21,899	21,750
	<u>38,680</u>	<u>340,590</u>	<u>70,620</u>	<u>232,899</u>	<u>16,950</u>	<u>17,726</u>	<u>717,465</u>	<u>19,381</u>	<u>736,846</u>	<u>947,713</u>
Total expenses	<u>\$ 126,443</u>	<u>\$ 735,479</u>	<u>\$ 147,962</u>	<u>\$ 550,419</u>	<u>\$ 19,536</u>	<u>\$ 21,945</u>	<u>\$ 1,601,784</u>	<u>\$ 19,381</u>	<u>\$ 1,621,165</u>	<u>\$ 1,832,844</u>

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

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from government grants and contracts	\$ 1,994,270	\$ 1,900,341
Cash paid for employee services	(884,319)	(885,131)
Cash paid to contractors and vendors	(861,952)	(829,839)
Cash paid to agent of Nursing Action Coalition of FL	<u>(11,211)</u>	<u>27,212</u>
Net cash provided by operating activities	236,788	212,583
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(75,421)	(54,397)
Purchase of property and equipment	<u>(6,340)</u>	<u>-</u>
Net cash used in investing activities	<u>(81,761)</u>	<u>(54,397)</u>
Net increase in cash	155,027	158,186
Cash, cash equivalents and restricted cash beginning of year	<u>383,644</u>	<u>225,458</u>
Cash, cash equivalents and restricted cash end of year	<u><u>\$ 538,671</u></u>	<u><u>\$ 383,644</u></u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH FLOWS		
Increase in net assets	\$ 267,184	\$ 161,403
Adjustments to reconcile increase in net assets to net increase in cash:		
Depreciation	317	-
Non-cash rent expense	-	1,392
Decrease (increase) in current assets		
Grants receivable	145,959	(116,290)
Accounts receivable	(40,038)	22,384
Other assets	16,734	(2,675)
Increase (decrease) in current liabilities		
Accounts payable	(51,181)	27,735
Accrued wages	(247)	(2,094)
Accrued liabilities	-	3,995
Accrued compensated absences	-	9,270
Deferred revenue	(90,729)	80,251
Funds held as agent for Nursing Action Coalition of FL	<u>(11,211)</u>	<u>27,212</u>
Net cash provided by operating activities	<u><u>\$ 236,788</u></u>	<u><u>\$ 212,583</u></u>
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents	\$ 522,670	\$ 356,432
Funds held as agent for Nursing Action Coalition of FL	<u>16,001</u>	<u>27,212</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 538,671</u></u>	<u><u>\$ 383,644</u></u>

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

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Big Bend Area Health Education Center, Inc. (the "Organization") is a nonprofit corporation organized on February 13, 1996, for the purpose of providing education and training programs for health professionals in the North Florida catchment area, consisting of fourteen contiguous counties. The Organization is primarily funded by "purchase of services" contracts with the University of Florida, which are prime recipients of U.S. Public Health Service and Florida Department of Health Area Health Education Centers program funds. Through contractual arrangements, the Organization also provides administrative and programmatic services to health education related organizations. The Organization is governed by a voluntary board of directors selected from the fourteen county area.

The Organization provides administrative services to the Big Bend Rural Health Network, Inc. (Big Bend RHN), a nonprofit corporation, based upon an agreement entered into in April 2011 and revised in October 2017.

B. Basis of Accounting

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred. Federal, state and local government, and other public grants are recorded as support when performance occurs under the terms of the grant agreement.

The financial statements are presented in accordance with Financial Accounting Standards Boards (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").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization 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 Organization. The Organization'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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fixed Assets and Depreciation

The Organization follows the practice of capitalizing all expenditures in excess of \$2,000 at cost, or, if donated, at fair market value at date of acquisition. Proceeds from the sale of fixed assets, if unrestricted, are transferred to operating net asset balances, or if restricted, to amounts restricted for property acquisitions. The Organization utilizes straight line depreciation with useful lives ranging from 3 to 10 years.

D. Revenue Recognition

The Organization follows ASU 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

The Organization receives its revenue primarily from government grants, and from purchase of service contracts with the University of Florida.

Government grants consist primarily of cost reimbursement contracts. Revenues for cost reimbursement contracts are recognized when the Organization incurs allowable costs. Amounts received before allowable costs are incurred are reported as deferred revenue. Revenues from purchase of service contracts are recognized when they become measurable and available as current assets which is typically when the service is performed.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

G. Grants and Accounts Receivable

Receivables consist primarily of grant and contract revenues earned from governmental and non-profit agencies but not received and are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of grantors to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers all receivables to be fully collectible; therefore no allowance has been made.

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Deferred Revenue

The Organization records deferred revenue on its statement of financial position. Deferred revenues arise when resources are received by the Organization 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 Organization has fully earned the revenues, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

I. 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.
- Investments – All investments are in marketable equity securities with readily determinable fair values and are stated at fair value.

J. Advertising Costs

The Organization's general policy is to expense advertising costs as incurred. Such costs incurred for the fiscal year ended June 30, 2025 and 2024, were \$65,449 and \$75,816, respectively.

K. 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 Organization'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.

L. Expenses by Function

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

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and efforts
Staff training, dues, subscription, insurance, travel, communications postage, printing and supplies	Charged directly to the benefitting program or allocated by relative total program expense
Professional services (consultants, accounting, advertising, legal)	Charged directly to the benefitting program or allocated by relative total program expense
Facilities costs and rent	Allocation based upon relative total usable square footage

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Reclassifications

Certain reclassifications have been made to the prior financial statements to conform to the current year presentation.

N. 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 Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

O. Recent Accounting Pronouncements

Effective January 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses (i.e., doubtful accounts) is determined.

NOTE 2 – FIXED ASSETS AND DEPRECIATION

Depreciation of furniture and fixtures, and machinery and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. In accordance with Board policy, assets costing less than \$2,000 are generally fully expensed in their year of acquisition.

A summary of the Organization's fixed assets at June 30, follows:

	<u>2025</u>	<u>2024</u>	<u>Life</u>
Furniture and fixtures	\$ 24,258	\$ 17,918	7-10
Less: accumulated depreciation	<u>(18,235)</u>	<u>(17,918)</u>	
	<u>\$ 6,023</u>	<u>\$ -</u>	

Depreciation for the fiscal years ended June 30, 2025 and 2024, were \$317 and \$0 respectively.

NOTE 3 – ACCRUED COMPENSATED ABSENCES

Employees with at least one full year of service are compensated for their unused "paid time off" upon termination, up to a maximum of 480 hours. The Organization had a liability of \$34,235 for accrued compensated absences at June 30, 2025 and 2024.

NOTE 4 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash includes amounts in demand deposits as well as short-term money market investment accounts, as well as restricted cash designated for an agency. Details of the agreement with the agency are discussed in Note 16.

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 5 – INVESTMENTS

The Organization follows FASB Accounting Standards Codification (ASC) 958-320 *Investments, Debt and Equity Securities*. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. A summary of investments, which were held by the Organization, are as follows:

	<u>Fair Market Value</u>
June 30, 2025	
Truist investments	<u>\$ 960,623</u>
June 30, 2024	
Truist investments	<u>\$ 885,202</u>

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- *Level 1*—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market. This level includes common stocks, corporate bonds or mutual funds based on the closing price reported in the active market where the securities are traded.
- *Level 2*—Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation, or other means.
- *Level 3*—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of all the trading securities listed above as of June 30, 2025 and 2024 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as level 1 inputs).

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6 – PENSION PLAN

The Organization has adopted a tax sheltered retirement plan. This plan is a qualified defined contribution plan under Section 403(b)(7) of the Internal Revenue Code. Under this defined contribution type of plan, the Organization makes contributions to the plan on behalf of eligible employees. Contribution levels have been currently established at 7% of employee's compensation for all permanent full-time employees. Employees may also make optional contributions to this plan up to specified limits. Under this plan employees become participants upon completing a six month probationary period and full vesting occurs immediately upon enrollment in the plan. Total employer payments to the plan for the year ended June 30, 2025 and 2024, were \$37,545 and \$34,988, respectively.

Since this is a defined contribution plan, there is no unfunded liability, normal cost, past or prior service cost, nor any current effects on pension costs under ERISA. None of the benefits exceed the total value of the pension fund since this is a defined contribution type plan. The plan is administered by the Organization through a contractual agreement with a servicing company.

NOTE 7 – INCOME TAXES

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3), as a nonprofit corporation. As required by Internal Revenue Services regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those returns for 2025, 2024, and 2023 are currently subject to review and adjustment by the Internal Revenue Service.

Management has analyzed the Organization's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. Therefore, no reserves for uncertain income tax positions have been recorded.

NOTE 8 – CONTINGENCIES

There is a contingent liability due to the fact that all possible applicable regulatory audits have not been completed for the fiscal year ended June 30, 2025. Under provisions of the funding agreements, any eventual expenditures determined to be not in compliance with grant regulations would be subject to repayment by the Organization. The Organization's administration believes that all expenditures were significantly in compliance with appropriate grant regulations.

NOTE 9 – LEASE COMMITMENTS

The Organization leases space under a non-cancelable operating lease agreement. This lease is the only lease required to be included on the statement of financial position under ASC 842.

As of June 30, 2025, the right-of-use (ROU) asset had a balance of \$20,159, as shown in the statement of financial position; the lease liability is included in current liabilities (\$22,943) and long-term liabilities (\$0). The lease asset and liability were calculated utilizing the risk-free discount rate (4.463%), according to the Organization elected policy.

The Organization elected to apply the short-term lease exception to all leases with a term of one year or less and those that did not have a material impact to the financial statements. The future payments for these leases are \$5,346 as of June 30, 2025.

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – LEASE COMMITMENTS (continued)

Additional information about the Organization lease for 2025 is as follows:

Lease costs (included in building occupancy):

Operating lease cost	<u>\$ 55,680</u>
Total lease cost	<u>\$ 55,680</u>

Other information:

Cash paid for amounts included in measuring operating lease liability:

Operating cash flows from operating lease	<u>\$ 55,680</u>
Total cash paid for amounts included in measuring operating lease liability	<u>\$ 55,680</u>

The difference between building occupancy expense and building occupancy paid is non-cash rent.

Maturities of the operating lease liability as of June 30, 2025 are as follows:

2026	<u>\$ 23,200</u>
Total lease payments	23,200
Less: interest	<u>(257)</u>
Present value of lease liability	<u>\$ 22,943</u>

NOTE 10 – CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents in local banks which may at times exceed the FDIC limits. At June 30, 2025 and 2024, the total bank balances were \$597,222 and \$411,450.

The Organization bank deposits exceeded federal insured limits by \$347,222 and \$161,450, on June 30, 2025 and 2024, respectively. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents. The Organization acknowledges that balances over the insured amount are subject to risk.

NOTE 11 – CONCENTRATION OF REVENUE SOURCES

For the years ended June 30, 2025 and 2024, approximately 90% and 94% of the Organization's grant revenues were derived from federal and state contracts. The continuance of state and federal funding is subject to annual legislative budgetary review and periodical renewals.

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – DONATED SERVICES

The Organization 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 ASC 958, *Not-for-Profit Entities*, have not been satisfied.

NOTE 13 – RISK MANAGEMENT

The Organization is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries insurance. Insurance against losses are 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
- Directors' and Officers' Liability

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

NOTE 14 – LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the statement of financial position date of June 30, 2025 and 2024 for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 522,670	\$ 356,432
Restricted cash	16,001	27,212
Investments	960,623	885,202
Grant funds receivable	394,413	540,372
Accounts receivable	<u>83,619</u>	<u>43,581</u>
Total financial assets available within one year	<u>1,977,326</u>	<u>1,852,799</u>
Funds held as agent for Nursing Action Coalition of FL	<u>(16,001)</u>	<u>(27,212)</u>
Total amounts unavailable within one year	<u>(16,001)</u>	<u>(27,212)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,961,325</u>	<u>\$ 1,825,587</u>

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Regular

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

NOTE 15 – RELATED PARTY TRANSACTIONS

To carry out its training programs, the Big Bend RHN, a nonprofit corporation, entered into contractual agreements with the Organization, which has delegates on the Board of Directors. Payments under these agreements totaled \$62,823 and \$66,402 for the years ended June 30, 2025 and 2024, respectively. Under these agreements the Big Bend RHN will pay the Organization for administrative services and all other functions necessary to administer the Big Bend RHN's grants, service contracts and other activities. There were no remaining commitments on these agreements as of June 30, 2025.

NOTE 16 – FUNDS HELD AS AGENT

During 2024, the Organization assumed a fiduciary role for the Nursing Action Coalition of Florida ("NACFL") by entering into an agreement to administrate designated funds for work transferred to NACFL by Suncoast Nursing Action Coalition, who dissolved in 2023.

The transactions with NACFL are accounted for as an agency fund; therefore, no revenue or expense is recorded for the Organization. Funds held at June 30, 2025 and 2024 totaled \$16,001 and \$27,212, respectively, are recorded as restricted cash and a corresponding liability to the organization.

NOTE 17 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 27, 2026, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2025

State Grantor/ Pass-Through Grantor Project Title	ALN/CSFA Number	Subaward Number	Project Award Amount	Received Prior Year	Current Year Revenues	Current Year Expenditures
STATE FINANCIAL ASSISTANCE						
<i>State of Florida Department of Health - Area Health Education Centers</i>						
<i>Passed through University of Florida</i>						
Cessation Interventions - AHEC	64.097	SUB00004603	\$ 440,153	\$ -	\$ 440,153	\$ 440,153
State and Community Interventions - AHEC	64.112	SUB00004603	318,731	-	318,731	318,731
<i>State of Florida Department of Health</i>						
Closing the Gap	64.052	CMO89	150,000	-	150,000	150,000
<i>State of Florida Department of Children and Families</i>						
<i>Passed through Florida Alliance for Healthy Communities, Inc.</i>						
FAHC Opioid Project	N/A	LH860	42,040	-	42,040	42,040
Total state financial assistance			<u>\$ 950,924</u>	<u>\$ -</u>	<u>\$ 950,924</u>	<u>\$ 950,924</u>

See Independent Auditor's Report and Notes to Schedule of Expenditures of State Financial Assistance.

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying policies and presentation of the schedule of expenditures of state financial assistance of Big Bend Area Health Education Center, Inc. (the “Organization”) have been designed to conform to generally accepted accounting principles as applicable to voluntary health and welfare agencies, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and State of Florida Chapter 10.650, *Rules of the Auditor General of Florida*.

NOTE 2 – REPORTING ENTITY

The reporting entity consists of the Organization. The Organization includes a Schedule of Expenditures of State Financial Assistance in the Supplemental Section.

NOTE 3 – BASIS OF ACCOUNTING

The accrual basis of accounting is followed in the Schedule of Expenditures of State Financial Assistance. Under the accrual basis, revenues are recognized when they become earned. Expenses generally are recorded when a liability is incurred.

NOTE 4 – INDIRECT COST RATES

The Organization has elected to not use the 10% de minimis indirect cost rate for its state projects for the year ended June 30, 2025.



**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**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

To the Board of Directors of

Big Bend Area Health Education Center, Inc.
Tallahassee, 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 Big Bend Area Health Education Center, Inc. (the “Organization”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2026.

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) as a basis for designing 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 or significant deficiencies may exist that were not 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 financial statements. 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida

March 27, 2026



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

To the Board of Directors of
Big Bend Area Health Education Center, Inc.
Tallahassee, Florida

Report on Compliance for Each Major State Financial Assistance Project

Opinion on Each Major State Financial Assistance Project

We have audited Big Bend Area Health Education Center, Inc.’s (the “Organization”) compliance with the types of compliance requirements identified as subject to audit 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 financial assistance projects for the year ended June 30, 2025. The Organization’s major state financial assistance 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 state financial assistance projects for the year ended June 30, 2025.

Basis for Opinion on Each Major State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards and Chapter 10.650 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 state financial assistance projects. 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 state financial assistance projects.

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

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 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*, and the and Chapter 10.650, 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 state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, 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 Chapter 10.650, 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 state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state financial assistance 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 were not identified.

Report on Internal Control over Compliance (continued)

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

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 27, 2026

BIG BEND AREA HEALTH EDUCATION CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

State Financial Assistance

- | | |
|--|---------------|
| 1. Type of auditor’s report issued on compliance for major projects: | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i> | No |
| 4. Dollar threshold used to distinguish between Type A and Type B projects | \$300,000 |

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Cessation Interventions – AHEC	64.097
State and Community Interventions – AHEC	64.112

Section II – Financial Statement Findings

No current year findings (no corrective action plan or management letter required)

Section III – State Financial Assistance Findings and Questioned Costs

None (there are no items related to State financial assistance required to be reported in the management letter, therefore no management letter issued)

Section IV – Status of Prior Year Audit Finding

There were no prior year audit findings