

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS
FLORIDA ASSOCIATION OF HEALTHY START COALITIONS, INC.
June 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Florida Association of Healthy Start Coalitions, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Association of Healthy Start Coalitions, Inc. (the "Association"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and change in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Association of Healthy Start Coalitions, Inc. as of June 30, 2021, 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.

Other Matters

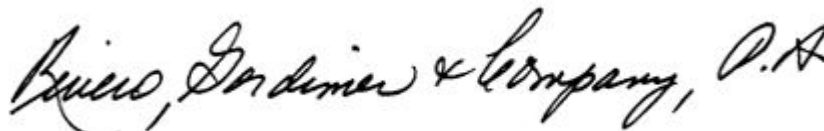
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of Florida Association of Healthy Start Coalitions, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Florida Association of Healthy Start Coalitions, Inc.'s internal control over financial reporting and compliance.

Tampa, Florida
December 15, 2021



Florida Association of Healthy Start Coalitions, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents (notes A5 and A14)	\$ 426,075
Grants receivable (note A6)	2,870,012
Accounts receivable	56,780
Prepaid expenses (note A9)	1,099,791
Total current assets	<u>4,452,658</u>

PROPERTY AND EQUIPMENT (note A7 and C)
Less accumulated depreciation (note A8 and C)

220,232
<u>(218,985)</u>
<u>1,247</u>

TOTAL ASSETS

<u>\$ 4,453,905</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 177,539
Contracts and grants payable	2,757,296
Refundable contract advances (note A10)	1,092,027
Total current liabilities	<u>4,026,862</u>

NET ASSETS

Net assets without funder restrictions	
Operating	425,796
Net investment in property and equipment	<u>1,247</u>
Total net assets	<u>427,043</u>

TOTAL LIABILITIES AND NET ASSETS

<u>\$ 4,453,905</u>

The accompanying notes are an integral part of this financial statement.

Florida Association of Healthy Start Coalitions, Inc.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the year ended June 30, 2021

Public support and revenue	
Public support	
Federal grants	\$ 10,909,755
State grants	500,000
Local grants	689,523
Contributions	24,895
Total public support	<u>12,124,173</u>
Other revenue	
Association dues	298,700
Other revenue	113,475
Interest income	11
Total other revenue	<u>412,186</u>
Total public support and other revenue	<u>12,536,359</u>
Expenses	
Program services	
MIECHV	9,480,535
Nurse Family Partnership	1,093,957
Early Childhood Comprehensive Systems	463,432
DCF CAPTA	981,530
Other programs	188,911
Total program services	<u>12,208,365</u>
Supporting services	
Management and general	270,705
Total supporting services	<u>270,705</u>
Total expenses	<u>12,479,070</u>
Change in net assets	57,289
Net assets without funder restrictions at beginning of year	<u>369,754</u>
Net assets without funder restrictions at end of year	<u>\$ 427,043</u>

The accompanying notes are an integral part of this financial statement.

Florida Association of Healthy Start Coalitions, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

Cash flows from operating activities	
Change in net assets	<u>\$ 57,289</u>
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation expense	637
Increase in grants receivable	(496,515)
Decrease in accounts receivable	352,131
Decrease in prepaid expense	1,212,908
Decrease in accounts payable and accrued expenses	(602,363)
Decrease in contracts and grants payable	(104,239)
Decrease in deferred grant revenue	<u>(1,089,437)</u>
Total adjustments	<u>(726,878)</u>
Net cash used by operating activities	<u>(669,589)</u>
Net decrease in cash and cash equivalents	(669,589)
Cash and cash equivalents at beginning of year	<u>1,095,664</u>
Cash and cash equivalents at end of year	<u>\$ 426,075</u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ -</u>
Income taxes	<u>\$ -</u>

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

Florida Association of Healthy Start Coalitions, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Program Services					Supporting Services			Total	
	MIECHV	Nurse-Family Partnership	ECCS	DCF CAPTA	Other Programs	Total Program Services	Management and General	Fund Raising		Total Supporting Services
Salaries	\$ 230,177	\$ 18,922	\$ 84,127	\$ 28,567	\$ 40,744	\$ 402,537	\$ 90,326	\$ -	\$ 90,326	\$ 492,863
Employee benefits	30,418	824	2,019	1,827	1,929	37,017	-	-	-	37,017
Payroll taxes	313	-	130	7	107	557	57	-	57	614
Total salaries and related expenses	260,908	19,746	86,276	30,401	42,780	440,111	90,383	-	90,383	530,494
Coalition contract expense	8,754,993	1,040,222	191,562	907,238	9,336	10,903,351	-	-	-	10,903,351
Other contracts	117,228	492	105,264	20	6,568	229,572	15,530	-	15,530	245,102
Advertising and promotion	-	-	-	-	-	-	16,000	-	16,000	16,000
Professional fees	188,188	5,618	40,869	19,435	35,280	289,390	37,872	-	37,872	327,262
Supplies	2,373	74	490	114	28	3,079	1,703	-	1,703	4,782
Communications	4,641	151	1,094	299	6,168	12,353	-	-	-	12,353
Postage	73	3	21	6	2	105	-	-	-	105
Insurance	12,833	418	2,256	696	1,316	17,519	287	-	287	17,806
Computer and website costs	116,036	458	2,560	783	836	120,673	257	-	257	120,930
Printing and publications	30	1	9	3	-	43	-	-	-	43
Rents	13,645	876	5,189	1,559	917	22,186	-	-	-	22,186
Travel	1,000	-	3,903	-	-	4,903	-	-	-	4,903
Program costs	120	25,550	18,219	15,997	66,206	126,092	91,707	-	91,707	217,799
Conference and seminars	1,290	-	5,115	6	-	6,411	1,055	-	1,055	7,466
Training	-	-	-	-	7,463	7,463	-	-	-	7,463
Miscellaneous	7,177	348	605	4,973	12,011	25,114	15,274	-	15,274	40,388
Total expenses before depreciation	9,480,535	1,093,957	463,432	981,530	188,911	12,208,365	270,068	-	270,068	12,478,433
Depreciation	-	-	-	-	-	-	637	-	637	637
Total expenses	<u>\$ 9,480,535</u>	<u>\$ 1,093,957</u>	<u>\$ 463,432</u>	<u>\$ 981,530</u>	<u>\$ 188,911</u>	<u>\$ 12,208,365</u>	<u>\$ 270,705</u>	<u>\$ -</u>	<u>\$ 270,705</u>	<u>\$ 12,479,070</u>

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

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the Florida Association of Healthy Start Coalitions, Inc. (the "Association") and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. General

Florida Association of Healthy Start Coalitions, Inc., based in Tallahassee, Florida, is a non-profit corporation organized under the laws of the State of Florida in 1994. The Association is dedicated to strengthening maternal and child health by ensuring that all Florida families have access to a continuum of affordable and quality health and related services and advocating for the public policy initiatives to facilitate those services.

2. Basis of Accounting

The Association follows standards of accounting and financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *"Industry Guide for Audits of Not-for-Profit Organizations."* Accordingly, the financial statements are prepared on an accrual basis of accounting.

3. Revenue Recognition

Revenues are recognized when the earning process is substantially complete and the goods have been delivered or services performed. Revenues from membership dues are recognized in the year to which they relate. Meeting revenue and user fees are recognized when the event has occurred or service is delivered. Revenue from grants is earned as required under the grant agreement. Unearned revenue is deferred until grant requirements are met.

4. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of case, respectively. See Note E for more information on liquidity and availability of assets.

5. Cash and Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less when purchased and was \$20,915 at June 30, 2021.

6. Grants Receivable

The Association receives support from various Federal, State and local grants. Grants receivable at year end represents costs incurred or services performed, which have not yet

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

been reimbursed by the granting agency. None of the amounts receivable at June 30, 2021 are deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements. It is the policy of the Association to write off doubtful accounts directly to expense when determined to be uncollectible.

7. Property and Equipment

Property and equipment are recorded at cost. The Association capitalizes property and equipment additions in excess of \$1,000 with an estimated useful life in excess of one year.

8. Depreciation

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by the straight-line method. Estimated service lives for the Association's property and equipment are approximately three to ten years.

9. Prepaid Expenses

The Association records prepaid expenses on its statement of financial position when funds are expended in the current year for an expense of a subsequent period. In subsequent periods when the expense is actually incurred, the asset is removed from the statement of financial position and the expense is recognized.

10. Refundable Contract Advances

The Association records refundable contract advances when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when the Association has fully earned revenues, the liability for deferred revenue is removed from the statement of financial position and the revenue is recognized.

11. Financial Accounting Standards

The Association applies provisions of Financial Accounting Standards Board, *Accounting Standards Codification* ("FASB ASC").

FASB ASC 958-605 requires the Association to distinguish between contributions that increase net assets with funder restrictions and net assets without funder restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. Contributions that meet their restrictions within the current reporting period are classified as revenue without funder restrictions in the accompanying Statement of Activities and Changes in Net Assets.

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

13. Functional Allocation of Expenses

The cost of providing the Association's various programs and supporting services has been summarized on a functional and natural classification basis in the accompanying Statement of Activities and Changes in Net Assets for the year ended June 30, 2021. The general approach of the Association in allocating costs to a particular program or supporting service is as follows:

- A. All allowable direct costs are charged directly to programs.
- B. Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using the base most appropriate to the particular cost being prorated (i.e., direct benefit, time spent by full time employees ("FTE"), etc.).
- C. All other allowable supporting services costs (costs that benefit all Association activities and cannot be identified to a specific program) are allocated to programs and supporting services an equitable distribution.

The basis used for allocation of expenditures that can be identified to more than one program, as well as allocable supporting service expenditures, depends upon the nature of the underlying expense. The methods used by the Association to allocate expenditures includes, but is not limited to, direct costing and payroll or FTE splits that mirror actual effort.

The Association's principal activities are comprised of:

I. MIECHV

The federal Maternal, Infant and Early Childhood Home Visiting (MIECHV) program was implemented with the goal of improving health and developmental outcomes for at-risk children through evidence-based home visiting programs. Seventeen local projects are implementing three models in 25 high-need communities and four contiguous areas across Florida aimed at equipping parents and other caregivers with the knowledge, skills, and tools they need to assist their children in being healthy, safe, and ready to succeed in school.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

These models were selected by the communities based on local needs, gaps in services and resources. The Florida MIECHV program is funded by a grant from the U.S. Department of Health and Human Services (HRSA).

II. Nurse-Family Partnership

The Nurse-Family Partnership program is a nationally accredited, evidence-based, voluntary program that provides home visitation by a nurse to first-time mothers by the 28th week of pregnancy. The content of home prenatal and postpartum visits is governed by: Personal Health, Environmental Health, Life Course, Maternal Role, Friends and Family and Health and Human Services.

III. Early Childhood Comprehensive Systems

The federal Early Childhood Comprehensive Systems (ECCS) Impact grant was awarded in order to strengthen coordination of developmental screening by home visiting and early learning programs. The initiative aims to achieve a 25% improvement in the age appropriate developmental skills of three-year olds residing in participating communities. Efforts focus on improving the linkage and coordination between providers serving young children with a goal of identifying developmental delays and intervening as early as possible. The project will also strengthen screening for perinatal depression, a key parental risk factor impacting healthy child development.

IV. DCF CAPTA

The federal Child Abuse and Neglect State Grants are funded by the Florida Department of Children and Families (DCF) and are part of the Child Abuse Prevention and Treatment Act (CAPTA). The grant was awarded with the purpose of implementing a home visiting prevention program for serving pregnant women and infants who are prenatally affected by controlled substances, either legal or illegal, or alcohol and their families.

14. Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash and cash equivalents. Interest bearing and non-interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each financial institution. The Association's balances exceeded federal insured limits by \$255,999 at June 30, 2021.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE B - INCOME TAX STATUS

The Association has received a determination of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any activities that would jeopardize the Association's tax-exempt status. The Association is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2018 remain subject to examination by taxing authorities.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021:

Furniture and equipment	\$ 61,036
Software	159,196
	<u>220,232</u>
Less accumulated depreciation	<u>(218,985)</u>
	<u>\$ 1,247</u>

Depreciation expense recognized for the year ended June 30, 2021 was \$637.

NOTE D - NET ASSETS WITHOUT FUNDER RESTRICTIONS

Net assets without funder restrictions are net assets not subject to funder-imposed restrictions or the funder-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. As of June 30, 2021, the Association's Board has not designated any of these net assets for specific purposes.

NOTE E - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure and payment of current liabilities, within one year of the statement of financial position sheet date, comprise the following at June 30, 2021:

Cash and cash equivalents	\$ 426,075
Grants receivable	2,870,012
Accounts receivable	<u>56,780</u>
	<u>\$ 3,352,867</u>

The Association maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE E - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

The Association's Board of Directors has the ability to designate net assets without funder restrictions that could be made available for current operations if necessary. As of the year ended June 30, 2021, the Board has not elected to designate any of these net assets.

NOTE F - ECONOMIC DEPENDENCY

The Association receives a substantial amount of funding (approximately 97% during the year ended June 30, 2021) from Federal, State and local grants. The availability and funding of such grants are subject to change with little or no advance notice.

NOTE G - MANAGEMENT FEES

During the year ended June 30, 2021, the Association entered into a service agreement with Healthy Start MomCare Network, Inc., a Florida Not-for-Profit Corporation Administrative Services Organization ("ASO").

The ASO pays for salaries and wages, office rent, and other administrative expenses and is later reimbursed for these expenses by the Association based on usage. For the year ended June 30, 2021, the management fees paid to the ASO for general and administrative expenses was \$598,056. The amount owed to the ASO at June 30, 2021 was \$112,190 and accounts receivable from the ASO was \$1,564.

NOTE H - RISK AND UNCERTAINTIES

On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a Public Health Emergency of International Concern and on March 11, 2020, declared it to be a global pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas and forces closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it have and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Association operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Association. As a result, the Association could be impacted and may experience a certain degree of business interruption. The extent to which the COVID-19 outbreak impacts the Association's operations will depend on future developments, which are highly uncertain and unpredictable as of December 15, 2021, the date financial statements were available to be used.

NOTE I - SUBSEQUENT EVENTS

The Association has evaluated events and transactions occurring subsequent to June 30, 2021 as of December 15, 2021 which is the date the financial statements were available to be issued. The Association is not aware of any subsequent events which require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FLORIDA ASSOCIATION OF HEALTHY START COALITIONS, INC.
For the year ended June 30, 2021

Florida Association of Healthy Start Coalitions, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2021

Federal Grantor / Program Title	Federal CFDA #	Contract #	Total Expenditures	Pass-through to Subrecipients
<u>FEDERAL</u>				
U.S. Department of Health and Human Services (HHS)				
<u>Direct - Health Resources and Services Administration</u>				
Early Childhood Comprehensive Systems (ECCS)	93.110	H25MC30342	\$ 447,693	\$ 191,562
Maternal, Infant and Early Childhood Home Visiting Program	93.870	X10MC32184	2,889,695	2,623,580
Maternal, Infant and Early Childhood Home Visiting Program CFDA #93.870	93.870	X10MC33573	6,590,837	6,131,413
			<u>9,480,532</u>	<u>8,754,993</u>
<u>Indirect</u>				
Pass-through from State of Florida Department of Children and Families				
Child Abuse and Neglect State Grants	93.669	LJ993	981,530	907,238
Total expenditures of federal awards			<u>\$ 10,909,755</u>	<u>\$ 9,853,793</u>

The accompanying notes are an integral part of this schedule.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Florida Association of Healthy Start Coalitions, Inc. (the "Association") and is presented on the accrual basis of accounting. The information in this schedule is presented 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)*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Association has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Association's continued participation in specific programs. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Association expects such amounts, if any, to be immaterial.



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

Board of Directors
 Florida Association of Healthy Start Coalitions, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Association of Healthy Start Coalitions, Inc. (the "Association"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



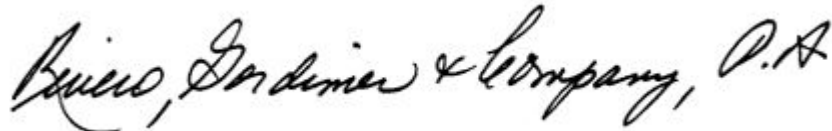
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida
December 15, 2021

A handwritten signature in black ink that reads "Bruce, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

FLORIDA ASSOCIATION OF HEALTHY START COALITIONS, INC.

June 30, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Florida Association of Healthy Start Coalitions, Inc.

Report on Compliance for Each Major Federal Program

We have audited Florida Association of Healthy Start Coalitions, Inc. (the "Association") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2021. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Association's compliance.



Opinion on Each Major Federal Program

In our opinion, Florida Association of Healthy Start Coalitions, Inc. 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 for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's 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 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Tampa, Florida
December 15, 2021



SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FLORIDA ASSOCIATION OF HEALTHY START COALITIONS, INC.

June 30, 2021

Florida Association of Healthy Start Coalitions, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) yes X no

Identification of major programs:

Federal

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.870	Maternal, Infant and Early Childhood Home Visiting Program

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

Auditee qualified as low-risk auditee? X yes no

Section II – Financial Statement Findings Section

No matters were required to be reported for the year ended June 30, 2021. Accordingly, a corrective action plan is not required.

Section III – Federal Award Findings and Questioned Costs

No matters were required to be reported for the year ended June 30, 2021. Accordingly, a corrective action plan is not required.

Section IV – Other Issues

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs.