

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS  
FLORIDA ASSOCIATION OF HEALTHY START COALITIONS, INC.  
June 30, 2023

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2023, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Florida Association of Healthy Start Coalitions, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Association of Healthy Start Coalitions, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Association of Healthy Start Coalitions, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Florida Association of Healthy Start Coalitions, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Association of Healthy Start Coalitions, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (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

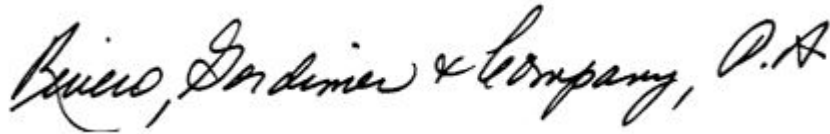
standards generally accepted in the United States of America.

In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, 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 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 Florida Association of Healthy Start Coalitions, Inc. internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida Association of Healthy Start Coalitions, Inc.'s internal control over financial reporting and compliance.

Tampa, Florida  
December 14, 2023

A handwritten signature in cursive script that reads "Buco, Gardner & Company, P.A." The signature is written in black ink and is positioned to the right of the typed date and location.

Florida Association of Healthy Start Coalitions, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 571,408
Grants receivable	3,047,291
Accounts receivable	55,289
Prepaid expenses	941,684
Total current assets	<u>4,615,672</u>

PROPERTY AND EQUIPMENT

Less accumulated depreciation	213,400
	<u>(213,155)</u>
	<u>245</u>

TOTAL ASSETS

\$ 4,615,917

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 168,361
Contracts and grants payable	2,762,487
Refundable contract advances	996,454
Total current liabilities	<u>3,927,302</u>

NET ASSETS

Net assets without funder restrictions	
Operating	688,370
Net investment in property and equipment	245
Total net assets	<u>688,615</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 4,615,917

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, 2023

Public support and revenue	
Public support	
Federal grants	\$ 11,685,549
State grants	493,804
Total public support	<u>12,179,353</u>
Other revenue	
Association dues	224,636
Other revenue	368,388
Interest income	514
Total other revenue	<u>593,538</u>
Total public support and other revenue	<u>12,772,891</u>
Expenses	
Program services	
MIECHV	10,550,177
Nurse Family Partnership	493,804
Early Childhood Comprehensive Systems	225,623
DCF CAPTA	909,751
Other programs	271,159
Total program services	<u>12,450,514</u>
Supporting services	
Management and general	200,350
Total supporting services	<u>200,350</u>
Total expenses	<u>12,650,864</u>
Change in net assets	122,027
Net assets without funder restrictions at beginning of year	<u>566,588</u>
Net assets without funder restrictions at end of year	<u>\$ 688,615</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, 2023

Cash flows from operating activities	
Change in net assets	<u>\$ 122,027</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	365
Decrease in grants receivable	170,912
Increase in accounts receivable	(48,580)
Decrease in prepaid expense	92,032
Decrease in accounts payable and accrued expenses	32,009
Increase in contracts and grants payable	(37,533)
Decrease in deferred grant revenue	<u>(258,387)</u>
Total adjustments	<u>(49,182)</u>
Net cash provided by operating activities	<u>72,845</u>
Net increase in cash and cash equivalents	72,845
Cash and cash equivalents at beginning of year	<u>498,563</u>
Cash and cash equivalents at end of year	<u><u>\$ 571,408</u></u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u><u>\$ -</u></u>
Income taxes	<u><u>\$ -</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, 2023

	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	\$ 268,620	\$ 15,874	\$ 61,606	\$ 22,707	\$ 25,884	\$ 394,691	\$ 19,508	\$ -	\$ 19,508	\$ 414,199
Employee benefits	35,146	811	9,512	1,600	2,197	49,266	2,826	-	2,826	52,092
Total salaries and related expenses	303,766	16,685	71,118	24,307	28,081	443,957	22,334	-	22,334	466,291
Coalition contract expense	9,586,084	448,036	49,844	843,536	134,502	11,062,002	-	-	-	11,062,002
Other contracts	6,079	111	2,805	7,829	54,758	71,582	379	-	379	71,961
Advertising and promotion	908	-	1,530	-	13,832	16,270	10,127	-	10,127	26,397
Professional fees	11,799	1,410	3,070	1,726	3,227	21,232	89,849	-	89,849	111,081
Supplies	3,111	157	841	349	273	4,731	1,183	-	1,183	5,914
Communications	3,563	203	1,011	267	294	5,338	-	-	-	5,338
Postage	19	-	5	1	11	36	513	-	513	549
Insurance	783	66	237	78	59	1,223	2,027	-	2,027	3,250
Computer and website costs	125,542	1,047	5,255	1,391	1,545	134,780	3,646	-	3,646	138,426
Printing and publications	174	3	15	5	2,959	3,156	-	-	-	3,156
Rents	20,610	1,170	5,846	1,556	1,712	30,894	-	-	-	30,894
Travel	19,155	1,372	3,828	1,894	169	26,418	2,701	-	2,701	29,119
Program costs	444,246	23,240	50,913	26,658	17,803	562,860	2,956	-	2,956	565,816
Conference and seminars	22,416	-	28,770	-	11,777	62,963	42,616	-	42,616	105,579
Training	-	187	-	-	-	187	-	-	-	187
Miscellaneous	1,922	117	535	154	157	2,885	21,654	-	21,654	24,539
Total expenses before depreciation	10,550,177	493,804	225,623	909,751	271,159	12,450,514	199,985	-	199,985	12,650,499
Depreciation	-	-	-	-	-	-	365	-	365	365
Total expenses	<u>\$ 10,550,177</u>	<u>\$ 493,804</u>	<u>\$ 225,623</u>	<u>\$ 909,751</u>	<u>\$ 271,159</u>	<u>\$ 12,450,514</u>	<u>\$ 200,350</u>	<u>\$ -</u>	<u>\$ 200,350</u>	<u>\$ 12,650,864</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, 2023

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 \$21,354 at June 30, 2023.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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 been reimbursed by the granting agency. None of the amounts receivable at June 30, 2023 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.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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.

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, 2023. 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. For federal contracts, the Association uses a negotiated indirect cost rate of 18.1%.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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.

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.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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 \$324,630 at June 30, 2023.

15. New Accounting Standard

Effective July 1, 2022, the Association adopted Accounting Standards Update (ASU) 2016-02, Leases (Topic 842) and related subsequent amendments. The guidance in this AUS supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the Statement of Financial Position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the Statement of Activities. A modified retrospective transition approach is required for lessees for capital and operating leases at, or entered into after, the beginning of the earliest for comparative period presented in the financial statements, with certain practical expedients available. The new standard did not have a significant impact on the organization.

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, 2020 remain subject to examination by taxing authorities.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023:

Furniture and equipment	\$ 54,204
Software	159,196
	<u>213,400</u>
Less accumulated depreciation	<u>(213,155)</u>
	<u>\$ 245</u>

Depreciation expense recognized for the year ended June 30, 2023 was \$365.

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. The Association's Board of Directors has designated approximately \$42,000 for the fatherhood program for the year ended June 30, 2023.

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, 2023:

Cash and cash equivalents	\$ 571,408
Grants receivable	3,047,291
Accounts receivable	<u>55,289</u>
	<u>\$ 3,673,988</u>

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

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, 2023, the Board has not elected to designate any of these net assets.

Florida Association of Healthy Start Coalitions, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE F - ECONOMIC DEPENDENCY

The Association receives a substantial amount of funding (approximately 95% during the year ended June 30, 2023) 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, 2023, the management fees paid to the ASO for general and administrative expenses was \$658,651. The amount owed to the ASO at June 30, 2023 was \$123,779.

NOTE H - LINE OF CREDIT

The Association has an unsecured line of credit in the amount of \$300,000 with Truist Bank. Interest is due monthly and calculated at a variable rate equal to the prime rate of the lender (8.25% at June 30, 2023). The line of credit agreement had a zero balance at June 30, 2023 and matures October 2027.

NOTE I - SUBSEQUENT EVENTS

The Association has evaluated events and transactions occurring subsequent to June 30, 2023 as of December 14, 2023 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, 2023

Florida Association of Healthy Start Coalitions, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2023

Federal Grantor / Program Title	Federal ALN #	Contract #	Total Expenditures	Pass-through to Subrecipients
<b>FEDERAL</b>				
U.S. Department of Health and Human Services (HHS)				
<b>Direct - Health Resources and Services Administration</b>				
Early Childhood Comprehensive Systems (ECCS)	93.110	U7E42155	\$ 225,621	\$ 49,844
Maternal, Infant and Early Childhood Home Visiting Program	93.870	X10MC39679	2,150,388	1,879,136
Maternal, Infant and Early Childhood Home Visiting Program	93.870	X10MC33573	6,827,563	6,219,905
Maternal, Infant and Early Childhood Home Visiting Program	93.870	ARP-1-X11MC41906	273,143	256,499
Maternal, Infant and Early Childhood Home Visiting Program ALN #93.870	93.870	ARP-2-X11MC45293	1,299,083	1,230,544
			<u>10,550,177</u>	<u>9,586,084</u>
<b>Indirect</b>				
Pass-through from State of Florida Department of Children and Families				
Child Abuse and Neglect State Grants	93.669	LJ993	909,751	843,536
Total expenditures of federal awards			<u>\$ 11,685,549</u>	<u>\$ 10,479,464</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, 2023

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 a negotiated indirect cost rate of 18.1%.

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, 2023, 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 14, 2023.

**Report on 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) 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



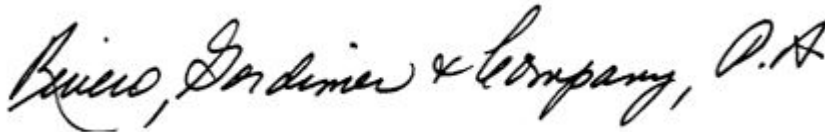
## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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 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 14, 2023

A handwritten signature in black ink that reads "Benicio, Gordinier & 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, 2023



**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**

***Opinion on Each Major Federal Program***

We have audited Florida Association of Healthy Start Coalitions, Inc. (the "Association") compliance with the types of compliance requirements identified as subject to audit 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, 2023. The Association's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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, 2023.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Florida Association of Healthy Start Coalitions, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Florida Association of Healthy Start Coalitions, Inc.'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 Florida Association of Healthy Start Coalitions, Inc.'s federal programs.

### ***Auditors' 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 Florida Association of Healthy Start Coalitions, Inc.'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 Uniform Guidance 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 Florida Association of Healthy Start Coalitions, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Florida Association of Healthy Start Coalitions, Inc.'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 Florida Association of Healthy Start Coalitions, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Florida Association of Healthy Start Coalitions, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

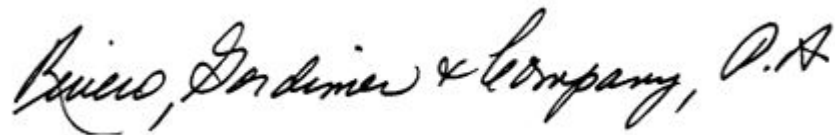
## Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 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 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.

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

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

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

Tampa, Florida  
December 14, 2023

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

June 30, 2023

Florida Association of Healthy Start Coalitions, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2023

**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>ALN Number(s)</u>	<u>Name of Federal Program</u>
93.870	Maternal, Infant and Early Childhood Home Visiting Program
93.669	Child Abuse and Neglect State Grants

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, 2023. 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, 2023. 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.