

**NORTHEAST FLORIDA HEALTHY
START COALITION, INC.**

FINANCIAL STATEMENTS

For Years Ended June 30, 2013 and 2012



NORTHEAST FLORIDA HEALTHY START COALITION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northeast Florida Healthy Start Coalition, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Florida Healthy Start Coalition, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years 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 auditing standards 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Northeast Florida Healthy Start Coalition, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

To the Board of Directors of
Northeast Florida Healthy Start Coalition, Inc.
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Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2013, on our consideration of Northeast Florida Healthy Start '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 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 Northeast Florida Healthy Start 's internal control over financial reporting and compliance.

Magars & Associates, LLC

Magars & Associates, LLC
Orange Park, FL
November 14, 2013

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,274,050	\$ 871,226
Grants receivable	895,973	970,732
Other receivables	835	2,397
Other current assets	<u>121,745</u>	<u>18,760</u>
TOTAL CURRENT ASSETS	<u>2,292,603</u>	<u>1,863,115</u>
PROPERTY AND EQUIPMENT, NET	<u>58,216</u>	<u>50,650</u>
TOTAL ASSETS	<u>\$ 2,350,819</u>	<u>\$ 1,913,765</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 984,751	\$ 1,053,690
Other current liabilities	<u>301,899</u>	<u>136,410</u>
TOTAL CURRENT LIABILITIES	<u>1,286,650</u>	<u>1,190,100</u>
TOTAL LIABILITIES	<u>1,286,650</u>	<u>1,190,100</u>
NET ASSETS		
Unrestricted	383,826	333,897
Temporarily restricted	<u>680,343</u>	<u>389,768</u>
TOTAL NET ASSETS	<u>1,064,169</u>	<u>723,665</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,350,819</u>	<u>\$ 1,913,765</u>

See accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Federal grants	\$ 404,722	\$2,909,617	\$ 3,314,339
State match on federal grants	-	2,685,368	2,685,368
City of Jacksonville	-	55,724	55,724
Grants and donations	41,860	311,066	352,926
Net assets released from restrictions	<u>5,671,200</u>	<u>(5,671,200)</u>	<u>-</u>
TOTAL REVENUES	<u>6,117,782</u>	<u>290,575</u>	<u>6,408,357</u>
EXPENSES			
Administrative	17,589	-	17,589
Contractual services	4,602,237	-	4,602,237
Depreciation	13,524	-	13,524
Equipment rental and maintenance	41,782	-	41,782
Incentives	17,789	-	17,789
Insurance	14,569	-	14,569
Meeting expense	31,982	-	31,982
Occupancy costs	145,947	-	145,947
Office supplies and expense	42,622	-	42,622
Other	43,336	-	43,336
Personnel services	961,772	-	961,772
Printing and reproduction	16,620	-	16,620
Telephone	20,927	-	20,927
Training	46,126	-	46,126
Travel	<u>51,031</u>	<u>-</u>	<u>51,031</u>
TOTAL EXPENSES	<u>6,067,853</u>	<u>-</u>	<u>6,067,853</u>
CHANGE IN NET ASSETS	49,929	290,575	340,504
NET ASSETS, BEGINNING OF YEAR	<u>333,897</u>	<u>389,768</u>	<u>723,665</u>
NET ASSETS, END OF YEAR	<u>\$ 383,826</u>	<u>\$ 680,343</u>	<u>\$ 1,064,169</u>

See accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Federal grants	\$ 442,988	\$2,945,364	\$ 3,388,352
State match on federal grants	-	2,354,683	2,354,683
City of Jacksonville	-	38,315	38,315
Grants and donations	14,262	297,421	311,683
Net assets released from restrictions	<u>5,730,516</u>	<u>(5,730,516)</u>	<u>-</u>
TOTAL REVENUES	<u>6,187,766</u>	<u>(94,733)</u>	<u>6,093,033</u>
EXPENSES			
Administrative	69,641	-	69,641
Contractual services	4,556,195	-	4,556,195
Depreciation	9,288	-	9,288
Dues and subscriptions	1,387	-	1,387
Equipment rental and maintenance	46,123	-	46,123
Incentives	29,485	-	29,485
Insurance	12,465	-	12,465
Meeting expense	31,842	-	31,842
Occupancy costs	141,419	-	141,419
Office supplies and expense	40,117	-	40,117
Other	66,852	-	66,852
Personnel services	974,354	-	974,354
Printing and reproduction	18,164	-	18,164
Telephone	17,224	-	17,224
Training	73,124	-	73,124
Travel	<u>79,519</u>	<u>-</u>	<u>79,519</u>
TOTAL EXPENSES	<u>6,167,199</u>	<u>-</u>	<u>6,167,199</u>
CHANGE IN NET ASSETS	20,567	(94,733)	(74,166)
NET ASSETS, BEGINNING OF YEAR	<u>313,330</u>	<u>484,501</u>	<u>797,831</u>
NET ASSETS, END OF YEAR	<u>\$ 333,897</u>	<u>\$ 389,768</u>	<u>\$ 723,665</u>

See accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2013 and June 30, 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 340,504	\$ (74,166)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,524	9,288
(Increase) decrease in operating assets:		
Grants and contracts receivable	74,759	(278,892)
Other receivables	1,563	(2,396)
Other current assets	(102,985)	(417)
Increase (decrease) in operating liabilities:		
Accounts payable	(68,939)	302,515
Other current liabilities	165,488	9,682
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	423,914	(34,386)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(21,090)	(23,139)
NET CASH USED BY INVESTING ACTIVITIES	(21,090)	(23,139)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	402,824	(57,525)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	871,226	928,751
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,274,050	\$ 871,226

See accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Northeast Florida Healthy Start Coalition, Inc. (the Coalition), was created to provide procedures and policies for fulfilling the requirements of Chapter 383.216, Florida Statutes, Rule 10D-113, Florida Administrative Code, and subsequent laws setting forth requirements for community-based prenatal and infant health care coalitions. The Coalition is a private, non-profit 501(c)(3) corporation located in Jacksonville, Florida. It is exempt from income taxes according to the provisions of Section 501 (c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The primary mission of the Coalition is to improve the health of mothers and babies in Baker, Clay, Duval, Nassau, and St. Johns counties. The Coalition is funded by the state of Florida to establish and maintain a community-based prenatal and infant health care coalition that is comprised of persons representing public, private sector, state and local governments, providers of community alliances and maternal and child health organizations. It is charged with identifying the needs of its service areas and devising and implementing a service plan to meet the identified needs pursuant to Florida Statutes.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Coalition and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor imposed stipulations that may or will be met by actions of the organizations and/or passage of time.

Permanently Restricted Net Assets - Net assets subject to donor imposed stipulations that they be maintained permanently by the organization. Generally, the donor of these assets permits the organizations to use all or part of the income earned on related investments for general or specific purposes. At June 30, 2013 and 2012, there were no permanently restricted net assets.

Receivables

The Coalition recognizes revenue and the related receivable from its grantors as contractual work is performed. There is no receivable valuation allowance required since amounts are considered fully collectible.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture and Equipment

All purchased fixed assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Generally, fixed assets costing more than \$2,500 and having a useful life of more than one year are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives, are not capitalized.

Accounts Payable and Accrued Expenses

The carrying amount reported in the statement of financial position for the accounts payable and accrued expenses approximates its fair value.

Use of 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.

Income Taxes

The Coalition is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Internal Revenue Service has determined the Coalition is not a "private foundation" within the meaning of Section 509 (a) of the Internal Revenue Code. There was no unrelated business income for June 30, 2013 or 2012.

As of June 30, 2013, the tax years that remain subject to examination by taxing authorities begin with 2010.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Accounts receivable from grants and contracts was composed of:

	<u>2013</u>	<u>2012</u>
Florida Department of Health	\$ 718,058	\$ 763,376
Department of Health & Human Services	159,970	160,009
City of Jacksonville	11,196	5,674
Other	6,749	41,673
Total	<u>\$ 895,973</u>	<u>\$ 970,732</u>

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2013 and 2012

NOTE 3 - FIXED ASSETS

Fixed assets consisted of:

	<u>2013</u>	<u>2012</u>
Computer equipment	\$ 73,282	\$ 67,492
Furniture	36,449	21,149
Leasehold improvements	54,668	54,668
Less accumulated depreciation	<u>(106,183)</u>	<u>(92,659)</u>
Property and equipment, net	<u>\$ 58,216</u>	<u>\$ 50,650</u>

Depreciation expense was \$13,524 and \$9,288 for the years ended June 30, 2013 and 2012, respectively.

NOTE 4 - NET ASSETS

Temporarily restricted net assets are held to support the following programs:

	<u>2013</u>	<u>2012</u>
Direct Services Waiver	\$ 552,915	\$ 281,111
Nurse Family Partnership	40,294	40,469
Make a Noise	30,881	43,017
Fundraising and other	<u>56,253</u>	<u>25,171</u>
	<u>\$ 680,343</u>	<u>\$ 389,768</u>

NOTE 5 - LEASES

Future minimum rental payments required under operating leases, primarily for building space, which have an initial non-cancelable lease term in excess of one year, are as follows at June 30, 2013.

<u>Fiscal Year Ended</u>	
2014	\$ 111,424
2015	70,494
2016	64,165
2017	66,548
2018	16,787
Total	<u>\$ 329,418</u>

Rental expense on all leases totaled \$104,727 and \$96,571 for the fiscal years ended June 30, 2013 and 2012, respectively.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

NOTE 6 - CONCENTRATION OF REVENUE SOURCE

The Coalition receives substantial support under contracts with the Florida Department of Health. These contracts are renegotiated at the end of each contract term. During the fiscal years ended June 30, 2013 and 2012, support recognized under these arrangements amounted to \$ 4,686,008 and \$ 4,755,724 , respectively. At June 30, 2013 and 2012, \$718,058 and \$763,376 was due from the State related to these contracts, respectively.

NOTE 7 - EMPLOYEE RETIREMENT PLAN

Substantially all permanent, full-time employees of the Coalition are eligible to participate in a retirement plan administered by Hartford. The Coalition contributes 6% of participating employees' gross salary into their retirement fund each pay period. The retirement plan expense for the fiscal years ended June 30, 2013 and 2012 was \$ 35,740 and \$41,339, respectively.

NOTE 8 - CONTINGENCIES

Several contracts are structured on a cost-reimbursement basis subject to final approval by the grantor. Revenues recognized on such contracts may be reduced by the amount of any disallowed costs.

NOTE 9 - MANAGEMENT'S REVIEW

Subsequent events were evaluated through November 14, 2013, which is the date the financial statements were available to be issued.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	<u>Magnolia</u>	<u>Azalea COJ</u>	<u>JAG</u>	<u>NFP</u>	<u>MAN</u>	<u>FIMR/DOH</u>	<u>KidCare</u>	<u>Cover</u>	<u>MomCare</u>	<u>FHK</u>
Salaries	\$ 242,861	\$ 27,471	\$ 3,100	\$ 1,061	\$ 475	\$ -	\$ 3,938	\$ -	\$ 165,952	\$ -
Fringe benefits	68,152	10,697	1,066	1,016	62	-	696	-	52,509	-
Administrative services	4,677	-	-	2	-	-	11	-	6,383	-
Contractual services	448,766	-	1,350	103,654	28,118	21,784	254	9,850	12,036	14,040
Equipment rental/maint.	5,670	-	-	5	-	-	2,091	-	25,669	-
Incentives	460	-	-	-	1,267	-	75	-	-	-
Insurance	4,637	-	-	-	-	-	-	-	6,023	-
Meeting expense	527	-	-	7	4,257	-	1,417	-	-	-
Occupancy costs	83,641	13,386	-	151	-	-	509	-	31,436	1,294
Printing & reproduction	3,525	-	-	-	4,726	-	20	-	1,305	4
Office supplies	15,304	394	-	-	2,818	-	641	-	10,029	166
Other	5,983	-	-	-	4,757	-	499	-	6,006	-
Telephone	8,099	800	-	18	-	-	395	-	5,853	1,413
Travel	12,813	1,163	-	1,091	36	-	4,954	1,010	1,975	5,073
Training and education	4,313	-	-	10,548	620	-	759	-	797	-
Deprecation expenses	-	-	-	-	-	-	-	-	-	-
	<u>\$ 909,428</u>	<u>\$ 53,911</u>	<u>\$ 5,516</u>	<u>\$ 117,553</u>	<u>\$ 47,136</u>	<u>\$ 21,784</u>	<u>\$ 16,259</u>	<u>\$ 10,860</u>	<u>\$ 325,973</u>	<u>\$ 21,990</u>

See the accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

March of				Other	DSM		Total	Healthy Start		Total
<u>Dimes</u>	<u>39Weeks</u>	<u>Per Res</u>	<u>RST</u>	<u>Programs</u>	<u>Waiver</u>	<u>Direct Services</u>	<u>Program Services</u>	<u>Planning and Administrative</u>	<u>Unrestricted</u>	<u>Program & Supporting</u>
\$ 7,424	\$ 17,126	\$ 75,464	\$ -	\$ 12,559	\$ 27,062	\$ -	\$ 584,493	\$ 165,942	\$ -	\$ 750,435
595	4,803	19,689	-	2,576	7,876	-	169,737	41,600	-	211,337
33	13	136	-	34	51	-	11,340	6,249	-	17,589
40,051	1,000	215,297	3,000	29,150	781,150	2,793,515	4,503,015	98,391	831	4,602,237
-	-	-	-	-	-	-	33,435	7,937	410	41,782
3,939	1,000	-	-	751	-	-	7,492	-	10,297	17,789
-	-	-	-	-	-	-	10,660	3,909	-	14,569
-	433	-	-	-	-	-	6,641	321	25,020	31,982
-	-	1,432	-	-	-	-	131,849	14,098	-	145,947
871	184	2,704	-	-	-	-	13,339	3,281	-	16,620
205	-	9,445	-	155	-	-	39,157	2,133	1,332	42,622
-	-	2,007	26	-	-	-	19,278	13,338	10,720	43,336
-	76	-	-	102	-	-	16,756	4,171	-	20,927
3,043	2,338	4,919	-	-	-	-	38,415	10,110	2,506	51,031
-	5,610	1,210	-	-	-	-	23,857	11,420	10,849	46,126
-	-	-	-	-	-	-	-	-	13,524	13,524
<u>\$ 56,161</u>	<u>\$ 32,583</u>	<u>\$332,303</u>	<u>\$ 3,026</u>	<u>\$ 45,327</u>	<u>\$ 816,139</u>	<u>\$ 2,793,515</u>	<u>\$ 5,609,464</u>	<u>\$ 382,900</u>	<u>\$ 75,489</u>	<u>\$ 6,067,853</u>

See the accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2012

	<u>Magnolia</u>	<u>AME</u>	<u>Azalea COJ</u>	<u>JAG</u>	<u>NFP</u>	<u>MAN</u>	<u>FIMR/DOH</u>	<u>KidCare</u>	<u>Cover</u>	<u>MomCare</u>
Salaries	\$ 257,519	\$ 20,391	\$ 22,064	\$ 17,383	\$ 15,115	\$ 5,388	\$ -	\$ 20,358	\$ -	\$ 164,729
Fringe Benefits	72,338	4,871	7,370	4,800	5,266	1,668	-	3,478	-	55,239
Administrative Services	7,858	1,500	225	-	24,691	14	-	623	-	24,261
Contractual Services	383,626	2,425	350	-	397,018	21,333	21,784	820	25,413	12,574
Dues	-	-	-	-	-	-	-	-	-	-
Equipment rental/maint.	8,848	2,140	178	-	2,439	335	-	730	-	21,088
Incentives	1,925	-	-	-	-	9,893	-	50	-	-
Insurance	3,615	-	356	-	-	-	-	-	-	5,407
Meetings	3,172	-	-	-	-	6,385	-	561	-	216
Other	11,792	-	-	-	-	7,403	-	4,805	-	10,737
Occupancy Costs	85,376	-	5,450	-	-	-	-	1,472	-	22,467
Printing & Copying	3,027	-	-	-	-	574	-	198	50	2,524
Supplies	12,829	-	195	-	951	2,902	-	498	118	1,170
Phone & Utilities	6,503	176	11	-	-	-	-	533	40	3,745
Travel	20,205	47	466	252	7,063	2,518	-	3,816	3,282	-
Training and Education	7,039	4,569	-	-	28,096	2,625	-	2,950	-	449
Deprecation Expenses	-	-	-	-	-	-	-	-	-	-
	<u>\$ 885,672</u>	<u>\$ 36,119</u>	<u>\$ 36,665</u>	<u>\$ 22,435</u>	<u>\$ 480,639</u>	<u>\$ 61,038</u>	<u>\$ 21,784</u>	<u>\$ 40,892</u>	<u>\$ 28,903</u>	<u>\$ 324,606</u>

See accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2012

<u>FHK</u>	<u>March of Dimes</u>	<u>39 Weeks</u>	<u>Four Me</u>	<u>NTS</u>	<u>Other Programs</u>	<u>DSM Waiver</u>	<u>Direct Services</u>	<u>Total Program Services</u>	<u>Healthy Start Planning and Administrative</u>	<u>Unrestricted</u>	<u>Total Program & Supporting</u>
\$ -	\$ 28,598	\$ 14,350	\$ 6,718	\$ -	\$ -	\$ 26,941	\$ 18,006	\$ 617,560	\$ 144,562	\$ -	\$ 762,122
-	4,448	4,838	1,994	-	-	7,751	7,789	181,850	30,382	-	212,232
-	125	48	17	-	-	18	193	59,573	9,318	750	69,641
16,800	19,453	3,450	28,925	21,500	400	1,150,608	2,348,817	4,455,296	82,119	18,780	4,556,195
-	-	-	-	-	-	-	-	-	-	1,387	1,387
-	-	-	-	-	-	-	3,658	39,416	5,347	1,360	46,123
-	8,308	1,000	2,200	-	300	-	138	23,814	345	5,326	29,485
-	-	-	-	-	-	-	-	9,378	3,087	-	12,465
-	-	200	2,905	-	1,195	-	462	15,096	587	16,159	31,842
450	-	-	-	-	-	-	101	35,288	5,856	25,708	66,852
1,350	-	-	-	-	-	-	14,644	130,759	10,110	550	141,419
254	472	-	2,540	-	-	-	2,374	12,013	4,743	1,408	18,164
925	366	-	83	-	520	-	1,420	21,977	17,098	1,042	40,117
1,246	-	-	-	-	150	-	2,413	14,817	2,407	-	17,224
6,212	4,659	1,675	611	-	6,378	-	1,697	58,881	20,145	493	79,519
573	570	2,264	3,708	-	90	-	120	53,053	8,781	11,290	73,124
-	-	-	-	-	-	-	-	-	-	9,288	9,288
<u>\$ 27,810</u>	<u>\$ 66,999</u>	<u>\$ 27,825</u>	<u>\$ 49,701</u>	<u>\$ 21,500</u>	<u>\$ 9,033</u>	<u>\$ 1,185,318</u>	<u>\$ 2,401,832</u>	<u>\$ 5,728,771</u>	<u>\$ 344,887</u>	<u>\$ 93,541</u>	<u>\$ 6,167,199</u>

See accompanying notes to the financial statements.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

<u>Pass-Through Entity</u> Federal/State Agency	<u>CFDA CFSA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
FEDERAL AWARDS			
<u>Direct Programs</u>			
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Federal Healthy Start Initiative - Budget year 5/31/13	93.926	H49MC00051CO	\$ 850,165
Federal Healthy Start Initiative - Budget year 5/31/14	93.926	H49MC00051CO	79,300
Affordable Care Act - Personal Responsibility	93.092	90AK0011-01-00	<u>332,906</u>
			<u>1,262,371</u>
FLORIDA HEALTHY KIDS CORPORATION			
State Childrens Insurance Program	93.767	NA	<u>30,000</u>
<u>Indirect Programs</u>			
Passed through State of Florida Department of Health			
Medical Assistance Program	93.778	COH4R	4,413
Medical Assistance Program	93.778	COSDQ	66,555
Medical Assistance Program	93.778	COSDO	1,087,943
Medical Assistance Program	93.778	COSDP	<u>404,723</u>
Subtotal - CFDA 93.778			1,563,634
Maternal and Child Health Services Block Grant to the States	93.994	COSDQ	<u>437,006</u>
Total Passed Through State of Florida Department of Health			<u>2,000,640</u>
Passed through University of South Florida			
State Childrens Insurance Program	93.767	6414-1072-00-G	10,860
Passed through City of Jacksonville			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG	<u>5,612</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,309,483</u></u>

See accompanying note.

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting.

Matching Requirements

Match requirements for contracts COSDQ and COH4R were met with cash donations from individuals, and grants other than state and federal awards, and with volunteer hours.



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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*

To the Board of Directors of
Northeast Florida Healthy Start Coalition, Inc.

We have audited, 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, the financial statements of Northeast Florida Healthy Start Coalition, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Florida Healthy Start Coalition, Inc.'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 Northeast Florida Healthy Start Coalition, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Directors
Northeast Florida Healthy Start Coalition, Inc.
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Florida Healthy Start Coalition, Inc.'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Magers & Associates, LLC

Magers & Associates, LLC
Orange Park, Florida
November 14, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of
Northeast Florida Healthy Start Coalition, Inc.

Report on Compliance for Each Major Federal Program

We have audited Northeast Florida Healthy Start Coalition, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of Northeast Florida Healthy Start Coalition, Inc.'s major federal programs for the year ended June 30, 2013. Northeast Florida Healthy Start Coalition, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northeast Florida Healthy Start Coalition, Inc.'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133 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 Northeast Florida Healthy Start Coalition, Inc.'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 Northeast Florida Healthy Start Coalition, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Northeast Florida Healthy Start Coalition, 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, 2013.

Report on Internal Control Over Compliance

Management of Northeast Florida Healthy Start Coalition, Inc. 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 Northeast Florida Healthy Start Coalition, Inc.'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 OMB Circular A-133, 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 Northeast Florida Healthy Start Coalition, Inc.'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.

To the Board of Directors of
Northeast Florida Healthy Start Coalition, Inc.
Page Three

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Magers & Associates, LLC

Magers & Associates, LLC
Orange Park, FL
November 14, 2013

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Financial Assistance Projects:

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	No

Identification of major programs:

Federal Program	Federal CFDA No.
Department of Health and Human Services - Maternal and Child Health Services Block Grant to States	93.994
Affordable Care Act - Personal Responsibility	93.092
Healthy Start Initiative	93.926

NORTHEAST FLORIDA HEALTHY START COALITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

Dollar threshold used to distinguish between type A and type B programs:

Federal Programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Prior findings and questioned costs relative to federal awards which require auditee to prepare a summary schedule of prior audit findings as discussed in Section .315(b) of OMB A-133? None

B. FINANCIAL STATEMENT FINDINGS None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS None

D. OTHER ISSUES

Management Letter: None Issued

Summary of Prior Audit Findings: No

Corrective Action Plan: N/A