

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

**FINANCIAL STATEMENTS**

For Years Ended June 30, 2015 and 2014



**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, 2015 and 2014, 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.

To the Board of Directors of  
Northeast Florida Healthy Start Coalition, Inc.  
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**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, 2015 and 2014, 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.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2016, 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.

*Magery & Associates, LLC*

Magery & Associates, LLC  
Orange Park, FL  
February 18, 2016

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

**STATEMENTS OF FINANCIAL POSITION**

As of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 2,686,047	\$ 1,650,824
Grants receivable	1,446,970	1,759,997
Other receivables	52,615	102
Other current assets	<u>32,520</u>	<u>150,292</u>
TOTAL CURRENT ASSETS	<u>4,218,152</u>	<u>3,561,215</u>
PROPERTY AND EQUIPMENT, NET	<u>32,970</u>	<u>48,211</u>
TOTAL ASSETS	<u>\$ 4,251,122</u>	<u>\$ 3,609,426</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 1,467,256	\$ 1,412,856
Other current liabilities	<u>108,418</u>	<u>197,575</u>
TOTAL CURRENT LIABILITIES	<u>1,575,674</u>	<u>1,610,431</u>
TOTAL LIABILITIES	<u>1,575,674</u>	<u>1,610,431</u>
NET ASSETS		
Unrestricted	434,843	510,472
Temporarily restricted	<u>2,240,605</u>	<u>1,488,523</u>
TOTAL NET ASSETS	<u>2,675,448</u>	<u>1,998,995</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,251,122</u>	<u>\$ 3,609,426</u>

See accompanying notes to the financial statements.

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

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Federal grants	\$ -	\$ 4,247,609	\$ 4,247,609
State match on federal grants	-	2,984,024	2,984,024
City of Jacksonville	-	54,573	54,573
Grants and donations	67,401	650,181	717,582
Net assets released from restrictions	<u>7,184,305</u>	<u>(7,184,305)</u>	<u>-</u>
 TOTAL REVENUES	 <u>7,251,706</u>	 <u>752,082</u>	 <u>8,003,788</u>
 <b>EXPENSES</b>			
Administrative	2,837	-	2,837
Contractual services	5,056,700	-	5,056,700
Depreciation	15,241	-	15,241
Equipment rental and maintenance	71,202	-	71,202
Incentives	4,304	-	4,304
Insurance	14,339	-	14,339
Meeting expense	28,506	-	28,506
Occupancy costs	197,993	-	197,993
Office supplies and expense	94,096	-	94,096
Other	151,826	-	151,826
Personnel services	1,497,307	-	1,497,307
Printing and reproduction	26,316	-	26,316
Telephone	19,953	-	19,953
Training	70,380	-	70,380
Travel	<u>76,335</u>	<u>-</u>	<u>76,335</u>
 TOTAL EXPENSES	 <u>7,327,335</u>	 <u>-</u>	 <u>7,327,335</u>
 CHANGE IN NET ASSETS	 (75,629)	 752,082	 676,453
 NET ASSETS, BEGINNING OF YEAR	 <u>510,472</u>	 <u>1,488,523</u>	 <u>1,998,995</u>
 NET ASSETS, END OF YEAR	 <u>\$ 434,843</u>	 <u>\$ 2,240,605</u>	 <u>\$ 2,675,448</u>

See accompanying notes to the financial statements.

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

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Federal grants	\$ 415,045	\$ 3,820,552	\$ 4,235,597
State match on federal grants	-	3,083,028	3,083,028
City of Jacksonville	-	53,023	53,023
Grants and donations	-	633,687	633,687
Net assets released from restrictions	<u>6,782,110</u>	<u>(6,782,110)</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>7,197,155</u>	<u>808,180</u>	<u>8,005,335</u>
<b>EXPENSES</b>			
Administrative	3,447	-	3,447
Contractual services	5,190,663	-	5,190,663
Depreciation	15,115	-	15,115
Equipment rental and maintenance	56,783	-	56,783
Incentives	8,614	-	8,614
Insurance	12,619	-	12,619
Meeting expense	23,039	-	23,039
Occupancy costs	159,419	-	159,419
Office supplies and expense	49,357	-	49,357
Other	92,610	-	92,610
Personnel services	1,312,490	-	1,312,490
Printing and reproduction	15,669	-	15,669
Telephone	21,824	-	21,824
Training	62,809	-	62,809
Travel	<u>46,051</u>	<u>-</u>	<u>46,051</u>
<b>TOTAL EXPENSES</b>	<u>7,070,509</u>	<u>-</u>	<u>7,070,509</u>
<b>CHANGE IN NET ASSETS</b>	126,646	808,180	934,826
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>383,826</u>	<u>680,343</u>	<u>1,064,169</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 510,472</u>	<u>\$ 1,488,523</u>	<u>\$ 1,998,995</u>

See accompanying notes to the financial statements.

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

For the Years Ended June 30, 2015 and June 30, 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 676,453	\$ 934,826
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,241	15,115
(Increase) decrease in operating assets:		
Grants and contracts receivable	313,027	(864,024)
Other receivables	(52,513)	731
Other current assets	117,772	(28,547)
Increase (decrease) in operating liabilities:		
Accounts payable	54,400	428,105
Other current liabilities	(89,157)	(104,324)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,035,223</b>	<b>381,882</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(5,108)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>-</b>	<b>(5,108)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,035,223</b>	<b>376,774</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,650,824</b>	<b>1,274,050</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,686,047</b>	<b>\$ 1,650,824</b>

See accompanying notes to the financial statements.



**NORTHEAST FLORIDA HEALTHY START COALITION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2015 and 2014

**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 may 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, 2015 and 2014, there were no permanently restricted net assets.

Reclassification

Certain 2014 amounts have been reclassified to conform with the 2015 financial statement presentation.

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, 2015 and 2014

**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 \$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, 2015 or 2014.

As of June 30, 2015, the tax years that remain subject to examination by taxing authorities begin with 2011.

**NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE**

Accounts receivable from grants and contracts was composed of:

	<u>2015</u>	<u>2014</u>
Healthy Start MomCare Network	\$ 531,597	\$ -
Department of Health & Human Services	513,458	202,522
Florida Department of Health	232,266	1,437,439
Americorps	150,702	98,218
City of Jacksonville	5,345	10,485
Other	13,602	11,333
Total	<u>\$ 1,446,970</u>	<u>\$ 1,759,997</u>

**NORTHEAST FLORIDA HEALTHY START COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2015 and 2014

**NOTE 3 - FIXED ASSETS**

Fixed assets consisted of:

	<u>2015</u>	<u>2014</u>
Computer equipment	\$ 76,290	\$ 76,292
Furniture	38,549	38,549
Leasehold improvements	54,668	54,668
Less accumulated depreciation	<u>(136,537)</u>	<u>(121,298)</u>
Property and equipment, net	<u>\$ 32,970</u>	<u>\$ 48,211</u>

Depreciation expense was \$15,241 and \$15,115 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 4 - NET ASSETS**

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

	<u>2015</u>	<u>2014</u>
Direct Services Waiver	\$ 1,736,835	\$ 1,217,210
Nurse Family Partnership	122,464	125,044
Magnolia Project	33,659	-
Healthy Start Network	65,367	-
Make a Noise	41,533	41,533
Other Various Programs	240,747	104,736
	<u>\$ 2,240,605</u>	<u>\$ 1,488,523</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, 2015.

<u>Fiscal Year Ended</u>	
2016	\$ 132,976
2017	129,515
2019	133,622
2019	136,683
2020	45,558
Total	<u>\$ 578,354</u>

Rental expense on all leases totaled \$143,429, and \$130,913 for the fiscal years ended June 30, 2015 and 2014, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended June 30, 2015 and 2014

**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, 2015 and 2014, support recognized under these arrangements amounted to \$2,416,309 and \$5,929,850, respectively. At June 30, 2015 and 2014, \$233,266 and \$1,437,149 was due from the State related to these contracts, respectively.

**NOTE 7- CONCENTRATION OF CREDIT RISK**

The Coalition occasionally maintains deposits in excess of federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2015 and 2014, deposits exceeded federally insured limits by \$2,436,047 and \$1,400,824 respectively. However, the Coalition has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash balances.

**NOTE 8 - 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, 2015 and 2014 was \$45,401 and \$42,699, respectively.

**NOTE 9 - 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 10 - MANAGEMENT'S REVIEW**

Subsequent events were evaluated through February 18, 2016, 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, 2015

	<u>Magnolia</u>	<u>Azalea COJ</u>	<u>AMR</u>	<u>NFP</u>	<u>FIMR/DOH</u>	<u>MomCare</u>	<u>39Weeks</u>	<u>Per Res</u>
Salaries	\$ 304,536	\$ 34,649	\$ 347,905	\$ 18,245	\$ -	\$ 141,149	\$ 12,736	\$ 96,982
Fringe benefits	97,363	10,685	62,534	5,716	-	51,194	3,984	31,338
Administrative services	-	-	4,165	-	-	735	-	-
Contractual services	440,311	1,500	-	411,115	-	25,633	-	310,836
Equipment rental/maint.	10,548	605	1,900	6,500	21,784	31,688	-	19
Incentives	-	-	-	-	-	-	-	1,799
Insurance	3,589	621	1,619	-	-	3,018	-	63
Meeting expense	31	-	5,549	-	-	0	-	-
Occupancy costs	129,156	5,474	10,087	11,996	-	10,887	-	1,802
Printing & reproduction	14,543	-	121	-	-	2,881	-	33
Office supplies	44,580	290	3,155	4,654	-	6,668	-	2,948
Other	11,662	-	5,054	30,986	-	6,334	-	26,777
Telephone	8,394	197	410	-	-	5,323	-	-
Travel	30,488	552	2,935	8,074	-	6,289	-	5,943
Training and education	11,014	-	3,425	1,324	-	6,861	-	3,182
Deprecation expenses	-	-	-	-	-	-	-	-
	<u>\$ 1,106,215</u>	<u>\$ 54,573</u>	<u>\$ 448,859</u>	<u>\$ 498,610</u>	<u>\$ 21,784</u>	<u>\$ 298,660</u>	<u>\$ 16,720</u>	<u>\$ 481,722</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, 2015

<u>RST</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 &amp; Supporting</u>
\$ 2,704	\$ -	\$ 73,219	\$ -	\$ 1,032,125	\$ 125,689	\$ -	\$ 1,157,814
371	-	21,382	-	284,567	52,026	-	336,593
9	-	3	-	4,912	826	-	5,738
533	98,178	2,152,684	1,535,762	4,976,552	58,364	-	5,034,916
1,289	-	14,778	-	89,111	8,288	1,279	98,678
101	1,112	-	-	3,012	-	1,292	4,304
-	-	3,248	-	12,158	2,181	-	14,339
1,373	3,558	2	-	10,513	-	17,992	28,505
-	-	15,936	-	185,338	12,658	-	197,996
179	1,803	2,798	-	22,358	2,723	1,236	26,317
49	14,804	10,498	-	87,646	2,635	981	91,262
2,435	650	8,114	-	92,012	8,505	49,455	149,972
-	-	1,763	-	16,087	3,865	-	19,952
-	4,668	7,057	-	66,006	10,035	289	76,330
-	1,123	37,291	-	64,220	5,158	-	69,378
-	-	-	-	-	-	15,241	15,241
<u>\$ 9,043</u>	<u>\$ 125,896</u>	<u>\$ 2,348,773</u>	<u>\$ 1,535,762</u>	<u>\$ 6,946,617</u>	<u>\$ 292,953</u>	<u>\$ 87,765</u>	<u>\$ 7,327,335</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, 2014

	<u>Magnolia</u>	<u>Azalea COJ</u>	<u>AMR</u>	<u>JAG</u>	<u>NFP</u>	<u>MAN</u>	<u>FIMR/DOH</u>	<u>MomCare</u>
Salaries	\$ 239,265	\$ 35,060	\$ 299,238	\$ -	\$ 14,276	\$ -	\$ -	\$ 141,175
Fringe benefits	74,031	11,482	36,925	-	5,172	-	-	46,472
Administrative services	(104)	-	2,151	-	-	-	-	724
Contractual services	441,364	19	-	3,949	484,200	25,491	21,784	-
Equipment rental/maint.	9,122	136	4,267	-	-	-	-	32,706
Incentives	60	-	-	-	-	4,404	-	-
Insurance	2,115	-	3,047	-	-	-	-	3,507
Meeting expense	(15)	-	1,353	-	-	5,800	-	-
Occupancy costs	94,156	2,937	8,065	-	55	-	-	31,872
Printing & reproduction	4,098	452	-	-	-	1,251	-	982
Office supplies	13,856	1,298	2,980	-	961	1,949	-	5,923
Other	(1,803)	-	2,703	-	30,986	-	-	5,906
Telephone	9,269	692	900	-	-	-	-	5,679
Travel	15,797	949	589	-	4,601	745	-	2,112
Training and education	3,981	-	1,599	-	-	800	-	74
Deprecation expenses	-	-	-	-	-	-	-	-
	<u>\$ 905,192</u>	<u>\$ 53,025</u>	<u>\$ 363,817</u>	<u>\$ 3,949</u>	<u>\$ 540,251</u>	<u>\$ 40,440</u>	<u>\$ 21,784</u>	<u>\$ 277,132</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, 2014

<u>39Weeks</u>	<u>Per Res</u>	<u>RST</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 &amp; Supporting</u>
\$ 18,896	\$ 96,299	\$ -	\$ 17,205	\$ 16,938	\$ -	\$ 878,352	\$ 175,475	\$ -	\$ 1,053,827
6,156	29,037	-	3,297	5,038	-	217,610	41,053	-	258,663
-	(136)	-	61	71	-	2,767	680	-	3,447
258	300,411	(500)	95,000	607,078	3,116,139	5,095,193	93,009	2,461	5,190,663
-	11	-	-	-	-	46,242	10,541	-	56,783
-	600	-	-	-	-	5,064	-	3,550	8,614
-	-	-	-	-	-	8,669	3,950	-	12,619
-	-	-	-	-	-	7,138	-	15,901	23,039
-	5,185	-	-	-	-	142,270	17,149	-	159,419
-	2,852	683	303	-	-	10,621	4,109	939	15,669
920	3,329	2,352	-	-	-	33,568	13,987	1,802	49,357
226	30,300	-	68	-	-	68,386	16,702	7,522	92,610
34	14	-	119	-	-	16,707	5,117	-	21,824
491	5,058	-	-	-	-	30,342	15,614	95	46,051
370	2,820	-	27,420	-	-	37,064	12,673	13,072	62,809
-	-	-	-	-	-	-	-	15,115	15,115
<u>\$ 27,351</u>	<u>\$ 475,780</u>	<u>\$ 2,535</u>	<u>\$ 143,473</u>	<u>\$ 629,125</u>	<u>\$ 3,116,139</u>	<u>\$ 6,599,993</u>	<u>\$ 410,059</u>	<u>\$ 60,457</u>	<u>\$ 7,070,509</u>

See the accompanying notes to the financial statements.



**NORTHEAST FLORIDA HEALTHY START COALITION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2015

<u>Pass-Through Entity</u> Federal/State Agency	CFDA CFSA Number	Contract Number	Expenditures
<b>FEDERAL AWARDS</b>			
<u>Direct Programs</u>			
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Federal Healthy Start Initiative	93.926	H49MC00051CO	909,874 *
Affordable Care Act - Personal Responsibility	93.092	90AK0011-03-00	<u>481,722</u>
	-		<u>1,391,596</u>
<u>Indirect Programs</u>			
Passed through State of Florida Department of Health			
Medical Assistance Program	93.778	COSEE	4,413
Maternal and Child Health Services Block Grant to the States	93.994	COSEP	369,179 *
Affordable Care Act - Maternal, Infant, and Early Childhood Home Visiting Program	93.505	FLMIECHV#13-4	<u>529,363</u>
Total Passed Through State of Florida Department of Health			<u>902,955</u>
Passed through Healthy Start MomCare Network, Inc.			
Medical Assistance Program	93.778		<u>1,939,455</u>
Passed through National Association of County and City Health Officials			
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations	93.524	2014-112056	<u>13,603</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 4,247,609</u></b>

\* Audited as major program

See accompanying note.

**NORTHEAST FLORIDA HEALTHY START COALITION, INC.**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2015

**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, 2015. 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 were met with cash donations from individuals, and grants other than state and federal awards, and with volunteer hours.

**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, 2015, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2016.

**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  
February 18, 2016



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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, 2015. 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 and 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.

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

### **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, 2015.

### **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.  
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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.

*Magars & Associates, LLC*  
Magars & Associates, LLC  
Orange Park, FL  
February 18, 2016

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

For the Year Ended June 30, 2015

**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:**

<b>Federal Program</b>	<b>Federal CFDA No.</b>
Department of Health and Human Services - Maternal and Child Health Services Block Grant to the States	93.994
Federal Healthy Start Initiative	93.926



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

For the Year Ended June 30, 2015

**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