

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Healthy Start Coalition of Flagler & Volusia Counties, Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Healthy Start Coalition of Flagler & Volusia Counties, Inc. (a nonprofit Coalition), and its subsidiary, 109 Executive Circle, LLC, (collectively "the Coalition") which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Healthy Start Coalition of Flagler & Volusia Counties, Inc. and its wholly-owned subsidiary, 109 Executive Circle, LLC, as of June 30, 2023 and 2022, and the changes in its net assets and cash flows for the years 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 Consolidated Financial Statements section of our report. We are required to be independent of the Coalition 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition'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.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 November 15, 2023, on our consideration of the Coalition's internal control over consolidated 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 consolidated financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's internal control over consolidated financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition's internal control over consolidated financial reporting and compliance.

Ahmed, Krueger & Associates CPAs, LLC

St. Augustine, Florida

November 15, 2023

FINANCIAL STATEMENTS



Consolidated Statement of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 881,011	\$ 892,579
Grants/contracts receivable	454,354	421,526
Accounts receivable	-	2,050
Prepaid expenses	39,651	14,846
Total current assets	1,375,016	1,331,001
Property and equipment, net	409,661	424,627
HSMCN Medicaid holdback	138,203	134,298
Other assets	1,443	1,804
Total assets	\$ 1,924,323	\$ 1,891,730
Liabilities		
Current liabilities		
Due to subcontractors	\$ 154,834	\$ 163,216
Accounts payable	53,136	34,354
Other current liabilities	1,987	1,921
Accrued wages	26,913	19,304
Accrued compensated absences	54,522	36,490
Current portion of mortgage payable	30,082	28,690
Total current liabilities	321,474	283,975
Mortgage payable	110,295	140,226
Total liabilities	431,769	424,201
Net Assets		
Without donor restrictions:		
Undesignated	245,354	242,093
Board designated for working capital	143,000	143,000
With donor restrictions	1,104,200	1,082,436
Total net assets	1,492,554	1,467,529
Total liabilities and net assets	\$ 1,924,323	\$ 1,891,730

Consolidated Statement of Activities
For the year ended June 30, 2023 and 2022

	2023			2022	
	Without Donor Restrictions	With Donor Restrictions	Total	Total	
Support and Revenue					
Support					
Community Partnership for Children	\$ 334,664	\$ -	\$ 334,664	\$	347,523
Department of Health	829,610	-	829,610		674,400
Healthy Families Florida	571,781	-	571,781		605,088
Healthy Start MomCare Network	134,570	1,010,816	1,145,386		1,050,568
In-kind support	9,633	-	9,633		23,416
Volusia County	7,235	-	7,235		-
West Volusia Hospital Authority	128,041	14,814	142,855		141,320
Other programs	53,727	12,623	66,350		72,962
Total support	2,069,261	1,038,253	3,107,514		2,915,277
Revenue					
Contributions	5,207	1,000	6,207		2,809
Fundraising	2,460	-	2,460		7,279
Interest earned	555	-	555		4
Operations - Other	3,965	-	3,965		1,780
Total revenue	12,187	1,000	13,187		11,872
Release from restrictions	1,017,489	(1,017,489)	-		-
Total support and revenue	\$ 3,098,937	\$ 21,764	\$ 3,120,701	\$	2,927,149
Expenses					
Program expenses					
Healthy Start	\$ 1,913,075	\$ -	\$ 1,913,075	\$	1,724,377
Healthy Families	574,716	-	574,716		603,667
Outreach and Family Engagement	301,586	-	301,586		351,738
Total program expenses	2,789,377	-	2,789,377		2,679,782
Support expenses					
General and administrative	304,018	-	304,018		255,670
Fundraising	2,281	-	2,281		143
Total support expenses	306,299	-	306,299		255,813
Total expenses	3,095,676	-	3,095,676		2,935,595
Change in net assets	3,261	21,764	25,025		(8,446)
Net assets, beginning of period	385,093	1,082,436	1,467,529		1,475,975
Net assets, end of period	\$ 388,354	\$ 1,104,200	\$ 1,492,554	\$	1,467,529

Consolidated Statement of Functional Expenses
For the year ended June 30, 2023 and 2022

	2023				2022			
	Program Expenses			Total Program	Support Expenses		Total	
	Healthy Start	Healthy Families	Outreach and Engagement		General & Administrative	Fundraising		
Salaries and benefits	\$ 614,834	\$ 415,835	\$ 240,713	\$ 1,271,382	\$ 230,152	\$ -	\$ 1,501,534	\$ 1,518,634
Payroll taxes	39,449	25,971	15,340	80,760	14,285	-	95,045	100,571
Total salaries and related expenses	654,283	441,806	256,053	1,352,142	244,437	-	1,596,579	1,619,205
Amortization	-	-	-	-	361	-	361	361
Bank fees	-	-	-	-	625	61	686	665
Client direct support	3,764	10,679	7,488	21,931	-	-	21,931	43,396
Sub-contract service payments	1,058,668	-	-	1,058,668	-	-	1,058,668	892,633
Depreciation - equipment	1,490	1,329	443	3,262	765	-	4,027	4,086
IT maintenance, support and software	12,626	12,836	4,118	29,580	5,154	-	34,734	46,808
Insurance	10,085	9,660	3,031	22,776	3,634	-	26,410	27,011
Meetings and training	5,061	5,825	2,250	13,136	8,732	-	21,868	7,992
Membership and subscriptions	7,249	1,432	362	9,043	3,717	-	12,760	12,991
Miscellaneous	307	233	54	594	6,834	-	7,428	6,675
Miscellaneous - in-kind	-	-	-	-	-	-	-	5,398
Occupancy expenses	21,065	20,437	4,165	45,667	7,880	-	53,547	69,497
Office supplies and equipment	3,424	3,044	676	7,144	1,241	2,220	10,605	18,755
Participant education materials	15,263	3,346	-	18,609	-	-	18,609	5,643
Participant support-in-kind	1,567	2,455	783	4,805	-	-	4,805	5,062
Printing	11,816	1,407	406	13,629	1,217	-	14,846	13,174
Professional fees	44,068	26,783	8,062	78,913	12,429	-	91,342	55,254
Professional fees - in-kind	1,992	1,690	386	4,068	760	-	4,828	3,400
Promotional projects/products	9,070	-	366	9,436	392	-	9,828	1,654
Rent - in-kind	-	-	-	-	-	-	-	9,556
Repair and maintenance	1,786	1,224	989	3,999	554	-	4,553	10,835
Special programs	16,500	-	-	16,500	-	-	16,500	13,300
Telephone and utilities	19,654	13,280	6,248	39,182	4,274	-	43,456	47,106
Travel and transportation	13,337	17,250	5,706	36,293	1,012	-	37,305	15,138
Total expenses	\$ 1,913,075	\$ 574,716	\$ 301,586	\$ 2,789,377	\$ 304,018	\$ 2,281	\$ 3,095,676	\$ 2,935,595

Consolidated Statement of Cash Flows
For the year ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 25,025	\$ (8,446)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	14,966	15,348
Amortization	361	361
Decrease (increase) in certain assets:		
Due from grants/contracts	(32,828)	34,468
Accounts receivable	2,050	(250)
Prepaid expenses	(24,805)	24,933
HSMCN holdback	(3,905)	1,581
Other assets	-	1,438
Increase (decrease) in certain liabilities:		
Due to subcontractors	(8,382)	125,791
Accounts payable	18,782	(3,823)
Accrued expenses	25,641	(35,041)
Other current liabilities	66	1,062
Net cash provided by (used in) operating activities	16,971	157,422
Cash flows from financing activities		
Principal payments on mortgage payable and line of credit	(28,539)	(27,199)
Net cash used in financing activities	(28,539)	(27,199)
Net increase(decrease) in cash and cash equivalents	(11,568)	130,223
Cash and cash equivalents, beginning of period	892,579	762,356
Cash and cash equivalents, end of period	\$ 881,011	\$ 892,579
Supplementary disclosure of cash flow information		
Cash paid during the year for interest	\$ 7,512	\$ 8,851

Note 1

Summary of Significant Accounting Policies

The following is a summary of the more significant accounting policies and practices of Healthy Start Coalition of Flagler and Volusia Counties, Inc. (the Coalition), which affect significant elements of the accompanying financial statements.

Entities Whose Financial Results Are Consolidated in the Financial Statements - The financial statements present the consolidated financial results of Healthy Start Coalition of Flagler and Volusia Counties, Inc. and its wholly owned subsidiary, with all significant balances and transactions between the two entities eliminated.

General – The Coalition was organized under the authority of the Department of Health to implement the provisions of Florida’s Healthy Start legislation in Flagler and Volusia Counties, Florida. It is the intent of the Healthy Start initiative to improve the health and well-being of Florida’s pregnant women and young children. Two of the major components of this comprehensive legislation were the creation of the Healthy Start program and the Healthy Start Coalitions. The Coalitions were given the legislative mandate to ensure that adequate and accessible systems of care are in place for all pregnant women and young children. In order to achieve this comprehensive directive, the Coalitions are required to perform a number of key functions, including the following:

- I. Building and maintaining broad community input and collaboration.
- II. Increasing overall public awareness of the importance of investing in pregnant women and children.
- III. Performing short- and long-range planning for the target population.
- IV. Allocating available federal and state maternal and child health funds on a local level for the provision of Healthy Start services.

Note 1 - continued

Basis of Presentation – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958-205, the Coalition is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets and changes therein are classified and reported as follows:

- I. **Net assets without donor restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board may designate a portion of these assets for specific purposes which makes them unavailable for use at management’s discretion.
- II. **Net assets with donor restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Coalition and/or passage of time. Restrictions may stipulate that the Coalition maintain them permanently. Generally, the donors of these assets permit the Coalition to use all, or part of the income earned on related investments for general or specific purposes.

Revenues and Support – The Coalition reports revenues and support received as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Amounts received but not yet earned, are reported as deferred revenue.

Cash and Cash Equivalents — Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

Note 1 - continued

Summary of Significant Accounting Policies

Fair Value Measurements – Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Fair value should be based on assumptions market participants would use when pricing an asset. Generally accepted accounting principles provide a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and the lowest priority to unobservable inputs [Level 3 measurements]. The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Assets and liabilities are required to be recorded at fair value on the statement of position are categorized based on the inputs to valuation techniques as follows:

- Level 1** – Assets that have observable inputs that reflect quoted prices for identical assets or liabilities in active markets (NYSE, NASDAQ). Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of that reporting entity.
- Level 2** – Assets that have inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset. Inputs are observable but do not solely rely on quoted market prices to establish fair value.
- Level 3** – Assets with unobservable inputs. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Note 1 - continued

As of June 30, 2023, there are no level 1, 2, or 3 assets or liabilities. The carrying amounts reflected on the statement of positions for cash, receivables, and accrued payables approximate their respective fair values due to short term maturities of those instruments.

Property and Equipment – It is the Coalition’s policy to capitalize property and equipment over \$2,500. Lesser amounts are expensed. Property and equipment are recorded at cost if purchased or fair value if contributed. The cost of property and equipment is being charged to operations using the straight-line method of depreciation over estimated useful lives ranging from three to five years for equipment and thirty-nine years for real property.

Payments due from Grants/Contracts and Accounts Receivables – The Coalition reports accounts receivable, due from grants/contracts, and other receivables at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are deemed uncollectable. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

HSMCN Medicaid Holdback – The Coalition’s contract with HSMCN allows for a 3% holdback, for five years, of amounts earned under the contract for potential Medicaid chargebacks. The Coalition carries the amount management expects to collect on balances outstanding at year-end. Amounts are carried as noncurrent assets.

In-kind Contributions – The Coalition records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as in-kind contributions in the accompanying statements at their estimated values at date of receipt. The value of contributed rental space, professional fees, and subcontracted services included in the financial statements for the years ended June 30, 2023 and 2022 are valued at \$9,633 and \$23,416, respectively.

Note 1 - continued

Income Taxes – Income taxes are not provided for in the financial statements since the Coalition is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Coalition is treated as a public supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Coalition's tax-exempt status.

The Coalition accounts for uncertain tax positions, if any, in accordance with ASC Section 740. In accordance with these professional standards, the Coalition recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended June 30, 2023.

The Coalition believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Coalition's financial condition, results of operations, or cash flows. Accordingly, the Coalition has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2023.

The Coalition is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Coalition believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2020.

The Coalition's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively.

Functional Allocation of Expenses – The cost of the various activities of the Coalition have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and support services categories. Currently, the Coalition's program services are classified into three functional expense categories, funding allocation for Healthy Start services, Healthy Families services, and Outreach and Engagement services. The Coalition's supporting services consist of general and administrative expenses including costs incurred in the development and implementation of the maternal and infant health care plan.

Note 1 - continued

Compensated Absences – The Coalition's full-time employees are entitled to paid vacation time which accrues equally each pay period as outlined below. An employee may carry over and accumulate in the subsequent fiscal year a maximum of 10 vacation days and any hours in excess are forfeited. Employees who provide proper notice and have been employed a minimum of 12 months are eligible to receive payment for unused, accrued vacation time upon separation. Proper notice is defined as 4 weeks for exempt employees and 2 weeks for non-exempt employees. During the years ended June 30, 2023 and 2022, \$54,522 and \$36,490, respectively, was included in salaries and wages on the Statement of functional expenses and compensated absences on the Statement of Financial Position

Employee Classification	Year of Service	Hours Accrued by Pay Period
Full Time – weekly pay period	0 – 3 rd	4
	4 th – 6 th	5.14
	7 th – 10 th	6.29
	11 th +	8

Subsequent Events – The Coalition has evaluated subsequent events through the date the financial statements were issued, which was November 15, 2023 the date of the Coalition's audit report for the period ended June 30, 2023.

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.

Reclassification - Certain prior year amounts have been reclassified to conform to the June 30, 2023 presentation. Such reclassifications had no impact on the consolidated statement of activities or net assets.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 2

Significant Concentrations

The Coalition receives grants from the Healthy Start MomCare Network, representing approximately 36% of total income, State of Florida's Department of Health, representing approximately 27% of total income, and the Ounce of Prevention Fund of Florida/Healthy Families Florida, representing approximately 18% of total income. It is reasonably possible that in the near term these sources could reduce or cease funding which would cause a severe impact on the Coalition and its ability to continue its operations. In the event these entities discontinue funding the program, the Coalition would have a difficult time achieving current program goals.

Note 3

Payments Due From Grants and Contracts

As of June 30, 2023 and 2022 payments due from grants and contracts was composed of:

	2023	2022
Healthy Start MomCare Network including holdback	\$ 321,858	\$ 304,485
Department of Health	151,202	56,200
Ounce of Prevention – Healthy Families	78,690	140,607
Community Partnership for Children	23,983	44,252
West Volusia Hospital Authority	13,329	10,280
County of Volusia	3,495	-
Total	\$ 592,557	\$ 555,824

Note 4

Property and equipment

As of June 30, 2023 and 2022 property and equipment consisted of:

	2023	2022
Equipment	\$ 56,237	\$ 56,237
Land	123,000	123,000
Building and improvements	396,881	396,881
Total property and equipment	576,118	576,118
Less: accumulated depreciation	166,457	151,491
Total	\$ 409,661	\$ 424,627

Property and equipment that is purchased with grant money is with donor restrictions, see Notes 10 and 11. The assets are released from restriction as their useful lives are diminished. The depreciation expense for the years ended June 30, 2023 and 2022 was \$14,966 (\$10,939 is expensed under occupancy expenses) and \$15,348 (\$11,262 is expensed under occupancy expenses), respectively. The amount released from restriction for equipment with donor restrictions for the years ended June 30, 2023 and 2022 was \$4,027 and \$4,086, respectively.

Note 5

Concentrations of Credit Risk

The Coalition maintains cash balances in a bank. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2023 and 2022, the uninsured portion of this balance was \$646,988 and \$559,534, respectively.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Note 6

Note Payable – Line of Credit

At June 30, 2023 and 2022 the Coalition's revolving line of credit provides for borrowings up to \$250,000. The interest was payable at the Prime Rate, as established from time to time by Truist Bank, plus 1.5%. The rate as of June 30, 2023 was 4.75%. The short-term borrowing amount outstanding under this credit facility was \$-0- at June 30, 2023 and 2022. This line of credit is secured by substantially all of the Coalition's business assets.

Mortgages Payable

At June 30, 2023 and 2022, \$140,377 and \$168,916, respectively, was outstanding under a mortgage payable with Truist Bank, payable in monthly installments of \$3,004 including interest at 4.75% and principal, with a maturity date of October 5, 2027. The mortgage was collateralized by the real property at 109 Executive Circle, Daytona Beach, FL including a subordination of rents received.

	2023	2022
Mortgages payable	\$ 110,295	\$ 140,226
Plus: current portion	30,082	28,609
Total	\$ 140,377	\$ 168,916

Note 6 - continued

Maturities of long-term debt for years subsequent to June 30, 2023:

Year Ending June 30,	Amount
2024	30,082
2025	31,544
2026	33,074
2027	34,680
2028	10,997
Thereafter	-
Total	\$ 140,377

Note 7

Funding of Operations

One of the Coalition's primary sources of funding is a contract with the Florida Department of Health to conduct local maternal and child health planning activities and to allocate and administer funds for subcontracted Healthy Start direct services. The term of the contract was July 1, 2022 through June 30, 2023. The contract allows the Coalition to expend up to \$264,046 of the contract for Coalition operations and administration, \$88,169 for Coordinated Intake & Referral Services, \$49,260 for implementation of a local Fetal and Infant Mortality Review (FIMR) project, and \$103,500 for Fatherhood initiatives. The balance of the contract, \$324,635, is allocated to various organizations in Flagler and Volusia counties to provide subcontracted Healthy Start services. Another of the Coalition's primary sources of funding is a contract with the Ounce of Prevention Fund of Florida/Healthy Families Florida. Payments are made monthly on a reimbursement basis for reasonable costs incurred, provided that the items are contained in the approved contract budget. A match of 25% of funds expended is required through cash or in-kind contributions provided by the Coalition and its subrecipients. This match was met in 2023 and 2022.

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

Note 8

Liquidity and availability of resources

The Coalition's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	\$ 881,011	\$ 892,579
Grants/contracts receivable	454,354	421,526
Accounts receivable	-	2,050
Total financial assets available within one year	1,335,365	1,316,155
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	1,104,200	1,082,436
Amounts unavailable to management without Board's approval:		
Board designated for working capital	143,000	143,000
Total financial assets available for management for general expenditures within one year	\$ 88,165	\$ 90,719

Liquidity Management

The Coalition maintains a policy of structuring its financial assets to be available as its general expenditures and liabilities become due.

Note 9

Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2023 and 2022 consist of the following:

	2023	2022
Healthy Start MomCare Network	\$ 1,010,816	\$ 1,008,025
Participant Assistance	29,488	28,488
Volusia County-CFAB	25,405	25,405
House Next Door	11,054	11,054
Equipment restricted by grants	-	4,027
West Volusia Hospital Authority	14,814	4,678
Other programs	12,623	759
Total	\$ 1,104,200	\$ 1,082,436

Note 10

Net assets released from restrictions

A summary of net assets released from donor restrictions by incurring expenses to satisfy either the donors' purpose or time restriction at June 30, 2023 and 2022 are as follows:

	2023	2022
Healthy Start MomCare Network	\$ 1,008,025	\$ 1,029,274
West Volusia Hospital Authority	4,678	5,545
Equipment restricted by grants	4,027	4,085
Other programs	759	6,417
Participant Assistance	-	11,945
Total	\$ 1,017,489	\$ 1,057,266