

COMPLIANCE SECTION



**Schedule of Expenditures of Federal Awards and State Financial Assistance
for the year ended June 30, 2023**

Federal, pass-through entity, Federal program/State project	CFDA number	Contract or pass through number	Federal Expenditures	Match Funds Provided by the State of Florida	Transfers to Subrecipients
U.S. Department of Health & Human Services					
Indirect programs:					
Passed through the Healthy Start MomCare Network					
Medical Assistance Program*	93.778	GFA089-11	717,834	377,498	637,638
Passed through the State of Florida Department of Health					
Maternal and Child Health Services					
Block Grant to the States	93.994	COSCG	68,700	-	-
Passed through Healthy Families Florida					
Mary Lee Allen Promoting Safe and Stable Families					
Temporary Assistance to Needy Families	93.556	HF 20-25-24	92,914	10,006	-
Temporary Assistance to Needy Families	93.558	HF 20-25-24	170,105	298,756	-
Passed through Community Partnership for Children					
Temporary Assistance to Needy Families					
Stephanie Tubbs Jones Child Welfare Services	93.558	D12-22-HSC-FEP	334,664	-	-
Stephanie Tubbs Jones Child Welfare Services	93.645	D12-22-HSC-FEP	-	-	-
Foster Care Title IV-E	93.658	D12-22-HSC-FEP	-	-	-
Adoption Assistance	93.659	D12-22-HSC-FEP	-	-	-
Child Abuse and Neglect State Grant	93.669	D12-22-HSC-LJ003	-	-	-
Total expenditures of Federal Awards			\$ 1,384,217	\$ 686,260	\$ 637,638

State Agency Federal program/State project	CSFA number	Contract or pass through number	State Expenditures	Match Funds Provided by the State of Florida	Transfers to Subrecipients
Florida Department of Health					
Maternal and Child Health Services					
Healthy Start and Fatherhood*	64.131	COSCG	706,176	-	413,736
FIMR	64.160	COSCG	54,733	-	16,500
Total expenditures of State Financial Assistance			\$ 760,909	\$ -	\$ 430,236

* Designates major program

Note 1

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Healthy Start Coalition of Flagler and Volusia Counties, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedule presents only a selected portion of the operations of Healthy Start Coalition of Flagler and Volusia Counties, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of Healthy Start Coalition of Flagler and Volusia Counties, Inc.

Note 2

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3

Indirect Cost Rate

Healthy Start Coalition of Flagler and Volusia Counties, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Summary of Auditors' Federal and State Results:

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None reported
Noncompliance material to financial statements	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None reported
Type of auditors' report issued	Unmodified
Any audit findings disclosed that are not required to be reported in accordance with the <i>Uniform Guidance</i> ?	No

The programs/projects tested as major programs/projects include the following:

Federal Program

Department of Health and Human Services Passed Through Healthy Start MomCare Network	
Medical Assistance Program	CFDA # 93.778

State Assistance

Florida Department of Health	
Maternal and Child Health Services – Healthy Start and Fatherhood	CSFA # 64.131

Dollar threshold used to distinguish between Type A and Type B programs

Federal Programs	\$750,000
State Projects	\$300,000

Auditee qualified as a low-risk auditee?	Yes
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Schedule of Findings and Questioned Costs - continued
for the year ended June 30, 2023

Findings related to the financial statements which are required to be reported
in accordance with *Governmental Auditing Standards*:

None

Findings and questioned costs for major federal programs and state financial
assistance:

None

Summary schedule of prior audit findings: There were no audit findings for the year ended June 30, 2022, relative to federal awards programs requiring action on part of the auditee for that fiscal year.

Corrective Action Plan: There was no corrective action plan necessary for the year ended June 30, 2023, since there were no audit findings in the auditors' report for this fiscal year.

ABARE, KRESGE & ASSOCIATES CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Healthy Start Coalition of Flagler & Volusia Counties, Inc. and its subsidiary, 109 Executive Circle, LLC (collectively the "Coalition"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 15, 2023.

Report on Internal Control over Consolidated Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Coalition's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition'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 consolidated 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the consolidated financial statements are free of 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 Coalition'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 Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ahan, Krueger & Associates CPAs, LLC

St. Augustine, FL
November 15, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA*

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

Report on Compliance for Each Major Federal Program and State Award

We have audited Healthy Start Coalition of Flagler & Volusia Counties, Inc.'s and 109 Executive Circle, LLC.'s (collectively the "Coalition") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the Coalition's major federal programs and state awards for the year ended June 30, 2023. The Coalition's major federal programs and state awards are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Report on Compliance for Each Major Federal Program and State Award

Opinion on Each Major Federal Program and State Award

We have audited Healthy Start Coalition of Flagler & Volusia Counties, Inc.'s and 109 Executive Circle, LLC.'s (collectively the "Coalition") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and Chapter 10.650, Rules of the Auditor General of the State of Florida, that could have a direct and material effect on each of the Coalition's major federal programs and state awards for the year ended June 30, 2023. The Coalition's major federal programs and state awards are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Coalition 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 and state awards for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and State Award

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH UNIFORM GUIDANCE

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Coalition's federal programs and state awards.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Coalition's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida* will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Coalition's compliance with the requirements of each major federal program and state award as a whole.

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH UNIFORM GUIDANCE

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Coalition's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Coalition's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state award on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state award 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 and state award that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH UNIFORM GUIDANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

Ahmed, Krueger & Associates CPAs, LLC

St. Augustine, FL
November 15, 2023