

THE CAPITAL AREA HEALTHY START COALITION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025

THE CAPITAL AREA HEALTHY START COALITION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
The Capital Area Healthy Start Coalition, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Capital Area Healthy Start Coalition, Inc. (“the Coalition”), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Coalition as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors’ Responsibilities for the Audit of the 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance; and Section 215.97, Florida Statutes), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance 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 17, 2026, on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's 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 the Coalition's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
February 17, 2026

THE CAPITAL AREA HEALTHY START COALITION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current assets	
Cash and cash equivalents	\$ 1,004,860
Grants and contracts receivable	292,953
Total current assets	1,297,813
Property and equipment, net	28,176
Operating lease right of use asset, net	34,020
Total Assets	\$ 1,360,009

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 195,996
Refundable advance	520,285
Current portion of operating lease liability	27,446
Total current liabilities	743,727
Long-term liabilities	
Operating lease liability, less current portion	6,574
Total Liabilities	750,301
Net assets	
Without donor restrictions	
Undesignated	581,532
Invested in property, equipment, and right of use assets	28,176
Total Net Assets	609,708
Total Liabilities and Net Assets	\$ 1,360,009

The accompanying notes to financial statements
are an integral part of this statement.

THE CAPITAL AREA HEALTHY START COALITION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Support and revenue	
Grants and contracts	\$ 2,803,171
Contributions	39,365
In-kind services	7,528
In-kind contributions	6,188
Interest	17,569
Total support and revenue	2,873,821
 Expenses	
Program services	2,787,116
Supporting services	
Management and general	232,290
Fundraising	25,182
Total supporting services	257,472
Total expenses	3,044,588
 Change in net assets without donor restrictions	 (170,767)
 Net assets, beginning of year	 780,475
 Net assets, end of year	 \$ 609,708

The accompanying notes to financial statements
are an integral part of this statement.

THE CAPITAL AREA HEALTHY START COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Contract services	\$ 641,645	\$ -	\$ -	\$ 641,645
Salaries and wages	1,477,539	141,850	18,265	1,637,654
Professional fees	102,484	40,890	1,073	144,447
Public education and promotion	114,191	-	432	114,623
Office	79,345	18,552	1,420	99,317
Employee benefits and taxes	187,093	17,962	2,313	207,368
Operating lease	56,038	5,380	693	62,111
Travel and training	50,469	4,262	549	55,280
In-kind professional services	7,528	-	-	7,528
In-kind office supplies	6,188	-	-	6,188
Dues, subscriptions and fees	7,915	760	98	8,773
Maintenance and utilities	8,836	848	109	9,793
Depreciation	7,776	747	96	8,619
Insurance	10,819	1,039	134	11,992
Program Supplies	29,250	-	-	29,250
Total	<u>\$ 2,787,116</u>	<u>\$ 232,290</u>	<u>\$ 25,182</u>	<u>\$ 3,044,588</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE CAPITAL AREA HEALTHY START COALITION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash flows from operating activities	
Cash received from grantors, contractors and others	\$ 3,446,753
Cash paid to employees and vendors	(3,088,075)
Interest income received	17,569
Net cash provided by operating activities	376,247
 Cash flows from investing activities	
Purchases of property and equipment	(12,927)
Net change in cash and cash equivalents	363,320
Cash and cash equivalents, beginning of year	641,540
Cash and cash equivalents, end of year	\$ 1,004,860
 Reconciliation of decrease in net assets to net cash used in operating activities	
Change in net assets	\$ (170,767)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	8,619
Change in prepaid expenses	6,997
Change in grants and contracts receivable	70,216
Change in accounts payable and accrued expenses	(59,046)
Change in refundable advance	520,285
Change in operating lease liability and operating right of use asset, net	(57)
Total adjustments	547,014
Net cash used in operating activities	\$ 376,247
 Supplemental schedule of non-cash investing and financing activities:	
Right-of-use assets obtained in exchange for new operating lease obligations	\$ 37,953

The accompanying notes to financial statements
are an integral part of this statement.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of The Capital Area Healthy Start Coalition, Inc. (“the Coalition”):

(a) **Organization and purpose**—The Coalition is a nonprofit organization which provides for the operation of a prenatal and infant health care coalition to address the prenatal and infant care needs of Leon and Wakulla County residents, with the primary target population being Medicaid recipients and other indigent individuals, through development and implementation of coordinated systems of maternal and child health care. The Coalition is supported primarily by donor contributions and grants. The Coalition was incorporated in February 1992 and began operating in October 1992, when initial funding was received. It is administered by an independent board of directors.

The overall program of the Coalition is the development and implementation of coordinated systems of maternal and child health care which will maximize public and private cooperation, be cost effective, eliminate barriers to care, and promote improved health and consumer satisfaction. The primary objectives of the healthy start initiative are to reduce infant mortality and morbidity, to improve pregnancy outcomes, and to enhance the health and development of children birth to age three. As a central component of this initiative, the major goal of healthy start coalitions is to establish, implement, and monitor local healthy start care coordination systems for their approved service delivery areas. Within the overall program, the Coalition is involved in the following projects:

Fetal and Infant Mortality Review Project (FIMR) – The FIMR project is directed to the reduction of infant mortality and morbidity by identifying systemic problems and issues in the local community that affect mortality and morbidity. The overall goal of the project is to reduce the infant mortality rate by providing direct services and access to health, educational, social, and support services through a collaborative community network.

Sister Friends Tallahassee Birthing Project (Sister Friends) – The Sister Friends project was started in 2021 to address the racial disparity gap in infant and maternal mortality in Leon County and addresses the challenge of a mother’s lack of knowledge or understanding about the causes and way to prevent unhealthy pregnancies and birth outcomes. The project allows women who understand and are able to function within the community services to be a link between women who need services and those who provide them and uses community volunteers, “Sisters Friends”, to educate pregnant women, their “Little Sister”, in the area of prenatal health while empowering them to function as adults who can manage their own lives. This model also helps “Little Sisters” remember that they are part of a community that cares for them.

(b) **Basis of accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Basis of presentation**—In accordance with accounting principles generally accepted in the United States of America, the Coalition reports 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 without donor restrictions—Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Coalition had no net assets with donor restrictions as of June 30, 2025.

(d) **Revenue recognition**—A significant portion of the Coalition’s revenue is derived from cost reimbursement-based grants with federal, state, and local contracts and grantors, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received from cost-reimbursable grants are recognized as revenue when expenditures have been incurred in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Coalition received cost-reimbursable grants of \$520,285 that have not been recognized at June 30, 2025, because qualifying expenditures have not yet been incurred.

Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, in the event of the Coalition’s non-compliance with the terms of the grant/contract.

Revenues from fundraising events consisting of direct benefits provided to donors are recognized when the services have been performed and the products have been transferred, with the difference being reflected as contributions.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expire (that is when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

(e) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Income taxes**—The Coalition is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Coalition files income tax returns in the U.S. Federal jurisdiction. The Coalition's income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

The Coalition has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(g) **Cash and cash equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits held with banks, and short-term investments with original maturities of 90 days or less.

(h) **Grants and contracts receivable**—Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(i) **Reserve receivable**—Beginning July 1, 2014, the Coalition entered into a fixed price (unit cost) contract with the Healthy Start MomCare Network (HSMN). The Coalition is paid based on the delivery of service units in accordance with the contract terms. During fiscal year 2012, HSMN withheld 3% of the total earnings per month as a reserve for a potential payback if the Medicaid claims related to the provided service units are disallowed. The withheld funds are held in escrow by HSMN. If there is no payback situation after five years, then HSMN will return the funds back to the Coalition. Due to the long-term nature of this receivable and the uncertainty of its future collectability, the Coalition has established a provision for uncollectable amounts at 100% of the amount held in escrow. In July 2024, the reserve balance from fiscal year 2021 of \$19,601 was returned to the Coalition. The balance remaining in the escrow account at June 30, 2025, was \$93,578. Management evaluates the collectability of the funds on a regular basis and makes adjustments to the fund as deemed necessary. Revenue related to this contract is reflected at the net amount in the year actually received.

(j) **Property and equipment**—Property and equipment acquired by the Coalition is considered to be owned by the Coalition. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Property and equipment** (Continued)—It is the Coalition’s policy to capitalize property and equipment with a value greater than \$1,000 and an estimated useful life of at least one year at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to thirty-nine years. Repairs and maintenance, which are not considered improvements and do not extend the useful life of property and equipment, are expensed as incurred.

(k) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on management’s assessment of staff time.

(l) **In-Kind support**—The Coalition receives contributed services requiring specialized skills throughout the year. Contributed professional services are provided by various professionals who provide various professional services and are priced at the current market rate for those services. In-kind services totaled \$7,528 for the year ended June 30, 2025, and were recognized as in-kind services in the Statement of Activities and Statement of Functional Expenses.

The Coalition receives donations of various types of supplies and materials to be used to serve the mission of the Coalition. The value of this in-kind support is based upon the fair value of the donated items. In-kind revenue related to these contributions of supplies totaled \$6,188 for the year ended June 30, 2025 and were recognized as in-kind contributions in the Statement of Activities and Statement of Functional Expenses.

(m) **Accrued leave**—The Coalition compensates its employees for unused vacation leave upon termination of employment. The amount of the change in accrued leave for all employees from one year to the next is reported as an expense during the current year.

(n) **Advertising**—Advertising costs are expensed as incurred. Total advertising expense is included in public education and promotion on the Statement of Functional Expenses and is \$11,733 for the year ended June 30, 2025.

(o) **Leases**—The Coalition leases office space. The Coalition determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the Coalition’s Statement of Financial Position.

ROU assets represent the Coalition’s right to use an underlying asset for the lease term and lease liabilities represent the Coalition’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Coalition’s leases do not provide an implicit rate, the Coalition uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Coalition’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Coalition will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Coalition’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Coalition has elected to apply the short-term lease exemption to certain office space and equipment leases. The Coalition had no short-term lease agreements during the year ended June 30, 2025.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(2) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand deposits**—The Coalition maintains demand deposits with one financial institution. The Coalition has no policy requiring collateral to support its deposits, although accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to FDIC limits.

(b) **Grants and contracts receivable**—The Coalition’s grants and contracts receivable are for amounts due under contracts with local governments, the State of Florida and Federal government agencies. The Coalition has no policy requiring collateral or other security to support its receivables.

(3) **Matching Requirements:**

The Coalition received a portion of its support through grants and contracts. Certain grants and contracts require the Coalition to provide specified amounts of matching revenue. Each contract, where applicable, has met all matching requirements. Also, for each contract that ended on or before June 30, 2025, no obligation remains outstanding to the funding source.

(4) **Property and Equipment:**

Property and equipment consist of the following at June 30, 2025:

Furniture and equipment	\$ 79,139
Less accumulated depreciation	50,963
Total	<u>\$ 28,176</u>

(5) **Contingencies:**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal, state and local governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by grantors cannot be determined at this time although the Coalition expects such amounts, if any, to be immaterial.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(6) **Leases:**

The Coalition has operating leases office space and equipment, which have remaining lease terms expiring through 2028.

The components of lease expense for the year ended June 30, 2025 were as follows:

Operating lease cost	\$ <u>62,111</u>
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Supplemental information related to the Coalition’s leases for the year ended June 30, 2025, is as follows:

Operating cash flows for operating leases	\$ 62,168
Right-of-use assets obtained in exchange for new operating lease liabilities	37,952
Weighted average remaining lease term – operating leases	1.25
Weighted average discount rate – operating leases	4.23%

Future minimum lease payments under non-cancellable leases as of June 30, 2025, were as follows:

Year Ending June 30,	Operating
2026	\$ 27,968
2027	3,168
2028	3,168
2029	<u>528</u>
Total future minimum lease payments	34,832
Less: Imputed interest	<u>(812)</u>
	<u>\$ 34,020</u>

(7) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,004,860
Grants and contracts receivable	292,953
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,297,813</u>

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(8) **Significant Funding Sources:**

The Coalition received 21% of its funding from the Florida Department of Health, 4% of its funding from the Florida Association of Healthy Start Coalitions, Inc. and 22% of its funding from Healthy Start MomCare Network, Inc. for the year ended June 30, 2025. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Coalition's programs and activities.

(9) **Subsequent Events:**

The Coalition has evaluated subsequent events and transactions for potential recognition or disclosure in the accompanying financial statements through February 17, 2026, the date the financial statements were available to be issued.

Subsequent to year end, in August 2025, the Coalition entered into a building lease agreement with a commencement date of October 1, 2025, and an initial term of ten years, expiring on October 31, 2035. The future minimum lease payments related to this lease are material; however, because the lease had not commenced as of June 30, 2025, the related right-of-use asset and lease liability are not reflected in the accompanying financial statements.

This subsequent event did not result in an adjustment to the amounts reported in the accompanying financial statements.

THE CAPITAL AREA HEALTHY START COALITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/State Grantor Program Title	Federal Assistance Listing Number	State CSFA Number	Pass-through Entity Identifying Contract Number	Passed Through to Subrecipients	Expenditures
FEDERAL AWARDS					
U.S. Department of Health and Human Services					
Passed through State of Florida Department of Health Maternal and Child Health Services Block Grant to the States	93.994	--	COSIG	\$ -	\$ 100,500
Passed through Florida Association of Healthy Start Coalitions, Inc. Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	--	IMIECHV-2425CAP	-	274,493
				-	274,493
Medical Cluster Passed Through Healthy Start Momcare Network, Inc. Medical Assistance Program	93.778	--	GFA089-04	256,246	386,119
Total Medicaid Cluster				256,246	386,119
Total U.S. Department of Health and Human Services				256,246	761,112
Total Expenditures of Federal Awards				256,246	761,112
STATE FINANCIAL ASSISTANCE					
State of Florida, Department of Health					
Passed through State of Florida Department of Health Healthy Start Coalitions	--	64.131	COSIG	412,875	662,213
Perinatal Mental Health	--	64.160	COSIG	-	165,344
Minority Health Initiatives	--	64.052	CM075	-	131,963
Total State of Florida, Department of Health				412,875	959,520
Total Expenditures of State Financial Assistance				412,875	959,520
Total Federal Awards and State Financial Assistance				\$ 669,121	\$ 1,720,632

The accompanying notes to Schedule of Expenditures of
Federal Awards is an integral part of this schedule.

THE CAPITAL AREA HEALTHY START COALITION, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal Awards and State Financial Assistance activity of The Capital Area Healthy Start Coalition, Inc. under programs of the federal and state government for the year ended June 30, 2025, in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of The Capital Area Healthy Start Coalition, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Capital Area Healthy Start Coalition, Inc.

(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, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

The Capital Area Healthy Start Coalition, Inc. has elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**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,
The Capital Area Healthy Start Coalition, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Capital Area Healthy Start Coalition, Inc., ("the Coalition"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 17, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered the Coalition's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

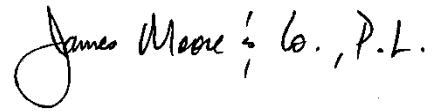
As part of obtaining reasonable assurance about whether the Coalition's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Capital Area Healthy Start Coalition, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform certain limited procedures on the Coalitions' response to the findings identified in our audit as described in the accompanying schedule of findings and questioned costs. The Coalition's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large loop at the beginning of the word "James".

Gainesville, Florida
February 17, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Board of Directors,
The Capital Area Healthy Start Coalition, Inc.:

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited The Capital Area Healthy Start Coalition, Inc. (“the Coalition”)’s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *Florida Department of Financial Services State Projects Compliance Supplement*, that could have a direct and material effect on each of the Coalition’s major federal programs and major state projects for the year ended June 30, 2025. The Coalition’s major federal programs and major state projects are identified in the summary of auditor’s results sections of the accompanying schedule of findings and questioned costs.

In our opinion, the Coalition complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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. 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 and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.650, Rules of Auditor General 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 project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Florida Auditor General, 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 Florida Auditor General, 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 project 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 project 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 project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 may exist that have not been 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 Section 10.650, Rules of Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
February 17, 2026

**THE CAPITAL AREA HEALTHY START COALITION, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
 PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2025**

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Types of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with section 2 CFR200.516(a)? yes X no

Identification of major programs:

Federal Program	Federal Assistance Listing Number
Medical Assistance Program (Medicaid Cluster)	93.778
Dollar threshold used to distinguish between type A and type B program:	\$ 750,000
Auditee qualified as low risk auditee?	<u> </u> yes <u> X </u> no

**THE CAPITAL AREA HEALTHY START COALITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2025**

II Financial Statement Audit Findings: (Continued)

Effect: As a result, grant revenue, accounts receivable, and refundable advances required adjustment at year end to ensure the financial statements were fairly stated. If not identified and corrected, similar conditions could increase the risk of misstatements in revenue, receivables, liabilities, and net position, as well as potential noncompliance with grant requirements.

Recommendation: The Coalition should enhance controls over grant revenue recognition by implementing additional review procedures to ensure revenues and related receivables are recorded in the appropriate fiscal period and in accordance with grant terms. Management should also consider establishing procedures to review grant agreements at period end to assess whether amounts received are earned or refundable. In addition, maintaining separate receivable and revenue tracking by individual grant may improve visibility at the grant level and assist management in identifying cutoff and revenue recognition matters on a timely basis.

III. Federal Award Findings and Questioned Costs:

There are no current year Federal Award audit findings.

IV. State Project Findings and Questioned Costs:

There are no current year State Project audit findings.

V. Independent Auditors' Management letter required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General:

Nothing to report.

VI. Summary Schedule of Prior Year Audit Findings:

Not applicable as no prior year findings were reported as part of a single audit.

VII. Prior Year Federal Award Findings and Questioned Costs:

There were no prior year Federal Award audit findings.

VIII. Prior Year State Project Findings and Questioned:

There were no prior year State Project audit findings.



February 2, 2026

James Moore & Co., P.L.
5931 NW 1st Pl,
Gainesville, FL 32607

Re: Corrective Action Plan

The following is the Capital Area Healthy Start Coalition’s Corrective Action Plan to address the findings in the Independent Auditor’s Report conducted by James Moore and Co. for the fiscal year ending June 30, 2025.

Financial Statement Audit Finding: Finding 2025-001: Improper Grant Revenue Recognition

Criteria: The Coalition should maintain controls designed to ensure that grant revenue and related accounts receivable or refundable advances are recognized in the appropriate fiscal period and in accordance with applicable accounting standards and grant agreements. Grant revenue should be recognized when earned, if conditional, with amounts subject to refund deferred as liabilities or deferred revenue until grant conditions are satisfied.

Condition: Instances were noted in which grant revenue recognition did not fully align with timing requirements. Specifically, certain grant revenues and related accounts receivable were recorded in a fiscal period other than the appropriate posting period, and some grant funds received in advance were recognized as revenue rather than recorded as refundable advances when related grant conditions had not yet been met.

Cause: These matters appear to have resulted from clerical posting errors, limited review controls over period-end cutoff, and incomplete review of grant agreements to determine whether amounts recorded as revenue were earned or refundable at year end.

Effect: As a result, grant revenue, accounts receivable, and refundable advances required adjustment at year end to ensure the financial statements were fairly stated. If not identified and corrected, similar conditions could increase the risk of misstatements in revenue, receivables, liabilities, and net position, as well as potential noncompliance with grant requirements.

Recommendation: The Coalition should enhance controls over grant revenue recognition by implementing additional review procedures to ensure revenues and related receivables are recorded in the appropriate fiscal period and in accordance with grant terms. Management should also consider establishing procedures to review grant agreements at period end to assess whether amounts received are earned or refundable. In addition, maintaining separate receivable and revenue tracking by individual grant may improve visibility at the grant level and assist management in identifying cutoff and revenue recognition matters on a timely basis.

Corrective Action: The Executive Director will work with the Finance Committee to update the fiscal policies and procedures to include year-end close out policies as it relates to contracts. The policy will include reviewing accounts receivable with the accounting team to ensure revenues are recorded in the appropriate fiscal period and in accordance with grant terms.

Sincerely,

Chris Szorcik
Executive Director
Capital Area Healthy Start Coalition
Chris@CapitalAreaHealthyStart.org
850-488-0288 ext. 101

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