

# Maternity Care Coalition

Financial Statements  
Year Ended June 30, 2017

Draft - 11/1/17 - Subject to Change



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# MATERNITY CARE COALITION

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
Maternity Care Coalition  
Philadelphia, Pennsylvania**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Maternity Care Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States and the **City of Philadelphia Subrecipient Audit Guide**. Those standards and the **City of Philadelphia Subrecipient Audit Guide** require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maternity Care Coalition as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

## Other Matters

### ***Report on Summarized Comparative Information***

We have previously audited Maternity Care Coalition's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of grants, contracts and contributions is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal, state and city awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* ("**CFR**") Part 200, **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (the "**Uniform Guidance**"), 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with **Government Auditing Standards**, we have also issued our report dated \_\_\_\_\_, 2017, on our consideration of Maternity Care 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 Maternity Care 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 Maternity Care Coalition's internal control over financial reporting and compliance.

Philadelphia, Pennsylvania  
, 2017

# MATERNITY CARE COALITION

## STATEMENT OF FINANCIAL POSITION

June 30, 2017 with comparative totals for 2016

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 1,955,601	\$ 1,464,376
Grants and contracts receivable	1,064,915	2,579,775
Prepaid expenses and other assets	211,776	-
Property and equipment, net	385,280	194,496
Deposits	<u>71,894</u>	<u>67,840</u>
<b>Total assets</b>	<u>\$ 3,689,466</u>	<u>\$ 4,306,487</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 580,425	\$ 479,913
Refundable advances	<u>62,697</u>	<u>1,333,327</u>
<b>Total liabilities</b>	<u>643,122</u>	<u>1,813,240</u>
<b>NET ASSETS</b>		
Unrestricted	1,913,204	1,302,623
Temporarily restricted	<u>1,133,140</u>	<u>1,190,624</u>
<b>Total net assets</b>	<u>3,046,344</u>	<u>2,493,247</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,689,466</u>	<u>\$ 4,306,487</u>

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See accompanying notes

# MATERNITY CARE COALITION

## STATEMENT OF ACTIVITIES

Year ended June 30, 2017 with comparative totals for 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>2017</u>	<u>2016</u>
<b>REVENUE AND SUPPORT</b>				
Grants and contracts	\$ 9,069,005	\$ 1,425,498	\$ 10,494,503	\$ 8,297,496
Contributions	883,832	35,000	918,832	419,162
In-kind contributions	365,465	-	365,465	253,285
Interest and other income	89,797	-	89,797	5,840
	<u>10,408,099</u>	<u>1,460,498</u>	<u>11,868,597</u>	<u>8,975,783</u>
Net assets released from restrictions	<u>1,517,982</u>	<u>(1,517,982)</u>	<u>-</u>	<u>-</u>
<b>Total revenue and support</b>	<u>11,926,081</u>	<u>(57,484)</u>	<u>11,868,597</u>	<u>8,975,783</u>
<b>EXPENSES</b>				
<b>Program services</b>				
MOMobile®	3,735,570	-	3,735,570	3,102,511
Early Head Start	5,922,299	-	5,922,299	4,887,778
Cribs for Kids	470,645	-	470,645	452,426
Other programs	137,735	-	137,735	241,963
<b>Total program services</b>	<u>10,266,249</u>	<u>-</u>	<u>10,266,249</u>	<u>8,684,678</u>
<b>Supporting services</b>				
Management and general	840,612	-	840,612	674,984
Fundraising	208,639	-	208,639	155,355
<b>Total supporting services</b>	<u>1,049,251</u>	<u>-</u>	<u>1,049,251</u>	<u>830,339</u>
<b>Total expenses</b>	<u>11,315,500</u>	<u>-</u>	<u>11,315,500</u>	<u>9,515,017</u>
<b>CHANGE IN NET ASSETS</b>	610,581	(57,484)	553,097	(539,234)
<b>NET ASSETS</b>				
Beginning of year	<u>1,302,623</u>	<u>1,190,624</u>	<u>2,493,247</u>	<u>3,032,481</u>
<b>End of year</b>	<u>\$ 1,913,204</u>	<u>\$ 1,133,140</u>	<u>\$ 3,046,344</u>	<u>\$ 2,493,247</u>

See accompanying notes

# MATERNITY CARE COALITION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2017 with comparative totals for 2016

	Program Services					Supporting Services			Totals	
	MOMobile®	Early Head Start	Cribs For Kids	Other Programs	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2017	2016
Salaries	\$ 2,159,377	\$ 2,320,063	\$ 183,134	\$ 85,018	\$ 4,747,592	\$ 500,907	\$ 60,621	\$ 561,528	\$ 5,309,120	\$ 4,949,779
Payroll taxes and employee benefits	555,047	693,642	46,167	18,772	1,313,628	74,898	11,804	86,702	1,400,330	1,280,632
<b>Total salaries and related expenses</b>	<u>2,714,424</u>	<u>3,013,705</u>	<u>229,301</u>	<u>103,790</u>	<u>6,061,220</u>	<u>575,805</u>	<u>72,425</u>	<u>648,230</u>	<u>6,709,450</u>	<u>6,230,411</u>
Professional fees and outside services	186,679	1,303,950	26,841	6,388	1,523,858	13,308	2,996	16,304	1,540,162	832,233
Office supplies	41,448	17,334	3,925	660	63,367	987	590	1,577	64,944	69,857
Telephone	59,126	52,650	2,449	488	114,713	1,934	289	2,223	116,936	103,001
Staff development	48,941	52,197	500	168	101,806	3,215	296	3,511	105,317	177,261
Postage	3,097	6,878	802	128	10,905	129	3,036	3,165	14,070	13,680
Rent and utilities	244,058	443,461	22,376	3,225	713,120	11,034	1,539	12,573	725,693	694,399
Printing and publications	18,545	22,232	2,219	705	43,701	222	9,898	10,120	53,821	46,971
Travel and vehicle	172,898	77,172	11,180	764	262,014	4,011	390	4,401	266,415	158,486
Program supplies and materials	50,719	644,284	150,789	6,881	852,673	202	11,646	11,848	864,521	493,609
Insurance	47,077	37,008	6,359	2,341	92,785	1,041	365	1,406	94,191	83,857
Meetings and special events	31,685	18,080	1,368	663	51,796	2,201	47,380	49,581	101,377	76,949
In-kind professional fees and outside services	14,600	9,240	1,306	8,485	33,631	198,928	38	198,966	232,597	43,840
In-kind rent	8,000	124,975	-	-	132,975	-	-	-	132,975	174,985
In-kind supplies	-	-	-	-	-	-	-	-	-	34,460
Other	91,022	54,583	6,265	3,049	154,919	28	57,751	57,779	212,698	172,338
Depreciation	3,251	44,550	4,965	-	52,766	27,567	-	27,567	80,333	108,680
<b>Total other expenses</b>	<u>1,021,146</u>	<u>2,908,594</u>	<u>241,344</u>	<u>33,945</u>	<u>4,205,029</u>	<u>264,807</u>	<u>136,214</u>	<u>401,021</u>	<u>4,606,050</u>	<u>3,284,606</u>
<b>Total expenses</b>	<u>\$ 3,735,570</u>	<u>\$ 5,922,299</u>	<u>\$ 470,645</u>	<u>\$ 137,735</u>	<u>\$ 10,266,249</u>	<u>\$ 840,612</u>	<u>\$ 208,639</u>	<u>\$ 1,049,251</u>	<u>\$ 11,315,500</u>	<u>\$ 9,515,017</u>

See accompanying notes

# MATERNITY CARE COALITION

## STATEMENT OF CASH FLOWS

Year ended June 30, 2017 with comparative totals for 2016

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 553,097	\$ (539,234)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	80,333	108,680
(Increase) decrease in		
Grants and contracts receivable	1,514,860	(387,112)
Prepaid expenses and other assets	(211,776)	62,472
Contribution of property and equipment from merger	(210,000)	-
Deposits	(4,054)	-
Increase (decrease) in		
Accounts payable and accrued expenses	100,512	63,845
Refundable advances	(1,270,630)	1,333,327
<b>Net cash provided by operating activities</b>	<u>552,342</u>	<u>641,978</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(61,117)</u>	<u>-</u>
<b>Net increase in cash</b>	491,225	641,978
<b>CASH</b>		
Beginning of year	<u>1,464,376</u>	<u>822,398</u>
End of year	<u>\$ 1,955,601</u>	<u>\$ 1,464,376</u>

See accompanying notes



# MATERNITY CARE COALITION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### (1) NATURE OF OPERATIONS

Maternity Care Coalition ("**MCC**") is a nonprofit organization founded in 1980 with the mission to improve maternal and child health and wellbeing through the collaborative efforts of individuals, families, providers and communities. The organization achieves its mission through public policy, research and providing services directly to families. MCC's primary audience is pregnant women, children from birth to three years old and their families in neighborhoods affected by poverty, infant mortality and changing immigration patterns. MCC has developed a community based approach to address the health and related needs of low-income families, and serves as a credible voice for this population "at the table" where public health and social welfare policies are made.

MCC staff travel in brightly colored vehicles operating from eleven sites in Philadelphia, Montgomery, Delaware and Bucks counties. They provide home visiting services to at-risk families, employing an outreach strategy built on mutual trust, respect and language/cultural competency. MCC's MOMobile<sup>®</sup> program empowers pregnant women and families to overcome daily challenges to achieve better maternal health and healthy child development. Staff review client needs and work together to create an individualized set of goals. Regularly scheduled home visits, with additional face-to-face and telephone contacts, ensure that women have the resources, knowledge and support needed to build a healthy foundation. Clients also receive referrals to community-based resources and parenting education. Several MOMobile<sup>®</sup> sites offer the evidence-based Healthy Families America program and the federally funded Healthy Start program.

MCC Early Head Start program ("**EHS**"), a comprehensive child development program, offers linguistically and culturally appropriate health, education and social services to income eligible families that include a pregnant woman and/or children, ages 0 to 3. Families receive child-centered services in their home or a childcare center. EHS's family-driven philosophy empowers parents to support and nurture their children, while meeting other critical social and economic goals. MCC currently operates EHS programs in South Philadelphia, Norristown and Pottstown.

MCC Cribs for Kids program educates parents about safe sleep practices and provides portable cribs for those who cannot afford one. Cutting-edge programs and research initiatives address issues such as breastfeeding, opioid addiction, perinatal depression and obesity that support and promote families' optimal development and long-term self-sufficiency.

The organization is directed by JoAnne Fischer, MSS, a nationally recognized leader in the field of maternal/child health and family support. She is assisted by a senior management team with experience in social work, public health, development, marketing, communications, finance and nonprofit management. Since its founding, MCC has served more than 100,000 mothers and their children.

Effective June 30, 2017, MCC is the surviving corporation of a merger with Child, Home and Community Inc., a nonprofit organization organized in 1979 to promote education in family life skills. MCC recorded a contribution of \$486,817 in connection with this merger.

### (2) SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements of MCC have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

#### **Basis of Presentation**

MCC reports information regarding its financial position and activities according to the following three classes of net assets:

#### **Unrestricted net assets**

Net assets that are not subject to donor-imposed restrictions.

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# MATERNITY CARE COALITION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Temporarily restricted net assets**

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the MCC and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "**net assets released from restrictions.**"

### **Permanently restricted net assets**

Net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by MCC.

There were no permanently restricted net assets as of June 30, 2017.

### **Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### **Summarized Prior-Year Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with MCC's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

### **Property and Equipment**

Property and equipment are stated at cost. MCC capitalizes all expenditures in excess of \$5,000. Depreciation is computed using the straight-line method over the estimate useful lives of the assets.

Certain property and equipment are purchased with funds received from governmental funding sources. Such assets, or their fair value, may revert to the government in the event the program is terminated before the end of the useful life of the asset. The assets are reflected in the financial statements as acquisitions and are depreciated since it is MCC's intent to continue its programs indefinitely. At June 30, 2017 and 2016, the property and equipment includes property and equipment having a net book value of \$162,197 and \$173,882, respectively that may revert to governmental funding sources upon termination of the related programs.

### **Grants and Contracts**

MCC receives funding from governmental agencies under cost reimbursement grants and contracts. Grant and contract revenue from government sources are recognized as the related expenses are incurred.

Grants and contracts received from non-government sources are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted grants and contracts whose restrictions are satisfied in the same period are reported as unrestricted.

Grants and contracts receivable generally represent amounts due under the terms of the grant and contracts from government sources, for expenditures incurred or services provided prior to year-end and are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with governmental agencies having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. MCC does not charge interest on outstanding balances.

# MATERNITY CARE COALITION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as unrestricted.

Unconditional promises to give are recognized as contributions when the related promise to give is received. Conditional promises to give are recognized as contributions when the conditions are satisfied. Conditional promises to MCC at June 30, 2017 and 2016 amounted to \$359,998 and \$425,000, respectively, and relate to grants for research and community outreach. These funds are conditional upon the donor's receipt of required reports from MCC.

### **In-Kind Contributions and Donated Services**

MCC records donated services that create or enhance nonfinancial assets and that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

MCC records the value of contributed goods and rent when there is an objective basis available to measure their value.

Contributed services and rent are included as support in the accompanying statement of activities at their estimated values at the time received.

### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated based upon the program and supporting services benefited.

### **Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Code Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Generally accepted accounting principles ("**GAAP**") require entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. MCC believes that it had no uncertain tax positions as defined in GAAP.

### **Concentration of Credit Risk**

Financial instruments which subject MCC to credit risk consist primarily of cash and grants and contracts receivable. MCC maintains cash deposits with banks and at times these may exceed federally-insured limits. Grants and contract receivables consist primarily of amounts due from cost reimbursement contracts with federal, state and city government agencies. Management performs ongoing evaluations of receivables for potential credit losses. Collateral is not required.

### **Concentration of Revenue**

MCC received 42% and 52% of its total revenue and support from one funding source for the years ended June 30, 2017 and 2016, respectively.

# MATERNITY CARE COALITION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### (3) GRANTS AND CONTRACTS RECEIVABLE

MCC had the following grants and contracts receivable:

	<u>2017</u>	<u>2016</u>
Aetna Better Health	\$ 15,315	\$ 55,510
Albert Einstein Healthcare Network	54,000	54,000
Amerihealth Caritas Keystone First	80,890	53,590
Bucks County – Healthy Families America	8,373	15,283
County of Delaware, Office of Children and Youth Services	1,899	2,287
City of Philadelphia – Department of Human Services (Safe Sleep/Cribs for Kids)	66,851	401,107
City of Philadelphia – Department of Human Services (HFA)	68,173	627,491
City of Philadelphia, Prison System	62,456	54,112
Merck for Mothers	-	500,000
National Connection for Local Public Health	-	24,527
Other sources	54,496	21,450
PA OCDEL – MEICHV	129,672	-
Temple University – Early Learning & Center for Excellence	57,515	19,387
United Way	25,000	13,000
University of Pennsylvania	72,876	-
US Dept. of Agriculture-State of Pennsylvania CACFP Grant	9,994	9,794
US Dept. of Health and Human Services – Healthy Start	222,825	226,481
US Dept. of Health and Human Services-Early Head Start	<u>134,580</u>	<u>501,756</u>
	<u>\$1,064,915</u>	<u>\$2,579,775</u>

### (4) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 87,912	\$ 87,912
Building	210,000	-
Leasehold improvements	304,140	243,024
Furniture and equipment	<u>768,459</u>	<u>798,406</u>
	1,370,511	1,129,342
Less accumulated depreciation	<u>985,231</u>	<u>934,846</u>
	<u>\$ 385,280</u>	<u>\$ 194,496</u>

### (5) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	<u>June 30,</u> <u>2016</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30,</u> <u>2017</u>
Cribs for Kids	\$ 4,333	\$ 30,000	\$ (21,833)	\$ 12,500
Early Head Start	89,402	214,000	(284,873)	18,529
Safe Start/Merck for Mothers	791,397	-	(524,644)	266,753
MOMobile®	60,417	466,500	(204,477)	322,440
Other programs	84,500	459,998	(234,389)	310,109
Time restrictions	<u>160,575</u>	<u>290,000</u>	<u>(247,766)</u>	<u>202,809</u>
	<u>\$1,190,624</u>	<u>\$1,460,498</u>	<u>\$(1,517,982)</u>	<u>\$1,133,140</u>

# MATERNITY CARE COALITION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### (6) LEASES

MCC leases space in various facilities and office equipment under operating leases expiring at various times through March 2020. Scheduled future minimum rentals under these leases are as follows:

**Year ending June 30,**

2018	\$ 656,296
2019	632,094
2020	531,900
2021	479,783
2020	<u>180,587</u>
	<u>\$2,480,660</u>

Rental expense under the leases was \$570,015 and \$539,648 for the years ended June 30, 2017 and 2016, respectively.

MCC also receives donated rental space for its program sites. Total donated rental expense was \$132,975 and \$174,985 for the years ended June 30, 2017 and 2016, respectively.

### (7) EMPLOYEE BENEFIT PLAN

MCC has a 403(b) plan for its employees. Employees may contribute a percentage of their salary, up to federal limits. MCC matches employee contributions up to 2% of employees' annual salaries. For the years ended June 30, 2017 and 2016, employer contributions to the plan were \$39,751 and \$34,661, respectively.

### (8) LINE OF CREDIT

MCC has an \$800,000 bank line of credit which is to mature on August 30, 2018. The line bears interest at the prime rate (4.25% at June 30, 2017). There were no advances outstanding on the line at June 30, 2017.

### (9) SUBSEQUENT EVENTS

Management has evaluated subsequent events through \_\_\_\_\_, 2017, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2017 that required recognition or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

Draft - 11/1/17 - Subject to Change

# MATERNITY CARE COALITION

## SCHEDULE OF GRANTS, CONTRACTS AND CONTRIBUTIONS

June 30, 2017 with comparative totals for 2016

	<u>2017</u>	<u>2016</u>
<b>GRANTS AND CONTRACTS</b>		
Anonymous	\$ 50,000	\$ 50,000
Aetna Better Health	163,365	81,555
Albert Einstein Healthcare Network	54,000	54,000
Amerihealth Caritas Keystone First	-	76,590
The Barra Foundation	25,000	25,000
BJ's Charitable Foundation	-	7,500
Bucks County Children and Youth (Healthy Families America HFA)	66,415	38,208
CHG Charitable Trust	75,000	75,000
City of Philadelphia - Department of Human Services (Safe Sleep/Cribs for Kids)	401,112	401,108
City of Philadelphia, Prison System	127,506	130,000
City of Philadelphia, Department of Human Services (HFA)	409,041	409,041
City of Philadelphia, Department of Human Services (Breastfeeding)	30,000	30,000
Claneil Foundation, Inc.	10,000	-
Connelly Foundation	-	25,000
County of Delaware, Office of Children and Youth Services	4,074	3,902
Dolfinger-McMahon Foundation	3,500	3,000
First Hospital Foundation	30,000	30,000
Genuardi Family Foundation	5,000	5,000
Green Tree Community Health Foundation	20,000	20,000
Hassel Foundation	-	7,500
Helen D. Groome Beatty Trust	30,000	-
Hess Foundation	100,000	100,000
Independence Blue Cross Foundation	10,000	15,000
Keystone Family Health Plan	181,070	-
The Edna G. Kynett Memorial Foundation	45,000	40,000
Lincoln Financial Foundation	15,000	30,000
The McLean Contributionship	-	21,000
National Association of County and City Health Officials (NACCHO)	-	23,686
Non-Profit Repositioning Fund	20,000	12,830
North Penn United Way	60,000	45,000
Other	9,693	2,500
PA OCDEL BCIU - Early Head Start	1,647,720	795,543
PA OCDEL - MIECHV	713,901	458,993
Subtotal, carried forward	4,306,397	3,016,956

# MATERNITY CARE COALITION

## SCHEDULE OF GRANTS, CONTRACTS AND CONTRIBUTIONS

June 30, 2017 with comparative totals for 2016

	<u>2017</u>	<u>2016</u>
<b>GRANTS AND CONTRACTS (Continued)</b>		
Pennsylvania Chapter of the American Academy of Pediatrics	\$ 24,000	\$ 35,000
Pennsylvania Department of Human Services - Children's Trust Fund	40,988	37,500
Philadelphia Foundation	325,000	135,000
PHMC-DHS Parenting Collaborative	100,176	100,000
PNC Foundation	15,000	6,000
Pottstown Health and Wellness Foundation	40,000	40,000
Samuel S. Fels Fund	-	25,000
School District of Philadelphia	-	2,475
Temple University	77,515	40,172
Thomas Jefferson Women's Board	8,000	-
United Way of Greater Philadelphia Success by Six	-	6,000
United Way of Greater Philadelphia and Southern New Jersey	52,000	52,000
US Dept of Agriculture-State of Pennsylvania CACFP Grant	51,328	53,921
US Dept of Health and Human Services - Early Head Start	4,116,108	3,825,530
US Dept of Health and Human Services - Healthy Start	677,992	810,442
Vanguard Foundation	275,000	20,000
VNA Foundation of Greater North Penn	15,000	-
W.K. Kellogg Foundation	174,999	-
W. W. Smith Charitable Trust	-	50,000
Wells Fargo Foundation	10,000	10,000
Western Association of Ladies for Relief and Employment for the Poor	-	6,500
William Penn Foundation	150,000	-
Will and Jada Smith Family Foundation	35,000	25,000
<b>Total grants and contracts</b>	<u>\$10,494,503</u>	<u>\$ 8,297,496</u>
<b>CONTRIBUTIONS</b>		
Corporations	\$ 87,650	\$ 100,058
CHC merger	486,817	-
Individuals	339,815	315,779
Religious and Services Organizations/Communities of Faith	4,550	3,325
<b>Total contributions</b>	<u>\$ 918,832</u>	<u>\$ 419,162</u>



**MATERNITY CARE COALITION**

**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS**

Year ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grant Number</u>	<u>Grant Period</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>Federal Awards</b>					
<b><u>U.S. Department of Health and Human Services</u></b>					
<b><u>Direct - Administration for Children and Families</u></b>					
Head Start	93.600	N/A	2/1/16-1/31/17	\$ 2,273,300 *	\$ -
Head Start	93.600	N/A	2/1/17-1/31/18	1,842,808 *	-
<b><u>Pass Through Commonwealth of Pennsylvania Department of Human Services, Office of Early Learning and Child Development, Berks County Intermediate Unit</u></b>					
Head Start	93.600	LOA#EHS-CCP7	4/1/16-3/31/17	806,146 *	201,748
Total CFDA 93.600				<u>4,922,254</u>	<u>201,748</u>
<b><u>Direct - Health Resources and Services Administration</u></b>					
Healthy Start Initiative	93.926	N/A	4/1/16-3/31/17	455,168	-
Healthy Start Initiative	93.926	N/A	4/1/17-3/31/18	<u>222,825</u>	-
Total CFDA 93.926				<u>677,993</u>	-
<b><u>Pass Through Commonwealth of Pennsylvania Department of Human Services, Office of Early Learning and Child Development</u></b>					
Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV)	93.505	125068	7/1/16-6/30/17	<u>713,901</u>	-

\* Major program

**MATERNITY CARE COALITION**

**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS**

Year ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>U.S. Department of Agriculture</b>					
<b><u>Pass Through Commonwealth of Pennsylvania, Department of Education</u></b>					
Child and Adult Care Food Program	10.558	361517383	10/1/16-9/30/17	51,328	-
<b>Total U.S. Department of Agriculture and Commonwealth of Pennsylvania Department of Education</b>				51,328	-
<b>TOTAL FEDERAL AWARDS</b>				<b>6,365,476</b>	<b>201,748</b>
<b>State Awards</b>					
<b><u>Commonwealth of Pennsylvania, Department of Human Services</u></b>					
<b><u>Pass Through Children's Trust Fund</u></b>					
	N/A	4100057441	11/1/16-10/31/17	40,988	-
<b><u>Pass Through City of Philadelphia, Department of Public Health</u></b>					
Cribs for Kids Program	N/A	13-20433-04	7/1/16-6/30/17	320,890	-
Healthy Families America	N/A	13-20433-04	7/1/16-6/30/17	327,233	-
				648,123	-
<b><u>City of Philadelphia, Department of Human Services</u></b>					
<b><u>Pass-Through Public Health Management Corporation</u></b>					
Parenting Collaborative	N/A	N/A	7/1/16-6/30/17	80,141	-
<b>TOTAL STATE AWARDS</b>				<b>769,252</b>	<b>-</b>

See accompanying notes

**MATERNITY CARE COALITION**

**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS**

Year ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>City Awards</b>					
<b>City of Philadelphia, Department of Human Services</b>					
<b><u>Direct Award</u></b>					
Cribs for Kids Program	N/A	13-20433-04	7/1/16-6/30/17	80,222	-
Healthy Families America	N/A	13-20433-04	7/1/16-6/30/17	81,808	-
				<u>162,030</u>	<u>-</u>
<b>City of Philadelphia, Department of Public Health</b>					
<b><u>Direct Award</u></b>					
Breastfeeding	N/A	N/A	7/1/16-6/30/17	30,000	-
<b>City of Philadelphia, Department of Human Services</b>					
<b><u>Pass-Through Public Health Management Corporation</u></b>					
Parenting Collaborative	N/A	N/A	7/1/16-6/30/17	20,035	-
<b>City of Philadelphia, Prison System Department</b>					
MOMobile at Riverside Correctional Facility	N/A	1520074-01	7/1/16-6/30/17	127,506	-
<b>TOTAL CITY AWARDS</b>				<u>339,571</u>	<u>-</u>
<b>TOTAL FEDERAL, STATE AND CITY AWARDS</b>				<u>\$ 7,474,299</u>	<u>\$ 201,748</u>

See accompanying notes

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# MATERNITY CARE COALITION

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS

June 30, 2017

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### (1) GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state and city awards presents the activities in all federal, state and city award programs of Maternity Care Coalition. All financial assistance received directly from federal agencies, as well as financial awards passed through other governmental and nonprofit agencies, are presented on the schedule of expenditures of federal, state and city awards. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### (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 allowable or are limited to reimbursement. Maternity Care Coalition has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

### (3) RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal, state and city awards expenditures are reported on the statements of activities as expenses. Amounts required to be reported on the schedule of expenditures of federal, state and city awards may differ from expenses reported in the basic financial statements due to presentation differences.

**MATERNITY CARE COALITION**

***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

**June 30, 2017**

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There were no audit findings for the year ended June 30, 2016.

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**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**

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Maternity Care Coalition  
Philadelphia, Pennsylvania**

We have audited, in accordance with U.S. generally accepted auditing standards 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 Maternity Care Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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 , 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Maternity Care Coalition's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maternity Care Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Maternity Care 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 combinations of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Maternity Care 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 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:**

This 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 Maternity Care 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 Maternity Care Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Philadelphia, Pennsylvania  
, 2017

Draft - 11/1/17 - Subject to Change



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Maternity Care Coalition  
Philadelphia, Pennsylvania**

**Report on Compliance for Each Major Federal Program**

We have audited Maternity Care Coalition's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Maternity Care Coalition's major federal programs for the year ended June 30, 2017. Maternity Care Coalition's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Maternity Care Coalition's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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* (the "**Uniform Guidance**") and the *City of Philadelphia Subrecipient Audit Guide*. Those standards, the Uniform Guidance and the *City of Philadelphia Subrecipient Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Maternity Care Coalition's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Maternity Care Coalition's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Maternity Care 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 program for the year ended June 30, 2017.



## **Report on Internal Control Over Compliance**

Management of Maternity Care Coalition is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Maternity Care Coalition's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Maternity Care Coalition's internal control over compliance.

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

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

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

**Philadelphia, Pennsylvania**  
**, 2017**

# **MATERNITY CARE COALITION**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended June 30, 2017**

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### **SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Maternity Care Coalition were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of Maternity Care Coalition were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the report on compliance for the major federal program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance.
7. The program tested as a major program includes:  
    Head Start Program – CFDA Number 93.600
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Maternity Care Coalition qualified as a low-risk auditee.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

None

### **FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None