

Maternity Care Coalition

Financial Statements
Year Ended June 30, 2018



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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, 2018, 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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 23, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, 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, 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**"), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 December 18, 2018, 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.

BBD, LLP.

**Philadelphia, Pennsylvania
December 18, 2018**

MATERNITY CARE COALITION

STATEMENT OF FINANCIAL POSITION

June 30, 2018 with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 1,714,546	\$ 1,955,771
Grants and contracts receivable	1,116,087	1,101,333
Contributions receivable	294,089	-
Prepaid expenses and other assets	220,563	211,776
Property and equipment, net	342,319	385,280
Deposits	<u>73,239</u>	<u>71,894</u>
Total assets	<u>\$ 3,760,843</u>	<u>\$ 3,726,054</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 414,274	\$ 581,706
Refundable advances	<u>218,877</u>	<u>62,697</u>
Total liabilities	<u>633,151</u>	<u>644,403</u>
NET ASSETS		
Unrestricted	1,628,368	1,917,844
Temporarily restricted	<u>1,499,324</u>	<u>1,163,807</u>
Total net assets	<u>3,127,692</u>	<u>3,081,651</u>
Total liabilities and net assets	<u>\$ 3,760,843</u>	<u>\$ 3,726,054</u>

See accompanying notes

MATERNITY CARE COALITION

STATEMENT OF ACTIVITIES

Year ended June 30, 2018 with comparative totals for 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>2018</u>	<u>2017</u>
REVENUE AND SUPPORT				
Grants and contracts	\$ 7,776,318	\$ 2,052,700	\$ 9,829,018	\$ 10,494,503
Contributions	500,397	294,089	794,486	954,139
In-kind contributions	65,051	-	65,051	365,465
Interest and other income	155,781	-	155,781	89,797
	8,497,547	2,346,789	10,844,336	11,903,904
Net assets released from restrictions	2,011,272	(2,011,272)	-	-
Total revenue and support	<u>10,508,819</u>	<u>335,517</u>	<u>10,844,336</u>	<u>11,903,904</u>
EXPENSES				
Program services				
MOMobile®	3,472,434	-	3,472,434	3,735,570
Early Head Start	4,003,504	-	4,003,504	5,922,299
Cribs for Kids	476,689	-	476,689	470,645
Other programs	1,340,910	-	1,340,910	137,735
Total program services	<u>9,293,537</u>	<u>-</u>	<u>9,293,537</u>	<u>10,266,249</u>
Supporting services				
Management and general	966,648	-	966,648	840,612
Fundraising	538,110	-	538,110	208,639
Total supporting services	<u>1,504,758</u>	<u>-</u>	<u>1,504,758</u>	<u>1,049,251</u>
Total expenses	<u>10,798,295</u>	<u>-</u>	<u>10,798,295</u>	<u>11,315,500</u>
CHANGE IN NET ASSETS	(289,476)	335,517	46,041	588,404
NET ASSETS				
Beginning of year	1,917,844	1,163,807	3,081,651	2,493,247
End of year	<u>\$ 1,628,368</u>	<u>\$ 1,499,324</u>	<u>\$ 3,127,692</u>	<u>\$ 3,081,651</u>

See accompanying notes

MATERNITY CARE COALITION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2018 with comparative totals for 2017

	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	2018	2017
	Salaries	\$ 2,043,153	\$ 2,012,506	\$ 214,121	\$ 791,548	\$ 5,061,328	\$ 572,746	\$ 282,296	\$ 855,042	\$ 5,916,370
Payroll taxes and employee benefits	482,313	584,570	46,517	167,289	1,280,689	112,362	58,002	170,364	1,451,053	1,400,330
Total salaries and related expenses	2,525,466	2,597,076	260,638	958,837	6,342,017	685,108	340,298	1,025,406	7,367,423	6,709,450
Professional fees and outside services	179,839	498,781	13,177	114,260	806,057	183,056	23,245	206,301	1,012,358	1,540,162
Office supplies	22,016	19,112	1,928	14,103	57,159	5,841	2,162	8,003	65,162	64,944
Telephone	59,352	50,459	4,434	19,949	134,194	4,212	577	4,789	138,983	116,936
Staff development	29,437	52,651	3,919	13,349	99,356	6,597	748	7,345	106,701	105,317
Postage	5,136	5,385	307	1,962	12,790	1,578	8,510	10,088	22,878	14,070
Rent and utilities	277,496	439,926	30,882	55,003	803,307	31,463	-	31,463	834,770	725,693
Printing and publications	25,950	18,465	2,022	9,345	55,782	4,752	8,491	13,243	69,025	53,821
Travel and vehicle	182,323	50,359	13,906	30,675	277,263	3,323	1,952	5,275	282,538	266,415
Program supplies and materials	23,100	120,616	129,097	16,674	289,487	1,143	967	2,110	291,597	864,521
Insurance	52,976	33,640	4,184	9,444	100,244	200	-	200	100,444	94,191
Meetings and special events	19,748	11,622	2,110	20,039	53,519	7,146	53,359	60,505	114,024	101,377
In-kind professional fees and outside services	16,190	20,957	536	4,585	42,268	14,747	-	14,747	57,015	232,597
In-kind rent	-	-	-	-	-	-	-	-	-	132,975
In-kind supplies	-	8,036	-	-	8,036	-	-	-	8,036	-
Other	51,905	39,923	4,584	72,685	169,097	17,482	97,801	115,283	284,380	212,698
Depreciation	1,500	36,496	4,965	-	42,961	-	-	-	42,961	80,333
Total other expenses	946,968	1,406,428	216,051	382,073	2,951,520	281,540	197,812	479,352	3,430,872	4,606,050
Total expenses	\$ 3,472,434	\$ 4,003,504	\$ 476,689	\$ 1,340,910	\$ 9,293,537	\$ 966,648	\$ 538,110	\$ 1,504,758	\$ 10,798,295	\$ 11,315,500

See accompanying notes

MATERNITY CARE COALITION

STATEMENT OF CASH FLOWS

Year ended June 30, 2018 with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 46,041	\$ 588,404
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	42,961	80,333
(Increase) decrease in		
Grants and contracts receivable	(14,754)	1,478,442
Contributions receivable	(294,089)	-
Prepaid expenses and other assets	(8,787)	(211,776)
Contribution of property and equipment from merger	-	(210,000)
Deposits	(1,345)	(4,054)
Increase (decrease) in		
Accounts payable and accrued expenses	(167,432)	101,793
Refundable advances	156,180	(1,270,630)
Net cash provided by (used for) operating activities	<u>(241,225)</u>	<u>552,512</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(61,117)</u>
Net increase (decrease) in cash	(241,225)	491,395
CASH		
Beginning of year	<u>1,955,771</u>	<u>1,464,376</u>
End of year	<u>\$ 1,714,546</u>	<u>\$ 1,955,771</u>

See accompanying notes

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

(1) NATURE OF OPERATIONS

At Maternity Care Coalition ("**MCC**") we strive to create a world where each child is welcomed, each person is nurtured and achieves one's own full potential, parents and caregivers are empowered to care for themselves and their children and where communities understand and act upon the imperative to provide systematic support. MCC is a nonprofit organization founded in 1980 with the mission to improve the health and wellbeing of pregnant women and parenting families, and enhance school readiness for children 0-3. All of MCC's work, whether direct service, advocacy, research or capacity building, supports our vision of empowerment and equity for all women, children and families.

MCC works primarily with 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 has eleven sites across Philadelphia, Montgomery, Delaware and Bucks counties. MCC's Advocates (direct service staff members) provide home visiting services to at-risk families, employing an outreach strategy built on mutual trust, respect and language/cultural competency.

The MOMobile® 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® sites offer the evidence-based Healthy Families America program and the federally funded Healthy Start program.

The 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.

The Cribs for Kids program educates parents about safe sleep practices and provides portable cribs for those who cannot afford one.

The ELECT program provides prenatal, parenting, life-skills and prevention education to teens and young adults ages 13-26 through ELECT Teen Parenting and Community Education programs.

The organization is directed by Marianne Fray, MBA, IOM, CAE whose expertise lies in building relationships and coalitions that strengthen communities and drive growth. 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.

(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.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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.

Temporarily restricted net assets

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of 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, 2018.

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, 2017, 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.

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.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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.

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, 2018 and 2017 amounted to \$169,300 and \$359,998, 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.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Concentration of Revenue

MCC received 41% and 42% of its total revenue and support from the U.S. Department of Health and Human Services for the years ended June 30, 2018 and 2017, respectively.

(3) GRANTS AND CONTRACTS RECEIVABLE

MCC had the following grants and contracts receivable:

	<u>2018</u>	<u>2017</u>
Aetna Better Health	\$ -	\$ 15,315
Albert Einstein Healthcare Network	53,000	54,000
Amerihealth Caritas Keystone First	-	80,890
Bucks County – Healthy Families America	7,116	8,373
Bucks County – Office of Children and Youth Services	11,627	-
County of Delaware, Office of Children and Youth Services	2,831	1,899
City of Philadelphia – Department of Human Services (Safe Sleep/Cribs for Kids)	35,222	66,851
City of Philadelphia – Department of Human Services (HFA)	42,568	68,173
City of Philadelphia – Department of Human Services (Other Programs)	46,193	-
City of Philadelphia, Prison System	20,840	62,456
Health Partners Plan	26,325	-
Jefferson	32,536	-
Keystone First	16,100	-
Keystone Mercy Health Plan	11,490	-
Merck for Mothers	300,000	-
Other sources	16,099	36,747
PA OCDEL – MIECHV	91,693	129,672
Philadelphia Foundation	-	50,000
Temple University – Early Learning & Center for Excellence	29,167	57,515
United Way of Bucks County	-	29,167
University of Pennsylvania	35,962	72,876
US Dept. of Agriculture-State of Pennsylvania CACFP Grant	9,665	9,994
US Dept. of Health and Human Services – Healthy Start	241,594	222,825
US Dept. of Health and Human Services – Early Head Start	86,059	134,580
	<u>\$1,116,087</u>	<u>\$1,101,333</u>

(4) CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2018 are expected to be collected as follows:

	<u>2018</u>
Less than one year	\$120,032
One to five years	<u>174,057</u>
	<u>\$294,089</u>

Pledges receivable are measured at fair value using the income approach using level 2 (other significant observable inputs) valuation inputs. Discount on the present value of the pledges receivable is immaterial.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

(5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 87,912	\$ 87,912
Building	210,000	210,000
Leasehold improvements	268,081	304,140
Furniture and equipment	<u>528,743</u>	<u>768,459</u>
	1,094,736	1,370,511
Less accumulated depreciation	<u>752,417</u>	<u>985,231</u>
	<u>\$ 342,319</u>	<u>\$ 385,280</u>

(6) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	<u>June 30,</u> <u>2017</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30,</u> <u>2018</u>
Cribs for Kids	\$ 12,500	\$ -	\$ (12,500)	\$ -
Early Head Start	18,529	411,500	(350,237)	79,792
Safe Start/Merck for Mothers	266,753	750,000	(341,754)	674,999
MOMobile®	322,440	246,700	(465,710)	103,430
Other programs	310,109	424,500	(452,376)	282,223
Time restrictions	<u>233,476</u>	<u>514,089</u>	<u>(388,695)</u>	<u>358,870</u>
	<u>\$1,163,807</u>	<u>\$2,346,789</u>	<u>\$(2,011,272)</u>	<u>\$1,499,324</u>

(7) LEASES

MCC leases space in various facilities, vehicles and office equipment under operating leases expiring at various times through November 2021. Scheduled future minimum rentals under these leases are as follows:

Year ending June 30,

2019	\$ 747,758
2020	573,909
2021	485,001
2022	<u>219,122</u>
	<u>\$2,025,790</u>

Rental expense under the leases was \$830,439 and \$692,562 for the years ended June 30, 2018 and 2017, respectively.

MCC also received donated rental space for its program sites during the year June 30, 2017 for \$132,975.

(8) 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, 2018 and 2017, employer contributions to the plan were \$47,922 and \$39,751, respectively.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

(9) LINE OF CREDIT

MCC has an \$800,000 bank line of credit which is to mature on August 30, 2019. The line bears interest at the prime rate (5.0% at June 30, 2018). There were no advances outstanding on the line at June 30, 2018.

(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2018, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2018 that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

MATERNITY CARE COALITION

SCHEDULE OF GRANTS, CONTRACTS AND CONTRIBUTIONS

June 30, 2018 with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
GRANTS AND CONTRACTS		
Aetna Better Health	\$ 125,470	\$ 163,365
The Barra Foundation	25,000	25,000
Beneficial Foundation	2,500	-
Bucks County Children and Youth	109,855	66,415
CHG Charitable Trust	55,000	75,000
City of Philadelphia - Department of Human Services (Safe Sleep/Cribs for Kids)	380,100	401,112
City of Philadelphia, Prison System	125,054	127,506
City of Philadelphia, Department of Human Services (HFA)	364,040	409,041
City of Philadelphia, Department of Human Services (Breastfeeding)	30,000	30,000
Claneil Foundation, Inc.	10,000	10,000
County of Delaware, Office of Children and Youth Services	-	4,074
Dolfinger-McMahon Foundation	3,500	3,500
Einstein Healthcare Network	53,000	54,000
First Hospital Foundation	30,000	30,000
Foundations Community Partnership	7,500	-
Genuardi Family Foundation	5,000	5,000
Green Tree Community Health Foundation	20,000	20,000
Hassel Foundation	12,500	-
Health Partners Plan	100,913	-
Health Spark Foundation	6,200	-
Helen D. Groome Beatty Trust	-	30,000
Hess Foundation	100,000	100,000
Independence Blue Cross Foundation	-	10,000
Jefferson	32,536	8,000
Keystone First	156,023	181,070
Keystone Mercy Health Plan	98,550	-
The Edna G. Kynett Memorial Foundation	30,000	45,000
Lincoln Financial Foundation	-	15,000
Merck for Mothers	750,000	-
Montgomery County Youth Center	2,200	-
Neshaminy School District (ELECT program)	295,200	-
Non-Profit Repositioning Fund	15,000	20,000
North Penn United Way	-	60,000
November Fund	10,000	-
Other	51,639	9,693
PA Chapter, American Academy of Pediatrics	24,000	24,000
PA OCDEL BCIU - Early Head Start	50,468	1,647,720
PA OCDEL - MIECHV	<u>733,625</u>	<u>713,901</u>
Subtotal, carried forward	3,814,873	4,288,397

MATERNITY CARE COALITION

SCHEDULE OF GRANTS, CONTRACTS AND CONTRIBUTIONS

June 30, 2018 with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
GRANTS AND CONTRACTS (Continued)		
Pennsylvania Department of Human Services - Children's Trust Fund	\$ 64,615	\$ 40,988
Pennsylvania Health Network	22,500	-
Philadelphia Foundation	300,000	325,000
PHMC-DHS Parenting Collaborative	100,176	100,176
PNC Foundation	-	15,000
Pottstown Health and Wellness Foundation	50,000	40,000
St. Mary's Hospital/Trinity	30,000	-
Temple University	75,833	77,515
Tioga Foundation	50,000	50,000
North Penn United Way	60,080	-
United Way of Greater Philadelphia and Southern New Jersey	47,591	52,000
University of Pennsylvania Center of Excellence	32,500	-
US Dept of Agriculture-State of Pennsylvania CACFP Grant	51,709	51,328
US Dept of Health and Human Services - Early Head Start	3,674,322	4,116,108
US Dept of Health and Human Services - Healthy Start	720,321	677,992
Vanguard Foundation	127,000	275,000
VNA Foundation of Greater North Penn	15,000	15,000
W.K. Kellogg Foundation	174,998	174,999
W. W. Smith Charitable Trust	40,000	-
Wells Fargo Foundation	10,000	10,000
Western Association of Ladies for Relief and Employment for the Poor	5,000	-
William Penn Foundation	337,500	150,000
Will and Jada Smith Family Foundation	<u>25,000</u>	<u>35,000</u>
Total grants and contracts	<u>\$ 9,829,018</u>	<u>\$ 10,494,503</u>
CONTRIBUTIONS		
Corporations	\$ 102,318	\$ 87,650
CHC merger	-	522,124
Individuals	392,679	339,815
Pledges	294,089	-
Religious and Services Organizations/Communities of Faith	<u>5,400</u>	<u>4,550</u>
Total contributions	<u>\$ 794,486</u>	<u>\$ 954,139</u>

MATERNITY CARE COALITION

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS

Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grant Number	Grant Period	Expenditures
Federal Awards				
<u>U.S. Department of Health and Human Services</u>				
<u>Pass Through Neshaminy School District</u>				
Temporary Assistance for Needy Families	93.558	need	7/1/17-6/30/18	\$ 295,200
<u>Direct - Administration for Children and Families</u>				
Head Start	93.600	N/A	2/1/17-1/31/18	2,040,860
Head Start	93.600	N/A	2/1/18-1/31/19	1,633,462
<u>Pass Through Commonwealth of Pennsylvania Department of Human Services, Office of Early Learning and Child Development, Berks County Intermediate Unit</u>				
Head Start	93.600	LOA#EHS-CCP7	4/1/17-3/31/18	<u>50,468</u>
Total CFDA 93.600				<u>3,724,790</u>
<u>Direct - Health Resources and Services Administration</u>				
Healthy Start Initiative	93.926	N/A	4/1/17-3/31/18	457,425
Healthy Start Initiative	93.926	N/A	4/1/18-3/31/19	<u>262,896</u>
Total CFDA 93.926				<u>720,321</u>
<u>Pass Through Commonwealth of Pennsylvania Department of Human Services, Office of Early Learning and Child Development</u>				
Maternal, Infant, and Early Childhood Home Visiting Grant Program (MIECHV)	93.870	125068	7/1/17-6/30/18	<u>733,625</u>

Note: There were no awards passed through to subrecipients

See accompanying notes

MATERNITY CARE COALITION

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS

Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenditures
<u>U.S. Department of Agriculture</u>				
<u>Pass Through University of Pennsylvania</u>				
Maternal and Child Health Services Block Grant to States	93.994	571427	7/1/17-6/30/18	<u>113,400</u>
<u>Pass Through Commonwealth of Pennsylvania, Department of Education</u>				
Child and Adult Care Food Program	10.558	361517383	10/1/17-9/30/18	<u>51,708</u>
Total U.S. Department of Agriculture and Commonwealth of Pennsylvania Department of Education				<u>51,708</u>
TOTAL FEDERAL AWARDS				<u>5,639,044</u>
State Awards				
<u>Commonwealth of Pennsylvania, Department of Human Services</u>				
<u>Pass Through Children's Trust Fund</u>	N/A	4100057441	11/1/17-10/31/18	<u>64,615</u>
<u>Pass Through City of Philadelphia, Department of Human Services</u>				
Cribs for Kids Program	N/A	17-20324	7/1/17-6/30/18	304,080
Healthy Families America	N/A	17-20324	7/1/17-6/30/18	<u>291,232</u>
				<u>595,312</u>
<u>City of Philadelphia, Department of Human Services</u>				
<u>Pass Through Public Health Management Corporation</u>				
Parenting Collaborative	N/A	N/A	7/1/17-6/30/18	<u>80,141</u>
TOTAL STATE AWARDS				<u>740,068</u>

Note: There were no awards passed through to subrecipients

See accompanying notes

MATERNITY CARE COALITION

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS

Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenditures
City Awards				
City of Philadelphia, Department of Human Services				
Direct Award				
Cribs for Kids Program	N/A	17-20324	7/1/17-6/30/18	76,020
Healthy Families America	N/A	17-20324	7/1/17-6/30/18	72,808
				<u>148,828</u>
City of Philadelphia, Department of Public Health				
Direct Award				
Breastfeeding	N/A	N/A	7/1/17-6/30/18	<u>30,000</u>
City of Philadelphia, Department of Human Services				
Pass-Through Public Health Management Corporation				
Parenting Collaborative	N/A	N/A	7/1/17-6/30/18	<u>20,035</u>
City of Philadelphia, Prison System Department				
MOMobile at Riverside Correctional Facility	N/A	1520074-01	7/1/17-6/30/18	<u>125,054</u>
TOTAL CITY AWARDS				<u>323,917</u>
TOTAL FEDERAL, STATE AND CITY AWARDS				<u>\$ 6,703,029</u>

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Note: There were no awards passed through to subrecipients

See accompanying notes

MATERNITY CARE COALITION

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

June 30, 2018

(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.

(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.

(4) INDIRECT COSTS

Maternity Care Coalition has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

MATERNITY CARE COALITION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2018

There were no audit findings for the year ended June 30, 2017.



**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, 2018, 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 December 18, 2018.

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.

BBD, LLP.

**Philadelphia, Pennsylvania
December 18, 2018**



**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, 2018. 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 programs for the year ended June 30, 2018.

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.

BBD, LLP.

**Philadelphia, Pennsylvania
December 18, 2018**

MATERNITY CARE COALITION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2018

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 programs 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
 - Healthy Start Initiative – CFDA Number 93.926
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