

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT

YEARS ENDED SEPTEMBER 30, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Healthy Mothers-Healthy Babies
Coalition of Broward County, Inc.

Opinion

We have audited the accompanying financial statements of Healthy Mothers-Healthy Babies Coalition of Broward County, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

In performing an audit in accordance with generally accepted auditing standards, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sullivan & Fengler

Sullivan & Fengler
Fort Lauderdale, Florida
(DATE)

FINANCIAL STATEMENTS

**HEALTHY MOTHERS - HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2022 and 2021**

ASSETS

	2022	2021
Cash and cash equivalents (Note B)	\$ 326,297	\$ 257,600
Grants receivable	220,168	229,282
Other receivables	300	1,965
Investment - certificate of deposit (Note G)	26,333	26,338
Prepaid expenses	17,558	6,270
Deposits	10,496	10,496
Property and equipment (less accumulated depreciation of \$112,654 and \$102,565 for 2022 and 2021, respectively) (Note C)	36,510	35,631
TOTAL ASSETS	\$ 637,662	\$ 567,582

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 47,796	\$ 44,936
TOTAL LIABILITIES	47,796	44,936
Net Assets:		
Without donor restrictions	468,731	434,750
With donor restrictions (Note F)	121,135	87,896
TOTAL NET ASSETS	589,866	522,646
TOTAL LIABILITIES AND NET ASSETS	\$ 637,662	\$ 567,582

The accompanying notes are an integral part of these financial statements.

**HEALTHY MOTHERS - HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Education services	\$ 1,852	\$ -	\$ 1,852
Grants and contracts	1,348,871	243,872	1,592,743
Contributions	53,155	-	53,155
In-kind revenue (Note B)	158,073	-	158,073
Interest income	563	-	563
Gross special event revenue	181,302	-	181,302
Net assets released from restrictions	210,633	(210,633)	-
Total revenue and support	<u>1,954,449</u>	<u>33,239</u>	<u>1,987,688</u>
 Expenses:			
Program service expenses	<u>1,621,847</u>	<u>-</u>	<u>1,621,847</u>
 Supporting service expenses:			
Management and general	160,351	-	160,351
Fundraising and development	138,270	-	138,270
Total supporting services expenses	<u>298,621</u>	<u>-</u>	<u>298,621</u>
Total expenses	<u>1,920,468</u>	<u>-</u>	<u>1,920,468</u>
 Change in Net Assets	 33,981	 33,239	 67,220
 Net Assets, Beginning of Year	 <u>434,750</u>	 <u>87,896</u>	 <u>522,646</u>
Net Assets, End of Year	<u>\$ 468,731</u>	<u>\$ 121,135</u>	<u>\$ 589,866</u>

The accompanying notes are an integral part of these financial statements.

**HEALTHY MOTHERS - HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**
STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Education services	\$ 950	\$ -	\$ 950
Grants and contracts	1,238,005	87,560	1,325,565
Contributions	49,140	-	49,140
In-kind revenue (Note B)	258,595	-	258,595
Interest income	282	-	282
Gross special event revenue	115,869	-	115,869
Net assets released from restrictions	<u>378,953</u>	<u>(378,953)</u>	<u>-</u>
Total revenue and support	<u>2,041,794</u>	<u>(291,393)</u>	<u>1,750,401</u>
 Expenses:			
Program service expenses	<u>1,797,729</u>	<u>-</u>	<u>1,797,729</u>
 Supporting service expenses:			
Management and general	115,975	-	115,975
Fundraising and development	<u>88,603</u>	<u>-</u>	<u>88,603</u>
Total supporting services expenses	<u>204,578</u>	<u>-</u>	<u>204,578</u>
Total expenses	<u>2,002,307</u>	<u>-</u>	<u>2,002,307</u>
 Change in Net Assets	39,487	(291,393)	(251,906)
 Net Assets, Beginning of Year	<u>395,263</u>	<u>379,289</u>	<u>774,552</u>
Net Assets, End of Year	<u>\$ 434,750</u>	<u>\$ 87,896</u>	<u>\$ 522,646</u>

The accompanying notes are an integral part of these financial statements.

HEALTHY MOTHERS - HEALTHY BABIES
 COALITION OF BROWARD COUNTY, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended September 30, 2022

	PROGRAM SERVICES					SUPPORTING SERVICES			
	Prenatal Infant Health Programs	Community Awareness	Fetal Infant Mortality Programs	Mental Health Programs	Total Program Expenses	Management and General	Fundraising	Total Supporting Expenses	Total
Salaries/taxes/benefits	\$ 350,120	\$ 28,969	\$ 350,990	\$ 451,932	\$ 1,182,011	\$ 93,775	\$ 69,969	\$ 163,744	\$ 1,345,755
Client services/items	23,455	-	1,013	6,806	31,274	2,553	-	2,553	33,827
Contractors/professional fees	23,597	-	34,214	-	57,811	23,998	8,635	32,633	90,444
Dues and subscriptions	3,108	-	4,778	4,546	12,432	6,025	-	6,025	18,457
Insurance	1,376	-	5,270	7,858	14,504	-	-	-	14,504
Office supplies	2,077	57	1,567	2,010	5,711	9,359	4,916	14,275	19,986
Meetings/conferences	-	-	-	-	-	-	1,208	1,208	1,208
Postage and delivery	277	-	38	371	686	26	-	26	712
Printing	1,449	1,539	662	862	4,512	235	-	235	4,747
Program materials	394	-	6,479	4,194	11,067	2,617	-	2,617	13,684
Promotional items/clients	61,896	-	57,577	78,937	198,410	-	-	-	198,410
Occupancy	21,164	2,450	16,901	30,952	71,467	17,348	-	17,348	88,815
Special events	-	4,020	-	-	4,020	-	52,809	52,809	56,829
Telephone	5,459	-	2,414	2,898	10,771	663	-	663	11,434
Training	105	-	-	2,619	2,724	2,904	-	2,904	5,628
Travel	3,630	-	605	1,513	5,748	-	-	-	5,748
Total expense before depreciation	498,107	37,035	482,508	595,498	1,613,148	159,503	137,537	297,040	1,910,188
Depreciation	2,697	178	2,608	3,216	8,699	848	733	1,581	10,280
Total	\$ 500,804	\$ 37,213	\$ 485,116	\$ 598,714	\$ 1,621,847	\$ 160,351	\$ 138,270	\$ 298,621	\$ 1,920,468
					84.5%	8.3%	7.2%		

The accompanying notes are an integral part of these financial statements.

HEALTHY MOTHERS - HEALTHY BABIES
 COALITION OF BROWARD COUNTY, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended September 30, 2021

	PROGRAM SERVICES				SUPPORTING SERVICES			Total
	Prenatal Health Programs	Infant Mortality Programs	Fetal Infant Mortality Programs	Mental Health Programs	Total Program Expenses	Management and General	Fundraising	
Salaries/taxes/benefits	\$ 386,738	\$ 427,597	\$ 456,414	\$ 1,270,749	\$ 71,173	\$ 56,773	\$ 127,946	\$ 1,398,695
Client services/items	152,923	7,424	5,357	165,704	-	-	-	165,704
Community awareness	2,049	2,716	2,257	7,022	897	-	897	7,919
Contractors/professional fees	5,754	20,235	964	26,953	18,506	-	18,506	45,459
Dues and subscriptions	2,219	3,636	2,847	8,702	4,981	-	4,981	13,683
Insurance	4,726	4,245	5,121	14,092	-	-	-	14,092
Office supplies	3,772	2,782	2,732	9,286	3,152	-	3,152	12,438
Postage and delivery	783	65	571	1,419	70	-	70	1,489
Printing	1,548	2,890	2,328	6,766	75	-	75	6,841
Program materials	3,372	1,556	1,039	5,967	-	-	-	5,967
Promotional items/clients	101,791	10,346	5,136	117,273	-	-	-	117,273
Occupancy	39,364	52,296	45,755	137,415	12,344	-	12,344	149,759
Special events	-	-	-	-	-	31,778	31,778	31,778
Telephone	5,504	5,332	3,910	14,746	4,239	-	4,239	18,985
Training	1,106	207	2,342	3,655	-	-	-	3,655
Travel	1,218	413	1,274	2,905	4	-	4	2,909
Total expense before depreciation	712,867	541,740	538,047	1,792,654	115,441	88,551	203,992	1,996,646
Depreciation	1,751	1,721	1,603	5,075	534	52	586	5,661
Total	<u>\$ 714,618</u>	<u>\$ 543,461</u>	<u>\$ 539,650</u>	<u>\$ 1,797,729</u>	<u>\$ 115,975</u>	<u>\$ 88,603</u>	<u>\$ 204,578</u>	<u>\$ 2,002,307</u>
				89.8%	5.8%	4.4%		

The accompanying notes are an integral part of these financial statements.

**HEALTHY MOTHERS - HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM (TO) OPERATING ACTIVITIES		
Change in net assets	\$ 67,220	\$ (251,906)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,280	5,661
(Increase) decrease in operating assets:		
Grants receivable	9,114	(26,165)
Other receivables	1,665	(1,915)
Prepaid expenses	(11,288)	3,753
Deposits	-	1,718
Increase (decrease) in operating liabilities:		
Deferred revenue	2,860	(30,001)
Accounts payable and accrued expenses	-	(22,350)
Net assets (used) provided by operating activities	79,851	(321,205)
 CASH FLOWS FROM (TO) INVESTING ACTIVITIES		
Sale of investment	26,338	26,065
Purchase of investment	(26,333)	(26,338)
Purchase of property and equipment	(11,159)	(40,573)
Net assets used by investing activities	(11,154)	(40,846)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	68,697	(362,051)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	257,600	619,651
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 326,297	\$ 257,600

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

Note A - Nature of Activities

Healthy Mothers-Healthy Babies (the “Organization” or “HMHB”) is dedicated to strengthening families and improving birth outcomes in the underserved communities within Broward County through comprehensive programs, education and access to vital support services. The organization serves all families of Broward County but focuses primarily on those unable to afford private care. Service is accomplished through the following programs:

Healthy Families

Healthy Families, funded by the Broward Regional Health Planning Council, provides services to pregnant or parenting families at high risk for child neglect and/or abuse. Family support workers assist families to improve all parent-child interactions and gain self-sufficiency and access to necessary health care and support services.

Mothers Overcoming Maternal Stress (M.O.M.S.)

M.O.M.S., funded by the Children’s Services Council, is a voluntary home visiting program for women who are pregnant or have a child under the age of one living in Broward County. The M.O.M.S. program provides counseling, parenting education, case management services, and support groups to women who are experiencing depression, anxiety, and difficulty bonding with the baby during pregnancy and postpartum. Services are provided in English, Spanish, and Creole.

Mahogany

The Mahogany Project, funded by Broward County Community Partnerships Division, is a health education program targeting high-risk pregnant women in the 33311, 33309, 33313, 33319, and 33068 zip codes. Mothers learn how to monitor and improve their health. They also learn how to care for and maintain the health of their baby through parenting education. Mahogany clients are also connected with community resources to meet their family’s needs.

Community Outreach

HMHB is available to all families or individuals seeking either prenatal and/or parenting services. Trained outreach specialists field calls and provide referrals to appropriate community providers. Outreach to families and individuals is accomplished through health fairs, links with community providers and outreach campaigns.

Emergency Basic Needs Program

The Emergency Basic Needs program, funded by the United Way of Broward, The Batchelor Foundation, and Holman Enterprises, provides emergency financial services in a one-stop process that helps individuals and families in crisis to meet their emergency and short-term basic needs at one location. Families also receive navigation to other resources. Families and individuals may receive a voucher for food, rent/housing, utility assistance, and/or other basic necessities. The program will work to ensure that all clients who apply for assistance receive navigation and follow up to additional services as needed, to not just meet immediate needs, but assist in creating long term sustainability.

Forget Me Not®

Forget Me Not program, provides ongoing bereavement support through individual peer counseling and/or the monthly Healing Your Heart support group. The annual Forget Me Not event is held each October. Forget Me Not is fully funded through private donations and helps to remember the babies who have been lost, but are not forgotten.

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

Note A - Nature of Activities - continued

Closing the Gap

Closing the Gap is funded by the Florida Department of Health, provides HIV/AIDS education, testing, public service announcements, and referral service to eligible minorities (African/Caribbean Americans, Hispanic/Latino, Asian, and/or American Indians) between the ages of 11 and 65. The purpose of the program is to reduce racial and ethnic health inequalities pertaining to HIV/AIDS and maternal/infant mortality within Broward County.

Direct On-Scene Education (D.O.S.E.)

D.O.S.E. is a cutting-edge approach to saving babies. Fire Rescue first responders and Child Protection Investigators trained in D.O.S.E. identify unsafe sleep conditions when in the home to educate parents and provide safe cribs.

Fatherhood Mentorship Program

The Fatherhood Mentorship Program, funded by the Jim Moran Foundation, connects fathers with the needed mentor support, tools, and resources to strengthen their families. Through both group and individual education, this community based program assists fathers in developing the attitudes, knowledge, and skills that are needed to become and stay engaged with their children.

Moms4Wellness

Moms4Wellness, funded by the Florida Department of Health, is a program designed for at-risk Black/African American and Hispanic pregnant women to reduce gestational hypertension and diabetes. The program customizes exercises and activities for participants designed by a Certified Personal Trainer and a Certified Health Coach provides nutrition counseling and diet planning sessions. Participants also take part in cooking demonstrations, health education, health assessments, participants are assessed for social determinants of health concerns and receive needed referrals for care coordination and support.

Note B - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of Healthy Mothers-Healthy Babies Coalition of Broward County, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. These donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies - continued

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Grants

Grants are recognized as revenue in the period when the conditions on which they depend are substantially met.

See Note F for more information on the composition of net assets with donor restrictions.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities and other assets, an unconditional promise to give, or notification of the beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to five years. The Organization's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies – continued

Accounts and Grants Receivable

Accounts and grants receivable are carried at face amounts less an allowance for doubtful accounts. On a periodic basis, they are evaluated and an allowance for doubtful accounts is established based on a combination of specific customer circumstances, credit conditions and the history of write-offs and collections. No allowance was deemed necessary as of September 30, 2022 or 2021.

In-Kind Donations

The Organization received donated services, materials, and use of facilities of \$158,073 and \$258,595 for the years ended September 30, 2022 and 2021, respectively. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of activities and statements of functional expenses as follows:

	Year Ended September 30, 2022	Year Ended September 30, 2021
Occupancy	\$ 60,962	\$ 69,393
Community awareness	-	3,000
Contractors/Professional fees	263	1,263
Client services/items	96,848	184,939
	\$ 158,073	\$ 258,595

Volunteers have made significant contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Contractors/professional fees	Time and effort
Occupancy	Square footage
Depreciation	Full Time Equivalent
Printing	Full Time Equivalent
Travel	Time and effort
Training	Time and effort
Telephone	Time and effort

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**

Notes to Financial Statements
September 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies – continued

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. The Organization has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at September 30, 2022 or 2021; therefore, no adjustment was made to the Organization's financial statements.

Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Note C - Property and Equipment

Property and equipment consist of the following at September 30,

	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 74,419	\$ 70,155
Office equipment	27,895	27,895
Leasehold improvements	26,521	26,521
Furniture and fixtures	<u>20,329</u>	<u>13,625</u>
	149,164	138,196
Accumulated depreciation	<u>(112,654)</u>	<u>(102,565)</u>
	<u>\$ 36,510</u>	<u>\$ 35,631</u>

The aggregate depreciation charged to operations for equipment and furnishings was \$10,280 and \$5,661 for the years ending September 30, 2022 and 2021, respectively.

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**

Notes to Financial Statements
September 30, 2022 and 2021

Note D - Commitments and Contingencies

Paycheck Protection Program

Through a local financial institution, the Organization received \$310,306 from the U.S. Small Business Administration (“SBA”) as part of the Paycheck Protection Program (“PPP”), which is designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Organization has elected to account for the PPP funds in accordance with FASB’s ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*. Under this method the PPP funds were recorded as a refundable advance in the statement of financial position when it was received in May 2020. The Organization recognized approximately \$6,738 and \$303,568 during the years ended September 30, 2021 and 2020, respectively, in revenue (grants and contracts) as the related conditions were deemed substantially met by management. (See Note F). During the year ended September 30, 2021, the Organization received forgiveness for \$310,281, in accordance with the terms of this program.

Leases

Healthy Mothers-Healthy Babies Coalition of Broward County, Inc. has entered into an operating lease for office equipment. Rent expense on this operating lease was \$6,723 and 6,723 for the years ended September 30, 2022 and 2021, respectively.

In December 2020, the Organization entered into a commercial lease for the rental of office space. The lease is for a sixty-two-month term and commenced April 1, 2021, with rent commencing June 1, 2021. The first-year rent was \$5,250 monthly with payment increase on June 1, of the following years; 2022 \$5,355, 2023 \$5,462, 2024 \$5,571, and 2025 \$5,682. Rent expense was \$63,630 for the year ended September 30, 2022.

Following are future minimum lease payments as of September 30:

2023	\$	67,234
2024		68,528
2025		69,848
2026		46,735
2027		-
	\$	<u>252,345</u>

Grants and Awards

Amounts received from grantor agencies are subject to additional audit and adjustment by the grantor agency. As a result of such audits, the grantor may require that amounts be returned.

Funding agreements for services to be provided are entered into on an annual basis. The release of funds is subject to monies being made available by local governments.

**HEALTHY MOTHERS-HEALTHY BABIES
COALITION OF BROWARD COUNTY, INC.**

Notes to Financial Statements
September 30, 2022 and 2021

NOTE E - Uncertainties

Pandemic Risks and Uncertainties

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets are experiencing significant declines and creating economic uncertainties. At this time, it is unknown how this negative outlook will impact the Organization's financial statements. As described in Note D, the Organization entered into a Paycheck Protection Program loan through the Small Business Administration (SBA).

Note F - Net Assets With Donor Restrictions

The following is summary of the net assets with donor restrictions:

September 30, 2022:	Beginning Balance 9/30/2021	Contributions	Restriction Satisfied	Ending Balance 9/30/2022
Infant Mortality Research/Prevention	\$ 14,290	\$ 11,500	\$ 15,790	\$ 10,000
Administrative/Operations	48,560	70,000	100,265	18,295
Fatherhood Initiative	4,185	-	4,185	-
Daycare for working families	-	15,000	5,144	9,856
Baby Shower	-	50,000	26,978	23,022
Parental Infant Health	13,912	42,372	25,636	30,648
Get the Facts	-	55,000	32,635	22,365
Forget-Me-Not	6,949	-	-	6,949
	<u>\$ 87,896</u>	<u>\$ 243,872</u>	<u>\$ 210,633</u>	<u>\$ 121,135</u>

September 30, 2021:	Beginning Balance 9/30/2020	Contributions	Restriction Satisfied	Ending Balance 9/30/2021
Infant Mortality Research/Prevention	\$ 33,655	\$ 24,000	\$ 43,365	\$ 14,290
Administrative/Operations	40,410	48,560	40,410	48,560
Fatherhood Initiative	192,040	-	187,855	4,185
Parental Infant Health	99,372	15,000	100,460	13,912
PPP Payroll	6,738	-	6,738	-
Forget-Me-Not	7,074	-	125	6,949
	<u>\$ 379,289</u>	<u>\$ 87,560</u>	<u>\$ 378,953</u>	<u>\$ 87,896</u>

**HEALTHY MOTHERS-HEALTHY BABIES
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Notes to Financial Statements
September 30, 2022 and 2021

Note G - Other Investments - Certificates of Deposit

The Organization purchased a twelve-month certificate of deposit earning 0.1% interest. The certificate may incur penalties for early withdrawal of funds. It is the intent of the Organization to hold the investments until maturity.

Note H - Subsequent Events

The Organization has evaluated subsequent events through (DATE), which is the date the financial statements were available to be issued.

Note I - Liquidity and Availability of Resources

The Organization maintains a policy of operating within a prudent range of financial soundness and stability, structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due and operating within the annual approved budget. The Organization also received contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity on a monthly basis. The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 326,297	\$ 257,600
Grants receivable	220,168	229,282
Investment certificate of deposit	26,333	26,338
Other receivables	300	1,965
Total financial assets available within one year	573,098	515,185
Less:		
Amounts unavailable for general expenditures within one year: Restricted by donors with purpose/time restrictions	121,135	87,896
Total financial assets available to management within one year	\$ 451,963	\$ 427,289