

**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**

|  | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|
| 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) | <u>36,510</u>         | <u>35,631</u>         |
| <br>TOTAL ASSETS   | <br><u>\$ 637,662</u> | <br><u>\$ 567,582</u> |

**LIABILITIES AND NET ASSETS**

**Liabilities:**

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Accounts payable and accrued expenses | \$ 47,796         | \$ 44,936         |
| <br>TOTAL LIABILITIES                 | <br><u>47,796</u> | <br><u>44,936</u> |

**Net Assets:**

|                                      |                       |                       |
|--------------------------------------|-----------------------|-----------------------|
| Without donor restrictions           | 468,731               | 434,750               |
| With donor restrictions (Note F)     | 121,135               | 87,896                |
| <br>TOTAL NET ASSETS                 | <br><u>589,866</u>    | <br><u>522,646</u>    |
| <br>TOTAL LIABILITIES AND NET ASSETS | <br><u>\$ 637,662</u> | <br><u>\$ 567,582</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, 2022

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|---|---------------------------------------|------------------------------------|-------------------|
| <b>Revenue and Support:</b>               |                                       |                                    |                   |
| 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)                          | -                 |
| <b>Total revenue and support</b>          | <b>1,954,449</b>                      | <b>33,239</b>                      | <b>1,987,688</b>  |
| <b>Expenses:</b>                          |                                       |                                    |                   |
| Program service expenses                  | 1,621,847                             | -                                  | 1,621,847         |
| <b>Supporting service expenses:</b>       |                                       |                                    |                   |
| Management and general                    | 160,351                               | -                                  | 160,351           |
| Fundraising and development               | 138,270                               | -                                  | 138,270           |
| <b>Total supporting services expenses</b> | <b>298,621</b>                        | <b>-</b>                           | <b>298,621</b>    |
| <b>Total expenses</b>                     | <b>1,920,468</b>                      | <b>-</b>                           | <b>1,920,468</b>  |
| Change in Net Assets                      | 33,981                                | 33,239                             | 67,220            |
| <b>Net Assets, Beginning of Year</b>      | <b>434,750</b>                        | <b>87,896</b>                      | <b>522,646</b>    |
| <b>Net Assets, End of Year</b>            | <b>\$ 468,731</b>                     | <b>\$ 121,135</b>                  | <b>\$ 589,866</b> |

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<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|---|---------------------------------------|------------------------------------|-------------------|
| <b>Revenue and Support:</b>               |                                       |                                    |                   |
| 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     | 378,953                               | (378,953)                          | -                 |
| <b>Total revenue and support</b>          | <b>2,041,794</b>                      | <b>(291,393)</b>                   | <b>1,750,401</b>  |
| <b>Expenses:</b>                          |                                       |                                    |                   |
| Program service expenses                  | 1,797,729                             | -                                  | 1,797,729         |
| <b>Supporting service expenses:</b>       |                                       |                                    |                   |
| Management and general                    | 115,975                               | -                                  | 115,975           |
| Fundraising and development               | 88,603                                | -                                  | 88,603            |
| <b>Total supporting services expenses</b> | <b>204,578</b>                        | <b>-</b>                           | <b>204,578</b>    |
| <b>Total expenses</b>                     | <b>2,002,307</b>                      | <b>-</b>                           | <b>2,002,307</b>  |
| Change in Net Assets                      | 39,487                                | (291,393)                          | (251,906)         |
| <b>Net Assets, Beginning of Year</b>      | <b>395,263</b>                        | <b>379,289</b>                     | <b>774,552</b>    |
| <b>Net Assets, End of Year</b>            | <b>\$ 434,750</b>                     | <b>\$ 87,896</b>                   | <b>\$ 522,646</b> |

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    |                   |                           |                     | Total |
|-----------------------------------|--------------------------|---------------------------|---------------------|-------------------|-------------------|------------------------|------------------------|-------------------|---------------------------|---------------------|-------|
|                                   | Prenatal Health Programs | Infant Mortality Programs | Community Awareness | Fetal Mortality   | Infant Mortality  | Total Program Expenses | Management and General | Fundraising       | Total Supporting Expenses |                     |       |
|                                   |                          |                           |                     | Programs          | Programs          |                        |                        |                   |                           |                     |       |
| 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              |       |
| <b>Total</b>                      | <b>\$ 500,804</b>        | <b>\$ 37,213</b>          |                     | <b>\$ 485,116</b> | <b>\$ 598,714</b> | <b>\$ 1,621,847</b>    | <b>\$ 160,351</b>      | <b>\$ 138,270</b> | <b>\$ 298,621</b>         | <b>\$ 1,920,468</b> |       |
|                                   |                          |                           |                     |                   |                   |                        | 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 Supporting Expenses | Total |  |  |
|-----------------------------------|--------------------------|---------------------------|---------------------------------|---------------------|------------------------|------------------------|------------------|-------------------|---------------------------|-------|--|--|
|                                   | Prenatal Health Programs | Infant Mortality Programs | Fetal Infant Mortality Programs |                     | Total Program Expenses | Management and General | Fundraising      |                   |                           |       |  |  |
|                                   |                          |                           | Mental Health Programs          | Total               |                        |                        |                  |                   |                           |       |  |  |
| 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                 | 88,551           | 203,992           | 1,996,646                 |       |  |  |
| Depreciation                      | 1,751                    | 1,721                     | 1,603                           | 5,075               | 534                    | 52                     | 52               | 586               | 5,661                     |       |  |  |
| <b>Total</b>                      | <b>\$ 714,618</b>        | <b>\$ 543,461</b>         | <b>\$ 539,650</b>               | <b>\$ 1,797,729</b> | <b>\$ 115,975</b>      | <b>\$ 88,603</b>       | <b>\$ 88,603</b> | <b>\$ 204,578</b> | <b>\$ 2,002,307</b>       |       |  |  |
|                                   |                          |                           |                                 |                     | 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

|   | <b>2022</b>              | <b>2021</b>              |
|---|--------------------------|--------------------------|
| <b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>  |                          |                          |
| 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  | <u>79,851</u>            | <u>(321,205)</u>         |
| <b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES</b>  |                          |                          |
| 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   | <u>(11,154)</u>          | <u>(40,846)</u>          |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>  | <b>68,697</b>            | <b>(362,051)</b>         |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   | <b>257,600</b>           | <b>619,651</b>           |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | <b><u>\$ 326,297</u></b> | <b><u>\$ 257,600</u></b> |

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:

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

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 |    | -       |
|      | \$ | 252,345 |

**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<br>9/30/2021 | Contributions     | Restriction<br>Satisfied | Ending Balance<br>9/30/2022 |
|------------------------------|--------------------------------|-------------------|--------------------------|-----------------------------|
| <b>Infant Mortality</b>      |                                |                   |                          |                             |
| 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                       |
|                              | <b>\$ 87,896</b>               | <b>\$ 243,872</b> | <b>\$ 210,633</b>        | <b>\$ 121,135</b>           |
| September 30, 2021:          | Beginning Balance<br>9/30/2020 | Contributions     | Restriction<br>Satisfied | Ending Balance<br>9/30/2021 |
| <b>Infant Mortality</b>      |                                |                   |                          |                             |
| 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                       |
|                              | <b>\$ 379,289</b>              | <b>\$ 87,560</b>  | <b>\$ 378,953</b>        | <b>\$ 87,896</b>            |

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

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:

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