



**STATE OF INDIANA**  
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June 18, 2024

Board of Directors  
Healthier Moms and Babies, Inc.  
Allen County, Indiana

We have reviewed the audit report of Healthier Moms and Babies, Inc., which was opined upon by Haines, Isenbarger & Skiba, LLC, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Healthier Moms and Babies, Inc. as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Haines, Isenbarger & Skiba, LLC, prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

Financial Statements

**HEALTHIER MOMS AND BABIES, INC.**

*Years ended December 31, 2023 and 2022  
with Independent Auditor's Report*

Healthier Moms and Babies, Inc.

Financial Statements

Years ended December 31, 2023 and 2022

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## Independent Auditor's Report

The Board of Directors  
Healthier Moms and Babies, Inc.

### **Opinion**

We have audited the accompanying financial statements of Healthier Moms and Babies, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, 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 Healthier Moms and Babies, Inc. as of December 31, 2023 and 2022, 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 audits 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 Healthier Moms and Babies, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Healthier Moms and Babies, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with 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 Healthier Moms and Babies, Inc.'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 Healthier Moms and Babies, Inc.'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2024, on our consideration of Healthier Moms and Babies, Inc.'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 Healthier Moms and Babies, Inc.'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 Healthier Moms and Babies, Inc.'s internal control over financial reporting and compliance.

*Haines, Asenbarger & Skiba, LLC*

May 7, 2024

Healthier Moms and Babies, Inc.

Statements of Financial Position

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 633,773	\$ 90,988
Grants and contributions receivable	867,623	609,233
Prepaid expenses and other current assets	22,633	28,833
Total current assets	<u>1,524,029</u>	<u>729,054</u>
Fixed assets:		
Office equipment	42,553	42,553
Transportation equipment	108,927	108,927
Total equipment	<u>151,480</u>	<u>151,480</u>
Less accumulated depreciation	<u>34,027</u>	<u>24,665</u>
Fixed assets, net	117,453	126,815
Right of use asset, operating	148,110	214,566
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	22,576	19,994
Total assets	<u><u>\$ 1,812,168</u></u>	<u><u>\$ 1,090,429</u></u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Line of credit	\$ 153,019	\$ -
Accounts payable	59,123	94,139
Accrued liabilities	103,158	60,420
Current portion of operating lease liability	60,841	72,854
Total current liabilities	<u>376,141</u>	<u>227,413</u>
Operating lease liability, less current portion	<u>87,269</u>	<u>141,712</u>
Total liabilities	463,410	369,125
Net assets:		
Without donor restrictions	594,314	386,194
With donor restrictions	754,444	335,110
Total net assets	<u>1,348,758</u>	<u>721,304</u>
Total liabilities and net assets	<u><u>\$ 1,812,168</u></u>	<u><u>\$ 1,090,429</u></u>

Healthier Moms and Babies, Inc.

Statements of Activities and Changes in Net Assets

	Year ended December 31					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support, revenues and gains</b>						
Grants and contributions	\$ 567,658	\$ 940,200	\$ 1,507,858	\$ 307,673	\$ 506,000	\$ 813,673
Government grants:						
Nurse Family Partnership	1,566,869	-	1,566,869	827,755	-	827,755
Healthy Start	1,422,677	-	1,422,677	993,507	-	993,507
Special events	120,526	-	120,526	99,856	-	99,856
Less special events direct benefits	(25,730)	-	(25,730)	(24,385)	-	(24,385)
Special events, net	94,796	-	94,796	75,471	-	75,471
Other	2,583	-	2,583	(2,644)	-	(2,644)
Total support, revenues and gains before net assets released from restrictions	3,654,583	940,200	4,594,783	2,201,762	506,000	2,707,762
Net assets released from restrictions	520,866	(520,866)	-	404,906	(404,906)	-
Total support, revenues and gains	4,175,449	419,334	4,594,783	2,606,668	101,094	2,707,762
<b>Expenses</b>						
Program services:						
Prenatal Home Visitation	462,865	-	462,865	313,904	-	313,904
Nurse Family Partnership	1,478,799	-	1,478,799	775,171	-	775,171
Healthy Start	1,376,644	-	1,376,644	940,477	-	940,477
Other program services	166,241	-	166,241	78,206	-	78,206
Total program services	3,484,549	-	3,484,549	2,107,758	-	2,107,758
Supporting services:						
Management and general	324,734	-	324,734	254,390	-	254,390
Fundraising	158,046	-	158,046	169,214	-	169,214
Total supporting services	482,780	-	482,780	423,604	-	423,604
Total expenses	3,967,329	-	3,967,329	2,531,362	-	2,531,362
<b>Increase in net assets</b>	208,120	419,334	627,454	75,306	101,094	176,400
Net assets at beginning of year	386,194	335,110	721,304	310,888	234,016	544,904
Net assets at end of year	\$ 594,314	\$ 754,444	\$ 1,348,758	\$ 386,194	\$ 335,110	\$ 721,304

Healthier Moms and Babies, Inc.

Statements of Functional Expenses

Year ended December 31, 2023

	Program Services				Supporting Services			Total Expenses
	Prenatal Home Visitation	Nurse Family Partnership	Healthy Start	Other Program Services	Total Program Services	Management and General	Fundraising	
Salaries and wages	\$ 294,856	\$ 849,350	\$ 756,284	\$ 7,204	\$ 1,907,694	\$ 183,919	\$ 65,752	\$ 2,157,365
Employee benefits	66,805	181,214	191,842	5,991	445,852	7,910	20,720	474,482
Payroll taxes	21,552	68,875	62,464	509	153,400	14,900	5,324	173,624
Contract employees	348	22,798	25,582	3	48,731	5,337	3	54,071
Total salaries and related expenses	383,561	1,122,237	1,036,172	13,707	2,555,677	212,066	91,799	2,859,542
Advertising	1,194	5,667	45,277	11,093	63,231	1,011	24,096	88,338
Conference and meetings	494	10,997	5,542	37	17,070	38	38	17,146
Educational programs	4,704	132,387	63,245	108,322	308,658	104	224	308,986
Equipment rental and maintenance	306	1,657	893	102	2,958	102	102	3,162
Insurance	1,749	3,656	2,893	2,747	11,045	6,930	482	18,457
Memberships and dues	1,706	4,209	4,858	1,831	12,604	2,034	10,856	25,494
Miscellaneous	462	2,061	3,484	100	6,107	8,643	1,308	16,058
Occupancy	13,878	37,375	32,475	12,538	96,266	4,273	4,229	104,768
Postage	275	457	851	39	1,622	35	1,500	3,157
Printing and publications	847	8,463	4,756	1,109	15,175	597	3,082	18,854
Professional fees	21,311	63,989	105,359	6,018	196,677	85,134	17,655	299,466
Repairs and maintenance	1,373	3,660	2,745	458	8,236	458	457	9,151
Special events	-	-	-	-	-	-	25,730	25,730
Supplies	10,899	23,558	35,073	1,582	71,112	2,901	1,749	75,762
Telephone and other communications	3,950	7,980	9,314	408	21,652	408	408	22,468
Travel	16,156	47,742	23,101	98	87,097	-	61	87,158
Total expenses before depreciation	462,865	1,476,095	1,376,038	160,189	3,475,187	324,734	183,776	3,983,697
Depreciation	-	2,704	606	6,052	9,362	-	-	9,362
Total expenses	462,865	1,478,799	1,376,644	166,241	3,484,549	324,734	183,776	3,993,059
Less special event direct benefits	-	-	-	-	-	-	(25,730)	(25,730)
Total expenses on statement of activities and changes in net assets	\$ 462,865	\$ 1,478,799	\$ 1,376,644	\$ 166,241	\$ 3,484,549	\$ 324,734	\$ 158,046	\$ 3,967,329

Healthier Moms and Babies, Inc.

Statements of Functional Expenses

Year ended December 31, 2022

	Program Services				Supporting Services		Total Expenses	
	Prenatal Home Visitation	Nurse Family Partnership	Healthy Start	Other Program Services	Total Program Services	Management and General		Fundraising
Salaries and wages	\$ 176,636	\$ 494,923	\$ 525,539	\$ 8,964	\$ 1,206,062	\$ 148,673	\$ 30,892	\$ 1,385,627
Employee benefits	44,172	102,078	114,319	11,541	272,110	250	10,246	282,606
Payroll taxes	14,912	40,787	43,402	718	99,819	9,021	2,497	111,337
Contract employees	-	-	4,662	-	4,662	97	740	5,499
Total salaries and related expenses	235,720	637,788	687,922	21,223	1,582,653	158,041	44,375	1,785,069
Advertising	1,759	1,988	2,552	3,267	9,566	1,369	103,313	114,248
Conference and meetings	1,856	4,097	3,782	208	9,943	228	248	10,419
Educational programs	2,981	48,070	27,502	37,279	115,832	18	258	116,108
Equipment rental and maintenance	-	1,155	385	-	1,540	-	-	1,540
Insurance	1,471	1,471	1,672	1,320	5,934	5,396	245	11,575
Memberships and dues	1,978	2,329	3,332	1,214	8,853	807	1,496	11,156
Miscellaneous	596	1,830	2,019	722	5,167	5,350	1,212	11,729
Occupancy	21,578	28,030	27,267	4,926	81,801	4,544	4,544	90,889
Postage	376	449	560	75	1,460	121	502	2,083
Printing and publications	1,016	1,249	1,592	203	4,060	443	233	4,736
Professional fees	10,504	21,071	110,341	4,611	146,527	71,313	8,545	226,385
Repairs and maintenance	2,973	3,568	3,568	1,360	11,469	595	595	12,659
Special events	-	-	-	-	-	-	24,385	24,385
Supplies	12,077	7,111	33,876	1,044	54,108	3,449	2,733	60,290
Telephone and other communications	8,353	4,555	8,767	208	21,883	2,220	191	24,294
Travel	10,666	7,706	24,734	546	43,652	496	724	44,872
Total expenses before depreciation	313,904	772,467	939,871	78,206	2,104,448	254,390	193,599	2,552,437
Depreciation	-	2,704	606	-	3,310	-	-	3,310
Total expenses	313,904	775,171	940,477	78,206	2,107,758	254,390	193,599	2,555,747
Less special event direct benefits	-	-	-	-	-	-	(24,385)	(24,385)
Total expenses on statement of activities and changes in net assets	\$ 313,904	\$ 775,171	\$ 940,477	\$ 78,206	\$ 2,107,758	\$ 254,390	\$ 169,214	\$ 2,531,362

Healthier Moms and Babies, Inc.

Statements of Cash Flows

	<b>Year ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Increase in net assets	\$ 627,454	\$ 176,400
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	9,362	3,310
Change in beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	(2,582)	2,644
Changes in operating assets and liabilities:		
Grants and contributions receivable	(258,390)	(237,146)
Prepaid expenses and other current assets	6,200	(12,500)
Accounts payable	(35,016)	61,724
Accrued liabilities	42,738	6,678
Net cash provided by operating activities	<u>389,766</u>	1,110
<b>Investing activities</b> —purchases of fixed assets	-	(108,927)
<b>Financing activities</b> —borrowing on line of credit	153,019	-
Increase (decrease) in cash and cash equivalents	542,785	(107,817)
Cash and cash equivalents at beginning of year	90,988	198,805
Cash and cash equivalents at end of year	<u>\$ 633,773</u>	<u>\$ 90,988</u>

# Healthier Moms and Babies, Inc.

## Notes to Financial Statements

December 31, 2023

### 1. Organization

Healthier Moms and Babies, Inc. (HMB) provides health education and case management services to low-income, high-risk pregnant women and their families in Northeast Indiana. HMB is working toward a healthier future by breaking down barriers to prenatal care, educating women about preterm labor and warning signs in pregnancy, increasing community awareness about sudden unexpected infant death (SUIDS) prevention, providing information about Medicaid and more. In addition to working with pregnant women, HMB works with fathers or partners to engage them in the pregnancy and baby's life. Engaging fathers or partners in the prenatal process significantly increases the chances of having positive pregnancy outcomes. HMB educates preconception and interconception on addressing health and social-economic risk factors to improve outcome of pregnancy before even becoming pregnant. Helping women and men become healthy before having a baby is one of the best interventions to prevent infant mortality and improve birth outcomes and a national best practice.

The mission statement of HMB is:

*Reduce infant mortality and improve the outcome of pregnancies in our community.*

HMB traces its history to the mid-1990s. From 1995 through 1997 the Healthier Beginnings Fetal Infant Mortality Study was conducted in Allen County, Indiana and found that babies in that community were dying due to preventable contributing factors including barriers to prenatal care; unrecognized signs of preterm labor and warning signs in pregnancy; lack of familiarity with SUIDS prevention measures; and not knowing about eligibility for Medicaid and resources for sliding fee prenatal care. In 1996 a local medical center received a grant from the Indiana State Department of Health for a demonstration project to address these causes of infant mortality. In 1997 HMB was transferred to the Fort Wayne Medical Society Foundation, Inc. (Foundation).

HMB has six programs which serve our community's most at-risk pregnant women and fathers including Healthy Start (HS), Nurse Family Partnership (NFP), Own Your Journey, doula services, maternal mental health therapy, diaper distribution and Cribs for Kids. Our HS program is provided by case managers through monthly, weekly or bi-weekly home visits. The program provides prenatal health education on the direct causes of infant mortality. NFP is a prenatal and infancy home visiting for low-income, first-time mothers and their families. Nurses are paired with a first-time mother during pregnancy until the baby turns age two. Cribs for Kids provides safe sleep education and provides a pack and play for those who do not have a safe place for their baby to sleep.

## Healthier Moms and Babies, Inc.

### Notes to Financial Statements (continued)

#### 1. Organization (continued)

HMB's major sources of revenue are from the HS grant administered by the U.S. Department of Health and Human Services, Health Resources and Services Administration, the NFP grant administered by the Indiana State Department of Health and various local foundations.

	<b>Grants and Contributions Receivable</b>		<b>Grants and Contributions / Government Grants</b>	
	<b>December 31</b>		<b>Year ended December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Nurse Family Partnership	\$ 369,430	\$ 222,020	\$ 1,566,869	\$ 827,755
Healthy Start	182,682	176,427	1,422,677	993,507
Local foundation	-	100,000	500,000	100,000
All other	315,511	110,786	1,007,858	713,673
	<b>\$ 867,623</b>	<b>\$ 609,233</b>	<b>\$ 4,497,404</b>	<b>\$ 2,634,935</b>

HMB is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code (Code) and qualifies for the charitable contribution deduction. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Code. HMB is also exempt from state income taxes.

However, HMB is subject to federal income tax on any unrelated business taxable income. HMB provides liabilities for uncertain income tax positions when a liability is probable and estimable. Management believes that it has appropriate support for any tax positions it has taken or expects to take and as such, does not have any uncertain tax positions that should be recognized, measured or disclosed in the financial statements. Management believes HMB is no longer subject to examination by taxing authorities for years prior to December 31, 2020.

#### 2. Significant Accounting Policies

##### Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. All cash and cash equivalents are held at local financial institutions. HMB periodically has cash and cash equivalents in excess of federally insured limits.

## Healthier Moms and Babies, Inc.

### Notes to Financial Statements (continued)

#### 2. Significant Accounting Policies (continued)

##### Equipment

Equipment is stated at cost or if donated, at fair market value at date of donation, except for equipment that has been impaired. For impaired assets, the carrying amount is reduced to the estimated fair market value. There were no impaired property or equipment assets as of December 31, 2023 or 2022. It is not HMB's policy to imply time restrictions expiring over the useful life of donated assets. Equipment which cost \$5,000 or more and have a useful life of one year or more is capitalized. Depreciation is computed by the straight-line method over the estimated useful lives between 3 and 10 years.

Expenses for normal repairs and maintenance are expensed as incurred.

##### Leases

HMB determines if an arrangement is a lease at contract inception. Arrangements that are leases with an initial term of 12 months or less are not recorded in the statement of financial position, and HMB recognizes lease expense on a straight-line basis over the lease term. HMB has elected to not separate lease and non-lease components for all leases; rather, lease and non-lease components are accounted for as a single combined lease component. If leased assets have leasehold improvements, the depreciable life of those leasehold improvements are limited by the expected lease term.

If provided, HMB uses the implicit discount rate in its lease agreements in determining the present value of the lease payments. If not provided in the lease agreement, the Company uses the risk-free rate.

##### Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor- (or certain grantor-) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed

## Healthier Moms and Babies, Inc.

### Notes to Financial Statements (continued)

#### **2. Significant Accounting Policies (continued)**

##### **Net Assets (continued)**

restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

##### **Contributions and Grants and Contributions Receivable**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor-restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor-restrictions are reclassified to net assets without donor-restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions of assets other than cash are recorded at their fair market value.

Contributions of services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and typically need to be purchased if not provided by donation.

HMB uses the allowance method to determine uncollectible grants and contributions receivable. The allowance for uncollectible grants and contributions receivable is based on historical collection experience and management's analysis of specific receivables. As of December 31, 2023 and 2022, no allowance for grants and contributions receivable was deemed necessary.

HMB's grants and contributions receivable are estimated to be collected within one year.

##### **Government Grants**

A portion of HMB's revenue is derived from cost-reimbursable federal and state contracts and grants which are conditioned upon certain performance requirements and/or the incurrence of

## Healthier Moms and Babies, Inc.

### Notes to Financial Statements (continued)

#### **2. Significant Accounting Policies (continued)**

##### **Government Grants (continued)**

allowable qualifying expenses. Amounts received are recognized as revenue when HMB has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Grant payments and expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

##### **Functional Expenses**

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other expenses, which are allocated on the basis of estimates of time and effort.

##### **Use of Estimates**

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Healthier Moms and Babies, Inc.

### Notes to Financial Statements (continued)

#### 3. Liquidity and Availability

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 633,773	\$ 90,988
Grants and contributions receivable	867,623	609,233
Financial assets at end of year	<u>1,501,396</u>	<u>700,221</u>
Less contractual or donor-imposed restrictions making financial assets unavailable for general expenditure	<u>754,444</u>	<u>335,110</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 746,952</u>	<u>\$ 365,111</u>

To help manage unanticipated liquidity needs, HMB has a line of credit from a bank in the amount of \$200,000 upon which it could draw. At December 31, 2023, \$46,981 remained available on this line of credit.

HMB receives contributions and grants each year from area foundation, the U.S. Department of Health and Human Services, Health Resources and Services Administration, the State of Indiana Department of Health and donors, which are available to help meet its cash needs for general expenditures.

As part of HMB's liquidity management plan, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due.

#### 4. Beneficial Interest in Funds Held by the Community Foundation of Greater Fort Wayne Inc.

The beneficial interest in the funds held by the Community Foundation of Greater Fort Wayne Inc. (Community Foundation) are the result of an agreement whereby HMB received assets held by the Community Foundation as it was named the beneficiary of the assets. HMB may draw up to a certain percent of the value of the assets each year, subject to certain conditions and limitations, but may only obtain a return of the full value of the assets upon consent of the Community Foundation.

Healthier Moms and Babies, Inc.

Notes to Financial Statements (continued)

**4. Beneficial Interest in Funds Held by the Community Foundation of Greater Fort Wayne Inc. (continued)**

Additionally, the Community Foundation held investment assets, with a value of \$31,328 and \$26,379 at December 31, 2023 and 2022, respectively, for the benefit of HMB. HMB is precluded from recognizing these assets held by the Community Foundation because of the explicitly granted variance power held by the Community Foundation. Accordingly, HMB only recognizes its annual grants by the Community Foundation from these funds as contributions.

**5. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subject to expenditure for specific purpose:		
Prenatal home visitation	\$ 529,444	\$ 106,183
Mobile diaper pantry	<b>130,000</b>	108,927
	<b>659,444</b>	215,110
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<b>95,000</b>	120,000
	<b>\$ 754,444</b>	<b>\$ 335,110</b>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	<b>Year ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expiration of time restrictions	\$ 70,000	\$ 70,000
Satisfaction of purpose restrictions:		
Prenatal home visitation	<b>211,939</b>	279,817
Cribs for Kids	-	9,016
Diaper Pantry	<b>238,927</b>	31,073
Other	-	15,000
	<b>450,866</b>	334,906
	<b>\$ 520,866</b>	<b>\$ 404,906</b>

Healthier Moms and Babies, Inc.  
Notes to Financial Statements (continued)

**6. Leases**

HMB leases real estate and equipment pursuant to operating leases which expire at various dates through 2026.

The weighted-average remaining lease terms and discounted rates as of December 31, 2023 were as follows:

	<b>Operating Leases</b>
Weighted average term (years)	2.6
Weighted-average discount rate	4.02%

At December 31, 2023 HMB has no financing leases. The undiscounted annual future minimum lease payments related to its right of use assets are summarized below:

	<b>Year ended December 31</b>
2024	\$ 61,986
2025	56,371
2026	38,078
Total lease payments	156,435
Present value discount	8,325
Present value of lease liabilities	\$ 148,110

Rent expense was \$95,670 in 2023 and \$80,301 in 2022.

**7. Employee Benefit Plan**

HMB participates in a defined contribution benefit plan pursuant to Section 403(b) of the Code. Substantially, all HMB employees are eligible to participate in the plan. Participants may contribute up to the maximum permitted under the Code. Contributions to the plan were \$77,486 in 2023 and \$55,463 in 2022.

## Healthier Moms and Babies, Inc.

### Notes to Financial Statements (continued)

#### **8. Debt Arrangement**

Pursuant to a revolving line of credit arrangement with a bank, HMB may borrow up to \$200,000 subject to certain terms and conditions. The line of credit arrangement is secured by substantially all of the assets of HMB, due on demand and expires on October 31, 2024. The line of credit bears interest at the bank's prime rate and is payable monthly. At December 31, 2023 borrowings pursuant to this line of credit was \$153,019. There were no borrowings pursuant to HMB's line of credit arrangement as of December 31, 2022.

#### **9. Subsequent Events**

Management has evaluated subsequent events through May 7, 2024, the date on which the financial statements were available to be issued.