

Maternity Care Coalition

Financial Statements
Year Ended June 30, 2023



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MATERNITY CARE COALITION

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Maternity Care Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 Maternity Care Coalition as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis of Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Maternity Care Coalition 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 of our audit opinion.

Emphasis-of-Matter

As disclosed in Note 2 to the financial statements, on July 1, 2022, Maternity Care Coalition adopted ASU 2016-02 (topic 842). Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 Maternity Care Coalition'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 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.

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 Maternity Care Coalition'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 Maternity Care Coalition'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.

Report on Summarized Comparative Information

We have previously audited Maternity Care Coalition's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BBO, LLP.

Philadelphia, Pennsylvania
March 25, 2024

MATERNITY CARE COALITION

STATEMENT OF FINANCIAL POSITION

June 30, 2023 with comparative totals for 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 3,927,042	\$ 1,051,238
Grants and contracts receivable	2,441,730	2,498,557
Contributions receivable	368,550	38,841
Prepaid expenses and other assets	296,190	194,274
Property and equipment, net	290,252	359,223
Deposits	121,557	81,303
Operating lease right-to-use-asset	<u>1,703,537</u>	<u>-</u>
Total assets	<u>\$ 9,148,858</u>	<u>\$ 4,223,436</u>
LIABILITIES		
Loan payable - Paycheck Protection Program	\$ 484,650	\$ 749,004
Accounts payable and accrued expenses	1,003,814	854,617
Refundable advances	446,224	75,134
Operating lease liability	<u>1,724,867</u>	<u>-</u>
Total liabilities	<u>3,659,555</u>	<u>1,678,755</u>
NET ASSETS		
Without donor restrictions	4,232,101	1,650,316
With donor restrictions	<u>1,257,202</u>	<u>894,365</u>
Total net assets	<u>5,489,303</u>	<u>2,544,681</u>
Total liabilities and net assets	<u>\$ 9,148,858</u>	<u>\$ 4,223,436</u>

See accompanying notes

MATERNITY CARE COALITION

STATEMENT OF ACTIVITIES

Year ended June 30, 2023 with comparative totals for 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
REVENUE AND SUPPORT				
Grants and contracts	\$ 15,345,462	\$ 2,274,179	\$ 17,619,641	\$ 12,681,827
Contributions	446,536	-	446,536	420,456
In-kind contributions	46,477	-	46,477	35,455
Gain on partial forgiveness of loan payable - Paycheck Protection Program	-	-	-	552,595
Interest and other income	15,177	-	15,177	9,784
	15,853,652	2,274,179	18,127,831	13,700,117
Net assets released from restrictions	1,911,342	(1,911,342)	-	-
Total revenue and support	<u>17,764,994</u>	<u>362,837</u>	<u>18,127,831</u>	<u>13,700,117</u>
EXPENSES				
Program services				
MOMobile®	6,988,693	-	6,988,693	5,831,870
Early Head Start	4,013,979	-	4,013,979	4,791,258
Cribs for Kids	501,834	-	501,834	446,311
Other programs	1,888,520	-	1,888,520	1,286,087
Total program services	<u>13,393,026</u>	<u>-</u>	<u>13,393,026</u>	<u>12,355,526</u>
Supporting services				
Management and general	1,432,738	-	1,432,738	1,183,708
Fundraising	357,445	-	357,445	239,208
Total supporting services	<u>1,790,183</u>	<u>-</u>	<u>1,790,183</u>	<u>1,422,916</u>
Total expenses	<u>15,183,209</u>	<u>-</u>	<u>15,183,209</u>	<u>13,778,442</u>
CHANGE IN NET ASSETS	2,581,785	362,837	2,944,622	(78,325)
NET ASSETS				
Beginning of year	1,650,316	894,365	2,544,681	2,623,006
End of year	<u>\$ 4,232,101</u>	<u>\$ 1,257,202</u>	<u>\$ 5,489,303</u>	<u>\$ 2,544,681</u>

See accompanying notes

MATERNITY CARE COALITION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2023 with comparative totals for 2022

	Program Services					Supporting Services			Totals	
	MOMobile®	Early Head Start	Cribs For Kids	Other Programs	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2023	2022
Salaries	\$ 4,394,276	\$ 1,878,972	\$ 265,494	\$ 1,023,387	\$ 7,562,129	\$ 999,672	\$ 186,943	\$ 1,186,615	\$ 8,748,744	\$ 7,683,025
Payroll taxes and employee benefits	915,082	487,453	50,383	207,576	1,660,494	180,775	34,106	214,881	1,875,375	1,638,351
Total salaries and related expenses	5,309,358	2,366,425	315,877	1,230,963	9,222,623	1,180,447	221,049	1,401,496	10,624,119	9,321,376
Professional fees and outside services	325,471	810,546	14,639	226,230	1,376,886	47,969	20,720	68,689	1,445,575	1,208,791
Office supplies	184,334	64,626	6,876	33,943	289,779	5,469	-	5,469	295,248	247,652
Telephone	88,133	54,442	2,838	20,259	165,672	(138)	18	(120)	165,552	215,423
Staff development	104,103	39,847	242	28,841	173,033	11,441	66	11,507	184,540	225,821
Postage	3,318	775	3	2,241	6,337	82	173	255	6,592	24,347
Rent and utilities	225,751	359,221	14,218	48,989	648,179	39,634	7,004	46,638	694,817	808,763
Printing and publications	25,888	9,307	791	2,260	38,246	23,033	-	23,033	61,279	59,027
Travel and vehicle	156,241	(13,177)	7,524	40,778	191,366	23,253	86	23,339	214,705	246,979
Program supplies and materials	96,402	79,378	137,957	106,024	419,761	6,694	5,692	12,386	432,147	304,824
Insurance	36,344	11,073	-	18,399	65,816	10,892	-	10,892	76,708	73,067
Meetings and special events	19,348	6,169	17	8,611	34,145	568	69,888	70,456	104,601	60,962
Renovations	1,256	9,605	-	1,283	12,144	3,428	-	3,428	15,572	171,260
In-kind professional fees and outside services	-	-	-	-	-	46,478	-	46,478	46,478	35,455
Other	373,420	182,439	544	117,625	674,028	33,484	19,742	53,226	727,254	691,464
Depreciation	39,326	33,303	308	2,074	75,011	4	13,007	13,011	88,022	83,231
Total other expenses	1,679,335	1,647,554	185,957	657,557	4,170,403	252,291	136,396	388,687	4,559,090	4,457,066
Total expenses	\$ 6,988,693	\$ 4,013,979	\$ 501,834	\$ 1,888,520	\$ 13,393,026	\$ 1,432,738	\$ 357,445	\$ 1,790,183	\$ 15,183,209	\$ 13,778,442

See accompanying notes

MATERNITY CARE COALITION

STATEMENT OF CASH FLOWS

Year ended June 30, 2023 with comparative totals for 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 2,944,622	\$ (78,325)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	88,022	83,231
Loss on disposal of property and equipment	17,474	-
Gain on partial forgiveness of loan payable - Paycheck Protection Program	-	(552,595)
(Increase) decrease in		
Grants and contracts receivable	56,827	36,801
Contributions receivable	(329,709)	320,583
Prepaid expenses and other assets	(101,916)	(3,388)
Deposits	(40,254)	-
Right-to-use-asset	(1,703,537)	-
Increase (decrease) in		
Accounts payable and accrued expenses	149,197	(87,260)
Refundable advances	371,090	75,134
Operating lease liability	1,724,867	-
Net cash provided by (used for) operating activities	<u>3,176,683</u>	<u>(205,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(36,525)</u>	<u>(68,906)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loan payable	<u>(264,354)</u>	<u>(88,118)</u>
Net change in cash	2,875,804	(362,843)
CASH		
Beginning of year	<u>1,051,238</u>	<u>1,414,081</u>
End of year	<u>\$ 3,927,042</u>	<u>\$ 1,051,238</u>

See accompanying notes

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

(1) NATURE OF OPERATIONS

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

MCC works primarily with pregnant women, children from birth to three years old and their families in neighborhoods affected by poverty, infant mortality and changing immigration patterns. MCC has developed a community based approach to address the health and related needs of low-income families, and serves as a credible voice for this population "at the table" where public health and social welfare policies are made.

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

The MOMobile® program empowers pregnant women and families to overcome daily challenges to achieve better maternal health and healthy child development. Staff review client needs and work together to create an individualized set of goals. Regularly scheduled home visits, with additional face-to-face and telephone contacts, ensure that women have the resources, knowledge and support needed to build a healthy foundation. Clients also receive referrals to community-based resources and parenting education. Several MOMobile® sites offer the evidence-based Healthy Families America program and the federally funded Healthy Start program.

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

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

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

The organization is directed by Marianne Fray, MBA, IOM, CAE whose expertise lies in building relationships and coalitions that strengthen communities and drive growth. She is assisted by a senior management team with experience in social work, public health, development, marketing, communications, finance and nonprofit management. Since its founding, MCC has served more than 145,000 mothers and their children.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Basis of Presentation

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

Without donor restrictions

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

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of MCC and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting MCC to expend the income generated in accordance with the provisions of the contribution. MCC did not have this type of net assets with donor restrictions at June 30, 2023.

Estimates

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

Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with MCC's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Revenue Recognition

MCC recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

A significant portion of MCC's grants and contracts revenue is derived from cost-reimbursement grants and contracts which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when MCC has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. MCC was awarded cost-reimbursable grants of approximately \$3.5 million that have not been recognized at June 30, 2023 because qualifying expenditures have not yet been incurred. Contracts with fee-for-service based revenue have been recognized when services have been provided only to the extent allowed under the contract.

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

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Property and Equipment

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

Certain property and equipment are purchased with funds received from governmental funding sources. Such assets, or their fair value, may revert to the government in the event the program is terminated before the end of the useful life of the asset. The assets are reflected in the financial statements as acquisitions and are depreciated since it is MCC's intent to continue its programs indefinitely.

In-Kind Contributions and Donated Services

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

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

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

Leases

Effective with the implementation of ASU 2016-02, Leases (Topic 842) and subsequent amendments to the initial guidance (collectively, Topic 842) on July 1, 2022, operating leases are recorded in right-of-use-assets and lease liabilities in the statement of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as an expense in the statement of activities as rental payments are incurred.

Operating lease assets represent MCC's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. MCC uses the implicit rate when readily determinable. When the lease does not provide an implicit rate, MCC uses a secured borrowing rate based on the information available at commencement date in determining the present value of lease payments.

MCC's lease terms may include options to extend if the option is considered reasonably certain to be exercised. Operating lease expense for lease payments are recognized on a straight-line basis over the lease term. Prior to July 1, 2022 and the implementation of ASU 2016-02, Leases (Topic 842), operating leases were accounted for as expense in the statement of activities when the rental payment was incurred. No asset or liability was recorded for operating leases.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated based upon the program and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes, and employee benefits are allocated on the basis of estimate of time and effort. Insurance, professional services, and expenses related to the main location (Hamilton Street) are allocated based on the number of full-time equivalents (FTE) per program. Other expenses are based on actual costs directly related to the program services categories.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Income Taxes

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

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

Concentration of Credit Risk

Financial instruments which subject MCC to credit risk consist primarily of cash, grants and contracts receivable and contributions receivable. MCC maintains cash deposits with banks and at times these may exceed federally-insured limits. Grants and contract receivables consist primarily of amounts due from cost reimbursement contracts with federal, state and city government agencies. Management performs ongoing evaluations of receivables for potential credit losses. Collateral is not required. Contributions receivable are expected to be collected primarily in 2024.

Concentration of Revenue

MCC received 30% and 40% of its total revenue and support directly from the U.S. Department of Health and Human Services for the years ended June 30, 2023 and 2022, respectively.

(3) GRANTS AND CONTRACTS RECEIVABLE

MCC had the following grants and contracts receivable:

	<u>2023</u>	<u>2022</u>
Bucks County – Office of Children and Youth Services	\$ 4,873	\$ 9,660
County of Delaware, Office of Children of Youth Services	108,504	191,066
County of Montgomery, Office of Public Health	-	51,667
Community Behavioral Health	348,905	136,185
City of Philadelphia – Department of Human Services (Safe Sleep/Cribs for Kids)	87,945	82,470
City of Philadelphia – Department of Human Services (HFA)	1,235,349	634,333
City of Philadelphia – Department of Human Services (Other Programs)	33,234	43,125
City of Philadelphia, Prison System	25,427	20,119
Health Partners Plan	-	12,400
Jefferson	27,165	89,868
Keystone First	105,949	89,688
Lenfest Foundation	-	150,000
Neshaminy School District	49,512	70,164
Other sources	38,627	31,681
PA Department of Drug and Alcohol	40,997	38,912
Philabundance	94,072	-
State of Delaware	39,317	-
United Way of Greater Philadelphia & Southern New Jersey	-	48,750
University of Pennsylvania	6,329	11,314
United Health	23,800	-
US Dept. of Agriculture-State of Pennsylvania CACFP Grant	2,642	6,549
US Dept. of Health and Human Services – Healthy Start	169,083	66,818
US Dept. of Health and Human Services – Early Head Start	-	713,788
	<u>\$2,441,730</u>	<u>\$2,498,557</u>

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Grants and contracts receivable at June 30, 2023 are expected to be collected in the year ended June 30, 2024.

(4) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 87,912	\$ 87,912
Leasehold improvements	297,551	379,134
Furniture and equipment	<u>567,862</u>	<u>826,202</u>
	953,325	1,293,248
Less accumulated depreciation	<u>(663,073)</u>	<u>(934,025)</u>
	<u>\$ 290,252</u>	<u>\$ 359,223</u>

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2023</u>
Early Head Start	\$267,500	\$ 635,000	\$ (622,428)	\$ 280,072
MOMobile®	391,328	1,190,900	(956,310)	625,918
Other programs	216,721	345,479	(278,519)	283,681
Time restrictions	<u>18,816</u>	<u>102,800</u>	<u>(54,085)</u>	<u>67,531</u>
	<u>\$894,365</u>	<u>\$2,274,179</u>	<u>\$(1,911,342)</u>	<u>\$1,257,202</u>

(6) LEASES

MCC leases space in various facilities, vehicles and office equipment under operating leases expiring at various times through June 2028. The maturities of operating lease liabilities as of June 30, 2023, were as follows:

<u>Year ending June 30,</u>	
2024	\$ 557,067
2025	437,220
2026	393,782
2027	294,995
2027	<u>148,544</u>
	1,831,608
Less: Interest	<u>(106,741)</u>
Present value of operating leases liability	<u>\$1,724,867</u>

The weighted average remaining lease term on operating leases was 3 years and the weighted average discount rate was 2.91% as of June 30, 2023.

Rental expense under the leases was \$753,344 and \$883,215 for the years ended June 30, 2023 and 2022, respectively.

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

(7) EMPLOYEE BENEFIT PLAN

MCC has a 403(b) plan for its employees. Employees may contribute a percentage of their salary, up to federal limits. MCC matches employee contributions up to 2% of employees' annual salaries. For the years ended June 30, 2023 and 2022, employer contributions to the plan were \$55,727 and \$46,489, respectively.

(8) LINE OF CREDIT

MCC has an \$800,000 bank line of credit which is to mature on March 31, 2024. The line bears interest at the prime rate (8.25% at June 30, 2023). There were no advances outstanding on the line at June 30, 2023.

(9) LOAN - PAYCHECK PROTECTION PROGRAM

On April 15, 2020, MCC received a \$1,421,300 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security Act in March 2020 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. MCC was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. MCC met requirements and received partial forgiveness of \$552,595 in February 2022. The forgiven amount was recognized as a gain on partial forgiveness of loan payable in the 2022 statement of activities. The remaining balance is due in monthly installments of principal through the maturity date of April 2025. The loan is uncollateralized and is fully guaranteed by the Federal government. At June 30, 2023, the loan had an outstanding balance of \$484,650.

Scheduled future maturities of the loan payable are as follows:

Year ending June 30,

2024	\$264,567
2025	<u>220,083</u>
	<u>\$484,650</u>

(10) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects MCC's financial assets as of the statement of financial position date, which has been reduced by financial assets not available within one year.

Cash	\$ 3,927,042
Grants and contracts receivable	2,441,730
Contributions receivable	<u>368,550</u>
Total financial assets	6,737,322
Less: financial assets not available for general operations within one year	
Restricted by donor for specific purposes or periods	<u>(1,223,869)</u>
Total financial assets available within one year	<u>\$ 5,513,453</u>

Liquidity Management

MCC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. MCC has various sources of liquidity at its disposal, including cash, money market funds and a line of credit (**See Note 8**).

MATERNITY CARE COALITION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

(11) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2024, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2023 that required recognition or disclosure in the financial statements.