

HELLO BABY, NFP
Financial Statements
Year Ended December 31, 2020

AND

Independent Auditor's Report

HELLO BABY NFP

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INDEPENDENT AUDITOR'S REPORT

To the:
Board of Directors of HELLO BABY NFP

We have audited the accompanying financial statements of HELLO BABY NFP (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HELLO BABY NFP as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Functional Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Oak Park, Illinois
November 19th, 2021

HELLO BABY NFP
 (An Illinois Not-For-Profit Corporation)
 Statement of Financial Position
 As of December 31

	2020
Assets	
Current assets:	
Cash	\$ 291,821
Total current assets	291,821
Fixed assets:	
Equipment	5,424
Lease improvement	253,639
Organization costs	2,372
Total fixed assets	261,436
Accumulated depreciation	(129,544)
Net fixed assets	131,891
Other assets:	
Security deposit	1,100
	1,100
Total assets	\$ 424,813
Liabilities and Net Assets	
Liabilities:	
Accrued expenses	\$ 5,000
Payroll	43
Total liabilities	5,043
Net Assets	
Net assets without donor restriction	419,769
Net assets with donor restriction	-
Total net assets	419,769
Total liabilities and net assets	\$ 424,813

See accompanying notes to the financial statements.

HELLO BABY NFP
(An Illinois Not-For-Profit Corporation)
Statement of Activities
Twelve Months Ended December 31

	Without Donor Restrictions	With Donor Restrictions	2020 Total
Revenue			
Donations	\$ 275,439	\$ -	\$ 275,439
Other income	15,000	-	15,000
Interest	13		13
Net assets released from restriction	-	-	-
Total revenue	290,452	-	290,452
Expenses			
Programs	111,181	-	111,181
General and administrative	41,875	-	41,875
Fundraising	16,170		16,170
Total expenses	169,226	-	169,226
Increase in net assets	121,226	-	121,226
Net Assets Change			
Beginning	298,543	-	298,543
Increase in net assets	121,226	-	121,226
Ending	\$ 419,769	\$ -	\$ 419,769

See accompanying notes to the financial statements.

HELLO BABY NFP
 (An Illinois Not-For-Profit Corporation)
 Statement of Cash Flows
 Twelve Months Ended December 31

	2020
Operating activities	
Increase in net assets	\$ 121,226
Adjustments to reconcile net income to net cash provided by operating activities:	
Adjustments for non cash items:	
Depreciation	31,816
(Increase) decrease in assets:	
Prepaid insurance	1,265
Increase (decrease) in liabilities:	
Accounts payable and payroll	(788)
Adjustment to beginning net assets and depreciation	367
Net cash provided by operating activities	153,886
Net increase (decrease) in cash	153,886
Cash as of beginning of year	137,935
Cash as of end of year	\$ 291,821

See accompanying notes to the financial statements.

HELLO BABY NFP
 (An Illinois Not-For-Profit Corporation)
 Statement of Functional Expenses
 Twelve Months Ended December 31, 2020

Expense	2020			Total
	Program 1			
	Program 1	Administrative (M & G)	Fundraising	
Advertising & Marketing		193		193
Bank Charges		810		810
Charitable Contributions		1,690		1,690
Depreciation		31,816		31,816
Insurance	4,887			4,887
Legal & Professional Fees		4,963		4,963
Licenses & Permits	460			460
Miscellaneous		400		400
Office Expenses		2,003		2,003
Payroll Expenditures: Employee Benefits	3,572			3,572
Payroll Expenditures: Salaries & Wages	53,214			53,214
Processing Fees: Donations			4,070	4,070
Promotional			12,101	12,101
Rent or Lease	15,504			15,504
Repair & Maintenance	3,766			3,766
Security System	2,036			2,036
Software & Apps <\$500	1,139			1,139
Supplies	22,234			22,234
Telecommunications	2,116			2,116
Utilities	2,253			2,253
Total	\$ 111,181	\$ 41,875	\$ 16,170	\$ 169,226

See accompanying notes to the financial statements.

HELLO BABY NFP
(An Illinois Not-For-Profit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 1—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

HELLO BABY NFP (“the Organization”) was incorporated under the General Not-For-Profit Corporation Act of Illinois on February 23, 2016. Its mission is to provide educational services and resources to parents and caregivers of infants in underserved Chicago neighborhoods.

The Organization is a not-for-profit corporation located in Chicago, Illinois and is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Contributions are tax deductible as provided by the Internal Revenue Code.

The organization's fiscal year is December 31.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

Additionally, US GAAP requires that pledged amounts must be unconditional to be reported as an asset in the organization's financial report.

Basis of Presentation

Per ASU No. 2016-14 (*Accounting Standards Update*), the Organization is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

Net Assets Without Donor Restriction

Net assets available for use in general operations and not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by the board of directors.

Net Assets With Donor Restriction

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 explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Functional Allocation of Expenses

The organization allocates its expenses on a functional basis to programs, general & administrative, and fundraising expenses. Expenses that can be identified with a specific program are allocated to that program directly. Expenses that are common to several functions are allocated based on other various factors, such as the revenue source's anticipated use.

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The organization's policy is to recognize these costs when actually paid.

HELLO BABY NFP
 (An Illinois Not-For-Profit Corporation)
 Notes to Financial Statements
 December 31, 2020

NOTE 2—CASH AND CONCENTRATION RISK

Cash includes cash on hand, a demand deposit, and a money market account at one financial institution. The accounts are fully insured by the Federal Deposit Insurance Corporation up to \$250,000 per customer at fiscal yearend.

The carrying amounts reported in the statements of financial position approximate fair values because of the highly liquid nature of cash.

NOTE 3—NET ASSETS

Net asset detail at yearend is as follows:

	2020
Without donor restrictions:	
Designated for general purposes	287,878
Invested in fixed assets	131,891
Total without donor restrictions	419,769
With donor restrictions:	-
Total net assets	419,769

NOTE 4—LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditures within one year of the Statement of Financial Position date comprise the following at yearend:

	2020
Total current assets	291,821
Total current liabilities	(5,043)
Total financial assets	286,778
Less: Net assets with donor restrictions	-
Financial assets available to meet general expenditures within one year	286,778

The organization does not have a formal liquidity policy; however, the organization has a goal to maintain financial assets, primarily consisting of net current assets to meet first quarter general operating expenses.

NOTE 5—CONTINGENCIES, RISK AND UNCERTAINTIES

The bulk of the organization's revenue comes from its annual service agreement with the Illinois Department of Human Services.

The organization is subject to the annual information filing requirements for both the Attorney General's Office of the State of Illinois and the Internal Revenue Service. Failure to file the necessary informational returns could result in loss of its "tax exempt" status.

The organization has not evaluated the impact of COVID-19 on its operations.

NOTE 6—SUBSEQUENT EVENTS

The organization has evaluated subsequent events through November 19th, 2021, the date on which the financial statements were available to be issued.

**HELLO BABY NFP 2
FS ACCOUNT GROUPINGS**

Prepared: 1 11/19/21
Reviewed: ***

Acct	Description	Report 12/31/2019	Report 12/31/2020	Workpaper Reference
AccumulatedDepreciation				
150	Equipment:Accumulated Depreciation - Equipment	0.00	(5,424.02)	
161	Leasehold Improvements - Woodlawn:Accumulated Depr	0.00	(121,748.00)	
166	Organization costs:Accumulated Amortization - Orga	0.00	(2,372.40)	
	AccumulatedDepreciation Total	<u>0.00</u>	<u>(129,544.42)</u>	
Cash				
101	Bank Accounts:Wintrust Checking (6539)	0.00	80,927.50	
101.1	Cash On Hand	0.00	47,355.47	
102	Bank Accounts:Wintrust Money Market (2386)	0.00	163,538.49	
	Cash Total	<u>0.00</u>	<u>291,821.46</u>	
Equipment				
151	Equipment:Computers	0.00	1,378.02	
152	Equipment:Playset	0.00	4,046.00	
	Equipment Total	<u>0.00</u>	<u>5,424.02</u>	
Expense_Depreciation				
695	Amortization Expense - Organization Costs	0.00	474.48	
696	Depreciation Expense - Equipment	0.00	904.02	
697	Depreciation Expense - Leasehold Improvements	0.00	30,437.00	
	Expense_Depreciation Total	<u>0.00</u>	<u>31,815.50</u>	
Expense_LegalProfessional				
665	General & Administrative Expenditures:Administrati	0.00	2,213.00	
666	General & Administrative Expenditures:Administrati	0.00	2,750.00	
	Expense_LegalProfessional Total	<u>0.00</u>	<u>4,963.00</u>	
Expense_OffenseExpense				
667	General & Administrative Expenditures:Administrati	0.00	1,085.91	
668	General & Administrative Expenditures:Administrati	0.00	529.03	
669	General & Administrative Expenditures:Administrati	0.00	323.13	
670	General & Administrative Expenditures:Administrati	0.00	65.39	
	Expense_OffenseExpense Total	<u>0.00</u>	<u>2,003.46</u>	
Expense_Payroll				
612	Program Services:Payroll Expenditures:Employer Tax	0.00	5,039.97	
614	Program Services:Payroll Expenditures:Salaries & W	0.00	48,174.52	
	Expense_Payroll Total	<u>0.00</u>	<u>53,214.49</u>	
Expense_PayrollBenf				
610	Program Services:Payroll Expenditures:Background C	0.00	120.00	
611	Program Services:Payroll Expenditures:Employee Ben	0.00	2,311.92	
613	Program Services:Payroll Expenditures:Payroll Proc	0.00	1,140.11	
	Expense_PayrollBenf Total	<u>0.00</u>	<u>3,572.03</u>	
Expense_Utilities				
650	Program Services:Utilities:Electric	0.00	874.09	
651	Program Services:Utilities:Gas	0.00	1,378.52	
	Expense_Utilities Total	<u>0.00</u>	<u>2,252.61</u>	
FS ACCOUNT GROUPINGS Total		<u><u>0.00</u></u>	<u><u>265,522.15</u></u>	

12/31/20		HELLO BABY NFP 2				HELLOBABY2	
Default		Trial Balance Grid Report				Page 1	
Number	Description	Type	Prior Period	Unadjusted Balance	Adjusting Dr	Adjusting Cr	Adjusted Balance
101	Bank Accounts:Wintrust Che	A	0.00	141,727.18	0.00	60,799.68	80,927.50
101.1	Cash On Hand	A	0.00	0.00	47,355.47	0.00	47,355.47
102	Bank Accounts:Wintrust Mon	A	0.00	163,538.49	0.00	0.00	163,538.49
150	Equipment:Accumulated Depr	A	0.00	(5,424.02)	0.00	0.00	(5,424.02)
151	Equipment:Computers	A	0.00	1,378.02	0.00	0.00	1,378.02
152	Equipment:Playset	A	0.00	4,046.00	0.00	0.00	4,046.00
160	Leasehold Improvements - W	A	0.00	253,639.49	0.00	0.00	253,639.49
161	Leasehold Improvements - W	A	0.00	(121,748.00)	0.00	0.00	(121,748.00)
165	Organization costs	A	0.00	2,372.40	0.00	0.00	2,372.40
166	Organization costs:Accumul	A	0.00	(2,372.40)	0.00	0.00	(2,372.40)
170	Security Deposit	A	0.00	1,100.00	0.00	0.00	1,100.00
201	Accrued Expenditures	L	0.00	(5,000.00)	0.00	0.00	(5,000.00)
205	Payroll Liabilities:IL Une	L	0.00	(43.47)	0.00	0.00	(43.47)
305	Retained Earnings	L	0.00	(298,543.11)	0.00	0.00	(298,543.11)
400	Revenue and Other Addition	R	0.00	(288,883.62)	60,799.68	47,355.47	(275,439.41)
401	Revenue and Other Addition	R	0.00	(13.02)	0.00	0.00	(13.02)
600	Program Services:Insurance	E	0.00	4,887.00	0.00	0.00	4,887.00
601	Program Services:Licenses	E	0.00	460.00	0.00	0.00	460.00
610	Program Services:Payroll E	E	0.00	120.00	0.00	0.00	120.00
611	Program Services:Payroll E	E	0.00	2,311.92	0.00	0.00	2,311.92
612	Program Services:Payroll E	E	0.00	5,039.97	0.00	0.00	5,039.97
613	Program Services:Payroll E	E	0.00	1,140.11	0.00	0.00	1,140.11
614	Program Services:Payroll E	E	0.00	48,174.52	0.00	0.00	48,174.52
630	Program Services:Rent or L	E	0.00	15,504.00	0.00	0.00	15,504.00
631	Program Services:Repair &	E	0.00	3,765.73	0.00	0.00	3,765.73
632	Program Services:Security	E	0.00	2,035.78	0.00	0.00	2,035.78
640	Program Services:Software	E	0.00	1,138.58	0.00	0.00	1,138.58
645	Program Services:Supplies	E	0.00	22,234.38	0.00	0.00	22,234.38
650	Program Services:Utilities	E	0.00	874.09	0.00	0.00	874.09
651	Program Services:Utilities	E	0.00	1,378.52	0.00	0.00	1,378.52
652	Program Services:Utilities	E	0.00	2,116.20	0.00	0.00	2,116.20
660	General & Administrative E	E	0.00	4,069.58	0.00	0.00	4,069.58
661	General & Administrative E	E	0.00	12,100.81	0.00	0.00	12,100.81
662	General & Administrative E	E	0.00	193.20	0.00	0.00	193.20
663	General & Administrative E	E	0.00	809.62	0.00	0.00	809.62
664	General & Administrative E	E	0.00	1,690.00	0.00	0.00	1,690.00
665	General & Administrative E	E	0.00	2,213.00	0.00	0.00	2,213.00
666	General & Administrative E	E	0.00	2,750.00	0.00	0.00	2,750.00
667	General & Administrative E	E	0.00	1,085.91	0.00	0.00	1,085.91
668	General & Administrative E	E	0.00	529.03	0.00	0.00	529.03
669	General & Administrative E	E	0.00	323.13	0.00	0.00	323.13
670	General & Administrative E	E	0.00	65.39	0.00	0.00	65.39
690	Miscellaneous	E	0.00	400.09	0.00	0.00	400.09
695	Amortization Expense - Org	E	0.00	474.48	0.00	0.00	474.48
696	Depreciation Expense - Equ	E	0.00	904.02	0.00	0.00	904.02
697	Depreciation Expense - Lea	E	0.00	30,437.00	0.00	0.00	30,437.00
800	Non-Taxable PPP Income	R	0.00	(15,000.00)	0.00	0.00	(15,000.00)
Total			0.00	0.00	108,155.15	108,155.15	0.00
YTD Profit/(Loss)				134,670.58			121,226.37

Prepared by _____		HELLO BABY NFP 2			HELLOBABY2		
Reviewed by _____		Adjusting Journal Entries			Page 1		
Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
1	Adjusting	12/31/20					
		400	Revenue and Other Additions:Don	60,799.68			
		101	Bank Accounts:Wintrust Checking		60,799.68		
			To reverse JE 1009 per client record for DIT. No support.			(60,799.68)	FS-4
2	Adjusting	12/31/20					
		101.1	Cash On Hand	47,355.47			
		400	Revenue and Other Additions:Don		47,355.47		
			To record DIT at 12/31/20			47,355.47	FS-4
		TOTAL		<u>108,155.15</u>	<u>108,155.15</u>	<u>(13,444.21)</u>	