

**HELLO BABY NFP  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022**







TABLE OF CONTENT

Independent Auditors' Report	1-3
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Notes to Financial Statements	7-11
SUPPLEMENTARY INFORMATION	
Schedules of Functional Expenses	12-13



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Hello Baby NFP  
Chicago, Illinois

We have audited the accompanying financial statements of Hello Baby NFP (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities 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 Hello Baby NFP 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 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 Hello Baby NFP 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 Hello Baby NFP'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, 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 Hello Baby NFP'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 Hello Baby NFP'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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses is presented for the purpose 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.

CPA PC

Evanston, Illinois  
November 1, 2024

# HELLO BABY NFP

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

### ASSETS

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 601,505	576,421
Donations receivable	69,941	3,100
Prepaid expenses	2,469	2,712
Total current assets	<u>673,915</u>	<u>582,233</u>
<b>PROPERTY AND EQUIPMENT</b>		
Improvements, equipment and software, at cost	259,063	259,063
less accumulated depreciation	<u>(218,483)</u>	<u>(188,046)</u>
Total property and equipment	<u>40,580</u>	<u>71,017</u>
<b>OTHER ASSETS</b>		
Security Deposit	1,100	1,100
Total other assets	<u>1,100</u>	<u>1,100</u>
<b>TOTAL ASSETS</b>	<u>\$ 715,595</u>	<u>654,350</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accrued expenses	\$ 2,568	466
Accrued salaries	3,709	1,913
Total current liabilities	<u>6,277</u>	<u>2,379</u>
<b>NET ASSET</b>		
Without donor restrictions	689,296	626,849
With donor restrictions	<u>20,022</u>	<u>25,122</u>
	709,318	651,971
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 715,595</u>	<u>654,350</u>

See Accompanying Notes to Financial Statements

# HELLO BABY NFP

## STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		2022	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
<b>REVENUES AND SUPPORT</b>				
Donations	\$ 412,802	\$ -	\$ 394,593	\$ 48,500
Investment income	957	-	359	-
Total revenues and support	<u>413,759</u>	<u>-</u>	<u>394,952</u>	<u>48,500</u>
<b>EXPENSES</b>				
Program services	184,188	5,100	158,980	23,378
General and administrative	114,865	-	114,361	-
Fundraising	52,259	-	22,309	-
Total expenses	<u>351,312</u>	<u>5,100</u>	<u>295,650</u>	<u>23,378</u>
CHANGE IN NET ASSETS	62,447	(5,100)	99,302	25,122
NET ASSETS, beginning	<u>626,849</u>	<u>25,122</u>	<u>527,547</u>	<u>-</u>
NET ASSETS, ending	<u>\$ 689,296</u>	<u>\$ 20,022</u>	<u>\$ 626,849</u>	<u>\$ 25,122</u>

See Accompanying Notes to Financial Statements

# HELLO BABY NFP

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 62,447	\$ 124,424
Adjustments to reconcile increase in net assets to net cash used in operating activities		
Depreciation	30,437	30,437
In-kind donations	(6,253)	(400)
Donated supplies	6,253	400
Change in operating assets:		
Donations receivable	(66,841)	(3,100)
Prepaid expenses	243	476
Change in operating liabilities:		
Accrued expenses	2,102	-
Accrued payroll	1,796	1,913
Net cash provided by operating activities	<u>30,184</u>	<u>154,150</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	30,184	154,150
CASH AND CASH EQUIVALENTS, beginning	<u>576,421</u>	<u>422,271</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 606,605</u>	<u>\$ 576,421</u>

See Accompanying Notes to Financial Statements



# HELLO BABY NFP

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

### NOTE 1 – Summary of Significant Accounting Policies

Nature of Organization – Hello Baby NFP (the Organization) was established as an Illinois not-for-profit corporation in 2016. Its mission is to provide educational services and resources to parents and caregivers of infants in underserved Chicago neighborhoods.

Financial Statements Presentation – The Organization uses accrual basis of accounting in accordance with the United States of America generally accepted accounting principles applicable to nonprofit organizations.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) and the new update issued in August 2016, Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Non-for-Profit Entities* (ASU 2016-14S). Under these new provisions, net assets, revenues, expenses, gains, and losses of the Organization are classified and reported as follows:

- Net assets without donor restriction – net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.
- Net assets with donor restrictions – net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, these assets are transferred to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents - For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

# HELLO BABY NFP

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

### **NOTE 1 – Summary of Significant Accounting Policies (continued)**

Investments – Investments are recorded at fair value based on quoted market prices. The Organization's investments are exposed to various risks such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and materially affect the amounts reported in the statement of activities.

Donations Receivable – Donations receivable balance consists of donations and donation commitments that were not funded until after the year ended. The Organization's Management periodically reviews the need for an allowance for uncollectible accounts. The allowance amount is based on historical collectability and management's analysis of specific donations made. No allowance has been recorded as of December 31, 2023 and 2022.

Property and Equipment – Property and equipment are recorded at cost or fair market value (donated items) and depreciated over their useful life. The Organization capitalizes any purchases of property and equipment in excess of \$500. The Organization uses the direct expensing method to account for planned and major maintenance activities.

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.

Income Taxes – The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and is exempt from Illinois state taxes, except for taxes on unrelated business income generated from unrelated business activities. The Organization did not have unrelated business income during the year ended December 31, 2023 and 2022, and accordingly, no provision for income taxes has been recorded. Informational tax returns filed by the Organization can be examined by Internal Revenue Service within three years after they are filed. The Organization is not currently under examination by any regulatory body.

# HELLO BABY NFP

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

### NOTE 1 – Summary of Significant Accounting Policies (continued)

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as such. However, if a restriction is fulfilled in the same time period the contribution is received, the Organization reports the support as unrestricted.

Contributed Services – The Organization is run by volunteers who contributed their time and performed various tasks in the areas of program assistance and fundraising. The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Expenses – Operating expenses directly identified within a functional area are charged to such area; while expenses that cover more than one area are allocated based on ratios estimated by the Organization’s Management.

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

### NOTE 2 – Operating Leases

The Organization leases its operating facilities in Chicago, Illinois. The original lease expired on April 30, 2019, but was since then renewed until April 30, 2025.

The minimum rents due under the operating lease are as follows:

Year ending December 31,	
2024	16,876
2025	5,680
	<u>\$ 22,556</u>

For the years ended December 31, 2023 and 2022, rental expense was \$16,548 and \$16,548, respectively.

# HELLO BABY NFP

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

### NOTE 3 – Concentration of Risk

All of the Organization's cash and cash equivalents are held in one financial institution. The cash balances at times may exceed federally insured limits of \$250,000. As of December 31, 2023 and 2022, total cash balance held in Wintrust Community Bank and Trust exceeded federally insured limit by \$351,505 and \$326,420 respectively. The Organization has not experienced any losses in such accounts and the Management believes is not exposed to any significant credit risk.

### NOTE 4 – Commitments, Contingencies and Uncertainties

The Organization had no long-term commitments and contingencies as of December 31, 2023 and 2022.

### NOTE 5 – Liquidity and Availability

Financial assets available for general expenditure within one year of December 31, 2023, comprise of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 601,505	\$ 576,421
Less Net assets with donor restrictions	<u>(25,122)</u>	<u>(20,022)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 576,383</u>	<u>\$ 556,399</u>

The Organization manages its liquid position by maintaining adequate net assets without donor restrictions in checking and money market accounts.

# HELLO BABY NFP

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

### **NOTE 6 – Subsequent Events**

The Organization's Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through November 1, 2024, which is the date the financial statements were available to be issued. There were no subsequent events that are required to be disclosed.



## **SUPPLEMENTARY INFORMATION**



## HELLO BABY NFP

### SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 124,371	\$ 38,049	\$ -	\$ 162,420
Advertising and marketing	-	5,694	-	5,694
Bank and credit card fees	-	1,399	-	1,399
Depreciation	-	30,437	-	30,437
Development database	-	-	9,973	9,973
Events	704	7,396	12,458	20,558
Insurance	7,175	-	-	7,175
Licenses	340	-	-	340
Miscellaneous	-	252	916	1,168
Office expense	-	1,910	-	1,910
Outside services	-	12,475	13,368	25,843
Payroll processing	2,480	-	-	2,480
Postage and delivery	-	-	1,048	1,048
Printing and advertising	-	196	-	196
Program providers	6,600	-	-	6,600
Professional fees	-	15,296	-	15,296
Supplies	16,230	-	14,496	30,726
Rent	16,548	-	-	16,548
Repairs and maintenance	7,096	-	-	7,096
Security	2,440	-	-	2,440
Telephone and internet	2,922	-	-	2,922
Travel	-	1,761	-	1,761
Utilities	2,382	-	-	2,382
<b>Total functional expenses</b>	<b>\$ <u>189,288</u></b>	<b>\$ <u>114,865</u></b>	<b>\$ <u>52,259</u></b>	<b>\$ <u>356,412</u></b>

See Accompanying Notes to Financial Statements

## HELLO BABY NFP

### SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 107,116	\$ 33,174	\$ -	\$ 140,290
Advertising and marketing	-	17,966	-	17,966
Bank and credit card fees	-	1,425	-	1,425
Depreciation	-	30,437	-	30,437
Development database	-	-	8,043	8,043
Events	750	-	14,266	15,016
Insurance	4,730	-	-	4,730
Licenses	400	-	-	400
Miscellaneous	182	3,255	-	3,437
Office expense	-	2,255	-	2,255
Outside services	-	11,170	-	11,170
Payroll processing	2,024	-	-	2,024
Postage and delivery	-	778	-	778
Printing and advertising	-	464	-	464
Program providers	23,430	-	-	23,430
Professional fees	-	12,775	-	12,775
Supplies	12,364	-	-	12,364
Rent	16,548	-	-	16,548
Repairs and maintenance	7,843	-	-	7,843
Security	1,960	-	-	1,960
Telephone and internet	2,336	-	-	2,336
Travel	-	662	-	662
Utilities	2,675	-	-	2,675
	<hr/>	<hr/>	<hr/>	<hr/>
Total functional expenses	\$ <u>182,358</u>	\$ <u>114,361</u>	\$ <u>22,309</u>	\$ <u>319,028</u>

See Accompanying Notes to Financial Statements