

## Review Report of Independent Accountant

To Board of Directors of  
Rosemary's Babies Co.  
4439 Reading Rd Suite 107  
Cincinnati, Ohio 45229

### ***Report on the Financial Statements***

I have reviewed the accompanying financial statements of Rosemary's Babies Co. which comprise the of the Statement of Financial Position as of December 31, 2020, Statement of Activities for the period ended December 31, 2020, and the Statement of Cash Flows for the period ended December 31, 2020. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### ***Management's Responsibility 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; 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.

### ***Accountants' Responsibility***

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of the procedures provide a reasonable basis for my conclusion.

### ***Accountants' Conclusion***

Based on the review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Jacqueline Ann DeStefano*

Jacqueline Ann DeStefano, CPA, CFE, MBA  
Huntington, New York  
jacquelindestefanocpa@gmail.com  
February 28, 2021



Rosemary's Babies Co.  
Statement of Financial Position  
As of December 31, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	49,617.86
Accounts Receivable	00.00
<b>Total Current Assets</b>	<b>\$49,617.86</b>
Fixed Assets	13,987.84
<b>TOTAL ASSETS</b>	<b>\$63,605.70</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	00.00
Credit Cards	-833.88
<b>Total Current Liabilities</b>	<b>\$-833.88</b>
<b>Total Liabilities</b>	<b>\$-833.88</b>
Net Assets	
Net Assets	17,913.03
Accumulated Funds	-3,418.93
Net Income with donor restrictions	49,945.48
<b>Total Net Assets</b>	<b>\$64,439.58</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$63,605.70</b>



**Rosemary's Babies Co.**  
Statement of Activities  
For the Period Ended December 31, 2020

	TOTAL
Revenues, Gains, and Other Support	
Grants - With Donor Restriction	137,667.97
Grants - Without Donor Restriction	48,156.25
In-Kind Contributions	31,517.40
Individual Donors	21,851.98
Third Party Events	840.00
<b>Total Revenues, Gains, and Other Support</b>	<b>\$246,883.60</b>
Expenses	
Bank Charges & Fees	563.89
Fundraising expenses	17,100.08
Program Services	131,414.13
Supporting Service Expenses	47,208.52
<b>Total Expenses</b>	<b>\$196,286.62</b>
Net Assets Released from Restriction	<b>\$50,596.98</b>
Other Expenses	
Other Miscellaneous Expense	651.50
<b>Total Other Expenses</b>	<b>\$651.50</b>
NET OTHER INCOME	<b>\$ -651.50</b>
Net Assets at the End of the Year	<b>\$49,945.48</b>



Rosemary's Babies Co.  
Statement of Cash Flows  
For the Period Ended December 31, 2020

	TOTAL
<b>OPERATING ACTIVITIES</b>	
Net Income	49,945.48
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable - Pledges	0.00
Accounts Payable (A/P)	00.00
Credit Card: PNC	-833.88
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	<b>\$-833.88</b>
<b>Net cash provided by operating activities</b>	<b>\$49,111.60</b>
<b>INVESTING ACTIVITIES</b>	
Furniture	-301.49
Van - 2020: Original cost	-10,277.50
<b>Net cash provided by investing activities</b>	<b>\$ -10,578.99</b>
<b>FINANCING ACTIVITIES</b>	
Net Assets	10,763.19
<b>Net cash provided by financing activities</b>	<b>\$10,763.19</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>\$49,295.80</b>
Cash at beginning of period	322.06
<b>CASH AT END OF PERIOD</b>	<b>\$49,617.86</b>



## Nature of Activities and Summary of Significant Accounting Policies

### Nature of Activities

Rosemary's Babies Company provides support for teen parent families in Greater Cincinnati and surrounding areas. Mothers and fathers (9-19) receive emotional, educational, and financial resources to ensure they have healthy babies and lead productive lives. Services are offered in-person and virtually. RBC is primarily funded by donor contributions, grants, and the United Way of Greater Cincinnati. Approximately, 64% of RBC's funding came from restricted funds in 2020. 22% of revenue from grants without restrictions, respectfully.

### Financial Statement Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, financial statements for not-for-profit organization, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

### Summary of Significant Accounting Principles

Rosemary's Babies Company (hereinafter referred to as "The Organization") financial statements have been prepared on the accrual basis of accounting. Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received, and net assets are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. The Organization has no permanently restricted net assets.

### Contributed Services

During the year ending December 2020, the value of contributed services meeting the requirements for recognition in the financial statements was has been recorded as in-kind services. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities. The Organization receives more than 1,000 volunteer hours per year.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Cash and Cash Equivalents

Highly liquid investments with a maturity of three months or less from purchase are generally considered to be cash equivalents. Investments are stated at market value and consist of money market, equities, and fixed income mutual funds.

### Grants

The Organization's grants are comprised primarily of receivables from state and non-federal granting agencies. They were deemed fully collectible and no provision for uncollectible accounts was considered necessary.

### Property and equipment

Property and equipment over \$5,000 are capitalized. Items are stated at cost and are depreciated principally using the straight-line method over the estimated useful life of the asset.



Costs of maintenance and repairs are charged to expense when incurred. In 2020, The Organization purchased a van for program services.

### **Deferred revenue**

Deferred revenue represents grant funds received in advance of related program expenses.

### **Functional allocation of expenses**

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among programs and supporting services based on time and square footage. Certain immaterial in-kind donations have not been recorded.

### **Income Taxes**

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

### **Leasing arrangements**

The facilities presently used to provide housing for men are leased under a short-term arrangement.