



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**(With Comparative Totals for December 31, 2011)**

**THE BABY BUGGY, INC.**

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DECEMBER 31, 2012**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Baby Buggy, Inc.

We have audited the accompanying financial statements of The Baby Buggy Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from The Baby Buggy, Inc.'s 2011 financial statements and, in our report dated June 21, 2012, we expressed an unqualified opinion on those 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 of 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.

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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Baby Buggy Inc. as of December 31, 2012, 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.

MBAF CPAs, LLC

New York, NY  
April 23, 2013

# THE BABY BUGGY, INC.

## STATEMENT OF FINANCIAL POSITION

**December 31, 2012**

**(with comparative totals for December 31, 2011)**

	2012	2011
Assets:		
Cash and cash equivalents	\$ 763,310	\$ 1,298,754
Investments	1,869,292	1,163,242
Investments - other	-	482,227
Contributions receivable	124,510	360,741
Inventory	491,887	638,785
Prepaid expenses and other assets	33,572	19,441
Property and equipment, net	2,130	1,860
<b>Total Assets</b>	<b>\$ 3,284,701</b>	<b>\$ 3,965,050</b>
Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 38,964	\$ 53,718
Net Assets:		
Unrestricted - operating	2,696,778	3,404,037
Unrestricted - board designated	65,345	65,345
Total unrestricted	2,762,123	3,469,382
Temporarily restricted	483,614	441,950
Total net assets	3,245,737	3,911,332
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,284,701</b>	<b>\$ 3,965,050</b>

The accompanying notes are an integral part of the financial statements.

**THE BABY BUGGY, INC.**

**STATEMENT OF ACTIVITIES**

**Year ended December 31, 2012 (with comparative totals for December 31, 2011)**

	Unrestricted	Temporarily Restricted	2012 Total	2011 Total
Support and revenues:				
Contributions	\$ 377,235	\$ 331,307	\$ 708,542	\$ 647,264
Contributions in-kind	3,263,937	-	3,263,937	2,567,689
Special events income, net of expenses of \$84,576 and \$404,956 in 2012 and 2011, respectively	314,560	-	314,560	1,337,587
Investment income	48,032	-	48,032	75,786
Net assets released from restrictions	289,643	(289,643)	-	-
<b>Total support and revenues</b>	<b>4,293,407</b>	<b>41,664</b>	<b>4,335,071</b>	<b>4,628,326</b>
Expenses:				
Program	4,367,356	-	4,367,356	3,137,346
General and administrative	429,044	-	429,044	446,300
Fundraising	204,266	-	204,266	218,433
<b>Total expenses</b>	<b>5,000,666</b>	<b>-</b>	<b>5,000,666</b>	<b>3,802,079</b>
Change in net assets	(707,259)	41,664	(665,595)	826,247
Net assets, beginning of year	3,469,382	441,950	3,911,332	3,085,085
<b>Net assets, end of year</b>	<b>\$ 2,762,123</b>	<b>\$ 483,614</b>	<b>\$ 3,245,737</b>	<b>\$ 3,911,332</b>

The accompanying notes are an integral part of the financial statements.

**THE BABY BUGGY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2012 (with comparative totals for December 31, 2011)**

	Supporting Services			2012 Total	2011 Total
	Total Program	General and Administrative	Fundraising		
Salaries	\$ 509,074	\$ 103,296	\$ 146,875	\$ 759,245	\$ 713,849
Payroll taxes and fringe benefits	90,962	18,391	25,916	135,269	151,891
Program supplies-in-kind	3,298,925	-	-	3,298,925	2,138,320
Program supplies	178,668	-	-	178,668	197,207
Depreciation	-	1,300	-	1,300	1,201
Repairs and maintenance	11,936	2,413	3,401	17,750	12,453
Occupancy	131,239	3,248	4,638	139,125	138,428
Occupancy in-kind	41,237	3,243	1,853	46,333	57,176
Telephone	9,005	1,821	2,566	13,392	13,439
Insurance	6,040	1,244	1,599	8,883	8,674
Office expense	10,280	2,078	2,930	15,288	47,186
Postage and delivery	21,589	4,365	6,151	32,105	24,469
Professional fees	18,922	160,138	-	179,060	158,489
Professional fees-in-kind	4,513	106,244	1,286	112,043	100,416
Printing	22,266	4,502	6,344	33,112	11,804
Bank fees and related charges	12,700	16,761	707	30,168	27,077
<b>Total Expenses 2012</b>	<b>\$ 4,367,356</b>	<b>\$ 429,044</b>	<b>\$ 204,266</b>	<b>\$ 5,000,666</b>	
<b>Total Expenses 2011</b>	<b>\$ 3,137,346</b>	<b>\$ 446,300</b>	<b>\$ 218,433</b>		<b>\$ 3,802,079</b>

The accompanying notes are an integral part of the financial statements.

# THE BABY BUGGY, INC.

## STATEMENT OF CASH FLOWS

**Year ended December 31, 2012**

**(with comparative totals for December 31, 2011)**

	<b>2012</b>	<b>2011</b>
Cash flows from operating activities:		
Change in net assets	\$ (665,595)	\$ 826,247
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,300	1,201
Unrealized loss (gain) on investment	12,093	(17,772)
Change in cumulative unrealized gain on investment - other	-	22,380
Realized gain on investment	(7,122)	-
Donated rent expensed	46,333	57,176
Donated goods - contributions	(3,152,027)	(2,467,274)
Goods utilized in program expenses	3,298,925	2,138,320
Changes in operating assets and liabilities:		
Contributions receivable	189,897	(305,632)
Prepaid expenses and other assets	(14,130)	22,045
Accounts payable and accrued expenses	(14,754)	27,403
<b>Net cash (used in) provided by operating activities</b>	<b>(305,080)</b>	<b>304,094</b>
Cash flows from investing activities:		
Purchases of property and equipment	(1,570)	(2,081)
Proceeds from sale of investments	206,448	-
Proceeds from maturity of investments - other	482,227	647,953
Purchases of investments	(917,469)	(545,011)
<b>Net cash (used in) provided by investing activities</b>	<b>(230,364)</b>	<b>100,861</b>
Net (decrease) increase in cash and cash equivalents	(535,444)	404,955
Cash and cash equivalents, beginning of year	1,298,754	893,799
<b>Cash and cash equivalents, end of year</b>	<b>\$ 763,310</b>	<b>\$ 1,298,754</b>

### Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for:

Interest	\$	-	\$	-
Income taxes	\$	-	\$	-

The accompanying notes are an integral part of the financial statements.



# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

### 1. NATURE OF ORGANIZATION:

The Baby Buggy, Inc. (the “Organization”) was incorporated February 26, 2001 to help provide essential clothing, products and gear for infants and young children in need. The Baby Buggy, Inc. is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and under the corresponding provisions of the New York State tax laws. The Organization has been classified to be a publicly supported organization and not a private foundation under Section 509(a) and is qualified for deductible contributions as provided in Section 170(b)(1)(A)(ii). The Organization's primary source of income is contributions.

The Organization focuses on the following major segments:

**Health** – Programs offered in affiliation with the maternal health, NICU and labor/delivery departments in hospitals. In addition, Baby Buggy makes donations through Nurse-Family Partnership (“NFP”) programs in New York City, Jersey City, Los Angeles, Dallas and Houston. NFP pairs poor first-time moms with a visiting nurse from the 20th week of pregnancy until her child’s second birthday. Demonstrated impacts include better maternal health, lower rates of child abuse and childhood accidents, longer intervals between birth and better maternal employment and graduation rates.

**Crisis Intervention** – Organizations that provide services for at-risk children and families who are living in poverty and faced with challenging circumstances. These programs offer case management, counseling, advocacy, and parenting workshops, as well as crisis intervention when necessary.

**Fatherhood** - Program that provides clothing, gear and products for children of low-income, non-custodial fathers enrolled in fathering initiatives at agencies in New York City and Los Angeles. These programs help fathers feel empowered to embrace fatherhood and the responsibilities that accompany it and to provide poor dads the tools they need to keep their children safe and healthy. The Organization also offers financial education workshops and benefits screening to help improve the family's overall and financial well-being.

**Domestic Violence** – Organizations that offer women dealing with domestic violence with shelter, support, crisis intervention, case management, and counseling, as well as life skills, parenting and job readiness workshops.

**Education** – Educational programs like Early Head Start and Head Start that offer free, high-quality education for young children, as well as a range of health and family support services for their parents.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### Financial Statement Presentation

The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The classification of the Organization’s net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – be displayed in a statement of

**THE BABY BUGGY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These three classes are defined as follows:

Permanently Restricted – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Temporarily Restricted – Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted – The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

Investments

Investments are recorded at fair value based upon quoted market prices. The related dividend and interest income is recorded as unrestricted income in the statement of activities. Subsequent revaluation of investments is in accordance with fair value standards.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Contributions Receivable

Contributions receivable represent unconditional promises to give by donors. For the years ended December 31, 2012 and 2011, the Organization had contributions receivable of \$124,510 and \$360,741, respectively. The Organization considers all gifts of long-lived assets to be temporarily restricted. The Organization uses the allowance method to determine uncollectible contributions receivable. Such allowance is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information. The Organization has determined that no allowance for uncollectible contributions receivable is necessary as of December 31, 2012. Unless material, the Organization does not discount long term receivables.

Inventory

Inventory consists of both the undistributed portion of donated goods recorded at the value placed by the donors on the date of donation and the purchase price of goods acquired by the Organization. Inventory is stated at the lower of cost or market, with cost being determined by the first-in, first-out method.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

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### Property and Equipment

Property and equipment are stated at cost and are being depreciated on the straight-line method over the estimated useful lives of the assets. The Organization has established a \$1,000 threshold above which assets are capitalized.

### In-Kind Contributions

The Organization receives contributions of donated non-cash assets that are an integral part of its operations. Such assets and services are recognized as income as contributions in-kind and expensed as in-kind in the statement of functional expenses, at their values based on market values of items and services donated or on current prices at the time of donation, if no receipt is available. Contributions are recorded in the period received.

### Donated Services

Donated services are recognized as revenue, if the services received create or enhance non-financial assets, require specified skills provided by individuals possessing those skills and typically need to be purchased if not provided by donation. Accordingly, the Organization does not record the value of volunteer hours since they do not meet the criteria for recognition under U.S. GAAP.

### Special Events

The Organization conducts special events in which a portion of gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events which ultimately benefit the donor rather than the Organization are recorded as exchange transaction revenue and exchange transaction expense. All proceeds received in excess of the direct costs are recorded as special events support in the accompanying statement of activities. In 2011, the Organization held its 10<sup>th</sup> anniversary gala.

For the years ended December 31, 2012 and 2011, the Organization reported special events income of \$399,136 and \$1,742,543, respectively, and expense of \$84,576 and \$404,956, respectively. The direct costs of special events include expenses for the benefit of the donor. For example, meals and facilities rental are considered direct costs of special events.

### Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using payroll allocation.

### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

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### Subsequent Events

The Organization has evaluated events through April 23, 2013, which is the date the financial statements were available to be issued.

### Comparative Information

The December 31, 2012 financial statements include certain prior year summarized comparative information. In addition, only certain notes to the financial statements for December 31, 2011 are presented. As a result, the December 31, 2011 comparative information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such December 31, 2011 information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

### Income Taxes

The accounting standard for uncertainty in income taxes prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

In assessing the realizability of tax benefits, management considers whether it is more likely than not that some portion or all of any tax position will not be realized. The ultimate realization of such tax positions is dependent upon the generation of future income. Management considers projected future income and tax planning strategies in making this assessment. Based upon the level of historical income and projections for future income, management believes it is more likely than not that the Organization will realize all tax benefits.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the year ended December 31, 2012. However, the Organization may be subject to audit by tax authorities. The Organization believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Management believes that its nonprofit status would be sustained upon examination.

Should there be interest on underpayments of income tax, the Organization would classify it as "Interest Expense." The Organization would classify penalties in connection with underpayments of tax as "Other Expense."

The Organization files informational returns in the United States federal and New York State jurisdictions. The Organization is generally no longer subject to income tax examinations by the Internal Revenue Service or New York State for returns filed before 2009.

### Fair Value Measurements and Fair Value-Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

**THE BABY BUGGY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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measurement date.

The accounting standard establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable units be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about inputs used by market participants at the measurement date. The fair value hierarchy is categorized into three levels based on inputs as follows:

- Level 1 - Valuation based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 - Valuation based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in the standard. The three valuation techniques are as follows:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e. replacement cost); and
- Income approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The Organization uses the Level 1 fair value hierarchy in valuation of mutual funds and stocks, and Level 2 fair value hierarchy in the valuation for investments of government bonds. The carrying value of all other assets and liabilities approximates fair value because of the short maturity of those financial assets and liabilities.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

3. **CONTRIBUTIONS RECEIVABLE:** Contributions receivable consists of the following as of December 31:

	2012	2011
Amounts due in:		
Less than one year	\$ 124,510	\$ 314,407
One to five years	-	46,334
Total	\$ 124,510	\$ 360,741

4. **INVESTMENTS:** Determination of Fair Values

The valuation methodologies used to determine the fair values of assets and liabilities under the “exit price” notion reflect market-participant objectives and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The Organization determines the fair values of certain financial assets based on quoted market prices, where available. The Organization also determines fair value based on future cash flows discounted at the appropriate current market rate. Fair values reflect adjustments for items such as counterparty credit quality, the Organization’s credit standing, liquidity and risk margins on unobservable parameters.

Certificates of deposit are valued based upon cost plus accrued interests valued using fixed terms and interest rates, and are included as Investments – other on the accompanying statement of financial position. The government bonds, mutual funds, and stocks are recorded at its fair value using quoted prices from the broker.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risks associated with these investments, it is at least reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and the statement of activities.

The following tables present by level, within the fair value hierarchy, the Organization’s investments at fair value as of December 31, 2012 and 2011. As required by fair value measurement accounting standards, investments are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement. The investments are all classified as unrestricted net assets.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

December 31, 2012	Fair Value on a Recurring Basis	Quoted Market Prices in Active Market for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Government bonds	\$ 1,155,558	\$ -	\$ 1,155,558	\$ -
Stocks - Consumer goods	99,465	99,465	-	-
Mutual funds - other	614,269	614,269	-	-
	\$ 1,869,292	\$ 713,734	\$ 1,155,558	\$ -

December 31, 2011	Fair Value on a Recurring Basis	Quoted Market Prices in Active Market for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Government bonds	\$ 1,163,242	\$ -	\$ 1,163,242	\$ -

The aggregate cost basis, gross unrealized gains and losses, and fair market value of the government bonds, stocks, and mutual funds at December 31, 2012 and 2011, are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<u>December 31, 2012</u>				
Government bonds	\$ 1,112,633	\$ 42,925	\$ -	\$ 1,155,558
Stocks	99,750	-	(285)	99,465
Mutual Funds	618,392	-	(4,123)	614,269
	\$ 1,830,775	\$ 42,925	\$ (4,408)	\$ 1,869,292
<u>December 31, 2011</u>				
Government bonds	\$ 1,140,528	\$ 22,714	\$ -	\$ 1,163,242

The Organization holds government bonds, which have maturity dates from October 2013 through December 2016 and interest rates ranging from 1.625% through 5.375%.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

The components of the activity of the Organization's government bonds, stocks, and mutual funds as of December 31, 2012 and 2011 were as follows:

December 31,	2012	2011
Investments , beginning of year	\$ 1,163,242	\$ 600,459
Purchase of investments	917,469	545,011
Sales of investments	(206,448)	-
Realized gain on sale of investments	7,122	-
Unrealized (loss) gain on investments reported at fair value	(12,093)	17,772
Investments, end of year	\$ 1,869,292	\$ 1,163,242

**5. PROPERTY AND EQUIPMENT:**

Property and equipment consist of the following as of December 31:

	2012	2011	Estimated Useful Lives
Equipment	\$ 21,219	\$ 19,649	3-5 years
Less: accumulated depreciation	(19,089)	(17,789)	
	\$ 2,130	\$ 1,860	

Depreciation expense was \$1,300 and \$1,201 for the years ended December 31, 2012 and 2011, respectively.

**6. INVENTORY:**

Inventory consists of the following as of December 31:

	2012	2011
Clothing and essential baby gear	\$ 491,887	\$ 638,785

**7. IN-KIND CONTRIBUTIONS:**

During the years ended December 31, 2012 and 2011, the Organization recognized total in-kind contributions of \$3,263,937 and \$2,567,689, respectively. In-kind contributions consist of goods donated by corporations and individuals, which are recorded on the date of donation. Volunteer hours are not included as in-kind contributions, except for legal services. Included in this amount are donated legal and professional services at \$112,043 and \$100,416, respectively.

**8. COMMITMENTS AND CONTINGENCIES:**

A. The Organization signed a five-year non-cancelable operating lease for office space in 2007, which expired on October 14, 2012. The lease was renewed for an additional five years expiring on October 14, 2017. At December 31, 2012, future minimum lease payments were as follows:



# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

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Year ended December 31,	
2013	\$ 128,900
2014	132,767
2015	136,750
2016	140,847
2017	114,121
	<hr/>
	\$ 653,385

- B. Rent expense, not including in-kind rent received, for the years ended December 31, 2012 and 2011 was \$139,125 and \$138,428, respectively. Donated rent was \$46,333 and \$57,176, respectively, for the years ended December 31, 2012 and 2011.

- 9. CONCENTRATIONS:**
- A. Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.
- B. For the year ended December 31, 2012, two companies donated approximately \$860,000 in product to the Organization which amounted to approximately 39% of the Organization's total corporate in-kind contributions for the year.
- C. For the year ended December 31, 2012, two donors contributed approximately \$200,000 in cash to the Organization which amounted to approximately 29% of the Organization's total contributions for the year.
- D. At December 31, 2012, two contributions receivable totaling approximately \$114,000 to the Organization amounted to approximately 91% of the Organization's total receivables for the year.

**10. NET ASSETS:**

Unrestricted Net Assets – Board Designated

In 2004, the Board designated funds received from a litigation settlement to be used for the Administration for Children Services and Department of Homeless Services prevention assistance programs. At December 31, 2012 and 2011, the board designated fund balance was \$65,345.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

### Temporarily Restricted Net Assets

Temporarily restricted net assets are purpose restricted and consist of the following at December 31:

	2012	2011
Infant Gear	\$ 66,317	\$ 158,035
Project Safe Sleep	114,619	136,926
Rent	-	46,333
Nurse Family Partnership	36,641	18,032
Family Resource Center	20,968	35,306
Food Initiative	-	36,798
Hurricane Sandy Relief	236,799	-
Education	8,270	10,520
	<u>\$ 483,614</u>	<u>\$ 441,950</u>

Net assets were released from restrictions by satisfying the restricted purposes for the year ended December 31, 2012 as follows:

Infant Gear	\$ 91,718
Project Safe Sleep	22,832
Food Initiative	36,798
Rent	46,333
Hurricane Sandy Relief	28,983
Nurse Family Partnership	31,392
Family Resource Center	14,338
Education	17,249
	<u>\$ 289,643</u>