



**B A B Y B U G G Y**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**(With Comparative Totals for December 31, 2009)**

**THE BABY BUGGY, INC.**

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DECEMBER 31, 2010**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Baby Buggy, Inc.

We have audited the accompanying statement of financial position of The Baby Buggy, Inc. (the "Organization") as of December 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from The Baby Buggy, Inc.'s 2009 financial statements and, in our report dated April 14, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

*MBAF-ERE CPAs, LLC*

New York, NY  
June 29, 2011

# THE BABY BUGGY, INC.

## STATEMENT OF FINANCIAL POSITION

**As of December 31,  
(With comparative totals for 2009)**

	2010	2009
<b>Assets:</b>		
Cash and cash equivalents	\$ 893,799	\$ 184,084
Investments	1,753,019	2,372,020
Contributions receivable	112,285	171,022
Inventory	309,831	433,209
Prepaid expenses and other assets	41,485	35,271
Property and equipment, net	981	3,054
<b>Total Assets</b>	<b>\$ 3,111,400</b>	<b>\$ 3,198,660</b>
<b>Liabilities and Net Assets:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 26,315	\$ 28,554
<b>Net Assets:</b>		
Board designated	65,345	65,345
Unrestricted	2,370,331	2,383,307
Total unrestricted	2,435,676	2,448,652
Temporarily restricted	649,409	721,454
Total net assets	3,085,085	3,170,106
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,111,400</b>	<b>\$ 3,198,660</b>

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

# THE BABY BUGGY, INC.

## STATEMENT OF ACTIVITIES

**For the year ended December 31, 2010 (With comparative totals for 2009)**

	Unrestricted	Temporarily Restricted	2010 Total	2009 Total
<b>Revenues:</b>				
Contributions	\$ 650,382	\$ 55,210	\$ 705,592	\$ 308,279
Contributions in-kind	2,108,407	-	2,108,407	2,017,588
Special events income, net of expenses of \$177,516 in 2010 and \$177,338 in 2009	539,699	-	539,699	526,411
Investment income	97,867	-	97,867	115,204
Net assets released from restrictions	127,255	(127,255)	-	-
<b>Total revenues</b>	<b>3,523,610</b>	<b>(72,045)</b>	<b>3,451,565</b>	<b>2,967,482</b>
<b>Expenses:</b>				
Program	2,869,280	-	2,869,280	2,944,412
General and administrative	420,069	-	420,069	381,828
Fundraising	247,237	-	247,237	240,573
<b>Total expenses</b>	<b>3,536,586</b>	<b>-</b>	<b>3,536,586</b>	<b>3,566,813</b>
<b>Change in net assets</b>	<b>(12,976)</b>	<b>(72,045)</b>	<b>(85,021)</b>	<b>(599,331)</b>
Net assets, beginning of year	2,448,652	721,454	3,170,106	3,769,437
<b>Net assets, end of year</b>	<b>\$ 2,435,676</b>	<b>\$ 649,409</b>	<b>\$ 3,085,085</b>	<b>\$ 3,170,106</b>

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

THE BABY BUGGY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2010 (With comparative totals for 2009)

	Programs										Total	2010	2009
	Health	Intervention	Crisis	Homeless	Domestic Violence	Court	Education	Program	Administrative	General and Fundraising			
Salaries	\$ 61,137	\$ 121,264	\$ 61,137	\$ 44,759	\$ 23,557	\$ 61,137	\$ 372,991	\$ 113,873	\$ 171,760	\$ 658,624	\$ 633,590		
Payroll taxes and fringe benefits	13,471	26,720	13,471	9,863	5,191	13,471	82,187	25,094	37,847	145,128	138,525		
Program supplies-in-kind	789,224	469,268	127,982	298,625	-	447,939	2,133,038	-	-	2,133,038	2,089,287		
Program supplies	21,905	13,025	3,552	8,288	-	12,434	59,204	-	-	59,204	134,348		
Depreciation and amortization	276	548	276	202	106	276	1,684	516	776	2,976	4,173		
Repairs and maintenance	1,115	2,211	1,115	816	429	1,115	6,801	2,076	3,131	12,008	11,844		
Occupancy in-kind	7,772	16,654	7,772	6,106	3,331	7,772	49,407	2,220	3,885	55,512	53,895		
Occupancy	18,814	40,315	18,814	14,782	8,063	18,814	119,602	5,375	9,407	134,384	130,241		
Telephone	1,408	2,793	1,408	1,031	543	1,408	8,591	2,623	3,956	15,170	14,366		
Insurance	1,119	2,219	1,119	819	431	1,119	6,826	2,082	3,143	12,051	13,506		
Office expense	941	1,866	941	689	363	941	5,741	14,961	2,643	23,345	19,486		
Postage and delivery	2,168	4,301	2,168	1,587	835	2,168	13,227	4,040	6,092	23,359	55,125		
Professional fees	-	-	-	-	-	-	-	244,163	-	244,163	245,937		
Printing	97	192	97	71	37	97	591	178	272	1,041	3,874		
Bank fees and related charges	1,539	3,053	1,539	1,127	593	1,539	9,390	2,868	4,325	16,583	18,616		
<b>Total Expenses 2010</b>	<b>\$ 920,986</b>	<b>\$ 704,429</b>	<b>\$ 241,391</b>	<b>\$ 388,765</b>	<b>\$ 43,479</b>	<b>\$ 570,230</b>	<b>\$ 2,869,280</b>	<b>\$ 420,069</b>	<b>\$ 247,237</b>	<b>\$ 3,536,586</b>			
<b>Total Expenses 2009</b>	<b>\$ 509,975</b>	<b>\$ 1,204,442</b>	<b>\$ 406,751</b>	<b>\$ 267,143</b>	<b>\$ 72,252</b>	<b>\$ 483,849</b>	<b>\$ 2,944,412</b>	<b>\$ 381,828</b>	<b>\$ 240,573</b>	<b>\$ 3,566,813</b>			

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

# THE BABY BUGGY, INC.

## STATEMENT OF CASH FLOWS

**For the year ended December 31,  
(With comparative totals for 2009)**

	2010	2009
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ (85,021)	\$ (599,331)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	2,976	4,173
Unrealized loss (gain) on investment	10,570	(33,366)
Realized (gain) loss on investment	(17,813)	4,085
Donated stock	(16,162)	-
Donated rent received	-	(212,917)
Donated rent expensed	55,512	53,895
Donated goods - contributions	(2,009,660)	(1,922,411)
Goods utilized in program expenses	2,133,038	2,089,287
Donated legal services	(98,746)	(95,177)
Donated legal expenses	98,746	95,177
Changes in operating assets and liabilities:		
Decrease in contributions receivable	3,225	412,765
Increase in prepaid expenses and other expenses	(6,214)	(2,494)
Decrease in accounts payable and accrued expenses	(2,239)	(52,831)
<b>Net cash provided by (used in) operating activities</b>	<b>68,212</b>	<b>(259,145)</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(903)	-
Proceeds from sale of investments	319,693	345,769
Proceeds from maturity of investment	915,000	-
Purchases of investments	(584,819)	(533,174)
Accrued interest on investment	(7,468)	(11,417)
<b>Net cash provided by (used in) investing activities</b>	<b>641,503</b>	<b>(198,822)</b>
Net increase (decrease) in cash and cash equivalents	709,715	(457,967)
Cash and cash equivalents, beginning of year	184,084	642,051
<b>Cash and cash equivalents, end of year</b>	<b>\$ 893,799</b>	<b>\$ 184,084</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>Non-cash Investing and Financing Activities:</b>		
Donated stock	\$ 16,162	\$ -

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

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

### 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 Organization was granted tax-exempt status under Section 501(c) (3) of the Internal Revenue Code and is not classified as a private foundation. The Organization generates most of its revenue from contributions and serves families through the following programs:

**Health** – Programs offered through or in affiliation with the maternal health, social work, and labor/delivery departments in hospitals.

**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.

**Homeless** – Programs serving individuals dealing with homelessness by providing them with shelter, transitional housing and related services, crisis intervention, counseling, case management, and life skills workshops.

**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.

**Court Programs** – Safe Horizon programs in the family and criminal courts, court child centers, and Community Programs; these programs offer case management, crisis intervention, mediation, as well as assistance with navigating the family and criminal court systems.

**Education** – Educational institutions offering programming and services to families living in poverty, which address the needs of the entire family.

### 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.

The classification of an 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 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.



# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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.

### Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with original maturities of three months or less from the date of acquisition as cash and cash equivalents.

### Investments

Investments are recorded at fair value based upon quoted market prices. Income earned and changes in fair value as determined by quoted market prices are recorded as unrestricted net assets.

### Contributions Receivable

Contributions receivable represent unconditional promises to give by donors. For the years ended December 31, 2010 and 2009, the Organization had contributions receivable of \$112,285 and \$171,022, 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, 2010. The Organization does not discount contributions due greater than one year and that policy is not materially different from accounting principles generally accepted in the United States of America.

### 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.

### 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.

The Organization reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. No impairment losses were recognized for the year ended December 31, 2010.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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### 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 program supplies 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 Securities

It is the intention of the Organization to sell all gifts of public securities upon receipt or as soon thereafter as possible. For the year ended December 31, 2010, the Organization received \$16,162 in donated securities.

### 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 accounting principles generally accepted in the United States of America.

### 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.

For the years ended December 31, 2010 and 2009, the Organization reported special events income of \$717,215 and \$703,749, respectively, and expense of \$177,516 and \$177,338, 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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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results could differ from those estimates.

### Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through the auditors' report date and date of issuance. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

### Comparative Information

The December 31, 2010 financial statements include certain prior year summarized comparative information. In addition, only certain notes to the financial statements for December 31, 2009 are presented. As a result, the December 31, 2009 comparative information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in United States of America. Accordingly, such December 31, 2009 information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, 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, 2010. 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.

The Organization files informational returns in the United States federal and New York State jurisdictions. The Organization is no longer subject to income tax examinations by the Internal Revenue Service or New York State for returns filed before 2007.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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

The Organization follows the accounting standard related to fair value measurements standard. Under this standard, 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 measurement date.

This 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 Organizations 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 2 fair value hierarchy in the valuation for investments of certificate of deposits and 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.

The Organization follows the provisions of the fair value measurements standard for certain non-financial assets and liabilities. Under this standard, the entity reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

carrying amount of the assets, the entity recognizes an impairment loss. No impairment losses were recognized for the year ended December 31, 2010.

### 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.

### New Accounting Pronouncements

In January 2010, an accounting standard was issued which clarifies and increases the disclosure requirements relating to fair value measurements. The accounting standard is effective for annual and interim periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuance and settlements in the roll-forward of activity in Level 3 fair value measurements. Those disclosures are effective for annual and interim periods ending after December 31, 2009. The accounting standard did not have an effect on the Organization's financial statements.

### 3. CONTRIBUTIONS RECEIVABLE:

Contributions receivable consists of the following as of December 31:

	2010	2009
Amounts due in:		
Less than one year	\$ 8,775	\$ 12,000
One to five years	103,510	159,022
<u>Total</u>	<u>\$ 112,285</u>	<u>\$ 171,022</u>

### 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 and financial liabilities 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 of investment plus accrued interest valued using fixed terms and interest rates, given the investment is held to maturity. The government bonds 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 BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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 Organization's securities consist of certificates of deposit and government bonds. The Organization uses the Level 2 fair value hierarchy in the valuation of these investments. The investments are all classified as unrestricted net assets.

	2010		2009	
	Other Significant Observable Inputs (Level 2) FMV	Cost	Other Significant Observable Inputs (Level 2) FMV	Cost
Certificates of Deposit	\$1,145,091	\$1,110,000	\$2,360,603	\$2,310,000
Government Bonds	600,460	595,517	-	-
Accrued Interest	7,468	-	11,417	-
	<u>\$1,753,019</u>	<u>\$1,705,517</u>	<u>\$2,372,020</u>	<u>\$2,310,000</u>

The certificates of deposit range in value from \$80,000 through \$95,000. These certificates have maturity dates from January 2011 through December 2012, with interest rates ranging from 1.90% through 4.45%. The Organization holds 570,000 shares of the government bonds, which have maturity dates from October 2013 through November 2014 and interest rates ranging from 2.625% through 3.625%.

Total unrealized gains on investment as of December 31, 2010 and 2009 were \$47,502 and \$62,020, respectively.

The components of total investment activity as of December 31, 2010 and 2009 were as follows:

December 31,	2010	2009
Investments in marketable securities, beginning of year	\$ 2,372,020	\$ 2,143,917
Accrued interest	7,468	11,417
Purchase to investment accounts	584,819	533,174
Donated investments	16,162	-
Sales from investment accounts	(1,234,693)	(345,769)
Realized gain (loss) on sale of investments	17,813	(4,085)
Net change in unrealized (losses) gains on investments reported at fair value	(10,570)	33,366
Investments in marketable securities, end of year	<u>\$ 1,753,019</u>	<u>\$ 2,372,020</u>

**THE BABY BUGGY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

5. **PROPERTY AND EQUIPMENT:** Property and equipment consist of the following as of December 31:

	2010	2009	Estimated Useful Lives
Equipment	\$ 17,568	\$ 16,665	3-5 years
Less: accumulated depreciation	(16,587)	(13,611)	
	\$ 981	\$ 3,054	

Depreciation expense was \$2,976 and \$4,173 for the years ended December 31, 2010 and 2009, respectively.

6. **INVENTORY:** Inventory consists of the following as of December 31:

	2010	2009
Baby clothing	\$ 100,419	\$ 158,543
Non-essential baby items	167,023	19,239
Essential baby gear	42,389	255,427
<b>Total</b>	<b>\$ 309,831</b>	<b>\$ 433,209</b>

7. **IN-KIND CONTRIBUTIONS:** During the years ended December 31, 2010 and 2009, the Organization recognized total in-kind contributions of \$2,108,407 and \$2,017,588, respectively. In-kind contributions consist of goods donated by corporations and individuals, which are recorded on the date of donation. Volunteers are not included in the in-kind, except for legal services. For the years ended December 31, 2010 and 2009, total donated legal services were \$98,746 and \$95,177, respectively.

8. **COMMITMENTS AND CONTINGENCIES:** The Organization signed a five-year non-cancelable operating lease for office space in 2007, which expires October 14, 2012. At December 31, 2010, future minimum lease payments were as follows:

Year ended December 31,		
2011	\$	121,501
2012		98,459
	\$	219,960

Rent expense for the years ended December 31, 2010 and 2009 was \$134,384 and \$130,241, respectively. Donated rent was \$55,512 and \$53,895, respectively, for the years ended December 31, 2010 and 2009.

# THE BABY BUGGY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

9. **CONCENTRATIONS:** A. Financial instruments that potentially subject the Organization to a concentration of credit risk include cash accounts in a financial institution that exceeded the Federal Deposit Insurance Corporation ("FDIC") limits by approximately \$660,000 as of December 31, 2010. Management believes that the credit risk related to these accounts is minimal. Accounts at each institution are insured by the FDIC up to \$250,000 through 2013. Noninterest bearing checking accounts have unlimited coverage through 2012.
- B. For the year ended December 31, 2010, a single donor contributed approximately \$392,000 to the Organization which amounted to approximately 56% of the Organization's total contributions for the year.

**10. NET ASSETS:**

Unrestricted Net Assets – Board Designated

In 2004, the Board designated funds received from the litigation settlement to be used for the Administration for Children Services and Department of Homeless Services prevention assistance programs. At December 31, 2010, board designated fund balance was \$65,345.

Temporarily Restricted Net Assets

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

	2010	2009
Infant Gear	\$ 197,783	\$ 210,417
Project Safe Sleep	180,228	180,363
Rent	103,509	159,021
Nurse Family Partnership	68,588	61,497
Family Resource Center	50,074	67,169
Food Initiative	36,798	42,987
Education	12,429	-
	\$ 649,409	\$ 721,454

Net assets were released from restrictions by satisfying the restricted purposes for the fiscal year ended December 31, 2010 as follows:

Infant Gear	\$	12,634
Project Safe Sleep		345
Rent		55,512
Nurse Family Partnership		32,909
Family Resource Center		17,095
Food Initiative		6,189
Education		2,571
	\$	127,255