

## 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, 2022, Statement of Activities for the period ended December 31, 2022, and the Statement of Cash Flows for the period ended December 31, 2022. 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, CPA, CFE, MBA  
NYS License #124138  
June 8, 2023



Rosemary's Babies Co.  
Statement of Financial Position  
As of December 31, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	107,656.93
Accounts Receivable	1,280.00
Other Current Assets	4,873.12
<b>Total Current Assets</b>	<b>\$113,810.05</b>
Fixed Assets	455,715.06
<b>TOTAL ASSETS</b>	<b>\$569,525.11</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	163,248.07
Credit Cards	7,876.54
Other Current Liabilities	-177.90
<b>Total Current Liabilities</b>	<b>\$170,946.71</b>
<b>Total Liabilities</b>	<b>\$170,946.71</b>
Equity	398,578.40
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$569,525.11</b>



**Rosemary's Babies Co.**  
Statement of Activities  
For the Period Ended December 31, 2022

	TOTAL
Revenues, Gains, and Other Support	<b>\$597,699.91</b>
Total Revenues, Gains, and other support	<b>\$597,699.91</b>
Expenditures	<b>\$348,419.24</b>
Net Assets Released from Restriction	<b>\$249,280.67</b>
Other Revenue	<b>\$259.52</b>
Other Expenditures	<b>\$ -4,290.30</b>
<b>NET OTHER REVENUE</b>	<b>\$4,549.82</b>
Net Assets at the End of the Year	<b>\$253,830.49</b>



Rosemary's Babies Co.  
Statement of Cash Flows  
For the Period Ended December 31, 2022

	TOTAL
<b>OPERATING ACTIVITIES</b>	
Net Revenue	253,830.49
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable - Pledges	-1,260.00
Van - 2020:Depreciation	4,453.57
Vehicles:Depreciation	1,922.10
Accounts Payable (A/P)	162,380.00
Credit Card	74.48
Credit Card:PNC	4,546.46
Reimbursement Payable	-320.07
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>171,796.54</b>
<b>Net cash provided by operating activities</b>	<b>\$425,627.03</b>
<b>INVESTING ACTIVITIES</b>	
Construction Work in Progress	-212,800.00
Furniture	-1,366.05
Holloway House	-218,968.75
Vehicles	-11,532.50
<b>Net cash provided by investing activities</b>	<b>\$ -444,667.30</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>\$ -19,040.27</b>
Cash at beginning of period	131,570.32
<b>CASH AT END OF PERIOD</b>	<b>\$112,530.05</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 individual donor contributions, grants, sponsorships, foundations, non-federal grants, state funding (Ohio Faith Based Initiatives | TANF Funds) and the United Way of Greater Cincinnati. Rosemary's Babies serves more than 200 families annually.

Rosemary's Babies Company in 2022, purchased a new property (6,900 sq. ft) in Cincinnati Ohio to expand our programs and provide transitional housing for teen parent families. The property will house up to 7 moms and their babies for up to 24 months. Throughout 2022 RBC continues to solicit for our capital campaign to repay bridge loan (\$900K) and for our programming reserve.

### **Revenue**

RBC has shown a continuous increase in revenue since its inception. This increase resulted from our increased marketing, focused efforts in writing grants, and a strategic capital campaign.

In 2022, RBC saw a 49% increase in overall revenue. Overall, 29% of our revenue were Grants w/o Donor Restrictions, Grants w/ Restrictions, and 16% were Individual Donors. Total reported revenue in 2022 is \$597,700.

### **Expenses**

Due to the increase in the number of families RBC serves, our expenses increased by 32%. RBC purchased paid additional rent, purchased a new building, and provided additional resources for families. Total reported expenses in 2022 are \$344,129.

### **In-kind Services**

Rosemary's Babies Co. appreciates those who continue to support our organization with in-kind professional services and supplies. Your donations help us to better serve our families. RBC saw an increase in in-kind services by professionals who contributed to the acquisition and renovation of our new facility, Holloway House & Resource Center. Total reported In-kind services for 2022 is \$187,208.

### **Volunteer Hours**

Rosemary's Babies Co. team is comprised of paid staff, contractors, and more than (3) dozen volunteers who contribute their time yearly. Total reported volunteer hours for 2022 is 3,100.

### **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 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 2022, the value of contributed services meeting the requirements for recognition in the financial statements has been recorded as in-kind services. In addition, many individuals volunteer their time and perform a variety of tasks that Rosemary's Babies Co. within the facility. In 2022, Rosemary's Babies Co. reported 3,100 volunteer hours for the calendar year. Rosemary's Babies reported \$187,208 of in-kind services.

### **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. Rosemary's Babies Co. has determined that no estimates were done in 2022 that would result in differed calculations.

### **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. Rosemary's Babies Co. had no investment in 2022.

### **Grants**

Rosemary's Babies Co. grants are comprised primarily of receivables from local foundations, state funds, and non-federal granting agencies. They were deemed fully collectible and no provision for uncollectible accounts was considered necessary. Rosemary's Babies Co. had not received any federal grants/funding in 2022.

### **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 2022, RBC purchased a 6,900 sq ft property in Cincinnati Ohio for \$196,000.

### **Deferred Revenue**

Deferred revenue represents grant funds received in advance of related program expenses. Rosemary's Babies Co. has not deferred any revenue in our accounting statements.

### **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. Certain immaterial in-kind donations have not been recorded.

### **Income Taxes**

Rosemary's Babies Co. (RBC) 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 used 4439 Reading Road Suite 107 Cincinnati Ohio 45229 for Rosemary's Babies Co. operations are leased through Rodanthe Investments owner Charlene Stevenson. Rosemary's Babies Co. has rented the space for \$1780 per until December 31, 2024.



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.