GOOD PLUS FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

MBAF
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GOOD PLUS FOUNDATION, INC.

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NDEPENDENT AUDITOR'S REPORT

To the Board of Directors
GOOD Plus Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of GOOD Plus Foundation, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the 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 audits. We conducted our audits 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 GOOD Plus Foundation, Inc. as of December 31, 2018 and 2017, 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.

MBAF CPAs, LLC

New York, NY
May 8, 2019

GOOD PLUS FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

ASSETS		2018		2017
Cash and cash equivalents	$	1,604,745	$	1,343,848
Investments		1,710,956		1,418,908
Certificate of deposit, at cost		300,000		-
Contributions receivable		11,550		-
Inventory		1,021,935		1,742,626
Prepaid expenses and other assets		37,502		47,980
Property and equipment, net		23,023		11,617
Website, net		20,000		30,000
	$	**4,729,711**	**$**	**4,594,979**
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	$	49,257	$	126,969
NET ASSETS				
Without donor restrictions		4,657,877		4,435,429
With donor restrictions		22,577		32,581
		4,680,454		4,468,010
	$	**4,729,711**	**$**	**4,594,979**

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

GOOD PLUS FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Contributions	$ 1,344,902	$ 975,181
Contributions in-kind	6,706,051	7,826,945
Special events income, net of expenses of $1,168,759 and $337,386 in 2018 and 2017, respectively	2,061,221	1,119,066
Investment (loss) income	(145,170)	149,520
	9,967,004	10,070,712
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	228,953	289,735
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	10,195,957	10,360,447
EXPENSES		
Program	8,870,897	8,624,210
Management and general	516,096	491,401
Fundraising	586,516	422,663
	9,973,509	9,538,274
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	222,448	822,173
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	218,949	204,753
Net assets released from restrictions	(228,953)	(289,735)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(10,004)	(84,982)
CHANGE IN NET ASSETS	212,444	737,191
NET ASSETS - BEGINNING OF YEAR	4,468,010	3,730,819
NET ASSETS - END OF YEAR	**$ 4,680,454**	**$ 4,468,010**

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

GOOD PLUS FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Program	General and Administrative	Fundraising	Total
FUNCTIONAL EXPENSES				
Salaries	$ 650,928	$ 213,480	$ 354,929	$ 1,219,337
Payroll taxes and fringe benefits	150,570	48,676	65,064	264,310
Program supplies, in-kind	7,232,715	-	-	7,232,715
Program supplies	293,348	-	-	293,348
Depreciation and amortization	5,607	10,890	1,881	18,378
Repairs and maintenance	19,336	791	1,262	21,389
Occupancy	267,537	3,878	4,623	276,038
Telephone	15,824	472	155	16,451
Insurance	16,828	2,650	4,648	24,126
Office expense	94,542	28,321	24,371	147,234
Utilities	12,356	434	674	13,464
Delivery	58,342	250	18	58,610
Professional fees	8,524	49,753	2,003	60,280
Marketing	-	-	125,973	125,973
Printing	3,808	459	814	5,081
Professional fees, in-kind	40,390	153,637	-	194,027
Office furniture/equipment	242	2,405	101	2,748
	$ 8,870,897	$ 516,096	$ 586,516	$ 9,973,509

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

GOOD PLUS FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017

	Program	General and Administrative	Fundraising	Total
FUNCTIONAL EXPENSES				
Salaries	$ 662,994	$ 200,878	$ 249,623	$ 1,113,495
Payroll taxes and fringe benefits	166,341	36,848	43,395	246,584
Program supplies, in-kind	6,997,312	-	-	6,997,312
Program supplies	343,427	-	-	343,427
Depreciation and amortization	-	14,629	-	14,629
Repairs and maintenance	16,287	613	616	17,516
Occupancy	198,546	7,323	7,323	213,192
Telephone	16,955	460	11	17,426
Insurance	25,773	1,673	1,533	28,979
Office expense	83,709	31,795	27,977	143,481
Utilities	12,614	464	561	13,639
Delivery	47,016	591	137	47,744
Professional fees	23,693	51,406	10,888	85,987
Marketing	870	71	77,181	78,122
Printing	1,840	166	3,418	5,424
Professional fees, in-kind	26,013	144,416	-	170,429
Office furniture/equipment	820	68	-	888
	$ 8,624,210	$ 491,401	$ 422,663	$ 9,538,274

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

GOOD PLUS FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 212,444	$ 737,191
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	18,378	14,629
Unrealized loss (gain) on investments	236,513	(33,539)
Realized loss (gain) on investments	13,153	(23,988)
Donated investments	(6,972)	-
Donated goods - contributions	(6,512,024)	(7,656,516)
Goods utilized in program expenses	7,232,715	6,997,312
Changes in operating assets and liabilities:		
Contributions receivable	(11,550)	31,321
Prepaid expenses and other assets	10,478	4,769
Accounts payable and accrued expenses	(77,712)	42,536
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,115,423	113,715
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(19,784)	(11,321)
Proceeds from sale of investments	204,947	201,820
Purchase of certificate of deposit	(300,000)	-
Purchases of investments	(739,689)	(179,710)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(854,526)	10,789
NET INCREASE IN CASH AND CASH EQUIVALENTS	260,897	124,504
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,343,848	1,219,344
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,604,745	$ 1,343,848

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

1. NATURE OF THE ORGANIZATION

GOOD Plus Foundation, Inc. (the "Organization") was incorporated on February 26, 2001. On July 25, 2017, the board of directors approved the change of the Organization's name from The Baby Buggy, Inc. to GOOD Plus Foundation, Inc. The Organization's mission is to provide critical gear, clothing and services to families in need with the goal of providing for the health and safety of their children. The Organization 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)(vi). The Organization's primary source of income is contributions.

The Organization focuses on the following major segments:

Health – The primary focus is Nurse-Family Partnership ("NFP") programs in New York City, Jersey City, Los Angeles, Dallas, Detroit 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 births, and better maternal employment and graduation rates.

Fatherhood - The Organization's Fatherhood Initiative provides clothing, gear, and products for children of low-income, non-custodial fathers enrolled in fathering programs at 13 organizations 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 fathers 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.

Education – The Organization's educational program includes working in conjunction with agencies such as 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.

Intervention – The Organization donates to programs 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.

Domestic Violence – The Organization's domestic violence program offers women dealing with domestic violence shelter, support, crisis intervention, case management, and counseling, as well as life skills, parenting and job readiness workshops.

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").

Cash and Cash Equivalents

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

Investments

Investments are recorded at fair value based upon quoted market prices. The related dividend and interest income is recorded as income without donor restrictions in the statement of activities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificate of Deposit

The certificate of deposit can only be redeemed by its issuer and therefore does not meet the accounting definition of a security. Accordingly, it is measured at cost.

Contributions Receivable

Contributions receivable represent unconditional promises to give by donors. At December 31, 2018, the Organization had contributions receivable of $11,550. At December 31, 2017, the Organization had no contributions receivable. The Organization considers all gifts of long-lived assets to be donor restricted. The Organization uses the allowance method to determine uncollectible contributions receivable. Such allowance is based on management's assessment of the creditworthiness of its donors, the age of the 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, 2018. Unless material, the Organization does not discount long-term receivables.

Inventory

Inventory is stated at cost, if purchased, or at fair value, if available, or at the value placed by the donors on the date of donation, if contributed. 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.

Revenue Recognition and Net Assets

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Net assets incorporating contributions with or without donor restrictions are defined as follows:

> Net Assets with Donor Restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Net Assets (continued)

Net Assets without Donor Restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions.

Unconditional contributions without donor restrictions are recognized as revenue or support in changes in net assets without donor restrictions when received or promised. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net assets without donor restrictions.

Revenue from exchange transactions is recorded when services are performed in accordance with the relevant agreements.

In-Kind Contributions

The Organization receives contributions of donated non-cash assets that are an integral part of its operations. Such assets are recognized as income as contributions in-kind and expensed as in-kind at their values based on market values of items donated or on current prices at the time of donation. 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 specialized 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 those volunteer hours that do not meet the criteria for recognition under U.S. GAAP.

Special Events

The Organization conducts special events in which a portion of the 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 income in the accompanying statements of activities.

For the years ended December 31, 2018 and 2017, the Organization reported special events income of $3,229,980 and $1,456,452, respectively, and expense of $1,168,759 and $337,386, respectively. The direct costs of special events include expenses for the benefit of the donor. For example, meal and facility rentals 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Subsequent Events

The Organization has evaluated events through May 8, 2019, which is the date the financial statements were available to be issued.

Income Taxes

The Organization files informational returns in the 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 2015.

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, disclosure, and transition.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the year ended December 31, 2018. 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 income tax as “Other Expense.”

The Organization is subject to tax reportable on Form 990T consisting of unrelated business income if they have provided pre-tax transportation benefits to employees.

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 measurement date.

Accounting standards establish 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements and Fair Value - Definition and Hierarchy (continued)

Level 2 - Valuation based on quoted prices for similar assets or liabilities in active markets; for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally or corroborated by observable market data by correlation or other means.

Level 3 - Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

Adopted Accounting Pronouncements

Financial Statement Presentation
During the year ended December 31, 2018, the Organization adopted Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update amends the current reporting model for not-for-profit organizations and enhances their required disclosures. The major changes include, but are not limited to: (a) requiring the presentation of two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations on gifts used to acquire or construct long-lived assets absent explicit donor restrictions otherwise, (d) requiring the presentation of an analysis of expenses by function and nature, (e) requiring the disclosure of information regarding liquidity and availability of resources, and (f) presenting investment return net of external and direct internal investment expenses. In addition, the update removes the requirement that statements of cash flows using the direct method also present a reconciliation consistent with the indirect method. The Organization has applied the update retrospectively to all periods presented and adjusted the presentation of these financial statements accordingly. As a result, the Organization reclassified amounts formerly classified as temporarily restricted net assets to net assets with donor restrictions. In addition, the Organization reclassified amounts formerly classified as unrestricted net assets to net assets without donor restrictions. The adoption of this update had no other material effect on the Organization's financial position and changes in net assets. In addition, the Organization has elected to continue to present the statement of cash flows using the indirect method.

Contributions
During the year ended December 31, 2018, the Organization adopted Accounting Standards Update 2018-08, Not-for-Profit Entities (Topic 958) – *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The update provides guidance in evaluating whether transactions should be accounted for as contributions or as an exchange transaction and determining whether a contribution is conditional or not. The adoption of this update had no effect on the Organization's financial position and changes in net assets.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted but no earlier than annual reporting periods beginning after December 31, 2016. The Organization is currently evaluating the effect the update will have on its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (continued)

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Organization is currently evaluating the effect the update will have on its financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization’s presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted.

In August 2016, the FASB issued an accounting standards update to reduce diversity in practice on eight specific statement of cash flows issues. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

3. 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.

The mutual funds and exchange traded and closed-end funds are recorded at fair value using quoted market prices.

The preceding method 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 statements of financial position and activities.

3. INVESTMENTS (CONTINUED)

Determination of Fair Values (continued)

The following tables present by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2018 and 2017. 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 net assets without donor restrictions.

	Fair Value on a Recurring Basis	Quoted Market Prices in Active Market for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018				
Exchange traded & closed-end funds	$ 1,232,268	$ 1,232,268	$ -	$ -
Mutual funds	478,688	478,688	-	-
	$ 1,710,956	**$ 1,710,956**	**$ -**	**$ -**

	Fair Value on a Recurring Basis	Quoted Market Prices in Active Market for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2017				
Exchange traded & closed-end funds	$ 765,796	$ 765,796	$ -	$ -
Mutual funds	653,112	653,112	-	-
	$ 1,418,908	**$ 1,418,908**	**$ -**	**$ -**

The aggregate cost basis, gross unrealized gains and losses, and fair market value of the stocks and mutual funds at December 31, 2018 and 2017, are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2018				
Exchange traded & closed-end funds	$ 1,298,524	$ -	$ (66,256)	$ 1,232,268
Mutual funds	493,388	-	(14,700)	478,688
	$ 1,791,912	**$ -**	**$ (80,956)**	**$ 1,710,956**
December 31, 2017				
Exchange traded & closed-end funds	$ 646,823	$ 118,973	$ -	$ 765,796
Mutual funds	633,535	19,577	-	653,112
	$ 1,280,358	**$ 138,550**	**$ -**	**$ 1,418,908**

3. INVESTMENTS (CONTINUED)

The components of the activity of the Organization's stocks and mutual funds as of December 31, 2018 and 2017 were as follows:

December 31,	2018	2017
Investments, beginning of year	$ 1,418,908	$ 1,383,491
Purchase of investments	739,689	179,710
Sales of investments	(204,947)	(201,820)
Realized (loss) gain on sale of investments	(13,153)	23,988
Unrealized (loss) gain on investments reported at fair value	(236,513)	33,539
Donated investments	6,972	-
Investments, end of year	**$ 1,710,956**	**$ 1,418,908**

4. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization maintains on average $600,000 in its checking account for general and recurring expenditures and obligations. The Organization invests cash in excess of monthly requirements, aggregated over a year in cash equivalents, which are highly liquid investments with an initial maturity of three months or less. The Organization also maintains a separate form of operational reserve with the objective of setting aside funds to be drawn upon in the event of a budget deficit or any financial distress. These reserved funds are held in lower-risk cash, money market funds, and fixed-income securities in the investment account. The current balance of this reserve is included in the cash and cash equivalent amount on the statements of financial position.

December 31,	2018	2017
Cash and cash equivalents	$ 1,604,745	$ 1,343,848
Investments	1,710,956	1,418,908
Certificate of deposit, at cost	300,000	-
Contributions receivable	11,550	-
Total financial assets available within one year	3,627,251	2,762,756
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	22,577	32,581
Total financial assets available to management for general expenditures within one year	**$ 3,604,674**	**$ 2,730,175**

5. PROPERTY AND EQUIPMENT

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

	2018	2017	Estimated Useful Lives
Equipment	$ 69,514	$ 49,730	3-5 Years
Less: accumulated depreciation	(46,491)	(38,113)	
	$ 23,023	**$ 11,617**	

Depreciation expense was $8,378 and $4,629 for the years ended December 31, 2018 and 2017, respectively.

6. WEBSITE

Development costs related to the Organization's website amounting to $50,000 have been capitalized as of December 31, 2016. These costs are amortized over the estimated life of five years using the straight-line method. Amortization expense for each of the years ended December 31, 2018 and 2017 totaled $10,000. Accumulated amortization as of December 31, 2018 and 2017 totaled $30,000 and $20,000, respectively.

7. INVENTORY

As of December 31, 2018 and 2017, inventory consists of clothing and essential baby gear amounting to $1,021,935 and $1,742,626, respectively.

8. IN-KIND CONTRIBUTIONS

During the years ended December 31, 2018 and 2017, the Organization recognized total in-kind contributions of $6,706,051 and $7,826,945, respectively. Included in these amounts are donated legal, events and professional services amounting to $194,027 and $170,429, respectively. In-kind contributions consist of goods and specialized services donated by corporations and individuals which are recorded on the date of donation.

9. RETIREMENT PLAN

The Organization adopted a 403(b) retirement plan (the "Plan") which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to make elective deferrals beginning on their date of hire. Those employees who have completed six months of employment and are employed on the last day of the Plan year are also eligible for a discretionary non-elective employer contribution. For the years ended December 31, 2018 and 2017, the Organization did not make any contributions to the Plan.

10. COMMITMENTS AND CONTINGENCIES

The Organization signed a non-cancelable operating lease for office space in New York, which expires on December 31, 2022.

In February 2018, the Organization signed a non-cancelable operating lease for office and storage space for their Los Angeles operations, which expires on April 30, 2021.

At December 31, 2018, future minimum lease payments were as follows:

Year ended December 31,		
2019	$	308,182
2020		316,952
2021		241,623
2022		206,211
	$	**1,072,968**

Rent expense for the years ended December 31, 2018 and 2017 was $276,038 and $213,192 respectively.

11. CONCENTRATIONS

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.

For the year ended December 31, 2018, two companies donated approximately $1,649,000 in products to the Organization, which amounted to approximately 32% of the Organization’s total corporate in-kind contributions for the year.

For the year ended December 31, 2018, two donors contributed approximately $435,000 in cash to the Organization, which amounted to approximately 28% of the Organization’s contributions, other than in-kind, for the year.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31,:

	2018	2017
LA Operations	$ 22,036	$ -
Harvey Relief Fund	-	31,981
Disaster Relief Efforts	541	600
	$ 22,577	**$ 32,581**

Net assets were released from donor restrictions as follows during the years ended December 31, 2018 and 2017 as follows:

	2018	2017
LA Operations	$ 147,964	$ 57,149
Breast Feeding Supplies	-	3,654
Eisner Foundation	-	59,235
Strollin' Back to School Gear	40,000	70,000
Project Safe Sleep	-	8,118
Infant Gear	-	14,407
Denver Wee Cycle	-	10,000
Fatherhood Program	-	20,000
Disaster Relief Efforts	656	-
Purchases of Equipment/Software & Furnishings	5,000	-
Harvey Relief Fund	35,333	47,172
	$ 228,953	**$ 289,735**

ASSURANCE

TAX & ACCOUNTING

ADVISORY

TECHNOLOGY CONSULTING

PRIVATE CLIENT WEALTH

An independent member of Baker Tilly International

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