

**Now I Lay Me Down To Sleep**

**Financial Statements**  
with Independent Auditor's Report

**June 30, 2022 and 2021**



**HINKLE &  
COMPANY**  
*Strategic* <sup>PC</sup>  
*Business Advisors*

# Now I Lay Me Down To Sleep

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June 30, 2022 and 2021

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**HINKLE &  
COMPANY**  
Strategic <sup>PC</sup>  
Business Advisors

## Independent Auditor's Report

Board of Directors  
Now I Lay Me Down To Sleep  
Littleton, Colorado

We have audited the accompanying statement of financial position of Now I Lay Me Down To Sleep (a nonprofit corporation) as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 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 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 statement referred to above present fairly, in all material respects, the financial position of Now I Lay Me Down To Sleep as of June 30, 2022 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.

*Hick & Company, PC*

Englewood, Colorado  
November 21, 2022



**Now I Lay Me Down To Sleep**  
**Statements of Financial Position**  
June 30, 2022 and 2021

	2022	2021
<b>Assets</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	\$ 927,717	\$ 771,589
Accounts Receivable	15,825	13,328
Prepaid Expenses	6,557	9,967
Total Current Assets	950,099	794,884
 <i>Property and Equipment</i>		
Website and Improvements	107,107	107,107
Software	256,100	142,700
Furniture and Equipment	4,828	96,239
	368,035	346,046
Accumulated Depreciation	(224,565)	(240,259)
Total Property and Equipment	143,470	105,787
Total Assets	\$ 1,093,569	\$ 900,671
 <b>Liabilities and Net Assets</b>		
<i>Current Liabilities</i>		
Accounts Payable	\$ 14,660	\$ 17,453
Accrued Liabilities	44,006	41,873
Deferred Revenue	-	30,000
Total current liabilities	58,666	89,326
 <i>Net Assets</i>		
Net Assets Without Donor Restrictions		
Undesignated	1,034,903	802,345
Net Assets With Donor Restrictions	-	9,000
Total Net Assets	1,034,903	811,345
Total Liabilities and Net Assets	\$ 1,093,569	\$ 900,671

**Now I Lay Me Down To Sleep**  
Statement of Activities  
For the Year Ended June 30, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenue</b>			
Contributions	\$ 984,978	\$ 19,009	\$ 1,003,987
Special Events	129,403	-	129,403
Care Packages	19,009	-	19,009
Merchandise Sales	50,052	-	50,052
Other Income	6,000	-	6,000
In-Kind Contributions	7,620,000	-	7,620,000
Net Assets Released from Restriction	<u>28,009</u>	<u>(28,009)</u>	<u>-</u>
 Total Support and Revenue	 <u>8,837,451</u>	 <u>(9,000)</u>	 <u>8,828,451</u>
<b>Expenses</b>			
Program Services	8,431,711	-	8,431,711
Supporting Services:			
General and Administrative	38,782	-	38,782
Fundraising	<u>134,400</u>	<u>-</u>	<u>134,400</u>
 Total Expenses	 <u>8,604,893</u>	 <u>-</u>	 <u>8,604,893</u>
 <b>Change in Net Assets</b>	 232,558	 (9,000)	 223,558
 <b>Net Assets, Beginning of Year</b>	 <u>802,345</u>	 <u>9,000</u>	 <u>811,345</u>
 <b>Net Assets, End of Year</b>	 <u>\$ 1,034,903</u>	 <u>\$ -</u>	 <u>\$ 1,034,903</u>

**Now I Lay Me Down To Sleep**  
Statement of Activities  
For the Year Ended June 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenue</b>			
Contributions	\$ 1,000,952	\$ 31,568	\$ 1,032,520
Special Events	143,039	-	143,039
Care Packages	8,983	-	8,983
Merchandise Sales	44,227	-	44,227
Other Income	6,541	-	6,541
In-kind Contributions	6,822,000	-	6,822,000
Net Assets Released from Restriction	<u>50,468</u>	<u>(50,468)</u>	<u>-</u>
 Total Support and Revenue	 <u>8,076,210</u>	 <u>(18,900)</u>	 <u>8,057,310</u>
<b>Expenses</b>			
Program Services	7,410,054	-	7,410,054
Supporting Services:			
General and Administrative	39,952	-	39,952
Fundraising	<u>119,590</u>	<u>-</u>	<u>119,590</u>
 Total Expenses	 <u>7,569,596</u>	 <u>-</u>	 <u>7,569,596</u>
 <b>Change in Net Assets</b>	 506,614	 (18,900)	 487,714
 <b>Net Assets, Beginning of Year</b>	 <u>295,731</u>	 <u>27,900</u>	 <u>323,631</u>
 <b>Net Assets, End of Year</b>	 <u>\$ 802,345</u>	 <u>\$ 9,000</u>	 <u>\$ 811,345</u>

**Now I Lay Me Down To Sleep**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	Program	General & Administrative	Fundraising	Total
Salaries and Wages	\$ 416,211	\$ 19,888	\$ 61,955	\$ 498,054
Payroll Taxes and Benefits	67,306	2,264	9,965	79,535
Photography	7,620,000	-	-	7,620,000
Remembrance Walk	54,880	-	2,331	57,211
Office Supplies	1,150	73	45	1,268
Postage	24,376	515	8,991	33,882
Printing and Copying	13,913	170	7,873	21,956
Contract Services	23,106	1,105	11,806	36,017
Rent	2,487	229	143	2,859
Care Packages	13,491	-	-	13,491
Marketing	21,125	1,132	6,174	28,431
Conferences	8,592	220	138	8,950
Meetings and Travel	12,587	862	413	13,862
Computers and Software	22,952	1,143	3,607	27,702
Dues and Subscriptions	4,339	374	234	4,947
Bank Charges	24,400	2,243	1,402	28,045
Telephone and Internet	2,042	188	117	2,347
Staff Development	5,438	479	299	6,216
Insurance	2,043	1,922	117	4,082
Training and Education	366	34	21	421
Volunteer Appreciation and Retention	9,857	371	232	10,460
All Other Expense	5,333	5,570	18,537	29,440
Total Expenses Before Depreciation	<u>8,355,994</u>	<u>38,782</u>	<u>134,400</u>	<u>8,529,176</u>
Depreciation	75,717	-	-	75,717
<b>Total Expenses</b>	<b><u>\$ 8,431,711</u></b>	<b><u>\$ 38,782</u></b>	<b><u>\$ 134,400</u></b>	<b><u>\$ 8,604,893</u></b>



**Now I Lay Me Down To Sleep**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**

	Program Services	Management & General	Fundraising	Total
Salaries and Wages	\$ 267,845	\$ 16,158	\$ 63,137	\$ 347,140
Payroll Taxes and Benefits	25,219	1,522	5,944	32,685
Photography	6,822,000	-	-	6,822,000
Remembrance Walk	65,049	-	-	65,049
Office Supplies	1,311	139	68	1,518
Postage	31,923	131	7,637	39,691
Printing and Copying	17,553	232	1,142	18,927
Contract Services	21,468	1,298	4,130	26,896
Rent	18,772	1,726	1,079	21,577
Care Packages	11,458	-	-	11,458
Marketing	16,393	678	2,854	19,925
Conferences	2,575	-	-	2,575
Meetings and Travel	721	2,112	2	2,835
Computers and Software	17,979	677	4,891	23,547
Dues and Subscriptions	797	44	27	868
Bank Charges	7,467	687	429	8,583
Telephone and Internet	342	31	20	393
Staff Development	1,155	106	141	1,402
Insurance	4,301	1,425	247	5,973
Training and Education	-	-	-	-
Volunteer Appreciation and Retention	2,873	214	25	3,112
All Other Expense	2,906	6,340	23,798	33,044
Total Expenses Before Depreciation	<u>7,340,107</u>	<u>33,520</u>	<u>115,571</u>	<u>7,489,198</u>
Depreciation	<u>69,947</u>	<u>6,432</u>	<u>4,019</u>	<u>80,398</u>
<b>Total Expenses</b>	<b><u><u>\$ 7,410,054</u></u></b>	<b><u><u>\$ 39,952</u></u></b>	<b><u><u>\$ 119,590</u></u></b>	<b><u><u>\$ 7,569,596</u></u></b>

**Now I Lay Me Down To Sleep**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>Cash Flows from Operating Activities</b>		
Increase in Net Assets	\$ 223,558	\$ 487,714
Adjustments to reconcile Increase in Net Assets to Cash Provided by Operating Activities		
Depreciation Expense	75,717	33,044
PPP Loan Forgiveness	-	(100,000)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(2,497)	1,572
Prepaid Expenses	3,410	3,278
Accounts Payable	(2,793)	14,256
Accrued Liabilities	2,133	4,393
Deferred Revenue	(30,000)	30,000
	<u>269,528</u>	<u>474,257</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Fixed Assets	(113,400)	(10,145)
	<u>(113,400)</u>	<u>(10,145)</u>
<b>Net Increase in Cash</b>	156,128	464,112
<b>Cash and Cash Equivalents, <i>Beginning of Year</i></b>	<u>771,589</u>	<u>307,477</u>
<b>Cash and Cash Equivalents, <i>End of Year</i></b>	<u>\$ 927,717</u>	<u>\$ 771,589</u>

# Now I Lay Me Down To Sleep

## Notes to Financial Statements

June 30, 2022 and 2021

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

Now I Lay Me Down To Sleep (NILMDTS) was organized in 2005 in the State of Colorado. NILMDTS offers the gift of healing, hope and honor to parents experiencing the death of a baby through the overwhelming power of remembrance portraits. Professional-level photographers volunteer their time to capture the only moments parents spend with their babies and gift the beautiful heirloom portraits free of charge. These priceless images serve as an important step in the healing recovery for bereaved families. NILMDTS remembrance photography validates the existence and presence of these precious babies by honoring their legacy.

NILMDTS recruits, trains, and mobilizes professional quality photographers around the world. Through NILMDTS, medical personnel are given a meaningful option to offer bereaved parents by creating remembrance portraiture for the babies. NILMDTS also offers the Medical Affiliate Program in which medical professionals can be trained to photograph babies while also earning continuing education units.

Through further engagement in the organization, such as the NILMDTS Remembrance Walk and online support, families become a part of a compassionate and supportive community. Parents gain a sense of inclusiveness, alleviating the alienation and perception of being alone in the pregnancy or infant loss journey.

NILMDTS is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under 509(1) of the Code. NILMDTS is primarily supported by contributions, special events, and in-kind donations of professional photography services.

#### **Basis of Accounting**

The accrual basis of accounting is used for financial reporting purposes in accordance with generally accepted accounting principles.

#### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958-210, "*Financial Statements of Not-for-Profit Organizations*". Under this guidance, Now I Lay Me Down To Sleep is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* - consists of assets, public support, and program revenues, which are available and used for general operations and programs. Contributions are considered available for general use unless specifically restricted by the donor.

# Now I Lay Me Down To Sleep

## Notes to Financial Statements

June 30, 2022 and 2021

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **Basis of Presentation** (Continued)

*Net Assets With Donor Restrictions* - includes funds with donor-imposed restrictions, which permit the organization to expend the assets as specified and is satisfied either by the passage of time or by the actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts, and investment income earned on restricted funds.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of funds deposited in checking and savings accounts, certificates of deposit, and temporary investments having a maturity of three months or less.

#### **Accounts and Contributions Receivable**

Accounts and contributions receivable are considered fully collectible with one year; therefore, neither an allowance for uncollectible receivables nor a discount to net present value has been recorded.

#### **Property and Equipment**

Property and equipment with a cost of \$500 or more is capitalized. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

#### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of donor restrictions. Support which is restricted by the donor is recorded as temporarily restricted, whether or not the restriction is satisfied in the same reporting period.

#### **Functional Expenses**

The costs attributable to program services and expenses associated with management and general expenses and financial development have been reported in the accompanying financial statements on a functional basis. Accordingly, certain costs have been allocated among the program expenses, management and general expenses, and financial development expenses based on estimates made by management based on the time expended or another reasonable basis.

# Now I Lay Me Down To Sleep

## Notes to Financial Statements

June 30, 2022 and 2021

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **Use of Estimates**

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

#### **Income Tax Status**

NILMDTS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. NILMDTS follows FASB ASC 740 *Income Taxes*, which requires entities to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority. NILMDTS has evaluated tax positions taken related to its tax-exempt status, and none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2022.

#### **Subsequent Events**

Subsequent events have been evaluated through November 21, 2022, the date the financial statements were available to be issued.

### **Note 2: Cash and Cash Equivalents**

NILMDTS maintains several bank accounts. The table below is designed to disclose the level of custody risk assumed by NILMDTS based upon how its deposits were insured at June 30, 2022 and 2021. FDIC regulations state that time and savings accounts are insured up to \$250,000 per depositor, per insured bank.

*Category 1 - Insured by FDIC or collateralized with securities held by the NILMDTS or by its agent in its name.*

*Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in NILMDTS' name.*

*Category 3 - Uninsured and uncollateralized.*

# Now I Lay Me Down To Sleep

## Notes to Financial Statements

June 30, 2022 and 2021

### Note 2: Cash and Cash Equivalents (Continued)

	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 1)	Uninsured (Category 1)
June 30, 2022				
Demand Deposits	\$ 381,608	\$ 250,000	\$ -	\$ 131,608
Savings Deposits	550,074	-	-	550,074
	\$ 931,682	\$ 250,000	\$ -	\$ 681,682
June 30, 2021				
Demand Deposits	\$ 529,461	\$ 250,000	\$ -	\$ 279,461
Savings Deposits	250,024	-	-	250,024
Totals	\$ 779,485	\$ 250,000	\$ -	\$ 529,485

### Note 3: Accounts Receivable

Accounts receivable reflected in the statement of financial position for the years ended June 30, 2022 and 2021 are \$13,328 and \$14,900, respectively, and represent amounts due for services provided or contributions receivable. Accounts receivable are considered to be fully collectible within one year, therefore, no allowance for uncollectible accounts has been recorded.

### Note 4: In-kind Contributions

During the year ended June 30, 2022 and 2021, NILMDTS recognized in-kind contributions of 3,810 and 3,411 professional photography sessions, respectively; valued at \$2,000 per session, which totaled \$7,620,000 and \$6,822,000, respectively. In addition, NILMDTS received other volunteer services not meeting the criteria for recognition and accordingly, their value was not recorded.

### Note 5: Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the contributions receivable and other donations that are restricted by time or by the donor for certain activities. The following is a summary of the changes in net assets with donor restrictions for the year ended June 30, 2022 and 2021.

	2022	2021
Net Assets with Donor Restrictions in Accounts Receivable		
Smilin' Rylen Foundation	\$ -	\$ 9,000
Totals	\$ -	\$ 9,000

# Now I Lay Me Down To Sleep

## Notes to Financial Statements

June 30, 2022 and 2021

### Note 6: Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. An analysis of time spent by personnel in each of the functional areas has been performed by management. Personnel expenses, certain professional service fees, office supplies, office rent, phone/internet, liability insurance, and credit card processing fees are allocated based on estimates of time and effort.

### Note 7: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2022	2021
Cash and Cash Equivalents	\$ 927,717	\$ 771,589
Accounts Receivable	<u>15,825</u>	<u>13,328</u>
Available Assets at June 30,	943,542	784,917
Less: Those Unavailable for General Expenditures Within One Year, Due To:		
Donor-imposed Time or Purpose Restrictions	<u>-</u>	<u>(9,000)</u>
Totals	<u>\$ 943,542</u>	<u>\$ 775,917</u>

NILMDTS is substantially supported by grants and contributions. Financial assets are managed to be available as its general expenditures, liabilities, and other obligations come due.