

**KidSafe Collaborative, Inc.**

Financial Statements and Supplemental Schedules  
(with Independent Auditor's Report)

March 31, 2016 and 2015

**KidSafe Collaborative, Inc.**  
March 31, 2016 and 2015

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Independent Auditors' Report

To the Board of Directors of  
KidSafe Collaborative, Inc.  
Burlington, Vermont

We have audited the accompanying financial statements of KidSafe Collaborative, Inc. (the "Organization"), which comprise the statement of financial position as of March 31, 2016, and the related statements of activities 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.

**Auditors' 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 from 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 auditors' 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KidSafe Collaborative, Inc. as of March 31, 2016, 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.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2016 supplementary information outlined in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Report on Summarized Comparative Information**

The 2015 financial statements were reviewed by us and our report thereon, dated July 15, 2015, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

*McSoley McCoy & Co.*

July 29, 2016  
VT Reg. No. 92-349

**KidSafe Collaborative, Inc.**  
**Statements of Financial Position**  
**March 31, 2016 and 2015**

	<u>(audited)</u> <u>2016</u>	<u>(reviewed)</u> <u>2015</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 73,459	\$ 64,582
Grants receivable	42,451	48,017
Prepaid expenses and deposits	<u>2,508</u>	<u>5,948</u>
Total current assets	118,418	118,547
Property, plant and equipment, net	<u>10,114</u>	<u>9,596</u>
<b>Total assets</b>	<u><u>\$ 128,532</u></u>	<u><u>\$ 128,143</u></u>
 <b>Liabilities and net assets</b>		
Current liabilities:		
Accrued expenses	<u>\$ 12,102</u>	<u>\$ 12,181</u>
Net assets:		
Unrestricted	66,074	73,566
Temporarily restricted	<u>50,356</u>	<u>42,396</u>
Total net assets	<u>116,430</u>	<u>115,962</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 128,532</u></u>	<u><u>\$ 128,143</u></u>

See accompanying notes and independent auditors' report.

**KidSafe Collaborative, Inc.**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended March 31, 2016**  
**(With Comparative Totals for 2015)**

	Unrestricted	Temporarily Restricted	(audited) 2016 Totals	(reviewed) 2015 Totals
<b>Revenues and Support</b>				
United Way designated donations	\$ 10,148	\$ -	\$ 10,148	\$ 14,996
Agency dues	5,360	-	5,360	5,040
Miscellaneous, net	533	-	533	190
Donations				
Cash	49,232	43,356	92,588	97,729
In-kind contributions	16,418	-	16,418	10,793
Grants	67,159	55,951	123,110	124,571
United Way contributions	-	14,910	14,910	14,700
Interest income	<u>298</u>	<u>-</u>	<u>298</u>	<u>240</u>
Total revenues and support	149,148	114,217	263,365	268,259
Net assets released from restrictions - satisfaction of donor requirements	<u>106,257</u>	<u>(106,257)</u>	<u>-</u>	<u>-</u>
Total revenues, support and reclassifications	<u>255,405</u>	<u>7,960</u>	<u>263,365</u>	<u>268,259</u>
<b>Operating Expenditures</b>				
Program services:				
Cash	199,255	-	199,255	187,976
In-kind	<u>10,090</u>	<u>-</u>	<u>10,090</u>	<u>5,699</u>
Total program expenses	<u>209,345</u>	<u>-</u>	<u>209,345</u>	<u>193,675</u>
Support services:				
General and administrative				
Cash	21,704	-	21,704	22,256
In-kind	-	-	-	-
Loss on disposal of retired assets	<u>396</u>	<u>-</u>	<u>396</u>	<u>-</u>
Total general and administrative	<u>22,100</u>	<u>-</u>	<u>22,100</u>	<u>22,256</u>
Fundraising				
Cash	25,124	-	25,124	24,187
In-kind	<u>6,328</u>	<u>-</u>	<u>6,328</u>	<u>5,094</u>
Total fundraising	<u>31,452</u>	<u>-</u>	<u>31,452</u>	<u>29,281</u>
Total support services	<u>53,552</u>	<u>-</u>	<u>53,552</u>	<u>51,537</u>
Total operating expenditures	<u>262,897</u>	<u>-</u>	<u>262,897</u>	<u>245,212</u>
Change in net assets	(7,492)	7,960	468	23,047
Net assets, beginning of year	<u>73,566</u>	<u>42,396</u>	<u>115,962</u>	<u>92,915</u>
Net assets, end of year	<u>\$ 66,074</u>	<u>\$ 50,356</u>	<u>\$ 116,430</u>	<u>\$ 115,962</u>

See accompanying notes and independent auditors' report.

**KidSafe Collaborative, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended March 31, 2016 and 2015**

	(audited) <u>2016</u>	(reviewed) <u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 468	\$ 23,047
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,515	3,912
Loss on disposal of retired assets	396	-
Changes in:		
Grants receivable	5,566	(19,667)
Prepaid expenses	3,440	(694)
Accounts payable	-	(105)
Accrued expenses	<u>(79)</u>	<u>2,215</u>
Net cash provided by operating activities	<u>13,306</u>	<u>8,708</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(4,429)</u>	<u>(1,612)</u>
Net change in cash	8,877	7,096
Cash, beginning of year	<u>64,582</u>	<u>57,486</u>
Cash, end of year	<u>\$ 73,459</u>	<u>\$ 64,582</u>

See accompanying notes and independent auditors' report.

**KidSafe Collaborative, Inc.**  
Notes to Financial Statements  
March 31, 2016 and 2015

(1) Summary of Operations and Significant Accounting Policies

KidSafe Collaborative, Inc. (the Organization) was organized in 1986 to improve the quality, scope and availability of services to children and families at risk of child abuse and neglect in families through systems advocacy and to reduce the incidence of recurrent child abuse and neglect with effective intervention through the case reviews of its child protection teams and its community education programs. The Organization also promotes methods of improving service delivery and coordination between agencies serving children and families through fostering regular communication and active collaboration between agencies, and aims to improve the understanding of agency staff, professionals, families, and the public of the systems' best practices and other supports that are essential to creating a healthy environment for children and families in our community today.

(a) Basis of Presentation

The financial statement presentation follows the recommendations of FASB ACS Topic 958. Accordingly, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources 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 Organization had no permanently restricted net assets at March 31, 2016 and 2015.

(b) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

(c) 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 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. Accordingly, actual results could differ from those estimates.

(d) Property, Plant and Equipment

Property and equipment are stated at cost. Donations of property and equipment are recorded at their estimated fair value. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Additions and betterments with a value in excess of \$500 are capitalized, and expenditures for repairs and maintenance are expensed when incurred. Upon sale or retirement, the costs and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in income.

(e) Accrued Compensated Absences

The Organization provides each eligible employee with vacation time, which is accumulated on a pro-rata basis as actual hours are worked. Compensated absences accrue when amounts can be reasonably estimated and payment of compensation is probable.



**KidSafe Collaborative, Inc.**  
Notes to Financial Statements  
March 31, 2016 and 2015

Summary of Operations and Significant Accounting Policies (continued)

(f) Allowance for Doubtful Accounts

It is the policy of management to review the outstanding receivables at year end, as well as the bad debt write offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Based on management's estimates, no amounts have been recorded as an allowance for doubtful accounts at March 31, 2016 and 2015.

(g) Income Taxes

The Organization is a not-for profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to taxation as unrelated business income; therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization annually files an IRS Form 990, Return of Organization Exempt From Income Tax, tax return in the U.S. Federal jurisdiction. The Organization is no longer subject to U.S. Federal income tax examination by tax authorities for the years prior to March 31, 2013. In the normal course of business, the Organization is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the management of the Organization believes that there are no significant unrecognized tax liabilities at March 31, 2016.

(h) Revenue Recognition

The Organization records contributions as unrestricted, temporarily restricted and permanently restricted support depending on the existence or nature of donor restrictions. The Organization reports gifts and grants of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated investments are also reported at fair value at the date of receipt, which is then treated as the Organization's cost basis.

(i) Expense Allocation

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in unrestricted net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2015, from which the summarized information was derived.

**KidSafe Collaborative, Inc.**  
Notes to Financial Statements  
March 31, 2016 and 2015

Summary of Operations and Significant Accounting Policies (continued)

(k) Subsequent Events

Subsequent events have been evaluated through July 29, 2016, which is the date the financial statements were available to be used.

(2) Grants Receivable

Grants receivable primarily consisted of amounts due from the State of Vermont and totaled \$42,451 and \$48,017 at March 31, 2016 and 2015, respectively.

(3) Property and Equipment

Property and equipment consisted of the following at March 31:

	Useful Life (Years)	<u>2016</u>	<u>2015</u>
Office furniture	7-10	\$ 2,335	\$ 2,335
Office equipment	2-5	<u>17,851</u>	<u>24,980</u>
Total property and equipment		<u>\$ 20,186</u>	<u>\$ 27,315</u>
Less accumulated depreciation		<u>(10,072)</u>	<u>(17,719)</u>
Property and equipment, net		<u>\$ 10,114</u>	<u>\$ 9,596</u>

Depreciation expense totaled \$3,515 and \$3,912 for the years ended March 31, 2016 and 2015, respectively.

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets included amounts designated for specific programs or events and consisted of the following at March 31:

	<u>2016</u>	<u>2015</u>
State of Vermont – DCF	\$ 10,000	\$ 10,000
State of Vermont – Department of Health	3,988	3,988
Private Foundations	24,937	14,439
Agency Dues	-	360
Event Sponsors	<u>11,431</u>	<u>13,609</u>
Total temporarily restricted net assets	<u>\$ 50,356</u>	<u>\$ 42,396</u>

**KidSafe Collaborative, Inc.**  
Notes to Financial Statements  
March 31, 2016 and 2015

(5) Operating Lease

In November 2014, the Organization renewed a two-year option of an operating lease for office space through October 2016. Monthly payments for the first year of this lease were \$1,274 and in November 2015, monthly payments increased to \$1,312. In addition to the base rent, the Organization is responsible for their pro rata share of utilities. The Organization entered into a lease agreement for a copier in October 2015 with monthly payments of \$89. Total rent expense amounted to \$17,215 and \$16,230 for the years ended March 31, 2016 and 2015, respectively.

Future minimum lease payments under these operating leases are as follows:

<u>For the year ending December 31,</u>	
2017	\$ 10,255
2018	1,068
2019	<u>801</u>
	<u>\$ 12,124</u>

(6) Retirement Plan

The Organization maintains a defined contribution pension plan, qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. At present, only voluntary employee contributions are being made to this plan except for one employee who is grandfathered in under an old provision. The Organization contributed \$7,862 and \$8,165 to the Plan during 2016 and 2015, respectively.

(7) Commitment and Contingencies

Grants and contracts require the fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could require the return of the funds to the grantor. Although that is a possibility, management deems the contingency remote.

(8) In-Kind Contributions

The Organization periodically receives in-kind professional services and contributions in support of events. In-kind contributions meeting the requirements of the revenue recognition policy described in Note 1 are recorded as increases in support and revenue and increases in applicable expenses or property and equipment, as applicable.

In-kind contributions consisted of event goods and services totaling \$16,418 and \$10,793 for the years ended March 31, 2016 and 2015, respectively.

(9) Related Parties

The Organization paid and received professional services from local companies that employed members of the Board of Directors during the years ended March 31, 2016 and 2015. Total amounts paid are insignificant to the financial statements.

**KidSafe Collaborative, Inc.**  
**Statements of Functional Expenses**  
**For the Year Ended March 31, 2016**  
**(With Comparative Totals for 2015)**

	Program Services	General and Administrative	Fundraising	(audited) 2016 Totals	(reviewed) 2015 Totals
Personnel expenses					
Salaries and wages	\$ 113,513	\$ 14,381	\$ 12,285	\$ 140,179	\$ 136,439
Payroll taxes and benefits	<u>27,019</u>	<u>3,083</u>	<u>3,338</u>	<u>33,440</u>	<u>33,282</u>
Total personnel expenses	140,532	17,464	15,623	173,619	169,721
Contracted services	15,015	471	2,853	18,339	10,721
Professional services	2,951	747	346	4,044	6,474
Conferences and travel	5,894	54	483	6,431	6,537
Rent and utilities	14,402	1,152	1,127	16,681	16,230
Miscellaneous	5,040	361	3,303	8,705	8,854
Printing and Advertising	124	-	10	134	554
Accounting	2,901	298	251	3,450	3,606
Telephone and internet	1,374	69	91	1,534	1,665
Postage and shipping	490	13	118	621	153
Professional development	305	-	-	305	20
Insurance	3,037	316	205	3,558	2,834
Equipment maintenance	341	8	76	425	-
Supplies	4,389	118	216	4,723	3,138
Depreciation	<u>2,460</u>	<u>633</u>	<u>422</u>	<u>3,515</u>	<u>3,912</u>
Subtotal	199,255	21,704	25,124	246,083	234,419
In-kind goods and services	10,090	-	6,328	16,418	10,793
Loss on disposal of retired assets	<u>-</u>	<u>396</u>	<u>-</u>	<u>396</u>	<u>-</u>
Total expenses	<u>\$ 209,345</u>	<u>\$ 22,100</u>	<u>\$ 31,452</u>	<u>\$ 262,897</u>	<u>\$ 245,212</u>

See accompanying independent auditors' report.

**KidSafe Collaborative, Inc.**  
**Statements of Program Expenses**  
**For the Year Ended March 31, 2016**  
**(With Comparative Totals for 2015)**

	<u>Training and Education</u>	<u>Child Protect</u>	<u>Systems Changes</u>	(audited) 2016 <u>Totals</u>	(reviewed) 2015 <u>Totals</u>
Salaries and wages	\$ 8,215	\$ 61,956	\$ 43,342	\$ 113,513	\$ 110,443
Payroll taxes and benefits	2,535	12,652	11,832	27,019	27,584
Contracted services	9,205	3,319	2,491	15,015	9,184
Professional services	610	1,213	1,128	2,951	3,893
Conferences and travel	1,896	1,272	2,726	5,894	6,387
Rent and utilities	2,179	6,325	5,898	14,402	13,779
Miscellaneous	1,432	2,148	1,460	5,040	4,133
Printing and Advertising	16	2	106	124	311
Accounting	602	1,111	1,188	2,901	2,876
Telephone and on-line fees	375	532	467	1,374	1,408
Postage and shipping	51	331	108	490	49
Professional development	47	54	204	305	-
Insurance	542	1,528	967	3,037	2,365
Equipment maintenance	63	170	108	341	-
Supplies	756	2,805	828	4,389	2,825
Depreciation	281	1,125	1,054	2,460	2,739
Subtotal	28,805	96,543	73,907	199,255	187,976
In-kind goods and services	2,684	3,212	4,194	10,090	5,699
Total expenses	<u>\$ 31,489</u>	<u>\$ 99,755</u>	<u>\$ 78,101</u>	<u>\$ 209,345</u>	<u>\$ 193,675</u>

See accompanying independent auditors' report.