

KidSafe Collaborative, Inc.

Financial Statements and Supplemental Schedules
(with Independent Accountants' Review Report)

March 31, 2015 and 2014

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Independent Accountants' Review Report

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

We have reviewed the accompanying statement of financial position of KidSafe Collaborative, Inc. (a nonprofit organization) as of March 31, 2015, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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, we do not express such an opinion.

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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The 2015 supplementary information outlined in the table of contents is presented for purposes of additional analysis and is not a required part of the 2015 basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

The 2014 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated July 29, 2014. The 2014 comparative information has been derived from the Organization's 2014 financial statements. The 2014 supplementary information outlined in the table of contents was 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. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. We have not performed any auditing procedures on either the financial statements or on the supplementary information since July 29, 2014.

McSoley McCoy & Co.

July 15, 2015
VT Reg. No. 92-349

KidSafe Collaborative, Inc.
 Statements of Financial Position
 March 31, 2015 and 2014

	<u>(reviewed)</u> <u>2015</u>	<u>(audited)</u> <u>2014</u>
Assets		
Current assets:		
Cash	\$ 64,582	\$ 57,486
Grants receivable	48,017	28,350
Prepaid expenses and deposits	<u>5,948</u>	<u>5,254</u>
Total current assets	118,547	91,090
Property, plant and equipment, net	<u>9,596</u>	<u>11,896</u>
Total assets	<u>\$ 128,143</u>	<u>\$ 102,986</u>
 Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ -	\$ 105
Accrued expenses	<u>12,181</u>	<u>9,966</u>
Total current liabilities	<u>12,181</u>	<u>10,071</u>
Net assets:		
Unrestricted	73,566	58,292
Temporarily restricted	<u>42,396</u>	<u>34,623</u>
Total net assets	<u>115,962</u>	<u>92,915</u>
Total liabilities and net assets	<u>\$ 128,143</u>	<u>\$ 102,986</u>

See accompanying notes and independent accountants' review report.

KidSafe Collaborative, Inc.
 Statements of Activities and Changes in Net Assets
 For the Year Ended March 31, 2015
 (With Comparative Totals for 2014)

	Unrestricted	Temporarily Restricted	(reviewed) 2015 Totals	(audited) 2014 Totals
Revenues and Support				
United Way designated donations	\$ 14,996	\$ -	\$ 14,996	\$ 11,920
Agency dues	5,040	-	5,040	765
Miscellaneous, net	190	-	190	(1,273)
Donations				
Cash	69,795	27,934	97,729	79,863
In-kind contributions	10,793	-	10,793	8,388
Grants	68,620	55,951	124,571	101,118
United Way contributions	-	14,700	14,700	15,000
Interest income	240	-	240	123
Total revenues and support	169,674	98,585	268,259	215,904
Net assets released from restrictions - satisfaction of donor requirements	90,812	(90,812)	-	-
Total revenues, support and reclassifications	260,486	7,773	268,259	215,904
Operating Expenditures				
Program services:				
Cash	187,976	-	187,976	174,326
In-kind	5,699	-	5,699	6,047
Total program expenses	193,675	-	193,675	180,373
Support services:				
General and administrative				
Cash	22,256	-	22,256	21,092
In-kind	-	-	-	478
Total general and administrative	22,256	-	22,256	21,570
Fundraising				
Cash	24,187	-	24,187	22,785
In-kind	5,094	-	5,094	1,863
Total fundraising	29,281	-	29,281	24,648
Total support services	51,537	-	51,537	46,218
Total operating expenditures	245,212	-	245,212	226,591
Change in net assets	15,274	7,773	23,047	(10,687)
Net assets, beginning of year	58,292	34,623	92,915	103,602
Net assets, end of year	\$ 73,566	\$ 42,396	\$ 115,962	\$ 92,915

See accompanying notes and independent accountants' review report.

KidSafe Collaborative, Inc.
 Statements of Cash Flows
 For the Years Ended March 31, 2015 and 2014

	<u>(reviewed)</u> 2015	<u>(audited)</u> 2014
Cash flows from operating activities:		
Change in net assets	\$ 23,047	\$ (10,687)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,912	3,357
Changes in:		
Grants receivable	(19,667)	11,451
Prepaid expenses	(694)	(1,180)
Accounts payable	(105)	(199)
Accrued expenses	<u>2,215</u>	<u>(896)</u>
Net cash provided by operating activities	<u>8,708</u>	<u>1,846</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(1,612)</u>	<u>(3,688)</u>
Net change in cash	7,096	(1,842)
Cash, beginning of year	<u>57,486</u>	<u>59,328</u>
Cash, end of year	<u>\$ 64,582</u>	<u>\$ 57,486</u>

See accompanying notes and independent accountants' review report.

(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, 2015 and 2014.

(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.

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, 2015 and 2014.

(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, 2012. 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, 2015.

(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, 2014, from which the summarized information was derived.

KidSafe Collaborative, Inc.
Notes to Financial Statements
March 31, 2015 and 2014

Summary of Operations and Significant Accounting Policies (continued)

(k) Subsequent Events

Subsequent events have been evaluated through July 15, 2015, 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 \$48,017 and \$28,350 at March 31, 2015 and 2014, respectively.

(3) Property and Equipment

Property and equipment consisted of the following at March 31:

	Useful Life (Years)	<u>2015</u>	<u>2014</u>
Office furniture	7-10	\$ 2,335	\$ 2,335
Office equipment	2-5	<u>24,980</u>	<u>23,368</u>
Total property and equipment		<u>\$ 27,315</u>	<u>\$ 25,703</u>
Less accumulated depreciation		<u>(17,719)</u>	<u>(13,807)</u>
Property and equipment, net		<u>\$ 9,596</u>	<u>\$ 11,896</u>

Depreciation expense totaled \$3,912 and \$3,357 for the years ended March 31, 2015 and 2014, 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>2015</u>	<u>2014</u>
State of Vermont – DCF	\$ 10,000	\$ 10,000
State of Vermont – Department of Health	3,988	3,988
Private Foundations	14,439	7,978
Agency Dues	360	-
Event Sponsors	<u>13,609</u>	<u>12,657</u>
Total temporarily restricted net assets	<u>\$ 42,396</u>	<u>\$ 34,623</u>

(5) Operating Lease

In November 2012, the Organization entered into an operating lease for office space through October 2014 with monthly payments of \$1,237. The lease was renewed for another two year term in November 2014 with monthly payments of \$1,274. Total rent expense amounted to \$16,230 and \$16,044 for the years ended March 31, 2015 and 2014, respectively. In addition to the base rent, the Organization is responsible for their pro rata share of utilities.

Operating Lease (continued)

Future minimum lease payments required under the above agreement are \$15,290 and \$8,919 during the years ending March 31, 2016 and 2017, respectively.

(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 \$8,165 and \$7,862 to the Plan during 2015 and 2014, 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 \$10,793 and \$8,388 for the years ended March 31, 2015 and 2014, 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, 2015 and 2014. Total amounts paid are insignificant to the financial statements.

KidSafe Collaborative, Inc.
 Statements of Functional Expenses
 For the Year Ended March 31, 2015
 (With Comparative Totals for 2014)

	Program Services	General and Administrative	Fundraising	(reviewed) 2015 Totals	(audited) 2014 Totals
Personnel expenses					
Salaries and wages	\$ 110,443	\$ 14,068	\$ 11,928	\$ 136,439	\$ 129,521
Payroll taxes and benefits	<u>27,584</u>	<u>2,773</u>	<u>2,925</u>	<u>33,282</u>	<u>31,514</u>
Total personnel expenses	138,027	16,841	14,853	169,721	161,035
Contracted services	9,184	419	1,118	10,721	7,813
Professional services	3,893	1,540	1,041	6,474	3,829
Conferences and travel	6,387	45	105	6,537	5,259
Rent and utilities	13,779	1,353	1,098	16,230	16,044
Miscellaneous	4,133	474	4,247	8,854	8,484
Printing and copies	311	10	233	554	206
Accounting	2,876	400	330	3,606	2,710
Telephone and on-line fees	1,408	122	135	1,665	1,678
Postage and shipping	49	-	104	153	1,424
Professional development	-	-	20	20	888
Insurance	2,365	219	250	2,834	3,168
Equipment maintenance	-	-	-	-	112
Supplies	2,825	130	183	3,138	2,196
Depreciation	<u>2,739</u>	<u>703</u>	<u>470</u>	<u>3,912</u>	<u>3,357</u>
Subtotal	187,976	22,256	24,187	234,419	218,203
In-kind goods and services	<u>5,699</u>	<u>-</u>	<u>5,094</u>	<u>10,793</u>	<u>8,388</u>
Total expenses	<u>\$ 193,675</u>	<u>\$ 22,256</u>	<u>\$ 29,281</u>	<u>\$ 245,212</u>	<u>\$ 226,591</u>

See accompanying independent accountants' review report.

KidSafe Collaborative, Inc.
 Statements of Program Expenses
 For the Year Ended March 31, 2015
 (With Comparative Totals for 2014)

	Training and <u>Education</u>	Child <u>Protect</u>	Systems <u>Changes</u>	(reviewed) 2015 <u>Totals</u>	(audited) 2014 <u>Totals</u>
Salaries and wages	\$ 8,051	\$ 60,016	\$ 42,376	\$ 110,443	\$ 104,712
Payroll taxes and benefits	2,764	12,882	11,938	27,584	26,165
Contracted services	4,086	1,996	3,102	9,184	5,853
Professional services	469	1,690	1,734	3,893	2,318
Conferences and travel	738	1,827	3,822	6,387	5,092
Rent and utilities	1,786	6,198	5,795	13,779	13,465
Miscellaneous	1,008	1,948	1,177	4,133	4,184
Printing and copies	121	135	55	311	175
Accounting	393	1,199	1,284	2,876	2,252
Telephone and on-line fees	205	648	555	1,408	1,417
Postage and shipping	30	10	9	49	1,010
Professional development	-	-	-	-	888
Insurance	388	1,169	808	2,365	2,541
Equipment maintenance	-	-	-	-	97
Supplies	448	1,519	858	2,825	1,807
Depreciation	313	1,252	1,174	2,739	2,350
Subtotal	20,800	92,489	74,687	187,976	174,326
In-kind goods and services	2,088	2,323	1,288	5,699	6,047
Total expenses	<u>\$ 22,888</u>	<u>\$ 94,812</u>	<u>\$ 75,975</u>	<u>\$ 193,675</u>	<u>\$ 180,373</u>

See accompanying independent accountants' review report.