

**THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)**

Financial Statements

Years Ended December 31, 2014 and 2013



THE PROFESSIONAL
ASSOCIATES, P.C.

Certified Public Accountants & Consultants

84 West Park Place
Stamford, CT 06901

P / 203.325.9771
F / 203.323.6266
www.tpacpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Tiny Miracles Foundation, Inc.
Stamford, Connecticut

We have audited the accompanying financial statements of The Tiny Miracles Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Tiny Miracles Foundation, Inc. as of December 31, 2014, 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.

Report on Summarized Comparative Information

We have previously audited The Tiny Miracles Foundation, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Professional Associates, P.C.

May 13, 2015

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Statements of Financial Position

December 31, 2014 and 2013

	ASSETS	2014	2013
CURRENT ASSETS		<u>2014</u>	<u>2013</u>
Cash and cash equivalents		\$ 278,206	\$ 182,740
Inventory		39,959	60,596
Prepaid expenses		5,119	12,051
TOTAL CURRENT ASSETS		<u>323,284</u>	<u>255,387</u>
PROPERTY AND EQUIPMENT - NET		<u>9,907</u>	<u>1,323</u>
TOTAL ASSETS		<u>\$ 333,191</u>	<u>\$ 256,710</u>
	LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 4,418	\$ 3,447
Payroll taxes payable		4,689	-
TOTAL CURRENT LIABILITIES		<u>9,107</u>	<u>3,447</u>
NET ASSETS			
Unrestricted net assets		316,084	253,263
Temporarily restricted net assets		8,000	-
TOTAL NET ASSETS		<u>324,084</u>	<u>253,263</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 333,191</u>	<u>\$ 256,710</u>

See accompanying notes and independent auditor's report.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Statements of Activities

Year Ended December 31, 2014 with
Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
REVENUES				
Direct public support	\$ 103,469	\$ 43,850	\$ 147,319	\$ 122,605
Donated services	15,293	-	15,293	5,696
Interest income	422	-	422	302
Special events income	297,431	-	297,431	215,141
TOTAL REVENUES	<u>416,615</u>	<u>43,850</u>	<u>460,465</u>	<u>343,744</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>35,850</u>	<u>(35,850)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS	<u>452,465</u>	<u>8,000</u>	<u>460,465</u>	<u>343,744</u>
FUNCTIONAL EXPENSES				
Program service	231,398	-	231,398	191,678
Management and general	31,984	-	31,984	35,644
Fundraising	58,130	-	58,130	55,063
Special events expenses	68,132	-	68,132	53,084
TOTAL FUNCTIONAL EXPENSES	<u>389,644</u>	<u>-</u>	<u>389,644</u>	<u>335,469</u>
NET CHANGE IN NET ASSETS	62,821	8,000	70,821	8,275
NET ASSETS - BEGINNING OF YEAR	<u>253,263</u>	<u>-</u>	<u>253,263</u>	<u>244,988</u>
NET ASSETS - END OF YEAR	<u>\$ 316,084</u>	<u>\$ 8,000</u>	<u>\$ 324,084</u>	<u>\$ 253,263</u>

See accompanying notes and independent auditor's report.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Statement of Functional Expenses

Year Ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Special Events</u>	<u>Total Expenses</u>
Contract services	\$ 5,815	\$ 2,133	\$ 1,163	\$ -	\$ 9,111
Dues and subscriptions	1,111	335	421	-	1,867
Food	1,223	190	190	32,427	34,030
Office expense	1,833	3,082	411	63	5,389
Postage	627	34	2,023	2,213	4,897
Printing	767	1,126	9,257	6,457	17,607
Program materials	77,747	-	-	-	77,747
Professional services	3,866	750	1,854	-	6,470
Service charges	-	359	-	-	359
Salaries	94,108	13,172	30,096	-	137,376
Telephone	2,109	654	433	-	3,196
Payroll taxes and benefits	11,544	1,538	3,947	-	17,029
Conference and training	-	20	-	-	20
Corporate insurance	1,132	1,385	283	-	2,800
Website design	2,238	450	748	4,020	7,456
Depreciation	1,115	222	223	-	1,560
Decorations	-	-	-	2,000	2,000
Entertainment	-	-	-	4,926	4,926
Facility rental	-	-	-	6,000	6,000
Rent	20,378	2,738	5,474	-	28,590
Public relations	-	-	450	-	450
Donated expense	5,785	3,796	1,157	-	10,738
Auction expense	-	-	-	10,026	10,026
TOTAL	<u>\$ 231,398</u>	<u>\$ 31,984</u>	<u>\$ 58,130</u>	<u>\$ 68,132</u>	<u>\$ 389,644</u>

See accompanying notes and independent auditor's report.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Statement of Functional Expenses

Year Ended December 31, 2013

	Program Services	Management and General	Fundraising	Special Events	Total Expenses
Contract services	\$ 2,870	\$ 574	\$ 574	\$ 761	\$ 4,779
Dues and subscriptions	710	531	456	-	1,697
Food	967	479	450	26,897	28,793
Office expense	751	3,740	423	404	5,318
Postage	1,136	98	639	2,665	4,538
Printing	1,091	160	11,235	3,061	15,547
Program materials	76,838	-	-	-	76,838
Professional services	3,570	714	1,937	-	6,221
Service charges	-	359	-	-	359
Salaries	68,938	21,040	28,057	-	118,035
Telephone	1,215	321	249	-	1,785
Payroll taxes and benefits	9,641	2,694	4,119	-	16,454
Conference and training	90	100	60	-	250
Corporate insurance	1,444	1,806	361	-	3,611
Website design	2,680	-	1,071	2,637	6,388
Depreciation	-	962	-	-	962
Decorations	-	-	-	3,854	3,854
Entertainment	-	-	-	7,005	7,005
Facility rental	-	-	-	5,800	5,800
Rent	19,385	1,811	3,623	-	24,819
Donated expense	352	255	1,809	-	2,416
TOTAL	\$ 191,678	\$ 35,644	\$ 55,063	\$ 53,084	\$ 335,469

See accompanying notes and independent auditor's report.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Statements of Cash Flows

Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ 70,821</u>	<u>\$ 8,275</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,560	962
(Increase) decrease in operating assets:		
Accounts receivable	-	1,500
Inventory	20,637	(21,839)
Prepaid expenses	6,932	6,981
Increase (decrease) in operating liabilities:		
Accounts payable	971	(6,256)
Payroll taxes payable	4,689	-
Total adjustments	<u>34,789</u>	<u>(18,652)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>105,610</u>	<u>(10,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(10,144)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(10,144)</u>	<u>-</u>
NET CHANGE IN CASH	95,466	(10,377)
CASH - BEGINNING OF YEAR	<u>182,740</u>	<u>193,117</u>
CASH - END OF YEAR	<u><u>\$ 278,206</u></u>	<u><u>\$ 182,740</u></u>

See accompanying notes and independent auditor's report.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Notes to Financial Statements

December 31, 2014 and 2013

Note F - Special Events -- (continued)

	<u>Beardsley Zoo</u>	<u>Gala</u>	<u>Total</u>
<u>2013</u>			
Revenues:			
Contributions and admissions	<u>\$ 12,375</u>	<u>\$ 202,766</u>	<u>\$ 215,141</u>
Expenses:			
Contract services	-	761	761
Food	-	26,897	26,897
Postage and printing	184	5,543	5,727
Decorations	48	3,806	3,854
Website	709	1,928	2,637
Entertainment	-	7,005	7,005
Facility rental	4,000	1,800	5,800
General office expense	<u>23</u>	<u>380</u>	<u>403</u>
Total expenses	<u>4,964</u>	<u>48,120</u>	<u>53,084</u>
Net special events income	<u>\$ 7,411</u>	<u>\$ 154,646</u>	<u>\$ 162,057</u>

Note G - Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2014, is comprised of the following:

	<u>2014</u>
March of Dimes Connecticut Chapter	<u>\$ 5,000</u>
Ronald McDonald House Charities	<u>3,000</u>
Total temporarily restricted net assets	<u><u>\$ 8,000</u></u>

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Notes to Financial Statements

December 31, 2014 and 2013

Note B - Summary of Significant Accounting Policies – (continued)

3. Contributions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

4. Donated Services.

TTMF received donated services from a significant number of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort as required by the Revenue Recognition Topic of the FASB Accounting Standards Codification have not been satisfied.

5. Donations-In-Kind

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization received contributed professional services for legal fees, advertisement and improvements for new office during the year ended December 31, 2014, with a fair value on the date of donation of \$10,738. The Organization received contributed professional services for hosting meetings and pamphlets during the year ended December 31, 2013, with a fair value on the date of donation of \$5,696.

6. Income Taxes.

Income taxes are not provided for in the financial statements as TTMF is exempt from income taxes under Internal Revenue Service Code Section 501(c)(3). The Organization is not classified as a private foundation.

7. Uncertain Tax Position.

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for three years for federal income tax examination.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Notes to Financial Statements

December 31, 2014 and 2013

Note B - Summary of Significant Accounting Policies - (continued)

8. Estimates.

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make assumptions and estimates that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. Prepaid Expenses.

Prepaid expenses are shown net of amortization incurred during the fiscal year.

10. Cash and Cash Equivalents.

Cash and cash equivalents consist of cash in interest and non-interest bearing depository accounts, a certificate of deposit and money market funds. TTMF considers all short-term investments with an original maturity of three months or less to be a cash equivalent.

11. Inventories

Inventory consists primarily of welcome bag kits which contain dolls, shirts, bottles and other materials and homecare bag kits which contain socks, nasal aspirators, gowns, diapers and other materials. Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

12. Capitalization and Depreciation

Furniture and equipment are recorded at cost. Furniture and equipment are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate accounts are reduced by the related costs and accumulated depreciation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives of 5-7 years under the straight-line method. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

13. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses to their functional category is based upon specific identification or management's best estimate.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Notes to Financial Statements

December 31, 2014 and 2013

Note B - Summary of Significant Accounting Policies - (continued)

14. *Comparative Financial Information*

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

15. *Subsequent Events Measurement Date*

The Organization monitored and evaluated subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended December 31, 2014 through May 13, 2015, the date on which financial statements were available to be issued.

Note C - Cash and Cash Equivalents

The Organization's cash and cash equivalents are as follows at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Cash	\$ 219,116	\$ 133,667
Money market funds	59,090	49,073
	<u>\$ 278,206</u>	<u>\$ 182,740</u>

Note D - Property and Equipment

The following is a summary of property and equipment, at cost, less accumulated depreciation, at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 15,694	\$ 13,530
Furniture and fixtures	2,786	1,786
Leasehold Improvements	4,212	157
	<u>22,692</u>	<u>15,473</u>
Less accumulated depreciation	<u>12,785</u>	<u>14,150</u>
Property and equipment - net	<u>\$ 9,907</u>	<u>\$ 1,323</u>

Depreciation expense amounted to \$1,560 and \$962 for the years ended December 31, 2014 and 2013, respectively.

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Notes to Financial Statements

December 31, 2014 and 2013

Note E - Concentration of Credit Risk

Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. TTMF deposits the majority of its cash in a commercial bank account. From time to time, the cash balance in this account may exceed the Federal Deposit Insurance Corporation limits. To date, TTMF not experienced any losses in such account and believes it is not exposed to any significant credit risk on its cash.

Note F - Special Events

TTMF sponsored the following events for the years ended December 31, 2014 and 2013. Revenues and related expenses for the years ended December 31, 2014 and 2013, consisted of the following:

	<u>Beardsley Zoo</u>	<u>Author Event</u>	<u>Gala</u>	<u>Total</u>
<u>2014</u>				
Revenues:				
Contributions and admissions	<u>\$ 10,114</u>	<u>\$ 1,300</u>	<u>\$ 286,017</u>	<u>\$ 297,431</u>
Expenses:				
Food	32	1,250	31,145	32,427
Postage and printing	97	2,280	6,294	8,671
Decorations	-	-	2,000	2,000
Website	580	150	3,290	4,020
Entertainment	352	-	4,574	4,926
Facility rental	4,000	-	2,000	6,000
Silent auction	-	-	10,026	10,026
General office expense	<u>35</u>	<u>-</u>	<u>27</u>	<u>62</u>
Total expenses	<u>5,096</u>	<u>3,680</u>	<u>59,356</u>	<u>68,132</u>
Net special events income (loss)	<u>\$ 5,018</u>	<u>\$ (2,380)</u>	<u>\$ 226,661</u>	<u>\$ 229,299</u>

THE TINY MIRACLES FOUNDATION, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

Notes to Financial Statements

December 31, 2014 and 2013

Note A - Organization

The Tiny Miracles Foundation, Inc. ("TTMF") was incorporated on January 24, 2004 as a not-for-profit organization in the State of Connecticut. TTMF purpose is to (a) operate a network within Fairfield County, Connecticut of mentors to provide support, inspiration and encouragement to parents enduring the premature birth of a child, (b) provide educational, informational and inspirational materials to parents of premature infants through their website and in-hospital resource rooms, (c) present families preparing for their child's homecoming with welcome and home care supplies useful for caring for their premature infants at home, (d) give financial assistance to needy families to defray the costs of caring for their premature infants, and (e) donate funds to help local hospitals obtain the best equipment, staff and educational services to improve the lives of premature infants and their families.

Note B - Summary of Significant Accounting Policies

1. Basis of Accounting.

The financial statements of TTMF have been prepared under the accrual method of accounting and accordingly reflect all significant receivables, prepaid expenses, payables and other accrued expenses. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

2. Financial Statement Presentation.

Financial statement presentation follows the recommendations as required by the Revenue Recognition Topic of the FASB Accounting Standards Codification; the Organization is required to report contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

TTMF has adopted as required by the Presentation of Financial Statements Topic of the FASB Accounting Standards Codification; to report information regarding its financial position and activities according to three classes of net assets:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by TTMF is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of TTMF. At December 31, 2014 and 2013, TTMF did not maintain any permanently restricted net assets.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by TTMF is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of TTMF pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted - Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations.