

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

**Financial Statements**

**Years Ended December 31, 2015 and 2014**



THE PROFESSIONAL  
ASSOCIATES, P.C.

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## 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, 2015, 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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*The Professional Associates, P.C.*

May 23, 2016

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

**Statements of Financial Position**

**December 31, 2015 and 2014**

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	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 376,586	\$ 278,206
Inventory	24,476	39,959
Prepaid expenses	11,306	5,119
TOTAL CURRENT ASSETS	<u>412,368</u>	<u>323,284</u>
<b>PROPERTY AND EQUIPMENT - NET</b>	<u>7,714</u>	<u>9,907</u>
<b>TOTAL ASSETS</b>	<u>\$ 420,082</u>	<u>\$ 333,191</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,445	\$ 4,418
Payroll taxes payable	6,176	4,689
TOTAL CURRENT LIABILITIES	<u>7,621</u>	<u>9,107</u>
<b>NET ASSETS</b>		
Unrestricted net assets	403,711	316,084
Temporarily restricted net assets	8,750	8,000
TOTAL NET ASSETS	<u>412,461</u>	<u>324,084</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 420,082</u>	<u>\$ 333,191</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, 2015 with  
Comparative Totals for the Year Ended December 31, 2014**

	<b>2015</b>			<b>2014</b>
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUES</b>				
Direct public support	\$ 133,398	\$ 42,500	\$ 175,898	\$ 147,319
Donated services	10,081	-	10,081	15,293
Interest income	635	-	635	422
Special events income	325,806	-	325,806	297,431
<b>TOTAL REVENUES</b>	<u>469,920</u>	<u>42,500</u>	<u>512,420</u>	<u>460,465</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>41,750</u>	<u>(41,750)</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>511,670</u>	<u>750</u>	<u>512,420</u>	<u>460,465</u>
<b>FUNCTIONAL EXPENSES</b>				
Program service	267,034	-	267,034	231,398
Management and general	34,054	-	34,054	31,984
Fundraising	54,345	-	54,345	58,130
Special events expenses	68,610	-	68,610	68,132
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>424,043</u>	<u>-</u>	<u>424,043</u>	<u>389,644</u>
<b>NET CHANGE IN NET ASSETS</b>	87,627	750	88,377	70,821
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>316,084</u>	<u>8,000</u>	<u>324,084</u>	<u>253,263</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 403,711</u>	<u>\$ 8,750</u>	<u>\$ 412,461</u>	<u>\$ 324,084</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, 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Special Events</u>	<u>Total Expenses</u>
Contract services	\$ 3,060	\$ 612	\$ 612	\$ -	\$ 4,284
Dues and subscriptions	1,034	1,670	742	-	3,446
Food	2,460	867	649	30,453	34,429
Office expense	400	2,163	323	2,633	5,519
Postage	1,710	154	1,697	2,146	5,707
Printing	5,550	1,085	9,255	4,933	20,823
Program materials	89,024	-	-	-	89,024
Professional services	8,341	956	1,150	-	10,447
Service charges	-	709	-	-	709
Salaries	105,338	14,740	25,751	-	145,829
Telephone	1,670	334	334	-	2,338
Payroll taxes and benefits	7,515	1,030	1,628	-	10,173
Conference and training	-	465	-	-	465
Corporate insurance	1,076	1,342	269	-	2,687
Website design	9,587	420	2,919	4,994	17,920
Depreciation	1,565	315	313	-	2,193
Decorations	-	-	-	2,942	2,942
Travel	-	308	-	-	308
Entertainment	-	-	-	4,785	4,785
Facility rental	-	-	-	7,749	7,749
Rent	21,504	3,072	6,144	-	30,720
Public relations	2,915	-	575	100	3,590
Donated expense	4,285	3,812	1,984	-	10,081
Auction expense	-	-	-	7,875	7,875
<b>TOTAL</b>	<b><u>\$ 267,034</u></b>	<b><u>\$ 34,054</u></b>	<b><u>\$ 54,345</u></b>	<b><u>\$ 68,610</u></b>	<b><u>\$ 424,043</u></b>

*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**

	Program Services	Management and General	Fundraising	Special Events	Total Expenses
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	0	-	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
Silent auction	-	-	-	10,026	10,026
<b>TOTAL</b>	<b>\$ 231,398</b>	<b>\$ 31,984</b>	<b>\$ 58,130</b>	<b>\$ 68,132</b>	<b>\$ 389,644</b>

*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, 2015 and 2014**

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	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 88,377</u>	<u>\$ 70,821</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,193	1,560
(Increase) decrease in operating assets:		
Inventory	15,483	20,637
Prepaid expenses	(6,187)	6,932
Increase (decrease) in operating liabilities:		
Accounts payable	(2,973)	971
Payroll taxes payable	1,487	4,689
Total adjustments	<u>10,003</u>	<u>34,789</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>98,380</u>	<u>105,610</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	<u>-</u>	<u>(10,144)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>(10,144)</u>
 <b>NET CHANGE IN CASH</b>	98,380	95,466
 <b>CASH - BEGINNING OF YEAR</b>	<u>278,206</u>	<u>182,740</u>
 <b>CASH - END OF YEAR</b>	<u><u>\$ 376,586</u></u>	<u><u>\$ 278,206</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, 2015 and 2014**

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**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, 2015 and 2014, 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.



**THE TINY MIRACLES FOUNDATION, INC.**  
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**Notes to Financial Statements**

**December 31, 2015 and 2014**

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**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 and hosting meetings during the year ended December 31, 2015, with a fair value on the date of donation of \$10,081. 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 \$15,293.

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, 2015 and 2014**

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**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, 2015 and 2014**

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**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, 2014, 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, 2015 through May 23, 2016, 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cash	\$ 352,484	\$ 219,116
Money market funds	24,102	59,090
	<u>\$ 376,586</u>	<u>\$ 278,206</u>

**Note D - Property and Equipment**

The following is a summary of property and equipment, at cost, less accumulated depreciation, at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 10,810	\$ 15,694
Furniture and fixtures	2,786	2,786
Leasehold Improvements	4,212	4,212
	<u>17,808</u>	<u>22,692</u>
Less accumulated depreciation	10,094	12,785
Property and equipment - net	<u>\$ 7,714</u>	<u>\$ 9,907</u>

Depreciation expense amounted to \$2,193 and \$1,560 for the years ended December 31, 2015 and 2014, respectively.

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

**Notes to Financial Statements**

**December 31, 2015 and 2014**

**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. Amounts in excess of the insured limits were approximately \$88,722 and \$ - at December 31, 2015 and 2014, respectively.

**Note F - Special Events**

TTMF sponsored the following events for the years ended December 31, 2015 and 2014. Revenues and related expenses for the years ended December 31, 2015 and 2014, consisted of the following:

	<u>Beardsley Zoo</u>	<u>Preemie Awareness</u>	<u>Gala</u>	<u>Total</u>
<b><u>2015</u></b>				
Revenues:				
Contributions and admissions	<u>\$ 14,044</u>	<u>\$ 7,849</u>	<u>\$ 303,913</u>	<u>\$ 325,806</u>
Total revenues	14,044	7,849	303,913	325,806
Expenses:				
Food	23	992	29,438	30,453
Postage and printing	-	17	7,063	7,080
Public relations	100	-	-	100
Decorations	-	-	2,942	2,942
Website	344	160	4,490	4,994
Entertainment	-	-	4,785	4,785
Facility rental	4,000	160	3,589	7,749
Silent auction	-	-	7,875	7,875
General office expense	<u>-</u>	<u>450</u>	<u>2,182</u>	<u>2,632</u>
Total expenses	<u>4,467</u>	<u>1,779</u>	<u>62,364</u>	<u>68,610</u>
Net special events income	<u>\$ 9,577</u>	<u>\$ 6,070</u>	<u>\$ 241,549</u>	<u>\$ 257,196</u>

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

**Notes to Financial Statements**

**December 31, 2015 and 2014**

**Note F - Special Events – (continued)**

	<u>Beardsley Zoo</u>	<u>Author Event</u>	<u>Gala</u>	<u>Total</u>
<b><u>2014</u></b>				
Revenues:				
Contributions and admissions	\$ 10,114	\$ 1,300	\$ 286,017	\$ 297,431
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	35	-	27	62
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>

**Note G - Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2015, is comprised of the following:

	<u>2015</u>	<u>2014</u>
Ronald McDonald House Charities	\$ 5,000	\$ 3,000
March of Dimes Connecticut Chapter	-	5,000
Purdue Pharma	2,500	-
New Canaan Community Foundation	1,250	-
Total temporarily restricted net assets	<u>\$ 8,750</u>	<u>\$ 8,000</u>