

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

**Financial Statements**

**Years Ended December 31, 2016 and 2015**



THE PROFESSIONAL  
ASSOCIATES, P.C.

Certified Public Accountants & Consultants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Tiny Miracles Foundation, Inc.  
Darien, 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, 2016, 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 23, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*The Professional Associates, P.C.*

Stamford, Connecticut  
May 11, 2017

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

**Statements of Financial Position**

**December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 385,741	\$ 376,586
Inventory	32,398	24,476
Prepaid expenses	12,653	11,306
TOTAL CURRENT ASSETS	<u>430,792</u>	<u>412,368</u>
<b>PROPERTY AND EQUIPMENT - NET</b>	<u>5,795</u>	<u>7,714</u>
<b>TOTAL ASSETS</b>	<u>\$ 436,587</u>	<u>\$ 420,082</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,136	\$ 1,445
Payroll taxes payable	8,061	6,176
TOTAL CURRENT LIABILITIES	<u>10,197</u>	<u>7,621</u>
<b>NET ASSETS</b>		
Unrestricted net assets		
Unrestricted	405,284	403,711
Board-designated endowment	10,002	-
Total Unrestricted	<u>415,286</u>	<u>403,711</u>
Temporarily restricted net assets	11,104	8,750
TOTAL NET ASSETS	<u>426,390</u>	<u>412,461</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 436,587</u>	<u>\$ 420,082</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, 2016 with  
Comparative Totals for the Year Ended December 31, 2015**

	<b>2016</b>			<b>2015</b>
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUES</b>				
Direct public support	\$ 155,608	\$ 54,200	\$ 209,808	\$ 175,898
Donated services	2,700	-	2,700	10,081
Interest income	647	-	647	635
Special events income	209,002	-	209,002	325,806
Special events expense	(63,928)	-	(63,928)	(68,610)
<b>TOTAL REVENUES</b>	<u>304,029</u>	<u>54,200</u>	<u>358,229</u>	<u>443,810</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>51,846</u>	<u>(51,846)</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>355,875</u>	<u>2,354</u>	<u>358,229</u>	<u>443,810</u>
<b>FUNCTIONAL EXPENSES</b>				
Program service	261,193	-	261,193	267,034
Management and general	29,650	-	29,650	34,054
Fundraising	53,457	-	53,457	54,345
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>344,300</u>	<u>-</u>	<u>344,300</u>	<u>355,433</u>
<b>NET CHANGE IN NET ASSETS</b>	11,575	2,354	13,929	88,377
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>403,711</u>	<u>8,750</u>	<u>412,461</u>	<u>324,084</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 415,286</u>	<u>\$ 11,104</u>	<u>\$ 426,390</u>	<u>\$ 412,461</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, 2016**

	<u>Program Services</u>				<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Parent Network</u>	<u>Resource Room</u>	<u>Family Aid Program</u>	<u>Tiny Treasures</u>	<u>Management and General</u>	<u>Fundraising</u>	
Contract services	\$ 956	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 4,756
Dues and subscriptions	275	275	275	275	424	1,041	2,565
Food	637	457	457	457	832	455	3,295
Office expense	1,598	55	55	135	1,719	143	3,705
Postage	1,170	211	613	211	249	1,294	3,748
Printing	1,137	913	913	913	961	7,923	12,760
Program materials	1,384	4,528	47,316	23,498	-	-	76,726
Professional services	1,125	1,021	1,125	1,125	1,125	1,229	6,750
Service charges	-	-	-	-	595	-	595
Salaries	52,258	22,395	24,195	22,395	15,096	26,424	162,763
Telephone	420	420	420	420	420	420	2,520
Payroll taxes and benefits	5,085	2,188	2,360	2,188	1,501	2,580	15,902
Conference and training	15	15	15	15	15	15	90
Corporate insurance	582	285	285	285	1,416	285	3,138
Website design	904	246	223	326	685	1,089	3,473
Depreciation	318	318	318	318	330	318	1,920
Travel	-	-	-	-	-	120	120
Rent	5,376	5,376	5,376	5,705	3,072	6,144	31,049
Public relations	780	726	726	726	-	2,767	5,725
Donated expense	450	450	450	450	450	450	2,700
<b>TOTAL</b>	<b>\$ 74,470</b>	<b>\$ 40,639</b>	<b>\$ 85,882</b>	<b>\$ 60,202</b>	<b>\$ 29,650</b>	<b>\$ 53,457</b>	<b>\$ 344,300</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, 2015**

	<b>Program Services</b>					<b>Supporting Services</b>		<b>Total Expenses</b>
	Parent Network	Resource Room	Family Aid Program	Tiny Treasures	NICU Equipment	Management and General	Fund-raising	
Contract services	\$ 612	\$ 612	\$ 612	\$ 612	\$ 612	\$ 612	\$ 612	\$ 4,284
Dues and subscriptions	254	254	254	254	18	1,670	742	3,446
Food	959	874	209	209	209	867	649	3,976
Office expense	151	39	39	171	-	2,163	323	2,886
Postage	831	87	561	144	87	154	1,697	3,561
Printing	2,211	867	867	972	633	1,085	9,255	15,890
Program materials	7,514	16,384	32,830	32,296	-	-	-	89,024
Professional services	2,828	1,519	1,725	1,519	750	956	1,150	10,447
Service charges	-	-	-	-	-	709	-	709
Salaries	37,930	21,874	23,660	21,874	-	14,740	25,751	145,829
Telephone	334	334	334	334	334	334	334	2,338
Payroll taxes and benefits	2,807	1,526	1,656	1,526	-	1,030	1,628	10,173
Conference and training					-	465	-	465
Corporate insurance	331	269	269	207		1,342	269	2,687
Website design	9,577			10		420	2,919	12,926
Depreciation	313	313	313	313	313	315	313	2,193
Travel						308	-	308
Rent	5,376	5,376	5,376	5,376	-	3,072	6,144	30,720
Public relations	615	575	575	575	575	-	575	3,490
Donated expense	857	857	857	857	857	3,812	1,984	10,081
<b>TOTAL</b>	<b>\$ 73,500</b>	<b>\$ 51,760</b>	<b>\$ 70,137</b>	<b>\$ 67,249</b>	<b>\$ 4,388</b>	<b>\$ 34,054</b>	<b>\$ 54,345</b>	<b>\$ 355,433</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, 2016 and 2015**

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	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,929	\$ 88,377
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,919	2,193
(Increase) decrease in operating assets:		
Inventory	(7,922)	15,483
Prepaid expenses	(1,347)	(6,187)
Increase (decrease) in operating liabilities:		
Accounts payable	691	(2,973)
Payroll taxes payable	1,885	1,487
Total adjustments	<u>(4,774)</u>	<u>10,003</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,155</u>	<u>98,380</u>
<b>NET CHANGE IN CASH</b>	9,155	98,380
<b>CASH - BEGINNING OF YEAR</b>	<u>376,586</u>	<u>278,206</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 385,741</u></u>	<u><u>\$ 376,586</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, 2016 and 2015**

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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, 2016 and 2015, 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, 2016 and 2015**

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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 during the year ended December 31, 2016, with a fair value on the date of donation of \$2,700. 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.

6. Income Taxes.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

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.**  
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**Notes to Financial Statements**

**December 31, 2016 and 2015**

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

8. Estimates.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, 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.**  
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**Notes to Financial Statements**

**December 31, 2016 and 2015**

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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, 2015, 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, 2016 through May 11, 2017, 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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Cash	\$ 367,626	\$ 352,484
Board designated endowment	10,002	-
Money market funds	8,113	24,102
	<u>\$ 385,741</u>	<u>\$ 376,586</u>

**Note D - Property and Equipment**

The following is a summary of property and equipment, at cost, less accumulated depreciation, at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Equipment	\$ 10,810	\$ 10,810
Furniture and fixtures	2,786	2,786
Leasehold Improvements	4,212	4,212
	17,808	17,808
Less accumulated depreciation	12,013	10,094
Property and equipment - net	<u>\$ 5,795</u>	<u>\$ 7,714</u>

Depreciation expense amounted to \$1,919 and \$2,193 for the years ended December 31, 2016 and 2015, respectively.

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

**Notes to Financial Statements**

**December 31, 2016 and 2015**

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**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 \$101,952 and \$88,722 at December 31, 2016 and 2015, respectively.

**Note F - Board-designated Endowment**

As of December 31, 2016, the Board of Directors had designated \$10,002 of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. The Organization has a holding policy for an initial period of three years, neither the principal nor the interest of the Fund may be used. Subsequent to the three year period, interest may be withdrawn based upon a majority vote of a quorum of the Board. In the event of extraordinary circumstances, the capital may be used based upon a super majority vote of 75% of a quorum of the Board.

Composition of and changes in endowment net assets for the year ended December 31, 2016 were as follows:

Board-designated endowment net assets, beginning of year	\$ -
Contribution	10,000
Investment income	<u>2</u>
Board-designated endowment net assets, end of year	<u><u>\$ 10,002</u></u>

**Note G - Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2016 and 2015, is comprised of the following:

	<u>2016</u>	<u>2015</u>
Purpose-restricted net assets	<u>\$ 11,104</u>	<u>\$ 8,750</u>
Total temporarily restricted net assets	<u><u>\$ 11,104</u></u>	<u><u>\$ 8,750</u></u>

During the years ended December 31, 2016 and 2015, \$51,846 and \$41,750, respectively, of purpose-restricted funds was released from restrictions.

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

**December 31, 2016 and 2015**

**Note H - Special Events**

TTMF sponsored the following events for the years ended December 31, 2016 and 2015. Revenues and related expenses for the years ended December 31, 2016 and 2015, consisted of the following:

	<u><b>Beardsley Zoo</b></u>	<u><b>Premie Awareness</b></u>	<u><b>Gala</b></u>	<u><b>Total</b></u>
<b><u>2016</u></b>				
Revenues:				
Contributions and admissions	\$ 9,209	\$ 3,205	\$ 196,588	\$ 209,002
Total revenues	<u>9,209</u>	<u>3,205</u>	<u>196,588</u>	<u>209,002</u>
Expenses:				
Food	125	746	31,060	31,931
Postage and printing	-	-	5,852	5,852
Public relations	169	-	-	169
Decorations	-	-	2,814	2,814
Website	407	198	3,168	3,773
Entertainment	375	-	4,874	5,249
Facility rental	3,750	-	2,000	5,750
Silent auction	80	40	7,494	7,614
General office expense	-	312	464	776
Total expenses	<u>4,906</u>	<u>1,296</u>	<u>57,726</u>	<u>63,928</u>
Net special events income	<u>\$ 4,303</u>	<u>\$ 1,909</u>	<u>\$ 138,862</u>	<u>\$ 145,074</u>
	<u><b>Beardsley Zoo</b></u>	<u><b>Premie Awareness</b></u>	<u><b>Gala</b></u>	<u><b>Total</b></u>
<b><u>2015</u></b>				
Revenues:				
Contributions and admissions	\$ 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	-	450	2,182	2,632
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>