



KidSafe Collaborative, Inc.

FINANCIAL STATEMENTS
MARCH 31, 2009 and 2008



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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' AUDIT REPORT

John W. Davis
CPA, CFP, CVA

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

Bret L. Hodgdon
CPA

We have audited the accompanying statements of financial position of the Kidsafe Collaborative, Inc. (a nonprofit corporation) as of March 31, 2009, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organization's March 31, 2008 financial statements and, in our report dated June 24, 2008, we expressed an unqualified opinion on those financial statements.

600 Blair Park Road,
Suite 280

We conducted our audits 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Williston, Vermont
05495

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Kidsafe Collaborative, Inc. as of March 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

802-878-1963

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Kidsafe Collaborative, Inc. taken as a whole. The accompanying Statements of Functional Expenses and Program Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in the relation to the basic financial statements taken as a whole.

FAX 802-878-7197

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 March 31, 2008, from which the summarized information was derived.

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VT Accounting Firm
#92-0000343

Davis & Hodgdon Associates CPAs, PLC

Williston, Vermont
July 2, 2009

KIDSAFE COLLABORATIVE, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 46,970	\$ 38,154
Grants receivables	39,449	44,882
Prepaid expenses	<u>4,055</u>	<u>3,691</u>
Total current assets	90,474	86,727
PROPERTY AND EQUIPMENT, net	<u>2,861</u>	<u>4,064</u>
Total assets	<u>\$ 93,335</u>	<u>\$ 90,791</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 11	\$ 1,688
Accrued expenses	<u>6,607</u>	<u>10,683</u>
Total current liabilities	<u>6,618</u>	<u>12,371</u>
NET ASSETS		
Unrestricted	46,882	30,245
Temporarily restricted	<u>39,835</u>	<u>48,175</u>
Total net assets	<u>86,717</u>	<u>78,420</u>
Total liabilities and net assets	<u>\$ 93,335</u>	<u>\$ 90,791</u>

KIDSAFE COLLABORATIVE, INC.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2009 (With Comparative Totals For 2008)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2009</u>	<u>2008</u>
SUPPORT AND REVENUE				
United Way designated donations	\$ 8,661	--	\$ 8,661	\$ 7,314
Agency dues	7,755	--	7,755	8,515
Miscellaneous	4,411	--	4,411	--
Donations	42,878	--	42,878	45,546
Grants	--	135,405	135,405	103,457
United Way contributions	--	16,000	16,000	28,615
Interest income	<u>666</u>	<u>--</u>	<u>666</u>	<u>1,847</u>
 Total support and revenue	 64,371	 151,405	 215,776	 195,294
 Net assets released from restrictions- satisfaction of donor requirements	 <u>159,745</u>	 <u>(159,745)</u>	 <u>--</u>	 <u>--</u>
 Total support, revenue and reclassifications	 <u>224,116</u>	 <u>(8,340)</u>	 <u>215,776</u>	 <u>195,294</u>
OPERATING EXPENDITURES				
Program services	176,516	--	176,516	163,216
Support services:				
General and administrative expenditures	14,347	--	14,347	14,799
Fundraising	<u>16,616</u>	<u>--</u>	<u>16,616</u>	<u>15,826</u>
Total support services	<u>30,963</u>	<u>--</u>	<u>30,963</u>	<u>30,625</u>
 Total operating expenditures	 <u>207,479</u>	 <u>--</u>	 <u>207,479</u>	 <u>193,841</u>
 Change in net assets	 16,637	 (8,340)	 8,297	 1,453
Net assets, beginning of year	<u>30,245</u>	<u>48,175</u>	<u>78,420</u>	<u>76,967</u>
Net assets, end of year	<u>\$ 46,882</u>	<u>\$ 39,835</u>	<u>\$ 86,717</u>	<u>\$ 78,420</u>

KIDSAFE COLLABORATIVE, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,297	\$ 1,453
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,625	2,604
Donated equipment	(1,422)	(2,343)
Changes in:		
Accounts receivable	5,433	(32,749)
Prepaid expenses	(364)	(281)
Accounts payable	(1,677)	946
Accrued expenses	<u>(4,076)</u>	<u>238</u>
Net cash provided (used) by operating activities	<u>8,816</u>	<u>(30,132)</u>
Net change in cash	8,816	(30,132)
Cash, beginning of the year	<u>38,154</u>	<u>68,286</u>
Cash, end of the year	<u>\$ 46,970</u>	<u>\$ 38,154</u>

KIDSAFE COLLABORATIVE, INC.

**NOTES TO FINANCIAL STATEMENTS
March 31, 2009 and 2008**

Note 1. Nature of Business and Summary of Significant Accounting Policies

Nature of business

Kidsafe Collaborative, Inc. (the Organization) was organized as the Community Child Protection Network of Chittenden County, Inc. in 1986, amended to Community Network for Children, Youth and Families of Chittenden County, Inc. in 1995. Then in May of 2008 the Organization officially changed its name in order to more accurately represent the operational nature of the Organization. The mission of the Organization is to improve the quality, scope and availability of services to children and families at risk of child abuse and neglect through systems advocacy, and to reduce the incidence of recurrent child abuse and neglect in families with effective intervention through the case reviews of its child protection teams and its community education programs. The Organization also promotes methods for 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 summary of the Organization's significant accounting policies follows:

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.

Basis of presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-for-Profit Organizations." Under SFAS No. 117, 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 Kidsafe Collaborative, Inc. had no permanently restricted net assets at March 31, 2009 and 2008, respectively.

Reclassifications

Certain amounts for the year ended March 31, 2008 have been reclassified to conform with the presentation for the year ended March 31, 2009. The reclassifications have no effect on net income for the year ended March 31, 2008

KIDSAFE COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

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 disclosure 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.

Cash and cash equivalents

The Organization considers all investments with an original maturity of three months or less to be cash and cash equivalents.

Property 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.

Revenue recognition

In accordance with provisions of the Financial Accounting Standard Board's Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" 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 report 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.

Advertising

Advertising costs are expensed as incurred.

KIDSAFE COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

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.

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.

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises." FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48 (Interpretation 48), Accounting for Uncertainty in Income Taxes, to its annual financial statements for fiscal years beginning after March 31, 2009. The Organization has elected to defer the application of Interpretation 48 for the year ending December 31, 2008. The Company evaluates its uncertain tax positions using the provisions of FASB Statement 5, Accounting for Contingencies. Accordingly, a loss contingency is recognized when it is probably that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome for each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. In Management's judgment there are no uncertain tax positions for the years ended March 31, 2009 and 2008, respectively.

Note 2. Grants Receivable

Grants receivable consisted of amounts due from the State of Vermont totaling \$39,449 and \$44,882 for the years ended March 31, 2009 and 2008, respectively.

Note 3. Operating Lease

In September 2008, the Organization exercised the right to extend a previous operating lease agreement whereby the Organization leases office space. The terms are for a one year period commencing in September 2008 and ending in August 2009. The agreement calls for monthly payments for rent and utilities which totaled \$8,748 and \$9,186 for the years ended March 31, 2009 and 2008, respectively.

Payments are due in the amount of \$3,862 during the year ended March 31, 2010, in order to satisfy the above lease.

KIDSAFE COLLABORATIVE, INC.

NOTES TO FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 4. Property and Equipment

Property and equipment consist of the following at March 31:

	Useful life (Years)	<u>2009</u>	<u>2008</u>
Office furniture	7-10	\$ 1,771	\$ 1,771
Office equipment	2-5	<u>13,179</u>	<u>11,757</u>
Total property and equipment		14,950	13,528
Less accumulated depreciation		<u>(12,089)</u>	<u>(9,464)</u>
Property and equipment, net		<u>\$ 2,861</u>	<u>\$ 4,064</u>

Depreciation expense totaled \$2,625 and \$2,604 for the years ended March 31, 2009 and 2008, respectively.

Note 5. 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>2009</u>	<u>2008</u>
State of Vermont	\$ 19,588	\$ 41,873
Luncheon Sponsors	<u>20,047</u>	<u>6,302</u>
Total temporarily restricted net assets	<u>\$ 39,635</u>	<u>\$ 48,175</u>

Note 6. Related Party

The United Way of Chittenden County (UWCC) acts as fiscal agent for the Kidsafe Collaborative, Inc. The UWCC prepares all financial records as well as records payroll. There is no fee for this service. Management views this as an in-kind donation.

Note 7. Retirement Plan

The Organization maintains a non-contributory 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.

Note 8. 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.

SUPPLEMENTAL INFORMATION

KIDSAFE COLLABORATIVE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2009 (With Comparative Totals For 2008)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2009 Totals</u>	<u>2008 Totals</u>
Personnel Expenses					
Salaries and wages	\$ 97,421	\$ 8,132	\$ 8,251	\$ 113,804	\$ 106,937
Payroll taxes and benefits	<u>25,085</u>	<u>2,094</u>	<u>2,125</u>	<u>29,304</u>	<u>28,960</u>
Total personnel expenses	122,506	10,226	10,376	143,108	135,897
Contracted services	4,985	--	--	4,985	100
Professional services	20,602	87	127	20,816	20,779
Conferences and travel	3,641	188	137	3,966	4,473
Rent and utilities	7,377	689	682	8,748	9,186
Miscellaneous	1,445	1,013	3,774	6,232	4,016
Printing and copies	1,782	303	508	2,593	3,427
Accounting	2,793	507	--	3,300	2,800
Telephone and on-line fees	1,807	119	88	2,014	1,958
Postage and shipping	1,074	130	388	1,592	1,426
Professional development	586	22	121	729	569
Insurance	2,619	381	--	3,000	2,965
Equipment maintenance	840	68	153	1,061	480
Supplies	1,746	65	186	1,997	2,863
Dues and publications	492	145	76	713	298
Depreciation	<u>2,221</u>	<u>404</u>	<u>--</u>	<u>2,625</u>	<u>2,604</u>
Total expenses	<u>\$ 176,516</u>	<u>\$ 14,347</u>	<u>\$ 16,616</u>	<u>\$ 207,479</u>	<u>\$ 193,841</u>

See Independent Certified Public Accountants' Audit Report.

KIDSAFE COLLABORATIVE, INC.

STATEMENTS OF PROGRAM EXPENSES
For the Year Ended March 31, 2009 (With Comparative Totals For 2008)

	<u>Training and Education</u>	<u>Child Protect</u>	<u>Systems Change</u>	<u>2009 Totals</u>	<u>2008 Totals</u>
Salaries and wages	\$ 4,120	\$ 41,188	\$ 52,114	\$ 97,422	\$ 90,344
Payroll taxes and benefits	1,061	10,605	13,419	25,085	24,466
Contracted services	--	4,985	--	4,985	100
Professional services	522	750	19,330	20,602	20,016
Conferences and travel	112	1,078	2,452	3,642	4,334
Rent and utilities	205	3,443	3,729	7,377	7,711
Miscellaneous	62	625	758	1,445	969
Printing and copies	75	885	822	1,782	1,983
Accounting	167	1,050	1,576	2,793	2,370
Telephone and on-line fees	17	860	930	1,807	1,730
Postage and shipping	36	601	437	1,074	690
Professional development	38	271	277	586	497
Insurance	151	1,087	1,381	2,619	2,564
Equipment maintenance	24	399	417	840	409
Supplies	54	762	930	1,746	2,586
Dues and publications	24	157	311	492	244
Depreciation	133	835	1,253	2,221	2,203
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total program expenses	<u>\$ 6,801</u>	<u>\$ 69,581</u>	<u>\$ 100,136</u>	<u>\$ 176,518</u>	<u>\$ 163,216</u>

See Independent Certified Public Accountants' Audit Report.