

MERIDEN CHILDREN FIRST INITIATIVE, INC.

Financial Statements

December 31, 2009



DAVIS, MASCOLA & PHILLIPS, LLC.

Certified Public Accountants

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To the Board of Directors of  
Meriden Children First Initiative, Inc.  
Meriden, Connecticut

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of the Meriden Children First Initiative, Inc. as of December 31, 2009, and the related statements of activities 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 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meriden Children First Initiative, Inc. as of December 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.

*Davis, Mascola & Phillips, LLC, CPAs*

April 22, 2010

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
STATEMENT OF FINANCIAL POSITION  
For the year ended December 31, 2009

ASSETS

CURRENT ASSETS	
Cash	\$100,939
Prepaid Expenses	<u>1,149</u>
Total Current Assets	102,088
Property & Equipment (net of accumulated depreciation)	<u>3,088</u>
TOTAL ASSETS	<u>\$105,176</u>

LIABILITIES & NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	2,836
Accrued Payroll	<u>2,039</u>
Total Current Liabilities	<u>4,875</u>
NET ASSETS	
Temporarily Restricted Net Assets	33,750
Unrestricted Net Assets	<u>66,551</u>
Total Net Assets	<u>100,301</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$105,176</u>

See auditor's report and accompanying notes.

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT &amp; REVENUE:</b>			
Grants and Contributions	\$474,165	\$ 33,750	\$507,915
Other Revenue	1,829	--	1,829
Interest Income	989	--	989
In Kind Contributions	10,000	--	10,000
Total Support & Revenue	<u>486,983</u>	<u>33,750</u>	<u>520,733</u>
<b>EXPENSES:</b>			
Salaries and Wages	260,728	--	260,728
Employee Health & Retirement Benefits	61,027	--	61,027
Consultants & Teachers	32,176	--	32,176
Conferences & Meetings	30,591	--	30,591
Payroll Taxes	22,759	--	22,759
Professional Fees	20,335	--	20,335
Travel & Mileage	12,273	--	12,273
Occupancy	10,000	--	10,000
Telephone	9,814	--	9,814
Printing	9,673	--	9,673
Childcare & Transportation	7,388	--	7,388
Trainers & Speakers	5,934	--	5,934
Insurance	5,784	--	5,784
Supplies	5,182	--	5,182
Promotional	2,955	--	2,955
Web Hosting	2,508	--	2,508
Training	2,115	--	2,115
Miscellaneous	1,678	--	1,678
Depreciation	1,639	--	1,639
Postage	1,133	--	1,133
Dues & Subscriptions	664	--	664
License & Registration	75	--	75
Total Expenses	<u>506,431</u>	<u>--</u>	<u>506,431</u>
Change in net assets	( 19,448)	33,750	14,302
NET ASSETS, beginning of year	119,999	--	119,999
Transfer of Parent Power unrestricted net assets to new fiduciary	( <u>34,000</u> )	<u>--</u>	( <u>34,000</u> )
NET ASSETS, end of year	<u>\$ 66,551</u>	<u>\$ 33,750</u>	<u>\$100,301</u>

See auditor's report and accompanying notes.

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
STATEMENT OF CASH FLOWS  
For the year ended December 31, 2009

Cash Flows from Operating  
Activities:

Change in Net Assets	\$ 14,302
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	1,639
(Increase) Decrease in Assets:	
Prepaid Expenses	3,026
Increase (Decrease) in Liabilities:	
Accounts and Accrued Expense Payable	( <u>1,840</u> )
Net cash provided by Operating Activities	<u>17,127</u>

Cash flows from investing activities:

Transfer of cash to new fiduciary	( <u>34,000</u> )
Net Increase (Decrease) in Cash	( 16,873 )
Cash, Beginning of Year	<u>117,812</u>
Cash, End of Year	<u>\$100,939</u>

Supplementary Information:

Cash paid during the year for:	Interest	\$-0-
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See auditor's report and accompanying notes.

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

1 Organization

The Meriden Children First Initiative, Inc., a not for profit organization, provides various support services to children and their families in the greater Meriden, Connecticut area. Its primary source of revenue is municipal, corporate, and foundation grants. The Organization administers and coordinates activities and programs to serve the physical, social, emotional and other needs of children in the community.

2 Summary of Significant Accounting Policies

Basis of Accounting - The Organization prepares its financial statements using the accrual basis of accounting whereby revenues are recognized when earned rather than when received and expenses when incurred rather than when paid. Grant income received in 2009 will be used to pay operating expenses in 2010. The Organization will pursue renewal of various grants on an annual basis.

Financial Statement Presentation - The Organization records and reports all financial transactions according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All balances and transactions are classified as unrestricted except those items specifically restricted by a donor. The Organization has no permanently restricted assets at this time.

Accounts Receivable - The Organization has elected to record bad debt expense using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Property and Equipment - Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Assets with a useful life of more than one year are generally capitalized.

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

2 Summary of Significant Accounting Policies (Continued)

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

In-kind Contribution - Contributed use of facilities is recorded as support and expenses at fair market value when determinable, otherwise at values indicated by the donor. The Organization received the use of facilities to operate valued at \$10,000 for the year ended December 31, 2009. The value of any time and services contributed by volunteers to the Organization are not reflected in the financial statements because they do not meet the recognition criteria of FASB Statement No. 116, "Accounting for Contributions Received and Contributions Made."

3 Income Taxes

The Meriden Children First Initiative, Inc., which is not a private foundation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly no provision has been made for income taxes.

4 Concentration of Credit Risk for Cash Held in Bank

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of temporary cash investments and certificates of deposit. The Organization places its temporary cash and other investments with high-credit, quality financial institutions and securities dealers, which may exceed federally and privately insured amounts at times. The Organization does not believe that it is exposed to any significant credit risk on uninsured amounts.

5 Economic Dependence

The Organization received forty-seven (47%) percent of its support from one foundation. This support includes grants for different projects and represents a lower percentage than prior years.

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

6 Property and Equipment

The major class of property and equipment at December 31, 2009 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Furniture and equipment	\$ <u>21,643</u>	\$ <u>18,555</u>	\$ <u>3,088</u>

Fixed assets are depreciated using the straight line method over the estimated useful life of the asset.

7 Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all cash in bank checking accounts and investments in highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents.

8 Expenses by Function

Expenses (excluding occupancy) by function are as follows:

Program services:

Meriden Parent Leadership	\$ 46,343
Training Institute	72,364
Healthcare	90,501
Parent Support	240,987
CT Parent Power	450,195
Total Program Services	<u>46,236</u>
Management and General	<u>\$496,431</u>

9 Employee Benefits - Retirement Plan

The Meriden Children First Initiative, Inc. provides its employees with the option to participate in a tax deferred annuity or ROTH individual retirement annuity managed by Mutual of America. There are no employer contributions. As of December 31, 2009, one employee was participating in the plan.

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

9 Employee Benefits - Retirement Plan (Continued)

The Meriden Children First Initiative, Inc. also has a Simplified Employee Pension retirement plan administered by Mutual of America. All employees who have attained age 21, who are expected to work more than 1,000 hours per year, and have compensation of at least \$400 during the year are eligible. Employer contributions totaled \$18,845 for the year ended December 31, 2009.

10 CT Parent Power Program

The CT Parent Power Program became a part of the Meriden Children First Initiative, Inc. during the year ended December 31, 2006. The revenue and expenses for the CT Parent Power Program during the fiscal year ended December 31, 2009 were:

REVENUE:	
Grants	\$260,365
Other	1,807
Total Revenue	<u>262,172</u>
EXPENSES:	
Salaries	128,350
Benefits	40,823
Professional Fees	19,431
Conferences & Meetings	13,097
Payroll taxes	10,978
Travel	8,678
Telephone	4,422
Childcare & Transportation	2,949
Promotional	2,600
Insurance	2,512
Printing	2,173
Training	2,115
Web Hosting	1,200
Supplies	1,198
Postage	240
Miscellaneous	221
Total Expenses	<u>240,987</u>
Changes in Net Assets	<u>\$ 21,185</u>

MERIDEN CHILDREN FIRST INITIATIVE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

10 CT Parent Power Program (Continued)

Effective January 1, 2010 CT Parent Power ended its fiduciary affiliation with Meriden Children First Initiative, Inc. It began a new relationship with CT Association of Human Services of Hartford, Connecticut and has moved it's remaining assets there. Meriden Children First does not anticipate any residual impact from this change although they may work together on common early childhood issues in the future.

11 Temporarily Restricted Net Assets

The Meriden Children First Initiative, Inc. has received monies for programs that run into the December 31, 2010 fiscal year. They are:

Cuno Foundation	\$10,000
Napier Foundation	10,000
Graustien Memorial Fund	8,750
Naugatuck Savings Bank	5,000
	<u>\$33,750</u>

These temporarily restricted net assets will be released from restriction when program obligations are met.