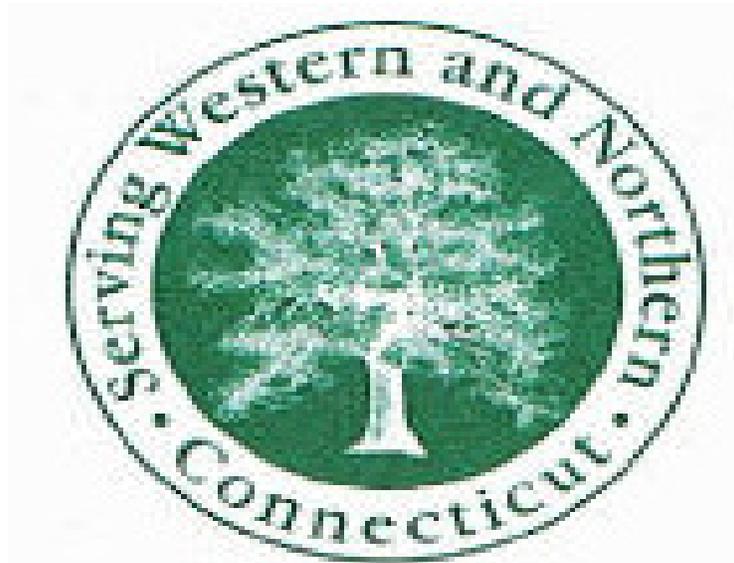


Connecticut Resource Development Corporation

2004 - 2005 Annual Report

"Advancing our communities through the development
of human, financial, facility and technological
resources."



Dr. Francis J. Muska, Ph.D.
Board Chair

Hon. James H. Maloney
President & General Counsel

2004-2005 Annual Report

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MISSION STATEMENT

Connecticut Resources is a “community development corporation”, a locally based non-profit organization serving Western and Northern Connecticut, dedicated to advancing our communities, and fostering greater opportunities for the individual residents of our service area, through a combination of human service programs and economic development projects.

< INSERT COLOR CODED MAP OF THE STATE >

*Our Primary Service Area
"North of the Merritt, West of 9-91"*

DEDICATION

Our Annual Report for 2004/2005 is dedicated, with deep appreciation, to the children and families of the Head Start of Northern Fairfield County program in whose interest all of us at Connecticut Resource Development Corporation work, and who daily show us the profound and lasting value of the work we do.



BACKGROUND

The Federal Government has long recognized the valuable contributions made by community development corporations. For example, the U.S. Office of Management and Budget recently found, as a consequence of its Program Assessment Rating Tool (PART), the growing capacity of community development corporations in relation to the need for “effective organizations that foster community development”. OMB, PART, 2003.

“At its best, community development is a nonlinear enterprise: tackling two or three different but related problems can produce dramatically more results than a single-minded assault on just one target. That’s why the usual itemized inventory of community development corporation activities – an apartment rehab project, small business assistance, a clean-streets program, a workforce development partnership – often gives a poor picture of the organizations’ real mission and potential. These aren’t discrete, or even simply cumulative, activities. They are something like a chemical formula, intended to produce a transforming reaction.” Local Initiatives Support Corporation (LISC), “The Whole Agenda: The Present and Future of Community Development”, 2002, page 8.



EXECUTIVE SUMMARY

The year 2004/2005 has been one of dynamic accomplishment for the Connecticut Resource Development Corporation.

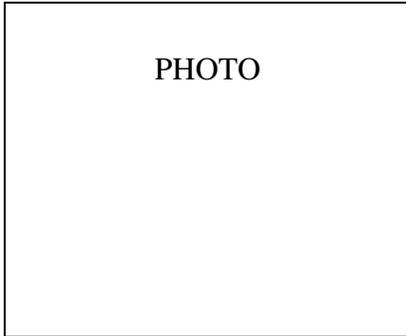
As of July 1, 2004, Connecticut Resources was honored to become the new sponsor of the Head Start program in the Northern Fairfield County area. Head Start is a comprehensive child and family development program that works to assure that low-income children ages 3 through 4 have the necessary pre-school education and social skills to be fully ready, at a level equal with more economically advantaged children, to enter into the regular school curriculum at age 5. Head Start has been widely acclaimed as one of our Nation's most successful human development programs. Our Head Start of Northern Fairfield County program serves more than 300 children and their families every year. In addition, this Spring, our program went through its first formal Federal monitoring review, earning a rating of "Zero Deficiencies". For a first-year program, this is an accomplishment of which our staff and parents can be very proud!

Connecticut Resources also sponsors a number of economic development activities, including low-income housing management, brownfield remediation, and community facility development. Early in 2005, we became the US Department of Housing and Urban Development approved Managing Agent for the Beaver Street Apartments Cooperative, Inc., a seventy unit, low-income, family cooperative in downtown Danbury, and the only facility of its type in all of Western Connecticut. As the official Managing Agent, we are now engaged in a comprehensive program of physical and organization renewal and improvement at the Cooperative. In addition, we are working on behalf of the Town of Newtown to environmentally remediate a polluted 30 acre industrial site, known as the "Batchelder" property, and return that Newtown site to productive commercial use.

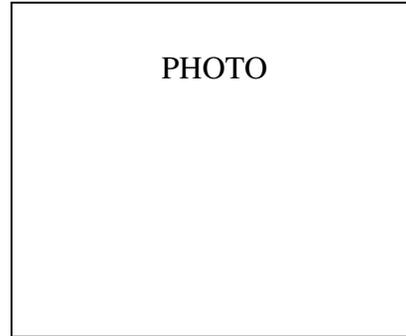
Finally, we are working with Danbury Mayor Mark Boughton, our bi-partisan State Legislative Delegation, and state and federal officials to refurbish and rehabilitate the former Immanuel Lutheran School in downtown Danbury into a state-of-the-art comprehensive Head Start Center for our Head Start (ages 3 and 4) and Early Head Start (ages 6 months through age 2) programs. This new Center will be a great boon to our Head Start children and families, but will also generally assist the taxpayers of Danbury by allowing the 12 Head Start classrooms now located in the public school system to be used to accommodate the growing population of Danbury school children, and by freeing up the Danbury Public Schools space to permit the development of an expanded all-day kindergarten program.

In financial terms, 2004/2005 was also a rousing success. Our cash budget for 2003 was \$6,082. In 2004, that grew to \$1,108,223. Our projected cash budget for 2005 is \$2,650,000.

A MESSAGE FROM OUR BOARD CHAIR AND OUR PRESIDENT



Dr. Francis J. Muska, Ph.D.
Board Chair



Hon. James H. Maloney
President & CEO

Dear Friends:

In our inaugural year of 2003 Connecticut Resource Development Corporation was able to achieve important fundamentals: we incorporated under Connecticut law, we successfully filed for our non-profit tax status with the U.S. Internal Revenue Service, and we put together our initial plan of organization and development.

This past year, our second year in existence, has been one of dynamic growth. In early January, 2004, we received official word that we had won the competition to serve as the new sponsor of the federally funded Head Start Program in Northern Fairfield County. The program serves more than 300 children and their families each year in the 8 town region of Danbury, Bethel, Brookfield, New Fairfield, Newtown, Redding, Ridgefield, and Sherman.

As of July 1, 2004, we expanded and enhanced our Federal Head Start Program with related grants from the State of Connecticut, and with the addition of a child nutrition program (for breakfast, lunch & healthy snacks) funded by the US Department of Agriculture and the State Department of Education. The Fairfield County Community Foundation also gave the program an important boost later in the year with a grant to foster early childhood development "best practices" throughout our program.

By September, in cooperation with the Danbury Public Schools under the outstanding leadership of Superintendent Dr. Eddie Davis, our Head School program was in full operation, very capably organized by our new Head Start Director, Ms. Shirley Ricart. Ms. Ricart is a certified bi-lingual special education teacher who holds a Bachelors degree in Psychology and Elementary Education and a Master's Degree in Bilingual Education. She joined us with administrative experience in both Head Start and the management of a large (250 child) multi-cultural day care facility in New York City.

Also during 2004, we took significant strides in working with the Town of Newtown to environmentally remediate the "Batchelder" site, a badly polluted 30 acre industrial facility in southern Newtown near the Monroe border. As we go to press with this Report, we are

on the verge of completing the various legal arrangements that will allow us to begin physical work at the site in order to return the property to productive commercial use (and return tax revenues to the Town).

This past fall, we began work, in close cooperation with Danbury Mayor Mark Boughton, and Danbury's bipartisan Legislative Delegation led by State Senator David Capiello (R-24), State Representative Robert Godfrey (D-110), and State Representative Lew Wallace (D-109), in securing the financing needed to remodel and reconstruct the former Immanuel Lutheran School in Downtown Danbury into a comprehensive, state-of-the-art Head Start Center, containing twelve Head Start classrooms (for children ages 3 and 4), four classrooms for Early Head Start (for children age 6 months through 2 years), and program space for our Head Start Family and Social Services staff. Just three months ago, the State Legislature, as a result of the dedicated work of our elected officials, authorized a \$3.7 million State grant for the Center, matching the City's support for the project.

The new Center will be a great boon to our Head Start children and families, but will also generally assist the children and taxpayers of Danbury by allowing the 12 Head Start classrooms now located in our local public schools to be used to accommodate the growing population of Danbury school children and by freeing up space for the Danbury school system to develop an expanded all-day kindergarten program. Danbury taxpayers will greatly benefit from the project because our Head Start Center rehabilitation approach is much less costly than the alternative of constructing new classroom space to meet the needs of the school system. (Twelve new classrooms are estimated to cost about \$15,000,000, or about \$7,000,000 more than the Center's total purchase and re-habilitation costs).

Finally, this past January '05 saw Connecticut Resources take on the administration of the non-profit Beaver Street Apartment Cooperative, Inc. The Cooperative is home to 70 low-income families in units ranging from one to five bedrooms. It is the only facility of its type in all of Western Connecticut. At the request of the Cooperative's Board of Directors, and with the approval of the US Department of Housing and Urban Development, Connecticut Resources has been named the Cooperative's Official Managing Agent, and is now engaged in a comprehensive program of physical and organizational renewal and improvement at the Cooperative.

So 2004/2005 has been a dynamic year indeed. A year of very solid progress and very substantial growth!

We are ever grateful to our talented and hard working staff, our dedicated and active Board of Directors, and to our many friends in both the public and private sectors, all of whom have made our progress possible and who will be the critical factors in our future success.

Yours truly,

Dr. Francis J. Muska, Ph.D.

Hon. James H. Maloney

Danbury, CT 06810
Tel: 203-743-3993
Fax: 203-792-9387

OUR PROFESSIONAL ADVISORS

Auditors

UHY, LLC

Certified Public Accountants

William Belenardo, CPA

Greg Marazita, CPA

555 Long Wharf Drive

New Haven, CT 06511

Attorneys for Real Estate Management & Development

Pinney, Payne, PC

Ted D. Backer, Esq.

Kim Nolan, Esq.

83 Wooster Heights

Danbury, CT 06810

Attorneys for Head Start

Jerry V. Leaphart & Associates

Jerry V. Leaphart, Esq.

8 West Street, Suite 203

Danbury, CT 06810

Environmental Consulting

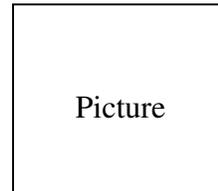
Down to Earth LLP

Arthur Bogen

73-D East Broadway

Milford, CT 06460





Shirley Ricart, BA., M.A.
Head Start Director

2004/2005 Annual Program Report

Dear Friends of Head Start:

With the intensive assistance of our program sponsor, the Connecticut Resource Development Corporation, the first year of the Head Start of Northern Fairfield County program was a time of very significant progress. Some of our most important accomplishments are summarized below.

Enhancement of Services and Systems

At the core of everything we do are the comprehensive early childhood development services that we provide to low income children and families of our community. Parents and staff are partners in this process through family partnership agreements, parent-teacher conferences, teacher/family-advocate home visits, and through regular contact with teachers and other staff. In that connection, the program has made great strides in strengthening curriculum, communication and monitoring services and systems, as follows:

Creative Curriculum

- This year we implemented Creativecurriculum.net, a web-based early childhood development curriculum, that helps teachers cater lesson plans to meet the individual needs of our children, and to continually improve service delivery in the classroom through the analysis of classroom and program-wide data.
- Creativecurriculum.net is utilized by our teachers to track individualized child outcomes in 50 developmental areas over the course of each child's involvement in the program.
- Creativecurriculum.net also allows HSNFC to use child outcomes data over time to guide program planning, because we can quantitatively measure those developmental areas in which children require additional care and attention.

ChildPlus

- We also implemented the ChildPlus software program which allows us to track information on every component of a family's involvement in the Head Start program, including demographic information, enrollment, attendance, contact with families, transition to school, home visits, and the completion of Family Partnership Agreements.
- ChildPlus also gives HSNFC the ability to track family outcomes over time, as our Family Advocates track and monitor the creation of family goals, the steps their families take to achieve those goals, and the degree to which they are succeeding.

Child and Family Services Reorganization

- Early in the year, we completed a comprehensive survey of our Head Start parents and staff about the needs and direction of the program, to serve as a base-line for all subsequent activity.
- We then substantially reorganized our program and administrative staff, based on that survey and follow-up interviews with all staff service area coordinators, family advocates, and teachers, and on our related follow-up discussions with Parents.

- Our new computer network and MIS system allowed, with proper staff support, for much better communication among all sites, and improved management of service delivery.
- Additionally, we substantially streamlined the program's administrative structure, ultimately eliminating four (4) unnecessary administrative positions. We also restructured the Mental Health Services activities from a consulting agreement to a permanent, part-time staff position.

Parent Involvement

HSNFC operates on the basis that the cornerstone of Head Start is parent involvement.

- Center Committees, Parent Policy Council, Council Sub-Committees, and Advisory Committees have all been fully mobilized to provide opportunities for parents to express interests and ideas, and to contribute input regarding all aspects of the program. In addition, the program holds cultural celebrations and special seasonal activities designed to encourage parent involvement.
- We also implemented this year a Fatherhood Initiative, designed to encourage the involvement of male role models in the lives of children in our Head Start program. Core staff attended the national Fatherhood Involvement training, gaining skills needed to strengthen families and support the ongoing involvement of fathers in our program. In addition, we successfully institutionalized our Fatherhood effort by creating a permanent "Fatherhood Coordinator" position on staff to work with our fathers and other male family members.

Family Literacy

Family Literacy has also been a targeted priority of our efforts this year:

- We established a relationship with Scholastic Books, which provides book donations for families enrolled in the program. These donations have allowed us to develop a lending library in several of our classrooms. We have also utilized every opportunity to share these books with children and parents during intake and enrollment.
- In addition, our program made application for and was accepted into the national "First Book" program, which supplied each of our children with two age-appropriate "starter" books to keep. Also through "First Book", three of our classrooms continue to receive monthly a new book for each child to bring home and share with their families. (We hope next year to expand the "First Book" program to all fifteen of our classrooms).

HSNFC Staff Development

The HSNFC program staff is multicultural and multiethnic, reflecting the tremendous diversity of the community we serve. HSNFC incorporates the cultures of our families into every part of our program services.

- In recognition of our diversity, we worked to increase the cultural awareness and sensitivity of our staff and management through formal training and in-service work.
- We have also focused on strengthening our staff through professional training in a range of other areas, including curriculum, the implementation of technology, the delivery of family services, and the program self-assessment process. To address the formal educational needs of our teachers and staff, HSNFC has developed a partnership with a regional community college through which professional courses are provided to the staff at convenient times and locations.

Administrative Progress

- We undertook and completed a formal procurement process for the purchase and installation of a comprehensive program-wide new computer system (hardware and software);
- We entirely revamped the formal written service area plans for all of our activities, including education services, family involvement, health care, disability services, and program management.
- We updated the Job Descriptions for all Head Start staff;

Future Directions

Head Start of Northern Fairfield County looks forward to building on this year of tremendous growth. We envision a program which has classrooms locally accessible to low-income children and families, including in area towns outside of the City of Danbury. We see ever stronger partnerships with community based agencies as we work to enhance the quality and service capacity of our Head Start program. We see expanded service options, including the development of a new Head Start Center (located at the former Immanuel Lutheran School), which will allow us to extend both our program year and the program day, making it more convenient for working families, and allowing us to offer infant and toddler child care through a program of Early Head Start (addressing a tremendous need in this community for child development services for very young children, age 6 months through 2 years). In sum, we see a program in Northern Fairfield County which fully delivers on the total mission of Head Start: helping Head Start children and their families to succeed in school and in life.

Respectfully Submitted,

Shirley Ricart, Director

**Connecticut Resource Development Corporation
would like to again thank our
2004 Community SponsorS**

Platinum Sponsor

Jim & Roseanne Galante

Table Sponsor

Webster Bank

Sponsors

Acelero Learning
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Patrons

Mary & Jim Maloney
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Supporter

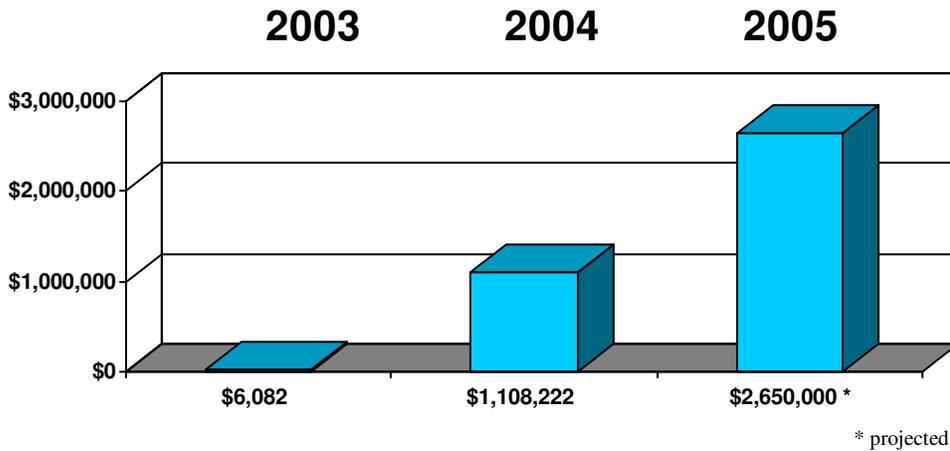
Attorney Jerry V. Leaphart

Friends

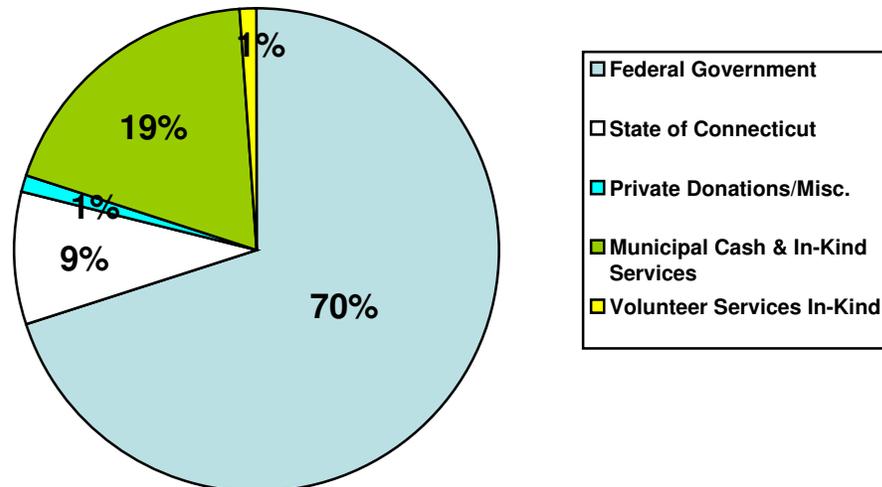
The Danbury News Times
The Danbury Regional Child Advocacy
Center
Mrs. Isabelle Farrington
Ms. Bunny Jacobson
Dr. Frank Muska

Financial Summary

Total Cash Budgets 2003, 2004, 2005



Sources of Support 2004 Cash and In-Kind Services



Board of Directors
Connecticut Resource Development Corporation

We have audited the accompanying balance sheet of Connecticut Resource Development Corporation as of December 31, 2004, and the related statements of the activities, changes in net assets, functional expensive, 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 the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 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 Connecticut Resource Development Corporation as of December 31, 2004, and the results of its operations, changes in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2005 on our consideration of Connecticut Resource Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance *Government Auditing Standards* and should be considered in assessing the results of our audit.

New Haven, Connecticut
May 13, 2005