

# **UNI-PRES KINDERCOTTAGE**

564 Veronica Avenue  
E. St. Louis, IL 62205

## **ANNUAL FINANCIAL STATEMENTS**

For the Years Ended December 31, 2015 and 2014

# UNI-PRES KINDERCOTTAGE

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December 31, 2015 and 2014

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## **Thompson & Lengacher**

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Uni-Pres Kindercottage  
East St. Louis, Illinois

We have audited the accompanying financial statements of Uni-Pres Kindercottage (a nonprofit organization), which comprise the statements of financial positions as of December 31, 2015, and 2014, 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.

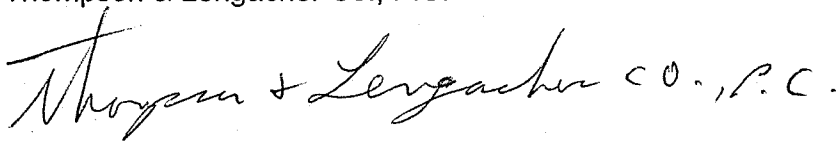
### Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Uni-Pres Kindercottage as of December 31, 2015 and 2014, 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.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Thompson & Lengacher Co., P.C.

A handwritten signature in cursive script that reads "Thompson & Lengacher Co., P.C.".

Maryville, Illinois  
November 3, 2016

# UNI-PRES KINDERCOTTAGE

## Statement of Financial Position

December 31, 2015 and 2014

### ASSETS

|  | <u>2015</u>      | <u>2014</u>      |
|--|------------------|------------------|
| Current Assets:  |                  |                  |
| Cash and Cash Equivalents - Operating                      | \$176,179        | \$117,059        |
| Investments - Equities & Mutual Funds                      | 23,570           | 24,396           |
| Accounts Receivable (Less Allowance for Doubtful Accounts) | 26,789           | 24,435           |
| Inventory  | 1,737            | 1,585            |
| Prepaid Insurance  | 3,286            | 3,702            |
| Prepaid Expenses   | 1,565            | 1,869            |
| Total Current Assets                                       | <u>233,126</u>   | <u>173,046</u>   |
| Fixed Assets:  |                  |                  |
| Land   | 9,242            | 9,242            |
| Building   | 646,189          | 640,639          |
| Furniture & Equipment                                      | 111,165          | 115,653          |
|  | <u>766,596</u>   | <u>765,534</u>   |
| Less: Accumulated Depreciation                             | <u>(427,753)</u> | <u>(406,016)</u> |
| Net Fixed Assets   | <u>338,843</u>   | <u>359,518</u>   |
| TOTAL ASSETS   | <u>571,969</u>   | <u>532,564</u>   |

### LIABILITIES AND NET ASSETS

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Current Liabilities:             |                  |                  |
| Accounts Payable                 | 10,003           | 13,887           |
| Accrued Payroll Taxes            | 604              | 4,662            |
| Current Portion Long-Term Debt   | 29,772           | 28,514           |
| Total Current Liabilities        | <u>40,379</u>    | <u>47,063</u>    |
| Long-Term Debt:                  |                  |                  |
| Mortgage Loan                    | 139,963          | 168,378          |
| Less: Current Portion            | <u>(29,772)</u>  | <u>(28,514)</u>  |
| Total Long-Term Debt             | <u>110,191</u>   | <u>139,864</u>   |
| TOTAL LIABILITIES                | <u>150,570</u>   | <u>186,927</u>   |
| Net Assets                       |                  |                  |
| Undesignated                     | 174,972          | 116,783          |
| Board Designated                 |                  | 4,825            |
| Net Investment in Property       | 198,880          | 191,140          |
| Total Unrestricted               | <u>373,852</u>   | <u>312,748</u>   |
| Temporarily Restricted           | 47,547           | 32,889           |
| TOTAL NET ASSETS                 | <u>421,399</u>   | <u>345,637</u>   |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$571,969</u> | <u>\$532,564</u> |

The accompanying notes are an integral part of these financial statements.

# UNI-PRES KINDERCOTTAGE

## Statement of Activities

For the Year Ended December 31, 2015

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|--------------|
| <b>SUPPORT AND REVENUE:</b>            |                     |                                   |              |
| Support:                               |                     |                                   |              |
| Contributions                          | \$253,311           | \$44,239                          | \$297,550    |
| Contributed Services & Assets          | 5,468               |                                   | 5,468        |
| Total Support                          | 258,779             | 44,239                            | 303,018      |
| Revenue:                               |                     |                                   |              |
| Grants and Contracts                   |                     |                                   |              |
| Pre-School & Day Care Program          | 263,625             |                                   | 263,625      |
| Child Care Food Program                | 55,983              |                                   | 55,983       |
| Grant Receipts                         |                     | 49,826                            | 49,826       |
| Parent Fees                            | 16,786              |                                   | 16,786       |
| Miscellaneous Receipts                 | 89                  |                                   | 89           |
| Investment Revenue                     | 1,265               |                                   | 1,265        |
| Total Revenue                          | 337,748             | 49,826                            | 387,574      |
| Net Assets Released from Restrictions: |                     |                                   |              |
| Satisfaction of Usage Restrictions     | 79,407              | (79,407)                          | 0            |
| TOTAL SUPPORT AND REVENUE              | 675,934             | 14,658                            | 690,592      |
| <b>EXPENSES:</b>                       |                     |                                   |              |
| Pre-School & Day Care Program          | 504,727             |                                   | 504,727      |
| Child Care Food Program                | 48,197              |                                   | 48,197       |
| General and Administrative             | 61,906              |                                   | 61,906       |
| TOTAL EXPENSES                         | 614,830             | 0                                 | 614,830      |
| CHANGE IN NET ASSETS                   | 61,104              | 14,658                            | 75,762       |
| Net Assets - Beginning of Year         | 312,748             | 32,889                            | 345,637      |
| Net Assets - End of Year               | \$373,852           | \$47,547                          | \$421,399    |

The accompanying notes are an integral part of these financial statements.

## UNI-PRES KINDERCOTTAGE

### Statement of Activities

For the Year Ended December 31, 2014

|  | Unrestricted | Temporarily<br>Restricted | Total     |
|--|--------------|---------------------------|-----------|
| <b>SUPPORT AND REVENUE:</b>            |              |                           |           |
| Support:                               |              |                           |           |
| Contributions                          | \$200,408    | \$68,766                  | \$269,174 |
| Contributed Services & Assets          | 6,261        |                           | 6,261     |
| Total Support                          | 206,669      | 68,766                    | 275,435   |
| Revenue:                               |              |                           |           |
| Grants and Contracts                   |              |                           |           |
| Pre-School & Day Care Program          | 233,980      |                           | 233,980   |
| Child Care Food Program                | 44,341       |                           | 44,341    |
| Grant Receipts                         |              | 50,235                    | 50,235    |
| Parent Fees                            | 10,851       |                           | 10,851    |
| Miscellaneous Receipts                 | 252          |                           | 252       |
| Investment Revenue                     | 302          |                           | 302       |
| Total Revenue                          | 289,726      | 50,235                    | 339,961   |
| Net Assets Released from Restrictions: |              |                           |           |
| Satisfaction of Usage Restrictions     | 148,652      | (148,652)                 | 0         |
| TOTAL SUPPORT AND REVENUE              | 645,047      | (29,651)                  | 615,396   |
| <b>EXPENSES:</b>                       |              |                           |           |
| Pre-School & Day Care Program          | 465,026      |                           | 465,026   |
| Child Care Food Program                | 43,353       |                           | 43,353    |
| General and Administrative             | 75,631       |                           | 75,631    |
| TOTAL EXPENSES                         | 584,010      | 0                         | 584,010   |
| CHANGE IN NET ASSETS                   | 61,037       | (29,651)                  | 31,386    |
| Net Assets - Beginning of Year         | 251,711      | 62,540                    | 314,251   |
| Net Assets - End of Year               | \$312,748    | \$32,889                  | \$345,637 |

The accompanying notes are an integral part of these financial statements.

## UNI-PRES KINDERCOTTAGE

### Statement of Functional Expenses

For the Year Ended December 31, 2015

|                                    | Pre-School &<br>Day Care<br>Program | Child Care<br>Food Program | General &<br>Administrative | Total            |
|------------------------------------|-------------------------------------|----------------------------|-----------------------------|------------------|
| Salaries                           | \$312,444                           | \$14,777                   | \$29,048                    | \$356,269        |
| Fringe Benefits/Payroll Taxes      | 30,560                              | 1,947                      | 2,543                       | 35,050           |
| Contractual Fees                   | 51,871                              |                            |                             | 51,871           |
| Consumable Supplies                | 21,370                              | 26,570                     |                             | 47,940           |
| Program Occupancy                  | 27,785                              | 4,903                      |                             | 32,688           |
| Other Program Expenses             | 17,080                              |                            |                             | 17,080           |
| Interest Expense                   |                                     |                            | 8,449                       | 8,449            |
| Office Expenses                    | 3,060                               |                            | 21,866                      | 24,926           |
| Total Expenses before Depreciation | 464,170                             | 48,197                     | 61,906                      | 574,273          |
| Depreciation Expense               | 40,557                              |                            |                             | 40,557           |
| <b>TOTAL EXPENSES</b>              | <b>\$504,727</b>                    | <b>\$48,197</b>            | <b>\$61,906</b>             | <b>\$614,830</b> |

The accompanying notes are an integral part of these financial statements.  
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## UNI-PRES KINDERCOTTAGE

### Statement of Functional Expenses

For the Year Ended December 31, 2014

|                                    | Pre-School &<br>Day Care<br>Program | Child Care<br>Food Program | General &<br>Administrative | Total            |
|------------------------------------|-------------------------------------|----------------------------|-----------------------------|------------------|
| Salaries                           | \$294,582                           | \$13,776                   | \$32,678                    | \$341,036        |
| Fringe Benefits/Payroll Taxes      | 37,633                              | 2,253                      | 4,719                       | 44,605           |
| Contractual Fees                   | 49,572                              |                            |                             | 49,572           |
| Consumable Supplies                | 6,595                               | 22,459                     |                             | 29,054           |
| Program Occupancy                  | 27,567                              | 4,865                      |                             | 32,432           |
| Other Program Expenses             | 16,966                              |                            |                             | 16,966           |
| Interest Expense                   |                                     |                            | 9,947                       | 9,947            |
| Office Expenses                    | 3,672                               |                            | 28,287                      | 31,959           |
| Total Expenses before Depreciation | 436,587                             | 43,353                     | 75,631                      | 555,571          |
| Depreciation Expense               | 28,439                              |                            |                             | 28,439           |
| <b>TOTAL EXPENSES</b>              | <b>\$465,026</b>                    | <b>\$43,353</b>            | <b>\$75,631</b>             | <b>\$584,010</b> |

The accompanying notes are an integral part of these financial statements.

# UNI-PRES KINDERCOTTAGE

## Statement of Cash Flows

For the Year Ended December 31, 2015 and 2014

|  | <u>2015</u>             | <u>2014</u>             |
|--|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                         |                         |
| Change in Net Assets   | \$75,762                | \$31,386                |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided by Operating Activities: |                         |                         |
| Depreciation   | 40,557                  | 28,439                  |
| Loss on Disposal of Fixed Assets   |                         | 1,452                   |
| Increase in Accts Receivable-Net of Allowance  | (2,354)                 | (3,296)                 |
| Increase in Inventory  | (152)                   | (680)                   |
| Decrease in Prepaid Insurance  | 416                     | 1,594                   |
| Decrease in Prepaid Expenses   | 304                     | 1,992                   |
| Decrease in Accounts Payable   | (3,884)                 | (2,391)                 |
| Increase (Decrease) in Accrued Payroll Taxes   | (4,058)                 | 2,297                   |
| Net Cash Provided by (Used by) Operating Activities  | <u>106,591</u>          | <u>60,793</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                         |                         |
| Net Adjustment in Investments  | 826                     | (20,654)                |
| Purchase of Equipment  | (19,882)                | (20,615)                |
| Net Cash Used by Investing Activities  | <u>(19,056)</u>         | <u>(41,269)</u>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                         |                         |
| Principal Payments of Mortgage Payable   | (28,415)                | (77,056)                |
| Net Cash Used by Financing Activities  | <u>(28,415)</u>         | <u>(77,056)</u>         |
| Net Increase (Decrease) in Cash and Cash Equivalents   | 59,120                  | (57,532)                |
| Cash and Cash Equivalents - Beginning of Year  | <u>117,059</u>          | <u>174,591</u>          |
| Cash and Cash Equivalents - End of Year  | <u><u>\$176,179</u></u> | <u><u>\$117,059</u></u> |
| <b>Supplemental Disclosures:</b>   |                         |                         |
| Interest Paid  | <u><u>\$8,449</u></u>   | <u><u>\$9,947</u></u>   |

The accompanying notes are an integral part of these financial statements.

# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### **NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

#### Nature of Activities:

Uni-Pres Kindercottage is a not-for-profit organization organized to provide day care for preschoolers in an economically deprived area. The organization provides day care services for children which are covered or not covered by government low income programs. The Organization's major sources of support and revenue are government grants and contracts and local church and individual contributions.

#### Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Uni-Pres Kindercottage and changes therein are classified and reported as follows:

#### Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

#### Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Uni-Pres Kindercottage and/or the passage of time. When a 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.

#### Contributions:

All contributions are considered available for unrestricted use unless specifically restricted by the donor.

#### Fixed Assets:

Fixed assets are recorded at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The organization follows the practice of capitalizing all expenditures for equipment and Building and improvements. Depreciation of various small equipment is provided using the straight-line method over an estimated life of two years. Two years is used because of the location of the child care facility. Other equipment is depreciated using the straight-line method over their estimated useful lives. The new building is being depreciated on a straight-line basis over thirty years.

# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES ( CONTINUED )

#### Contributed Services & Assets:

Contributed Services & Assets represents the estimated fair value of special volunteer fees and mileage and food donations. The amounts contributed for each are as follows:

|                                   | <u>2015</u>    | <u>2014</u>    |
|-----------------------------------|----------------|----------------|
| Contributed Services & Assets     |                |                |
| Volunteer Fees                    | \$3,750        | \$3,750        |
| Volunteer Mileage                 | 1,250          | 1,250          |
| Food Inventory & Program Supplies | 468            | 1,261          |
|                                   | <u>\$5,468</u> | <u>\$6,261</u> |

#### Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Cash and Cash Equivalents:

For purposes of the statement of cash flows, Uni-Pres Kindercottage considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

#### Investments:

Investments consist of equities and mutual funds reported at market value.

#### Estimates:

The preparation of financial statements in conformity with 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.

#### Income Taxes:

Uni-Pres Kindercottage is a nonprofit organization as described in Section 501(3)(c) of the Internal Revenue Code and is exempt from federal and state income taxes.

# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES ( CONTINUED )

#### Collection of Parent Fees:

The Organization will make an effort to collect the fees due from the parents, but believes it is more important to keep the children in the day care center than to pressure a parent over unpaid fees. As a result of this policy, no tight accounts receivable and possible bad debts are kept.

#### Allowance for Doubtful Accounts:

The Organization provides an allowance for doubtful accounts, as needed, for accounts deemed uncollectible.

### NOTE 2 - CASH AND CASH EQUIVALENTS - OPERATING

Cash and Cash Equivalents consists of the following accounts:

|   | <u>2015</u>      | <u>2014</u>      |
|---|------------------|------------------|
| General Operating Account<br>Regions Bank | \$21,191         | \$3,462          |
| General Operating Account<br>PNC Bank     | 64,554           | 32,320           |
| Petty Cash Account<br>Regions Bank        | 99               | 514              |
| Petty Cash Account<br>PNC Bank            | 193              | 200              |
| Money Market Account<br>PNC Bank          | 50,435           | 50,374           |
| Special Savings Account<br>PNC Bank       | 39,707           | 30,189           |
|   | <u>\$176,179</u> | <u>\$117,059</u> |

# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### NOTE 3 - FIXED ASSETS

Land, Buildings and Equipment and related accumulated depreciation amounts are as follows:

|                          | Costs            | Accumulated<br>Depreciation | Net Book Value   |                  |
|--------------------------|------------------|-----------------------------|------------------|------------------|
|                          |                  |                             | 2015             | 2014             |
| Land                     | \$9,242          | \$0                         | \$9,242          | \$9,242          |
| Building                 | 646,189          | (336,380)                   | 309,809          | 326,660          |
| Equipment & Improvements | 111,165          | (91,373)                    | 19,792           | 23,616           |
|                          | <u>\$766,596</u> | <u>(\$427,753)</u>          | <u>\$338,843</u> | <u>\$359,518</u> |

### NOTE 4 - LONG-TERM DEBT

The Organization's long-term debt consists of the following:

Mortgage loan with Regions Bank was refinanced with PNC Bank on April 18, 2012 in the amount of \$284,631.44. The current terms of the loan is at a stated interest rate of 4.50% with scheduled monthly payments of principal and interest of \$2,958.90 each beginning May 18, 2012 with the final payment due on April 18, 2022. The Organization has made excess debt reduction payments on the debt and the future maturities are calculated based on the same regular scheduled payments resulting in a earlier payoff for the loan. The estimated final payment will be April 18, 2020. The lender holds the Real Estate as collateral for the loan.

Future maturities due on the long-term debt are as follows:

| For Year Ended<br>December 31, | Amount           |
|--------------------------------|------------------|
| 2016                           | \$29,772         |
| 2017                           | 31,186           |
| 2018                           | 32,619           |
| 2019                           | 34,117           |
| 2020                           | 12,269           |
|                                | <u>\$139,963</u> |

# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### NOTE 5 - BOARD DESIGNATED NET ASSETS

The Board of Directors have designated unrestricted net assets for the following specific purpose:

|                | Balance<br>12/31/14 | Changes   | Balance<br>12/31/15 |
|----------------|---------------------|-----------|---------------------|
| Debt Reduction | \$4,825             | (\$4,825) | \$0                 |
|                | Balance<br>12/31/13 | Changes   | Balance<br>12/31/14 |
| Debt Reduction | \$4,825             | \$0       | \$4,825             |

The Board of Directors released \$4,825 from board designated unrestricted net assets to assist with operating expenses during 2015.

### NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

|  | Balance<br>12/31/14 | Changes    | Balance<br>12/31/15 |
|--|---------------------|------------|---------------------|
| Grant Programs                             | \$14,478            | \$14,453   | \$28,931            |
| Playground Donations                       | 7,540               | 4,569      | 12,109              |
| Equipment & Building Upgrades              | 7,500               | (3,750)    | 3,750               |
| Debt Reduction & Capital Campaign          | 3,371               | (614)      | 2,757               |
| Total Temporarily<br>Restricted Net Assets | \$32,889            | \$14,658   | \$47,547            |
|  | Balance<br>12/31/13 | Changes    | Balance<br>12/31/14 |
| Grant Programs                             | \$12,562            | \$1,916    | \$14,478            |
| Playground Donations                       | 7,540               |            | 7,540               |
| Equipment & Building Upgrades              | 8,000               | (500)      | 7,500               |
| Debt Reduction & Capital Campaign          | 34,438              | (31,067)   | 3,371               |
| Total Temporarily<br>Restricted Net Assets | \$62,540            | (\$29,651) | \$32,889            |

# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS - ( CONTINUED )

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Temporarily restricted net assets were released for the following specific purposes:

|  | <u>2015</u>     | <u>2014</u>      |
|--|-----------------|------------------|
| Miscellaneous Grant Programs/Operating | \$36,926        | \$50,981         |
| Debt Reduction                         | 28,415          | 77,056           |
| Fixed Asset Purchases                  | 14,066          | 20,615           |
|  | <u>\$79,407</u> | <u>\$148,652</u> |

### NOTE 7 - EMPLOYEE BENEFITS

In addition to the required social security participation, the Organization opened a 403(b) retirement plan for the employees beginning May 6, 2002. Currently the employees can elect to contribute deferred contributions into their plan. The Organization has made no contributions to the plan on behalf of the employees at this time.

The Board has implemented a personnel policy beginning in the fiscal year 2005. Employees accrue vacation leave based on their individual employment type and period. Vacation time is required to be used before the close of the fiscal year end. Sick time is also accrued to a maximum amount allowed based on the employment type and period of the employee. Since sick leave can only be used in the event of illnesses and is not paid out upon termination of employment, management elects not to accrue these amounts on the current financial reports.

### NOTE 8 - LINE OF CREDIT

The Organization has entered into a line of credit agreement with PNC Bank on July 12, 2012 that provides for maximum borrowing of \$25,000. There were no outstanding borrowings on the line of credit at December 31, 2015 or 2014. The line of credit is due on demand, or if no demand on July 12, 2016 with monthly interest payments. The line of credit accrues interest on outstanding balances at a rate of 3.75% and is secured by money on deposit at the institution or the collateral secured by other obligations with the institution.



# UNI-PRES KINDERCOTTAGE

## Notes to the Financial Statements

December 31, 2015 and 2014

### **NOTE 9 - COPIER LEASE EXPENSE**

The organization has a monthly lease for the use of a copier with Da-Com Corporation. Total lease payments for the copier was \$3,384 and \$3,384 for the fiscal years ended December 31, 2015 and 2014, respectively.

### **NOTE 10 - SUBSEQUENT EVENTS**

The organization has evaluated that no subsequent events that require disclosures existed through November 3, 2016.

# **UNI-PRES KINDERCOTTAGE**

## **SUPPLEMENTAL INFORMATION**

For the Years Ended December 31, 2015 and 2014

## UNI-PRES KINDERCOTTAGE

### Subsidiary Schedule of Functional Expenses For the Year Ended December 31, 2015 and 2014

|   | <u>2015</u>     | <u>2014</u>     |
|---|-----------------|-----------------|
| <b>FRINGE BENEFITS</b>                    |                 |                 |
| Health Insurance & Other Fringe Benefits  | \$1,605         | \$4,070         |
| Unemployment Taxes                        | 6,656           | 14,659          |
| Social Security & Medicare Taxes          | 26,789          | 25,876          |
|   | <u>\$35,050</u> | <u>\$44,605</u> |
| <br>                                      |                 |                 |
| <b>CONTRACTUAL FEES</b>                   |                 |                 |
| Accounting                                | \$9,815         | \$7,575         |
| Field Trips                               | 2,485           | 1,172           |
| Trash                                     | 2,392           | 6,343           |
| Pest Control                              | 667             | 745             |
| Alarm System                              | 1,958           | 1,719           |
| Medical                                   | 685             | 210             |
| Fundraising Expenses                      | 4,281           | 2,138           |
| Contracted Summer Workers                 | 9,404           |                 |
| Grant Expenditures & Administration Costs | 20,184          | 29,670          |
|   | <u>\$51,871</u> | <u>\$49,572</u> |
| <br>                                      |                 |                 |
| <b>CONSUMABLE SUPPLIES</b>                |                 |                 |
| Program.                                  | \$21,047        | \$6,198         |
| Food                                      | 25,133          | 21,864          |
| Kitchen                                   | 1,437           | 595             |
| Medical                                   | 323             | 397             |
|   | <u>\$47,940</u> | <u>\$29,054</u> |
| <br>                                      |                 |                 |
| <b>PROGRAM OCCUPANCY</b>                  |                 |                 |
| Electric & Gas                            | \$11,535        | \$10,086        |
| Water & Sewer                             | 5,606           | 4,126           |
| Repairs & Maintenance                     | 15,547          | 18,220          |
|   | <u>\$32,688</u> | <u>\$32,432</u> |

See Accountant's Audit Report.

## UNI-PRES KINDERCOTTAGE

### Subsidiary Schedule of Functional Expenses - Continued

For the Year Ended December 31, 2015 and 2014

|                                  | <u>2015</u>     | <u>2014</u>     |
|----------------------------------|-----------------|-----------------|
| <b>OTHER PROGRAM EXPENSES</b>    |                 |                 |
| Insurance                        | \$12,143        | \$12,324        |
| Staff Training                   | 380             | 1,149           |
| Conferences & Conventions        | 45              |                 |
| Telephone                        | 4,212           | 2,968           |
| Christmas                        | 175             | 175             |
| Licenses & Fees                  | 125             | 350             |
|                                  | <u>\$17,080</u> | <u>\$16,966</u> |
| <br>                             |                 |                 |
| <b>OFFICE EXPENSES</b>           |                 |                 |
| Office Expenses                  | \$7,875         | \$12,722        |
| Volunteer Services               | 3,750           | 3,750           |
| Administration Travel            | 2,993           | 3,884           |
| Dues & Subscriptions             | 1,225           | 484             |
| Postage & Printing               | 1,744           | 1,875           |
| Advertising                      | 3,060           | 3,672           |
| Bank Charges                     | 2,106           | 2,039           |
| Interest Expense                 | 8,449           | 9,947           |
| Unrealized Loss on Investments   | 1,845           | 1,580           |
| Loss on Disposal of Fixed Assets | 84              | 1,452           |
| Miscellaneous                    | 244             | 501             |
|                                  | <u>\$33,375</u> | <u>\$41,906</u> |

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