

SELF -- SUPPORT FOR EARLY
LEARNING & FAMILIES
(A NON-PROFIT CORPORATION)

REVIEW REPORT
CALENDAR YEAR 2018

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MICHAEL J. PLYMALE, INC., P.S.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
SELF -- Support for Early Learning & Families
12214 SE Mill Plain Blvd.
Suite 203
Vancouver, WA 98684

We have reviewed the accompanying financial statements of SELF -- Support for Early Learning & Families (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

MICHAEL J. PLYMALE, INC., P.S.

Michael J. Plymale
Certified Public Accountant
July 9, 2019

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Statement of Financial Position

December 31, 2018

(See Accompanying Accountant's Review Report)

Assets	
	12/31/2018
Current Assets	
Cash and Cash Equivalents	\$ 249,864
Accounts Receivable	218,494
Total Current Assets	<u>468,358</u>
Prepays and Deposits	<u>2,576</u>
Total Assets	<u><u>\$ 470,934</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 4,399
Payroll liabilities	265,178
Unearned Revenue	56,952
Total Current Liabilities	<u>326,529</u>
Net assets	
Without Donor Restriction	144,405
Total net assets	<u>144,405</u>
Total liabilities and net assets	<u><u>\$ 470,934</u></u>

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

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Statement of Activities

For the Year Ended December 31, 2018

(See Accompanying Accountant's Review Report)

	12/31/2018
Net Assets Without Donor Restriction:	
Revenues and gains	
Contributions	\$ 36,848
Program service fees	2,723,636
Interest Income	<u>13</u>
 Total revenues, gains, and other support	 <u>2,760,497</u>
 Expenses	
Program services	2,558,490
Supporting services	
Management and general	131,215
Fund-raising	<u>3,706</u>
 Total expenses	 <u>2,693,412</u>
 Increase (Decrease) in net assets without donor restriction	 67,086
 Net assets Without Donor Restriction at beginning of year	 <u>77,319</u>
 Net assets Without Donor Restriction at end of year	 <u><u>\$ 144,405</u></u>

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

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Statement of Functional Expenses

For the Year Ended December 31, 2018

(See Accompanying Accountant's Review Report)

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Compensation and related expenses				
Compensation	\$ 2,114,263	\$ 74,115	\$ -	\$ 2,188,378
Payroll taxes	211,680	7,048	-	218,728
Employee Benefits	181,238	979	-	182,217
Total Payroll Cost	<u>2,507,181</u>	<u>82,143</u>	<u>-</u>	<u>2,589,324</u>
Professional fees				
Accounting	-	5,805	-	5,805
Other contracted services	11,448	24,515	2,286	38,249
Grant - ESD 112	19,753	-	-	19,753
Other grants	16,467	-	-	16,467
Office expenses	2,188	689	-	2,877
Conferences, conventions, and meetings	754	1,891	-	2,645
Insurance	-	12,500	-	12,500
Printing and copying	700	-	-	700
Communications	-	2,183	-	2,183
Dues and memberships	-	218	-	218
Events	-	-	1,420	1,420
Other expenses	-	1,271	-	1,271
Totals	<u>\$ 2,558,490</u>	<u>\$ 131,215</u>	<u>\$ 3,706</u>	<u>\$ 2,693,412</u>

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

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Statement of Cash Flows

For the Year Ended December 31, 2018

(See Accompanying Accountant's Review Report)

	12/31/2018
Cash flows from operating activities:	
Increase in net assets	\$ 67,086
(Increase) decrease in operating assets	
Accounts receivable	(218,494)
Prepaid assets	(2,576)
Increase (decrease) in operating liabilities	
Accounts payable	585
Payroll liabilities	265,073
Unearned Revenue	<u>56,952</u>
Net cash provided by operating activities	<u>168,624</u>
Net increase in cash and cash equivalents	168,624
Beginning cash and cash equivalents	<u>81,240</u>
Ending cash and cash equivalents	<u><u>\$ 249,864</u></u>

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

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Notes to Financial Statements

December 31, 2018

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

SELF -- Support for Early Learning and Families (the Organization) is a Washington non-profit corporation formed in Clark County, Washington to increase access to quality early care and education programs and increase community investment in these programs. SELF leads the Southwest Washington Early Learning Coalition. The Organization works in six counties in Southwest Washington with over 50 partners to improve outcomes for children prenatal -12. SELF gathers and disseminates regional data on the well-being of children and families, and brings community voice to local, state and national policy leaders. The Organization is supported through contracts, contributions and grants. During 2018, the Organization contracted with Educational Service District 112 (ESD 112) to perform Early Care and Education Personnel Services. The Organization employs the early care and educational personnel that work in ESD's child care programs and receives cost reimbursement revenue related to the direct employee expenses in addition to an administrative fee.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for administrative services and contracted or grant programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2018 the allowance was deemed to be \$0.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

These notes are an integral part of the financial statements.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Those costs include operational activities, communication expenses and information technology expenses. Operational activities are allocated based upon a time and cost study of where efforts are made and certain costs related to communication expenses and information technology expenses are allocated based on the benefit received.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of our mission.

Recent Accounting Guidance

Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, took effect for annual financial statements issued for fiscal years beginning after December 15, 2017. This standard is intended to provide improved information about nonprofits' performance to donors, creditors and other stakeholders. It does so by presenting net assets in two classes instead of three, changing the classification of net assets and information presented in the financial statements and footnotes about an organization's liquidity, financial performance and cash flows. The Organization's financials for the year ended December 31, 2018 are presented in accordance with this new standard.

Subsequent Events

The Organization has evaluated subsequent events through July 9, 2019, the date which the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 249,864
Accounts receivable	<u>218,494</u>
	<u>\$ 468,358</u>

NOTE 3 – CONCENTRATIONS

The Organization operates in and serves primarily Clark County, Washington. Approximately 95% of the organization's support came from one source. Events affecting the funding source may impact the services provided by SELF.

NOTE 4 – LEASES

In December 2018, the Organization entered into an operating lease for office space beginning in February 2019. Future minimum lease payments are as follows:

2019	\$12,500
2020	15,375
2021	15,837
2022	2,652
2023	-
Thereafter	-
Total minimum lease payments	\$46,364

There was no rent expense for the year ended December 31, 2018.

NOTE 5 – EMPLOYEE BENEFITS

Effective December 2018, the Organization entered into a contract to sponsor a tax-deferred annuity plan (the Plan) qualified under IRC Section 401(k) covering substantially all full-time employees and part-time employees working over 1,000 hours in a calendar year. The Plan provides that employees who have attained the age of 18 and completed at least 60 days of service may voluntarily contribute a percentage of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During the year ended December 31, 2018, the Plan was not in place and no employer contributions were made.