



Financial Statements

December 31, 2015

Early Care and Learning Council

Financial Statements

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Independent Auditor's Report

Board of Directors
Early Care and Learning Council
Albany, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Early Care and Learning Council (Council), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year 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 and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 reasonable 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 the Council as of December 31, 2015, 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.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as of and for the year ended December 31, 2015, as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 records used to prepare the financial statements or to the financial statements themselves, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2016, on our consideration of the Council'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considered the Council's internal control over financial reporting and compliance.

SaxBST LLP

Albany, New York
April 7, 2016

Early Care and Learning Council

Statement of Financial Position

	December 31, 2015
ASSETS	
Cash	\$ 198,089
Accounts receivable	7,723
Prepaid expenses	1,142
Property and equipment, net	<u>25,483</u>
Total assets	<u><u>\$ 232,437</u></u>
LIABILITIES	
Accounts payable	\$ 4,584
Accrued expenses	38,040
Deferred revenue	<u>26,229</u>
	<u>68,853</u>
COMMITMENTS AND CONTINGENCIES	
NET ASSETS	
Unrestricted	162,467
Temporarily restricted	<u>1,117</u>
	<u>163,584</u>
Total liabilities and net assets	<u><u>\$ 232,437</u></u>

See accompanying Notes to Financial Statements.

Early Care and Learning Council

Statement of Activities

	Year Ended December 31, 2015		
	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Grants	\$ 1,073,840	\$ -	\$ 1,073,840
Membership dues	80,302	-	80,302
Meetings, retreats, and fees	87,856	-	87,856
Staff consulting	15,515	-	15,515
Fundraising	9,608	-	9,608
Other	3,223	2	3,225
Net assets released from restriction	2,568	(2,568)	-
Total revenues and other support	1,272,912	(2,566)	1,270,346
EXPENSES			
Program			
Child care resource and referral day care training	1,022,664	-	1,022,664
IT conference	43,892	-	43,892
Membership services and special events	132,713	-	132,713
Rauch Foundation	15,000	-	15,000
Saginaw scholarship	477	-	477
Staff consultant services	13,080	-	13,080
Unallocated rent and other	20,694	-	20,694
Fundraising	16,907	-	16,907
Total expenses	1,265,427	-	1,265,427
CHANGE IN NET ASSETS FROM OPERATIONS	7,485	(2,566)	4,919
NONOPERATING REVENUE			
Rent	19,421	-	19,421
Change in net assets	26,906	(2,566)	24,340
NET ASSETS, <i>beginning of year</i>	135,561	3,683	139,244
NET ASSETS, <i>end of year</i>	\$ 162,467	\$ 1,117	\$ 163,584

See accompanying Notes to Financial Statements.

Early Care and Learning Council

Statement of Cash Flows

	Year Ended December 31, 2015
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets	\$ 24,340
Adjustments to change in net assets to net cash provided (used) by operating activities	
(Increase) decrease in	
Accounts receivable	(3,977)
Prepaid expenses	1,155
Increase (decrease) in	
Accounts payable	(4,968)
Accrued expenses	5,219
Deferred revenue	5,230
	<u>26,999</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	
Purchase of equipment	<u>(25,483)</u>
Net increase in cash	1,516
CASH, <i>beginning of year</i>	<u>196,573</u>
CASH, <i>end of year</i>	<u><u>\$ 198,089</u></u>

See accompanying Notes to Financial Statements.

Early Care and Learning Council

Notes to Financial Statements
December 31, 2015

Note 1 - Organization and Summary of Significant Accounting Policies

a. Description of Organization

New York State Child Care Coordinating Council, Inc. was incorporated in April of 1975 as a New York not-for-profit corporation. Effective December 24, 2008, the name was changed to the Early Care and Learning Council (Council). The Council was formed to coordinate, assist, strengthen, and promote child care services in the State of New York and to provide a mechanism whereby child care councils and other interested organizations, individuals, and agencies may join together to accomplish shared goals.

b. Basis of Accounting and Financial Statement Presentation

The Council prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit entities.

All revenues are considered to be available for unrestricted use unless specifically restricted. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council reports the support as unrestricted. The Council did not have any permanently restricted net assets as of December 31, 2015.

Unrestricted net assets represent resources available to support the Council's operations over which there are no restrictions based upon the source of the asset.

Temporarily restricted net assets represent resources that must be used for purposes specified by the donor or the passage of time.

c. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

d. Accounts Receivable

Accounts receivable are carried at original invoice amount based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management determined that no allowance for accounts receivable was necessary at December 31, 2015.

Early Care and Learning Council

Notes to Financial Statements December 31, 2015

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Property and Equipment, Net

Property and equipment are reported at cost, net of accumulated depreciation. Expenditures for acquisitions and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the appropriate accounts are relieved of cost and accumulated depreciation, and any resultant gain or loss is credited in the statement of activities.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets of five years.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. During the year ended December 31, 2015, no impairment loss was recorded for long-lived assets.

f. Deferred revenue

Deferred revenue represents amounts received for programs or activities to be performed in the following year.

g. Revenue Recognition

- i. Grants - A substantial portion of the Council's grant revenue is derived from a Child Care and Development Block Grant. Revenue is recognized upon the submission and acceptance of quarterly reports which detail the contractually obligated milestones the Council must reach.
- ii. Membership dues - Membership dues are recognized ratably over the membership period.
- iii. Meetings, retreats, and fees - Revenues from meetings, retreats, and related fees are recognized when the event takes place.

h. Allocation of Expenses

Expenses that are directly identifiable are charged to programs. Expenses related to more than one function are charged to program services using specific allocation methods.

i. Tax Status

The Council is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Council has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

The Council files Form 990 annually with the Internal Revenue Service. When annual returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or amount of the position's tax benefit that would ultimately be sustained. Management evaluated the Council's tax positions, including interest and penalties attributable thereto, and concluded that the Council had taken no tax position that required adjustment in its financial statements as of December 31, 2015.

Early Care and Learning Council

Notes to Financial Statements December 31, 2015

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Subsequent Events

The Council has evaluated subsequent events for potential recognition or disclosure through April 7, 2016, the date the financial statements were available to be issued.

Note 2 - Property and Equipment, Net

A summary of the Council's property and equipment, net, is as follows:

	December 31, 2015
Property and equipment	\$ 62,329
Less accumulated depreciation	<u>36,846</u>
Property and equipment, net	<u>\$ 25,483</u>

Certain property and equipment were purchased with funds provided through federal grants. The title of these assets rests with the Council, however, the grant specifies that they should be used to benefit the program activities. Purchases of equipment from funds provided by the federal grant were approximately \$25,500 for the year ended December 31, 2015.

There was no depreciation expense for the year ended December 31, 2015.

Note 3 - Line-of-Credit

The Council has a \$150,000 unsecured line-of-credit agreement with Citizens Bank. Borrowings bear interest at the bank's prime rate plus one percent (effective rate of 4.5% at December 31, 2015). There was no balance outstanding on the line-of-credit as of December 31, 2015. The line-of-credit is renewable annually.

Note 4 - Classification of Expenses

The statement of activities discloses expenses allocated by programs. The classification of expenses by function is as follows:

	December 31, 2015
Program services	\$ 1,086,383
Management and general	167,732
Fundraising	<u>11,312</u>
Total	<u>\$ 1,265,427</u>

Early Care and Learning Council

Notes to Financial Statements December 31, 2015

Note 5 - Retirement Plan

The Council sponsors a Simplified Employee Pension Plan (SEP) which covers all employees who meet certain eligibility requirements. Contributions are discretionary, determined by the Board of Directors, and amounted to approximately \$10,800 for the year ended December 31, 2015.

Note 6 - Commitments and Contingencies

a. Concentrations of Credit Risk

Bank accounts at certain institutions are insured up to certain limits, established by the Federal Deposit Insurance Corporation (FDIC). At times, the Council has bank deposits in certain institutions in excess of amounts insured by the FDIC.

b. Operating Leases

The Council is obligated under a lease agreement for office space. This lease requires monthly payments of approximately \$9,600 per month through December 2017. Total lease expense under this agreement was approximately \$115,500 for the year ended December 31, 2015.

The Council also has agreements to lease equipment which expire at various dates through February 2020. Total rental expense under these agreements was approximately \$15,200 for the year ended December 31, 2015.

Future minimum lease payments under these leases are as follows:

For the year ending December 31,	
2016	\$ 124,039
2017	123,754
2018	8,278
2019	3,085
2020	113
	<hr/>
	\$ 259,269

c. Rental Revenue

The Council entered into sublease agreements to rent a portion of its office space. The leases require monthly rental payments totaling approximately \$1,600 per month and expire in December 2016.

d. Significant Revenue Sources

The Council received a grant from the from the U.S. Department of Health and Human Services, passed through the New York Office of Children and Family Services, which accounted for 83% of total revenues and other support for the year ended December 31, 2015. There were no amounts owed to the Council under this grant as of December 31, 2015.

Early Care and Learning Council

Supplementary Information - Functional Expenses December 31, 2015

	CCR&R Day Care Training	Rauch Foundation	Membership Services and Special Events	Staff Consultant Services	Saginaw Scholarship	IT Conference	Unallocated Rent and Other	Fundraising	Total
Salaries	\$ 649,696	\$ 12,971	\$ 64,544	\$ 4,086	\$ -	\$ -	\$ -	\$ 6,211	\$ 737,508
Payroll taxes and benefits	83,405	1,851	8,082	502	-	-	-	674	94,514
Conferences and training	5,378	-	29,969	-	-	23,782	-	787	59,916
Dues and subscriptions	5,902	-	679	190	-	-	-	988	7,759
Equipment rental and maintenance	33,835	-	2,715	-	-	-	427	-	36,977
Fundraising	-	-	-	-	-	-	-	3,393	3,393
Insurance	5,806	-	529	-	-	-	-	-	6,335
Interest	-	-	110	-	-	-	-	-	110
Office rent	86,606	-	10,674	-	-	-	19,256	-	116,536
Office supplies and postage	11,723	-	1,157	-	-	-	-	75	12,955
Other	1,291	-	1,167	-	-	150	1,011	362	3,981
Printing	4,701	-	1,132	70	-	1,165	-	1,378	8,446
Professional fees	96,622	-	4,623	1,950	477	4,000	-	1,000	108,672
Telephone	7,764	-	432	-	-	-	-	-	8,196
Training material and facilities	3,341	-	-	-	-	5,953	-	75	9,369
Travel	26,594	178	6,900	6,282	-	8,842	-	1,964	50,760
	<u>\$ 1,022,664</u>	<u>\$ 15,000</u>	<u>\$ 132,713</u>	<u>\$ 13,080</u>	<u>\$ 477</u>	<u>\$ 43,892</u>	<u>\$ 20,694</u>	<u>\$ 16,907</u>	<u>\$ 1,265,427</u>