
READYKIDS, INC.
Charlottesville, Virginia
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY CERTIFIED PUBLIC ACCOUNTANTS

CHARLOTTESVILLE □ RICHMOND □ LOUISA □ FREDERICKSBURG □ STAUNTON □ BLACKSBURG



READYKIDS, INC.
Charlottesville, Virginia
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
<i>Financial Statements:</i>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
<i>Other Supplementary Information:</i>	
Reconciliation of Statement of Functional Expenses to Grant Expenditures	16-17

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

To the Board of Directors
ReadyKids, Inc.
Charlottesville, Virginia

We have audited the accompanying financial statements of ReadyKids, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, 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.

Auditors' 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 from 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 auditors' 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 ReadyKids, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the ReadyKids, Inc. 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying other supplementary information on pages 16 and 17 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.

Robinson, Fawcett, Cox Associates

Charlottesville, Virginia
December 15, 2017

- Financial Statements -

READYKIDS, INC.

Statement of Financial Position
 At June 30, 2017
 (With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 521,303	\$ 466,651
Accounts and grants receivable, (net of allowance for uncollectibles of \$1,702)	169,774	141,007
Pledges receivable	3,500	5,000
Prepaid expenses	460	17,535
Total current assets	<u>\$ 695,037</u>	<u>\$ 630,193</u>
Property and equipment:		
Land, buildings and equipment, (net of accumulated depreciation of \$453,305)	<u>\$ 1,651,452</u>	<u>\$ 1,666,107</u>
Other assets:		
Beneficial interest in agency fund held by third party	\$ 945,717	\$ 851,828
In-kind inventory	<u>59,822</u>	<u>-</u>
Total other assets	<u>\$ 1,005,539</u>	<u>\$ 851,828</u>
Total assets	<u><u>\$ 3,352,028</u></u>	<u><u>\$ 3,148,128</u></u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 44,805	\$ 59,560
Accrued expenses	11,980	4,708
Compensated absences	27,682	21,836
Deferred revenue	<u>85,000</u>	<u>17,816</u>
Total current liabilities	<u>\$ 169,467</u>	<u>\$ 103,920</u>
Total liabilities	<u>\$ 169,467</u>	<u>\$ 103,920</u>
Net Assets:		
Unrestricted:		
Operating	\$ 427,476	\$ 410,261
Designated for long-term purposes	945,717	851,828
Property and equipment	<u>1,651,452</u>	<u>1,666,107</u>
Total unrestricted	<u>\$ 3,024,645</u>	<u>\$ 2,928,196</u>
Temporarily restricted	<u>157,916</u>	<u>116,012</u>
Total net assets	<u>\$ 3,182,561</u>	<u>\$ 3,044,208</u>
Total liabilities and net assets	<u><u>\$ 3,352,028</u></u>	<u><u>\$ 3,148,128</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

READYKIDS, INC.

Statement of Activities
 Year Ended June 30, 2017
 (With Comparative Totals for 2016)

	Temporarily		Total	
	Unrestricted	Restricted	2017	2016
Revenues, gains, and other support:				
Federal and state grants	\$ -	\$ 649,367	\$ 649,367	\$ 475,768
Local grants	-	214,606	214,606	202,323
Other grants	-	96,014	96,014	213,140
United Way, Thomas Jefferson Area	-	73,068	73,068	74,185
Contract service revenues	281,880	-	281,880	253,250
Program service revenues	1,630	-	1,630	3,409
Special events	38,036	-	38,036	43,501
Contributions	408,045	499,154	907,199	646,980
In-kind contributions	138,322	-	138,322	-
Investment income	103,876	-	103,876	(20,755)
Other	3,333	-	3,333	9,665
Net assets released from restrictions:				
Satisfaction of program requirements	1,490,305	(1,490,305)	-	-
Total revenues, gains, and other support	\$ 2,465,427	\$ 41,904	\$ 2,507,331	\$ 1,901,466
Expenses:				
Program services	\$ 2,108,736	\$ -	\$ 2,108,736	\$ 1,599,655
Management and general	102,802	-	102,802	99,787
Fundraising	157,440	-	157,440	163,188
Total expenses	\$ 2,368,978	\$ -	\$ 2,368,978	\$ 1,862,630
Change in net assets	\$ 96,449	\$ 41,904	\$ 138,353	\$ 38,836
Net assets, beginning of year	2,928,196	116,012	3,044,208	3,005,372
Net assets, end of year	\$ 3,024,645	\$ 157,916	\$ 3,182,561	\$ 3,044,208

The accompanying notes to the financial statements are an integral part of this statement.

READYKIDS, INC.

Statement of Functional Expenses
 Year Ended June 30, 2017
 (With Comparative Totals for 2016)

	Program Services				
	Teen Counseling	Child Care Quality	Healthy Families	ReadySteps	VOCA
Salaries and Related Benefits:					
Salaries	\$ 134,838	\$ 244,306	\$ 259,715	\$ 169,009	\$ 333,006
Payroll taxes	10,050	17,106	19,544	12,834	24,933
Employee benefits	19,454	29,015	51,168	24,519	59,942
Total salaries and related benefits	\$ 164,342	\$ 290,427	\$ 330,427	\$ 206,362	\$ 417,881
Advertising	-	-	-	-	-
Conferences	1,716	1,286	4,346	932	14,217
Insurance	1,210	2,266	2,545	3,193	2,762
Membership dues	129	442	9,362	1,153	519
Utilities	1,405	2,047	1,929	868	2,670
Office and postage	864	2,372	2,113	1,318	1,690
Professional and accounting fees	1,805	11,115	2,933	1,483	3,630
Program costs	10,596	31,921	16,045	30,555	20,569
Printing	217	2,759	395	1,131	1,210
Repairs/maintenance	3,698	5,094	5,193	3,856	7,937
Staff development	356	582	653	300	709
Telephone	1,949	797	3,079	725	3,422
Travel	2,205	1,605	5,404	1,246	1,852
Bank fees	-	-	128	-	-
Refunds	-	-	-	-	-
Bad debt	-	-	-	-	-
Depreciation	5,791	13,363	9,535	11,260	11,680
Total expenses	\$ 196,283	\$ 366,076	\$ 394,087	\$ 264,382	\$ 490,748

The accompanying notes to the financial statements are an integral part of this statement.

Program Services						
City of Promise	Others	Total Programs	Management and General	Fundraising	2017 Total	2016 Total
\$ 55,920	\$ 161,229	\$ 1,358,023	\$ 60,632	\$ 90,762	\$ 1,509,417	\$ 1,193,615
4,222	12,160	100,849	4,631	6,773	112,253	88,595
13,870	23,131	221,099	11,012	12,650	244,761	194,467
\$ 74,012	\$ 196,520	\$ 1,679,971	\$ 76,275	\$ 110,185	\$ 1,866,431	\$ 1,476,677
1,573	-	1,573	-	-	1,573	-
419	219	23,135	90	150	23,375	13,563
552	1,664	14,192	1,407	597	16,196	11,850
943	177	12,725	837	1,693	15,255	11,590
-	1,965	10,884	402	652	11,938	9,473
747	1,794	10,898	1,635	3,000	15,533	16,785
32,123	1,919	55,008	3,676	2,614	61,298	52,925
31,641	15,660	156,987	2,844	27,245	187,076	104,593
3,265	955	9,932	450	4,780	15,162	13,951
1,190	5,214	32,182	1,375	1,686	35,243	35,884
-	428	3,028	619	154	3,801	3,256
2,632	2,136	14,740	328	255	15,323	11,936
2,298	6,203	20,813	5	-	20,818	14,936
383	-	511	11,010	2,157	13,678	13,172
-	-	-	-	-	-	3,737
-	-	-	292	-	292	563
4,697	5,831	62,157	1,557	2,272	65,986	67,739
\$ 156,475	\$ 240,685	\$ 2,108,736	\$ 102,802	\$ 157,440	\$ 2,368,978	\$ 1,862,630

READYKIDS, INC.

Statement of Cash Flows
Year Ended June 30, 2017
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 138,353	\$ 38,836
Adjustment to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	65,986	67,739
Change in beneficial interest in agency fund	(93,889)	30,246
Changes in:		
Accounts and grants receivable	(28,767)	(49,502)
Pledges receivable	1,500	(3,900)
Prepaid expenses	17,075	(9,145)
In-kind Inventory	(59,822)	-
Accounts payable	(14,755)	10,874
Accrued expenses	7,272	641
Compensated absences	5,846	4,525
Deferred revenue	67,184	(77,184)
Summer fund flow-through payable	-	(3,560)
Net cash provided by (used for) operating activities	<u>\$ 105,983</u>	<u>\$ 9,570</u>
Cash flows from investing activities:		
Sale of property and equipment	\$ 66	\$ -
Purchase of property and equipment	(51,397)	(104,691)
Net cash provided by (used for) investing activities	<u>\$ (51,331)</u>	<u>\$ (104,691)</u>
Net change in cash and cash equivalents	\$ 54,652	\$ (95,121)
Cash and cash equivalents at beginning of year	<u>466,651</u>	<u>561,772</u>
Cash and cash equivalents at end of year	<u><u>\$ 521,303</u></u>	<u><u>\$ 466,651</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

READYKIDS, INC.

Notes to Financial Statements At June 30, 2017

NOTE 1 - PURPOSE AND FUNDING:

ReadyKids, Inc., formerly Children, Youth & Family Services, Inc., works toward the vision that every child is ready to learn, ready for relationships and ultimately ready for life! Since 1921, we have provided critical support to underserved children and families in Charlottesville and the five surrounding counties. With a mission to *Open Doors to Bright Futures for Kids*, ReadyKids, Inc. prepares kids to be *Ready to Learn* by providing quality early learning experiences and *Ready for Relationships* by supporting positive, nurturing and healthy family relationships. In FY17, ReadyKids, Inc. impacted the lives of 7,936 children, families and child care providers in Central Virginia.

Funding for the Organization is provided in combination by private contributions and grants, local government support, federal and state grants, the United Way and fees for service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual method, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Financial Statement Presentation:

Revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets not subject to donor-imposed restrictions. At June 30, 2017 the Organization had Unrestricted Net Assets of \$3,024,645.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. At June 30, 2017 the Organization had Temporarily Restricted Net Assets of \$157,916.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. At June 30, 2017 the Organization did not have any Permanently Restricted Net Assets.

Property and Equipment:

Property, equipment and improvements to property are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Buildings and improvements have an estimated useful life of thirty years and equipment lives range from 3 to 10 years.

Equipment purchases are treated as expenditures in the program utilizing the equipment. With the exception of expendable items, purchases in excess of \$250 are capitalized.

Depreciation expense totaled \$65,986 for the year ended June 30, 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Use of 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.

Compensated Absences:

The Organization records vacation leave liability for employees, not to exceed five days, 90 days after hiring. Unused sick leave is not paid upon termination. The amount of the accrued vacation leave was \$27,682 at June 30, 2017.

Advertising Costs:

Advertising costs are expensed when incurred.

Revenue Recognition:

The Organization utilizes grant accounting for governmental grants received for specific programs. This accounting recognizes grant revenue to the extent of grant expenditures paid. Grant revenues received but not expended are reported as deferred revenue. Other revenues are recognized when earned.

Contributions:

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Deferred Revenue:

Deferred revenue consists of grants awarded for projects and programs that have not started yet. Amounts were received prior to the start of grant periods.

Comparative Totals:

Comparative totals are presented for information purposes only. Amounts from the prior year were derived from the prior year financial statements. Prior year amounts have been reclassified to the current year information.

READYKIDS, INC.

Notes to Financial Statements
At June 30, 2017 (continued)

NOTE 3 - CASH AND CASH EQUIVALENTS:

For the purposes of reporting cash flows, cash and cash equivalents consists of cash on hand and in banks, money market funds, certificates of deposit, and investments maturing in three months or less, from the date of acquisition.

All cash in banks are in federally insured accounts. The amount insured by the Federal Deposit Insurance Corporation (FDIC) extends to \$250,000 per entity. The Organization had \$83,829 of uninsured bank balances at June 30, 2017.

NOTE 4 - ACCOUNTS AND GRANTS RECEIVABLE:

Accounts and grants receivable are recorded when the service has been performed or the grant period has commenced.

Accounts and grants receivable consist of the following:

Commonwealth of Virginia DSS	\$	36,738
Community Development Block Grant		2,412
Child Development Resources		19,165
Community Attention		8,604
Department of Criminal Justice Services		47,633
VFHY/STAR Kids		11,966
SHE		6,000
Sentara		16,955
Thomas Jefferson Health District		20,101
Others		1,902
		<hr/>
Subtotal	\$	171,476
Less: Allowance for uncollectibles		(1,702)
		<hr/>
Net accounts and grants receivable	\$	<u>169,774</u>

There are no significant concentrations of credit risk arising from receivables. Receivables are written off when they are deemed uncollectible by management. The allowance for uncollectibles is an estimate based on the expected collection of receivables. Receivables are deemed delinquent when 60 or more days have elapsed from the billing date.

READYKIDS, INC.

Notes to Financial Statements
At June 30, 2017 (continued)

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

Land	\$	778,230
Building and improvements		957,212
Equipment		125,346
Furniture and fixtures		176,188
Vehicles		<u>67,781</u>
Total	\$	2,104,757
Accumulated depreciation		<u>(453,305)</u>
Net property and equipment	\$	<u><u>1,651,452</u></u>

NOTE 6 - GRANTS:

The Organization received a significant portion of its revenue from various grants. The more significant grants and the funding sources for the year are detailed below:

<u>Program</u>	<u>Funding Source</u>	<u>Year Ended June 30, 2017</u>
Star Kids	Commonwealth of Virginia - Virginia Tobacco Settlement Foundation	\$ 58,975
Various	Commonwealth of Virginia	230,715
Various	City of Charlottesville	144,215
Various	County of Albemarle	68,291
Various	United Way, Thomas Jefferson Area	73,068
Child Care Quality	Child Development Resources	59,603
VOCA	Commonwealth of Virginia	215,805
VOCA	Department of Criminal Justice Services	40,000

NOTE 7 - INVESTMENT INCOME:

Included in investment income for the year ended June 30, 2017 are:

	<u>Year Ended June 30, 2017</u>
Interest income	\$ 794
Income on beneficial interest in agency fund	10,630
Gain (loss) on beneficial interest in agency fund	<u>92,452</u>
Total investment income	<u><u>\$ 103,876</u></u>

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES:

The Organization allocates shared expenses between the various programs. These shared expenses include secretarial and bookkeeping support services, rent, telephone, insurance and equipment maintenance. Those expenses which relate directly to a particular program are charged directly to the program.

NOTE 9 - RETIREMENT PLAN:

Prior to January 1, 1997, the Organization terminated its defined contribution retirement plan which covered a small group of full-time, salaried employees. Employees may contribute to a tax sheltered annuity plan under Section 403(b) of the Internal Revenue Code. The Organization matches employee contributions at a 20% match rate per pay period to a maximum of \$500 per year. Match contributions to the plan totaled \$6,220 for the year ended June 30, 2017. Employee contributions to the plan totaled \$43,285 for the year ended June 30, 2017.

NOTE 10 - INCOME TAXES:

The Organization is a non-profit entity which is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and comparable state law.

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

Federal programs in which the Organization participates may be subject to compliance testing by the funding federal agency. Such compliance tests could result in disallowed expenses charged to the grant program. In the opinion of management, any future disallowance of current grant program expenses, if any, would be immaterial.

NOTE 12 - CONTRIBUTED SERVICES:

The Organization has received contributed services in the form of volunteers utilized for programs and various repairs and maintenance activities. The value of these hours has not been recognized in the financial statements. The fair value of these services has not been measured.

READYKIDS, INC.

Notes to Financial Statements
At June 30, 2017 (continued)

NOTE 13 - RESTRICTED ASSETS:

Net assets were released from grantor restrictions by incurring expenditures satisfying the restricted purpose of the grants.

	<u>Year Ended June 30, 2017</u>
Healthy Families	\$ 346,983
VOCA	386,631
Child Care Quality	136,197
City of Promise	153,352
ReadySteps	207,015
Real Dads	31,130
Star Kids	78,648
Teen Counseling	50,974
Play Partners	18,192
Philanthropy	77,500
Others	<u>3,683</u>
Total	<u><u>\$ 1,490,305</u></u>

Temporarily restricted assets consist of unexpended funds for the following:

City of Promise	\$ 135,125
Batten	22,507
Management	<u>284</u>
Total	<u><u>\$ 157,916</u></u>

NOTE 14 - BENEFICIAL INTEREST IN AGENCY FUND HELD BY THIRD PARTY:

The Organization is the beneficiary under a Designated Agency Fund Agreement with the Charlottesville Area Community Foundation. The agency fund has been recorded in accordance with generally accepted accounting principles which state that if a community foundation receives assets from a nonprofit organization that specifies itself as the beneficiary, the transfer is not a contribution received by the community foundation even if the variance power is explicitly stated in the gift instrument. The assets of the fund are included in the Statement of Financial Position as a beneficial interest in agency fund held by third party. Distributions are to be paid as the two organizations agree upon. In addition, the fund is charged a quarterly administrative fee on the fund balance.

NOTE 14 - BENEFICIAL INTEREST IN AGENCY FUND HELD BY THIRD PARTY: (continued)

The changes in the agency fund are as follows for the year ended June 30, 2017:

Beneficial interest - Beginning of year	\$ 851,828
Change in value of beneficial interest:	
Income returns	10,631
Gain (loss) on the fund	92,188
Administrative fees	<u>(8,930)</u>
Beneficial interest - End of year	<u>\$ 945,717</u>

NOTE 15 - DESIGNATED ASSETS:

The Board has designated its beneficial interest in agency fund held by the Charlottesville Area Community Foundation for long-term purposes. These investments are designated as follows:

Endowment type purpose	\$ 160,262
Keasley fund	13,514
Jefferson fund - Board Endowment	<u>771,941</u>
Total	<u>\$ 945,717</u>

NOTE 16 - FAIR VALUE MEASUREMENTS:

Fair value for investments are determined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three-level fair value hierarchy prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

NOTE 16 - FAIR VALUE MEASUREMENTS: (continued)

The Organization is providing the following information related to its investments:

	Fair Value Measurements at Reporting Date Using			
	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial Interest in Community Foundation	\$ 945,717	\$ -	\$ -	\$ 945,717
Total	<u>\$ 945,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945,717</u>

The Level 3 assets represent the beneficial interest in Charlottesville Area Community Foundation's (CACF) investment pool. The valuation of this investment is based upon the inputs used by CACF to value the underlying assets. The following table provides further details of the Level 3 fair value measurements.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Beneficial Interest in Community Foundation
Beginning Balance	\$ 851,828
Total gains or losses (realized/unrealized) included in changes in net assets	<u>93,889</u>
Ending Balance	<u>\$ 945,717</u>

NOTE 17 - DATE OF MANAGEMENT REVIEW:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through December 15, 2017, the date the financial statements were available to be issued.

- Other Supplementary Information -

READYKIDS, INC.

Reconciliation of Statement of Functional Expenses to Grant Expenditures

Year Ended June 30, 2017

(With Comparative Totals for 2016)

	Program Services				
	Teen Counseling	Child Care Quality	Healthy Families	ReadySteps	VOCA
Salaries and Related Benefits:					
Salaries	\$ 134,838	\$ 244,306	\$ 259,715	\$ 169,009	\$ 333,006
Payroll taxes	10,050	17,106	19,544	12,834	24,933
Employee benefits	19,454	29,015	51,168	24,519	59,942
Total salaries and related benefits	\$ 164,342	\$ 290,427	\$ 330,427	\$ 206,362	\$ 417,881
Advertising	-	-	-	-	-
Conferences	1,716	1,286	4,346	932	14,217
Insurance	1,210	2,266	2,545	3,193	2,762
Membership dues	129	442	9,362	1,153	519
Utilities	1,405	2,047	1,929	868	2,670
Office and postage	864	2,372	2,113	1,318	1,690
Professional and accounting fees	1,805	11,115	2,933	1,483	3,630
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Printing	217	2,759	395	1,131	1,210
Repairs/maintenance	3,698	5,094	5,193	3,856	7,937
Staff development	356	582	653	300	709
Telephone	1,949	797	3,079	725	3,422
Travel	2,205	1,605	5,404	1,246	1,852
Bank fees	-	-	128	-	-
Refunds	-	-	-	-	-
Bad debt	-	-	-	-	-
Depreciation	5,791	13,363	9,535	11,260	11,680
Total statement of functional expenses	\$ 196,283	\$ 366,076	\$ 394,087	\$ 264,382	\$ 490,748
Add:					
Grant expenditures netted for financial statement purposes:					
Property and equipment capitalized	\$ -	\$ -	\$ -	\$ -	\$ -
Total grant expenditures	\$ 196,283	\$ 366,076	\$ 394,087	\$ 264,382	\$ 490,748

Program Services						
City of Promise	Others	Total Programs	Management and General	Fundraising	2017 Total	2016 Total
\$ 55,920	\$ 161,229	\$ 1,358,023	\$ 60,632	\$ 90,762	\$ 1,509,417	\$ 1,193,615
4,222	12,160	100,849	4,631	6,773	112,253	88,595
13,870	23,131	221,099	11,012	12,650	244,761	194,467
\$ 74,012	\$ 196,520	\$ 1,679,971	\$ 76,275	\$ 110,185	\$ 1,866,431	\$ 1,476,677
1,573	-	1,573	-	-	1,573	-
419	219	23,135	90	150	23,375	13,563
552	1,664	14,192	1,407	597	16,196	11,850
943	177	12,725	837	1,693	15,255	11,590
-	1,965	10,884	402	652	11,938	9,473
747	1,794	10,898	1,635	3,000	15,533	16,785
32,123	1,919	55,008	3,676	2,614	61,298	52,925
31,641	15,660	156,987	2,844	27,245	187,076	104,593
3,265	955	9,932	450	4,780	15,162	13,951
1,190	5,214	32,182	1,375	1,686	35,243	35,884
-	428	3,028	619	154	3,801	3,256
2,632	2,136	14,740	328	255	15,323	11,936
2,298	6,203	20,813	5	-	20,818	14,936
383	-	511	11,010	2,157	13,678	13,172
-	-	-	-	-	-	3,737
-	-	-	292	-	292	563
4,697	5,831	62,157	1,557	2,272	65,986	67,739
\$ 156,475	\$ 240,685	\$ 2,108,736	\$ 102,802	\$ 157,440	\$ 2,368,978	\$ 1,862,630
\$ -	\$ -	\$ -	\$ 51,397	\$ -	\$ 51,397	\$ 104,691
\$ 156,475	\$ 240,685	\$ 2,108,736	\$ 154,199	\$ 157,440	\$ 2,420,375	\$ 1,967,321

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