

COLLABORATION FOR EARLY  
CHILDHOOD CARE AND EDUCATION

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013



Board of Directors  
Collaboration for Early  
Childhood Care and Education  
Oak Park, Illinois

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **Collaboration for Early Childhood Care and Education** (a nonprofit organization) which comprise the statements of financial position as of June 30, 2014 and 2013, 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 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 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 **Collaboration for Early Childhood Care and Education** as of June 30, 2014 and 2013, 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.

*Sassetti LLC*

Oak Park, Illinois  
September 24, 2014

COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$ 490,615	\$ 183,229
Grants and accounts receivable	3,417	93,212
Pledge receivable, net	38,431	-
Prepaid insurance	6,686	2,145
Advance to subcontractor	25,000	-
Property and equipment, net	36,454	4,335
Total Assets	\$ 600,603	\$ 282,921
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 56,355	\$ 11,778
 <b>NET ASSETS</b>		
Unrestricted	407,215	175,644
Board designated	53,100	-
Total Unrestricted Net Assets	460,315	175,644
Temporarily restricted	83,933	95,499
Total Net Assets	544,248	271,143
Total Liabilities and Net Assets	\$ 600,603	\$ 282,921

See accompanying notes and accountants' report.

COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION  
 STATEMENTS OF ACTIVITIES  
 YEARS ENDED JUNE 30, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
<b>REVENUES AND SUPPORT</b>						
Contributions - individuals, businesses and foundations	\$ 107,381	\$ 55,000	\$ 162,381	\$ 158,121	\$ 94,157	\$ 252,278
Government contracts and grants	619,116	-	619,116	130,006	1,013	131,019
Interest income	503	-	503	100	-	100
Special event revenue	551	-	551	9,500	-	9,500
In-kind	3,801	-	3,801	-	-	-
Other income	-	-	-	3,350	-	3,350
Net assets released from restrictions	66,566	(66,566)	-	20,497	(20,497)	-
Total Revenues and Support	<u>797,918</u>	<u>(11,566)</u>	<u>786,352</u>	<u>321,574</u>	<u>74,673</u>	<u>396,247</u>
<b>EXPENSES</b>						
Program	452,110	-	452,110	217,126	-	217,126
Management and general	51,906	-	51,906	46,798	-	46,798
Fundraising	9,231	-	9,231	6,977	-	6,977
Total Expenses	<u>513,247</u>	<u>-</u>	<u>513,247</u>	<u>270,901</u>	<u>-</u>	<u>270,901</u>
<b>CHANGE IN NET ASSETS</b>	284,671	(11,566)	273,105	50,673	74,673	125,346
<b>NET ASSETS</b>						
Beginning of the year	175,644	95,499	271,143	124,971	20,826	145,797
End of the year	<u>\$ 460,315</u>	<u>\$ 83,933</u>	<u>\$ 544,248</u>	<u>\$ 175,644</u>	<u>\$ 95,499</u>	<u>\$ 271,143</u>

See accompanying notes and accountants' report.

COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2014 AND 2013

	2014				2013			
	Program	Management and General	Fundraising	Totals	Program	Management and General	Fundraising	Totals
Salaries	\$ 152,570	\$ 31,123	\$ 7,788	\$ 191,481	\$ 115,960	\$ 29,641	\$ 6,067	\$ 151,668
Payroll taxes	11,717	2,341	586	14,644	5,038	6,432	478	11,948
Employee benefits	8,532	519	-	9,051	-	-	-	-
Depreciation	1,472	171	68	1,711	1,003	117	53	1,173
Dues and subscriptions	-	499	-	499	-	100	-	100
Equipment expense	2,069	110	-	2,179	520	53	-	573
Insurance	8,542	2,363	-	10,905	4,271	1,327	-	5,598
Miscellaneous	627	1,016	-	1,643	467	202	-	669
Outside contractors	221,389	7,783	-	229,172	52,605	3,916	-	56,521
Postage and delivery	1,240	307	-	1,547	1,459	168	-	1,627
Printing and production	12,163	1,093	552	13,808	5,149	979	304	6,432
Program food	5,321	1,463	-	6,784	10,124	541	-	10,665
Rent	2,400	600	-	3,000	2,200	800	-	3,000
Site rental	937	116	-	1,053	1,504	-	-	1,504
Staff volunteer development	519	152	-	671	1,147	1,124	-	2,271
Supplies	13,169	1,710	-	14,879	13,134	998	-	14,132
Telecommunications	5,274	403	237	5,914	2,297	338	75	2,710
Agency advertising	368	137	-	505	248	62	-	310
In-kind services	3,801	-	-	3,801	-	-	-	-
	<u>\$ 452,110</u>	<u>\$ 51,906</u>	<u>\$ 9,231</u>	<u>\$ 513,247</u>	<u>\$ 217,126</u>	<u>\$ 46,798</u>	<u>\$ 6,977</u>	<u>\$ 270,901</u>

See accompanying notes and accountants' report.

COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 273,105	\$ 125,346
Adjustments to reconcile net cash provided by operating activities -		
Depreciation	1,711	1,173
Decrease (Increase) in receivables	89,795	(60,501)
(Increase) in pledge receivables	(38,431)	-
(Increase) in advance to Parenthesis	(25,000)	-
(Increase) in prepaid insurance	(4,541)	(742)
Increase in liabilities	44,577	8,773
Net Cash Provided by Operating Activities	341,216	74,049
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(33,830)	(1,492)
Net Cash Used in Investing Activities	(33,830)	(1,492)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	307,386	72,557
<b>CASH AND CASH EQUIVALENTS -</b>		
Beginning of year	183,229	110,672
End of year	\$ 490,615	\$ 183,229
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest expense	\$ -	\$ -

See accompanying notes and accountants' report.

# COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - **COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION** is a unique public/private partnership whose mission is to promote strategies to make high quality, affordable early care and education available to all children from birth to age five, in Oak Park and River Forest. Participants include representatives of local governing bodies, institutions of higher learning, preschools, childcare centers, home providers, agencies serving the needs of families with young children, early childhood policy experts, and community advocates.

Basis of Presentation - As required by generally accepted accounting principles for not for profit entities, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At June 30, 2014 and 2013, the Organization had no permanently restricted net assets.

Income Taxes - The Organization is exempt from federal income taxes under the provisions of Section 501 (c) (3) of the Internal Revenue Code. Management believes that it did not engage in any unrelated business activities; thus, no provision for income tax has been provided for in the financial statements. The Organization's form 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2013, 2012 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services - The Organization pays for most services requiring specific expertise. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various committee assignments. There were donated services totaling \$3,801 for the year ended June 30, 2014. There were no donated services for the year ended June 30, 2013.

Cash Flow Information - The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Subsequent Events - The Organization has evaluated subsequent events through September 24, 2014, the date the financial statements were available.

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight line method over the estimated useful lives of the assets ranging from five to ten years. The Organization capitalizes amounts of \$500 or greater.



COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Accounts Receivable - The Organization considers grants receivable fully collectible, thus no allowance for doubtful accounts has been established.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. PROPERTY AND EQUIPMENT

Balances of major classes of depreciable assets as of June 30, 2014 and 2013, were as follows (at cost):

	2014	2013
Furniture and fixtures	\$ 871	\$ 871
Office equipment	8,362	6,738
Construction in progress	32,206	-
Less accumulated depreciation	(4,985)	(3,274)
	<u>\$ 36,454</u>	<u>\$ 4,335</u>

3. COMMITMENTS

The Organization leases its facility for \$250 a month, under a month to month agreement. During each of the years ended June 30, 2014 and 2013, lease expense was \$3,000.

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following components as of June 30, 2014 and 2013:

	2014	2013
Grand Victoria Foundation	\$ 8,750	\$ 43,750
Communityworks Social and Emotional grant	9,855	40,408
Lumpkin Family Foundation	10,000	10,000
Oak Park Township	-	1,013
Oak Park Community Foundation	328	328
Bernice Gershenson Philanthropic Fund	15,000	-
Time restricted donation	40,000	-
Total purpose restricted	<u>\$ 83,933</u>	<u>\$ 95,499</u>

Net assets were released from restrictions by incurring expenses to satisfy restrictions totaling \$66,566 and \$20,497 during the years ended June 30, 2014 and 2013, respectively.

COLLABORATION FOR EARLY CHILDHOOD CARE AND EDUCATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

5. BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board designated unrestricted net assets totaled to \$53,100 as of June 30, 2014. These funds are to be used for future medical costs and strategic projects. There were no board designated funds for the year end June 30, 2013.

6. GOVERNMENT CONTRACTS AND GRANTS

Government contracts and grants consisted of the following sources for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Village of Oak Park	\$ 161,554	\$ 30,000
Oak Park Township	9,814	5,000
Oak Park School District 97	233,354	50,000
Oak Park School District 200	203,438	30,600
Park District of Oak Park	5,000	5,000
Oak Park Library	1,000	1,100
State of Illinois Department of Public Health	4,956	4,600
State of Illinois - Early Childhood Action Partnership	-	4,719
	<u>\$ 619,116</u>	<u>\$ 131,019</u>

7. ADVANCE TO SUBCONTRACTOR

During the year ended June 30, 2014, the Organization advanced \$25,000 to a subcontractor, Parenthesis, a not-for-profit organization, in order to provide cash flow for a new program initiative. The advance is interest free and payable at the end of the contract.