

**THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER**

Financial Statements

June 30, 2018 and 2017

**THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Financial Statements
June 30, 2018 and 2017**

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BLANKENSHIP CPA GROUP, PLLC
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

To the Board of Directors of
The King's Daughters Day Home
d/b/a The King's Daughters Child Development Center

Report on the Financial Statements

We have audited the accompanying financial statements of The King's Daughters Day Home d/b/a The King's Daughters Child Development Center (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 The King's Daughters Day Home d/b/a The King's Daughters Child Development Center as of June 30, 2018 and 2017, 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 audits were conducted for the purpose of forming an opinion on the financial statements 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.

Blankenship CPA Group, PLLC

December 4, 2018

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Statements of Financial Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash	\$ 60,962	\$ 49,734
Investments	928,233	201,253
Accounts Receivable - Fees	3,420	3,280
Accounts Receivable - Government Assistance	9,316	6,596
Prepaid Expenses	3,605	2,141
Total Current Assets	<u>1,005,536</u>	<u>263,004</u>
Property and Equipment		
Land	207,476	207,476
Buildings and Improvements	1,940,956	1,911,098
Equipment	102,465	95,108
Construction in Progress	13,500	-
Accumulated Depreciation	<u>(402,128)</u>	<u>(344,111)</u>
Total Property and Equipment, Net	<u>1,862,269</u>	<u>1,869,571</u>
Total Assets	<u><u>\$ 2,867,805</u></u>	<u><u>\$ 2,132,575</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 10,945	\$ 23,416
Payroll Deductions Payable	<u>4,770</u>	<u>6,314</u>
Total Current Liabilities	<u>15,715</u>	<u>29,730</u>
Net Assets		
Unrestricted	2,826,928	2,087,580
Temporarily Restricted	<u>25,162</u>	<u>15,265</u>
Total Net Assets	<u>2,852,090</u>	<u>2,102,845</u>
Total Liabilities and Net Assets	<u><u>\$ 2,867,805</u></u>	<u><u>\$ 2,132,575</u></u>

See notes to financial statements.

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Statements of Activities
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted Net Assets		
Public Support		
Contributions	\$ 1,083,762	\$ 59,140
United Way	108,000	108,073
Government Fees and Grants	90,455	82,972
Other Grants	86,235	209,907
Fundraising Events	43,894	34,887
In-Kind Donations	9,000	4,700
Total Public Support	<u>1,401,346</u>	<u>499,679</u>
Revenues		
Program Service Fees	392,344	370,269
Interest and Dividend Income	25,288	5,911
Realized Gain on Investments	24,261	2,788
Unrealized (Loss) Gain on Investments	(34,058)	6,331
Total Revenues	<u>407,835</u>	<u>385,299</u>
Total Public Support and Revenues	<u>1,809,181</u>	<u>884,978</u>
Net Assets Released from Restrictions		
Restrictions Satisfied by Payments	<u>27,603</u>	<u>164,555</u>
Total Public Support, Revenues and Reclassifications	<u>1,836,784</u>	<u>1,049,533</u>
Functional Expenses		
Program Services	946,053	873,547
Costs of Direct Benefits to Donors	7,509	3,054
Management and General	125,894	112,990
Fundraising	17,980	7,502
Total Functional Expenses	<u>1,097,436</u>	<u>997,093</u>
Increase in Unrestricted Net Assets	<u>739,348</u>	<u>52,440</u>
Temporarily Restricted Net Assets		
Contributions	37,500	25,584
Net Assets Released from Restrictions	<u>(27,603)</u>	<u>(164,555)</u>
Decrease in Temporarily Restricted Net Assets	<u>9,897</u>	<u>(138,971)</u>
Increase (Decrease) in Net Assets	749,245	(86,531)
Net Assets - Beginning of Year	<u>2,102,845</u>	<u>2,189,376</u>
Net Assets - End of Year	<u>\$ 2,852,090</u>	<u>\$ 2,102,845</u>

See notes to financial statements.

**THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2018**

	2018						
	Program Services			Supporting Services			
	Infant and Toddler	Pre-School	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Center Development	\$ -	\$ 50	\$ 50	\$ -	\$ -	\$ -	\$ 50
Communication	-	2,306	2,306	1,153	384	1,537	3,843
Conferences and Meetings	-	8,190	8,190	-	-	-	8,190
Depreciation and Amortization	29,159	23,055	52,214	5,802	-	5,802	58,016
Dues and Subscriptions	-	1,315	1,315	-	-	-	1,315
Employee Benefits	5,770	14,540	20,310	5,449	-	5,449	25,759
Fees and Licenses	-	518	518	-	-	-	518
Insurance	6,404	15,728	22,132	2,459	-	2,459	24,591
Maintenance and Repairs	22,476	61,067	83,543	9,283	-	9,283	92,826
Miscellaneous	286	6,675	6,961	742	-	742	7,703
Payroll Taxes	8,707	35,244	43,951	5,719	-	5,719	49,670
Printing	-	-	-	-	955	955	955
Professional Fees	-	34,085	34,085	4,261	4,261	8,522	42,607
Salaries	114,301	449,321	563,622	74,915	-	74,915	638,537
Special Events	-	-	-	-	19,889	19,889	19,889
Supplies and General Expenses	20,442	57,712	78,154	16,111	-	16,111	94,265
Teacher Appreciation	35	732	767	-	-	-	767
United Way Grant Expenses	-	27,935	27,935	-	-	-	27,935
Totals	<u>\$ 207,580</u>	<u>\$ 738,473</u>	<u>\$ 946,053</u>	<u>\$ 125,894</u>	<u>\$ 25,489</u>	<u>\$ 151,383</u>	<u>\$ 1,097,436</u>

See notes to financial statements.

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2017

	2017						
	Program Services			Supporting Services			
	Infant and Toddler	Pre-School	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Center Development	\$ -	\$ 21,102	\$ 21,102	\$ -	\$ -	\$ -	\$ 21,102
Communication	-	2,010	2,010	1,005	335	1,340	3,350
Conferences and Meetings	-	7,583	7,583	-	-	-	7,583
Depreciation and Amortization	29,159	22,334	51,493	5,722	-	5,722	57,215
Dues and Subscriptions	-	1,083	1,083	-	-	-	1,083
Employee Benefits	5,737	7,386	13,123	5,167	-	5,167	18,290
Fees and Licenses	-	758	758	-	-	-	758
Insurance	6,404	11,298	17,702	1,967	-	1,967	19,669
Maintenance and Repairs	22,476	42,704	65,180	7,242	-	7,242	72,422
Miscellaneous	500	2,620	3,120	291	-	291	3,411
Payroll Taxes	8,707	30,706	39,413	5,719	-	5,719	45,132
Printing	-	-	-	-	-	-	-
Professional Fees	-	20,418	20,418	-	2,142	2,142	2,142
Salaries	114,301	391,091	505,392	2,552	2,552	5,104	25,522
Special Events	-	-	-	74,915	-	74,915	580,307
Supplies and General Expenses	20,442	59,375	79,817	-	5,527	5,527	5,527
Teacher Appreciation	35	413	448	8,410	-	8,410	88,227
Travel	-	49	49	-	-	-	448
United Way Grant Expenses	-	44,856	44,856	-	-	-	49
Totals	<u>\$ 207,761</u>	<u>\$ 665,786</u>	<u>\$ 873,547</u>	<u>\$ 112,990</u>	<u>\$ 10,556</u>	<u>\$ 123,546</u>	<u>\$ 997,093</u>

See notes to financial statements.

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 749,245	\$ (86,531)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	58,016	57,215
Donated Investments	(859,868)	-
Donated Property and Equipment	-	-
Realized (Gain) on Investments	(24,261)	(2,788)
Unrealized Loss (Gain) on Investments	34,058	(6,331)
Reinvested Dividends and Interest, Net of Fees	(16,882)	(3,217)
(Increase) Decrease in:		
Accounts Receivable - Fees	(140)	(924)
Accounts Receivable - Government Assistance	(2,720)	2,641
Contributions Receivable	-	11,321
Prepaid Expenses	(1,464)	1,748
Increase (Decrease) in:		
Accounts Payable	(12,471)	4,247
Payroll Deductions Payable	(1,544)	118
Total Adjustments	<u>(827,276)</u>	<u>64,030</u>
Net Cash Provided (Used) by Operating Activities	<u>(78,031)</u>	<u>(22,501)</u>
Cash Flows from Investing Activities		
Transfers from Investments	139,973	1,155
Payments for the Purchase of Property	<u>(50,714)</u>	<u>(164,057)</u>
Net Cash Used by Investing Activities	<u>89,259</u>	<u>(162,902)</u>
Net Increase (Decrease) in Cash	11,228	(185,403)
Cash - Beginning of Year	49,734	235,137
Cash - End of Year	<u>\$ 60,962</u>	<u>\$ 49,734</u>
Supplemental Cash Flow Disclosures:		
Non-Cash Investing Transactions:		
Reinvested Dividends on Investments	<u>\$ 22,386</u>	<u>\$ 578</u>

See notes to financial statements.

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Notes to Financial Statements
June 30, 2018 and 2017

Note 1. Summary of Significant Accounting Policies

A. Organization and Nature of Activities

The King's Daughters Day Home d/b/a The King's Daughters Development Center (the "Day Home") is a United Way supported, not-for-profit child care facility for working parents residing in the community of Madison, Tennessee. The children served are primarily from low income families who depend on public and private agencies to help with the cost of day care service. The Day Home's support comes from individual and corporate contributions, various government and foundation grants, and fees charged for providing child care services.

B. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Financial Statement Presentation

The net assets of the Day Home and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Day Home and/or the passage of time.

D. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Day Home defines cash and cash equivalents to include only cash on hand and amounts in banks. Money funds held with investment brokers are considered investments in the financial statements.

F. Accounts Receivable

Accounts receivable result from billings for tuition and fees. Accounts receivable is stated at the amount expected to be collected from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2018 and 2017, the Day Home had no allowance for doubtful accounts receivable.

G. Accrued Compensated Absences

Employees at the Day Home accrue ten sick days per year. All unused days carry forward to a maximum of 30 days. Employees with over 30 sick days at year-end are compensated for the excess. At termination of employment there is no compensation for any unused sick days. The Day Home does not consider the liability for accrued compensated absences to be material and therefore has not recognized a liability at June 30, 2018 and 2017.

H. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the Day Home reports the support as unrestricted. Otherwise, when a 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 statements of activities as net assets

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Notes to Financial Statements – Continued
June 30, 2018 and 2017

Note 1. Summary of Significant Accounting Policies – Continued

H. Contributions- Continued

released from restrictions. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

I. Income Taxes

The Day Home is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business income.

J. Functional Expenses

Expenses are charged directly to program, management and general, or fundraising based on both specific identification and allocation by management.

K. Investments

Investments are stated at their readily determinable fair market value in accordance with the *Certain Investments Held by Not-for-Profit Organizations* topic of the FASB Accounting Standards Codification.

L. Fair Value Measurements

The Day Home determines the fair market value of financial assets and liabilities that are required to be carried at such amounts in accordance with the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

M. Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value on the date donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Day Home reports expirations of donor restrictions when the donated or acquired assets are placed in service. Purchased property and equipment with cost greater than \$500 and useful lives greater than one year are carried at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	10 - 40 Years
Equipment	3 - 7 Years
Vehicles	5 Years

Depreciation expense for the years ending June 30, 2018 and 2017 was \$58,016 and \$57,215.

N. Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 presentation. Certain expenses incurred for special events that provided direct benefits to donors previously included in the caption "Fundraising" have been reclassified to "Costs of Direct Benefits to Donors".

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Notes to Financial Statements – Continued
June 30, 2018 and 2017

Note 2. Investments

The Day Home holds investments in various accounts. These investments are carried at the fair market value determined on June 30, 2018 and 2017, using quoted market prices. The various types of investments are listed below:

2018			
	Fair Market Value	Cost	Cumulative Unrealized Loss
Interest-Bearing Cash	\$ 32,392	\$ 32,392	\$ -
Mutual Funds	895,841	918,204	(22,363)
	<u>\$ 928,233</u>	<u>\$ 950,596</u>	<u>\$ (22,363)</u>
2017			
	Fair Market Value	Cost	Cumulative Unrealized Gain
Interest-Bearing Cash	\$ 11,921	\$ 11,921	\$ -
Mutual Funds	189,332	177,637	11,695
	<u>\$ 201,253</u>	<u>\$ 189,558</u>	<u>\$ 11,695</u>

Investment fees for the years ending June 30, 2018 and 2017 were \$7,175 and \$2,623 .

Note 3. Fair Value Measurements

The following assets carried at fair value are reviewed and adjusted on a recurring basis based on quoted market prices. Fair value at June 30, 2018 and 2017 is as follows:

Asset	Fair Value June 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	\$ 895,841	\$ 895,841
Asset	Fair Value June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	\$ 189,332	\$ 189,332

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2018 and 2017 include the following:

	2018	2017
Building Repairs	\$ -	\$ 11,453
Playground Equipment	-	3,812
Literacy	8,759	-
Salaries and Professional Development	1,403	-
Other Time Restrictions	15,000	-
Total Temporarily Restricted	<u>\$ 25,162</u>	<u>\$ 15,265</u>

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Notes to Financial Statements – Continued
June 30, 2018 and 2017

Note 5. Concentration of Risk

The Day Home is exposed to concentrations of risk regarding grants received from the United Way. During the years ended June 30, 2018 and 2017, the United Way grant represented 6% and 12% of total revenue.

For the years ended June 30, 2018 and 2017, 54% and 11% of total revenues were contributions received from one donor.

Note 6. Donated Facilities, Services, and Supplies

Donated property, equipment, and services are used in the ongoing operations of The Day Home. The value of donated property, equipment, and services included in the financial statements and the corresponding expenditure or asset capitalization for the years ended June 30, 2018 and 2017 are as follows:

<u>Revenues</u>	<u>2018</u>	<u>2017</u>
Professional Services	\$ 4,000	\$ 4,700
Special Events	5,000	-
Total	<u>\$ 9,000</u>	<u>\$ 4,700</u>
 <u>Expenses</u>	 <u>2018</u>	 <u>2017</u>
Professional Fees	\$ 4,000	\$ 4,700
Special Events	5,000	-
Total	<u>\$ 9,000</u>	<u>\$ 4,700</u>

Note 7. Leases

The Day Home leases equipment in accordance with the following agreements:

The dishwashing equipment lease is a one year lease that automatically renews each year upon expiration. Monthly lease payments are \$182.

The Xerox copier lease is a sixty month lease that will terminate in October 2022. Monthly lease payments are \$193.

The PODS portable storage unit is a month-to-month lease with monthly payments of \$129.

The following is a schedule by year, of future year's minimum rental payments as of June 30, 2018:

<u>Year Ending</u> <u>June 30,</u>	<u>Annual Lease</u> <u>Payments</u>
2019	\$ 2,316
2020	2,316
2021	2,316
2022	2,316
2023	772
Total	<u>\$ 10,036</u>

Rental expense was \$8,323 and \$7,183 for the years ended June 30, 2018 and 2017.

Note 8. SIMPLE Plan

The Day Home maintains a Savings Incentive Match (SIMPLE) Plan. Eligible employees must have worked two of the previous three years to be covered under the plan. The Day Home contributes 2% to the plan for each eligible employee. For the years ended June 30, 2018 and 2017, \$2,733 and \$2,586 in contributions were made to the SIMPLE plan.

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Notes to Financial Statements – Continued
June 30, 2018 and 2017

Note 9. Line of Credit

The Day Home has a \$100,000 line of credit with a financial institution. The line is secured by real property. The terms of the line of credit allow the Day Home to borrow funds until October 6, 2026. At that time, any balance plus interest of 4.5% will be due. The balance for the line of credit as of June 30, 2018 and 2017 was \$0.

Note 10. Upcoming Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new accounting guidance will increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements.

The new standard is effective for nonpublic entities for fiscal years beginning after December 15, 2019. The Day Home is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In August, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, that is intended to improve financial reporting relating to liquidity, financial performance and cash flows.

More specifically, the changes affect net asset classifications by reflecting two classifications of net assets, one "without donor-imposed restrictions" and one "with donor-imposed restrictions," which differ from the traditional classifications of unrestricted, temporarily restricted, and permanently restricted. In addition, reporting of expenses by both natural and functional classification is required and investment returns must be reflected net of related investment expenses. The cash flows statement is also allowed to be restructured by using the direct method of reporting and there are further disclosures regarding an organization's liquidity.

The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Day Home is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

Note 11. Subsequent Events

The Day Home has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2018 through December 4, 2018, the date the financial statements were available to be issued.

Supplementary Information

THE KING'S DAUGHTERS DAY HOME
d/b/a THE KING'S DAUGHTERS CHILD DEVELOPMENT CENTER
Schedules of Support, Revenues and Expenses - Budget to Actual
For the Years Ended June 30, 2018 and 2017

	2018			2017		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
Support and Revenues						
Contributions	\$ 1,121,262	\$ 57,000	\$ 1,064,262	\$ 84,724	\$150,500	\$ (65,776)
United Way	108,000	108,072	(72)	108,073	108,072	1
Government Fees and Grants	90,455	95,400	(4,945)	82,972	138,600	(55,628)
Other Grants	66,235	263,845	(197,610)	209,907	229,861	(19,954)
Fundraising Events	43,894	47,250	(3,356)	34,887	25,000	9,887
In-Kind Donations	9,000	-	9,000	4,700	-	4,700
Program Service Fees	392,344	447,616	(55,272)	370,269	283,426	86,843
Interest and Dividend Income	25,288	-	25,288	5,911	10,300	(4,389)
Realized Gain on Investments	24,261	-	24,261	2,788	-	2,788
Unrealized Gain (Loss) on Investments	(34,058)	-	(34,058)	6,331	-	6,331
Total Support and Revenues	1,846,681	1,019,183	827,498	910,562	945,759	(35,197)
Expenses						
Center Development	50	-	(50)	21,102	23,000	1,898
Communication	3,843	3,700	(143)	3,350	3,450	100
Conferences and Meetings	8,190	6,500	(1,690)	7,583	7,500	(83)
Depreciation and Amortization	58,016	-	(58,016)	57,215	-	(57,215)
Dues and Subscriptions	1,315	1,150	(165)	1,083	1,225	142
Employee Benefits	25,759	18,328	(7,431)	18,290	24,000	5,710
Fees and Licenses	518	800	282	758	800	42
Insurance	24,591	22,006	(2,585)	19,669	17,101	(2,568)
Maintenance and Repairs	92,826	58,740	(34,086)	72,422	45,029	(27,393)
Miscellaneous	7,703	800	(6,903)	3,411	800	(2,611)
Payroll Taxes	49,670	51,322	1,652	45,132	51,557	6,425
Printing	955	2,500	1,545	2,142	1,500	(642)
Professional Fees	42,607	37,200	(5,407)	25,522	17,500	(8,022)
Salaries	638,537	694,237	55,700	580,307	627,774	47,467
Special Events	19,889	6,700	(13,189)	5,527	6,000	473
Supplies and General Expenses	94,265	89,150	(5,115)	88,227	84,385	(3,842)
Teacher Appreciation	767	750	(17)	448	1,500	1,052
Travel	-	500	500	49	600	551
United Way Grant Expenses	27,935	24,800	(3,135)	44,856	24,800	(20,056)
Total Expenses	1,097,436	1,019,183	(78,253)	997,093	938,521	(58,572)
Excess (Deficiency) of Revenues over Expenses	\$ 749,245	\$ -	\$ 749,245	\$ (86,531)	\$ 7,238	\$ (93,769)

See independent auditors' report.