

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

REVIEW REPORT
CALENDAR YEAR 2022

SELF -- SUPPORT FOR EARLY
LEARNING & FAMILIES
(A NON-PROFIT CORPORATION)
REVIEW REPORT
CALENDAR YEAR 2022

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6



PLYMALE & GILLESPIE CPAs, PLLC

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, 2022, 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.

PLYMALE & GILLESPIE CPAs, PLLC
/S/ Plymale & Gillespie CPAs, PLLC
November 15, 2023

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Statement of Financial Position

As of December 31, 2022

(See Accompanying Accountant's Review Report)

Assets		Total
Current Assets		
Cash and Cash Equivalents	\$	878,918
Total Cash		<u>878,918</u>
Accounts Receivable		200,519
Prepays and Deposits		22,581
Other Current Assets		191,675
Total Current Assets		<u><u>1,293,693</u></u>
Fixed Assets		
Furniture and Equipment		27,800
Software		9,079
Accumulated Depreciation - Furn & Fixtures		(29,752)
Total Fixed Assets		<u><u>7,127</u></u>
Total Assets	\$	<u><u>1,300,820</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$	36,695
Payroll Liabilities		358,231
Unearned Other Grant Revenue		345,530
Total Current Liabilities		<u>740,456</u>
Net Assets		
Without Donor Restriction		446,671
With Donor restriction		113,693
		<u><u>560,364</u></u>
Total Liabilities and Net Assets	\$	<u><u>1,300,820</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, 2022

(See Accompanying Accountant's Review Report)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and gains			
Contributions	\$ 5,680	\$ 89,845	\$ 95,525
Program service fees	7,435,897	-	7,435,897
Interest Income	56	-	56
Total revenues, gains, and other support	7,441,633	89,845	7,531,478
Net assets released from restriction	72,999	(72,999)	-
	7,514,632	16,846	7,531,478
			-
Expenses			-
Program services	6,981,765	-	6,981,765
Supporting services			-
Management and general	509,646	-	509,646
Fund-raising	4,850	-	4,850
			-
Total expenses	7,496,261	-	7,496,261
			-
Increase (Decrease) in net assets	18,372	16,846	35,218
Net Assets at beginning of year	428,299	96,847	525,146
Net Assets at end of year	\$ 446,671	\$ 113,693	\$ 560,364

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

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Statement of Functional Expenses

As of December 31, 2022

(See Accompanying Accountant's Review Report)

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Compensation and related expenses				
Compensation	\$ 4,635,164	\$ 153,775	\$ -	\$ 4,788,939
Payroll Taxes	1,426,829	119,308	-	1,546,137
Employee Benefits	515,968	20,346	-	536,314
Total Payroll Cost	<u>6,577,961</u>	<u>293,429</u>	<u>-</u>	<u>6,871,390</u>
Professional Services				
Accounting	-	32,684	-	32,684
Other contracted services	-	27,239	-	27,239
Grant ESD	39,961	-	-	39,961
Other Grants	350,916	-	-	350,916
Office expenses	3,989	28,320	-	32,309
Conference, Conventions, meetings	8,938	-	-	8,938
Insurance	-	48,562	-	48,562
Communications	-	7,729	-	7,729
Dues and membership	-	1,059	-	1,059
Events	-	-	4,850	4,850
Other Expenses	-	62,992	-	62,992
Depreciation	-	7,632	-	7,632
Totals	<u>\$ 6,981,765</u>	<u>\$ 509,646</u>	<u>\$ 4,850</u>	<u>\$ 7,496,261</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, 2022

(See Accompanying Accountant's Review Report)

Cash flows from operating activities:		
Increase in net assets	\$	35,218
(Increase) decrease in operating assets		
Depreciation Expense		7,632
Accounts Receivable		(18,131)
Prepaid Assets		(6,635)
Other Current Assets		(148,351)
Increase (decrease) in operating liabilities		
Accounts Payable		20,069
Payroll Liabilities		45,250
Unearned Revenue		80,551
		<hr/>
Net Cash provided by operating activities		15,602
		<hr/>
Cash Flow from investing activities		
Purchase of Fixed Assets		-
		<hr/>
Net Cash provided by operating activities		-
		<hr/>
Net increase in cash and cash equivalents		15,602
		<hr/>
Beginning cash and cash equivalents		863,316
		<hr/>
Ending cash and cash equivalents	\$	878,918
		<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

SELF -- SUPPORT FOR EARLY LEARNING AND FAMILIES

Notes to Financial Statements

December 31, 2022

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 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.

The organization contracts 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 112's childcare programs and receives cost reimbursement revenue related to the direct employee expenses in addition to an administrative fee and HR admin fee.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting with accounting principles generally accepted in the United State of America.

Basis of presentation

Net assets and all balances and transactions are presented 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:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets without donor restrictions – Net assets subject to stipulations imposed by donors and grantors that may or will be met, either by actions of the Organization or the passage of time. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

These notes are an integral part of the financial statements.

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. The Organization maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. To date, the Organization has not experienced any losses.

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, 2022 the allowance was deemed to be \$0.

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.

Private grants and contributions received are recorded as with or without donor restrictions, depending on the existence or nature of donor restrictions and are recorded in the period earned. All unconditional contributions and donations received are available for general use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years

These notes are an integral part of the financial statements.

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.

Property and Equipment

We record property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2022.

COVID-19

The Organization's operations were affected by the ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it did result in decreased operations during 2021 and 2020. The Organization experienced disruption to the Organization's revenue streams, absenteeism in the labor workforce, and modifications to essential operations.

These notes are an integral part of the financial statements.

Subsequent Events

The Organization has evaluated subsequent events through November 8, 2023, the date which the financial statements were available to be issued and noted none.

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	\$ 878,918
Accounts receivable	\$ <u>200,519</u>
	\$ <u><u>1,079,437</u></u>

In accordance with the Organizations agreement with ESD 112, ESD 112 advances funds to meet direct service payroll obligations.

NOTE 3 – CONCENTRATIONS

The Organization operates in and serves primarily Clark County, Washington. Approximately 92.3% of the organization's support came from one governmental source. Events affecting the funding source may impact the services provided by SELF. Accordingly, the Organizations accounts receivable are highly concentrated as well.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2022:

	<u>2022</u>
Furniture and equipment	\$ 27,800
Software	<u>9,079</u>
	36,879
Less accumulated depreciation	<u>(29,752)</u>
	\$ <u><u>7,127</u></u>

Depreciation expense totaled \$7,632 for the year ended December 31, 2022.

These notes are an integral part of the financial statements.

NOTE 5 - LEASES

In November 1, 2022, the Organization leased office space under an operating lease that expires on November 31, 2025.

Future minimum lease payments, including the lease executed subsequent to year end, are as follows:

<u>Years Ending December 31,</u>	<u>Operating Leases</u>
2023	\$ 21,954
2024	21,954
2025	<u>20,124</u>
	\$ <u>64,031</u>
2022 Rent expense	\$ <u>20,709</u>

NOTE 6 – EMPLOYEE BENEFITS

The Organization sponsors 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, 2022, the Organization matched employee voluntary contributions at 50% up to 5 percent, resulting in contributions to the plan of \$35,485.

NOTE 7 – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

These notes are an integral part of the financial statements.