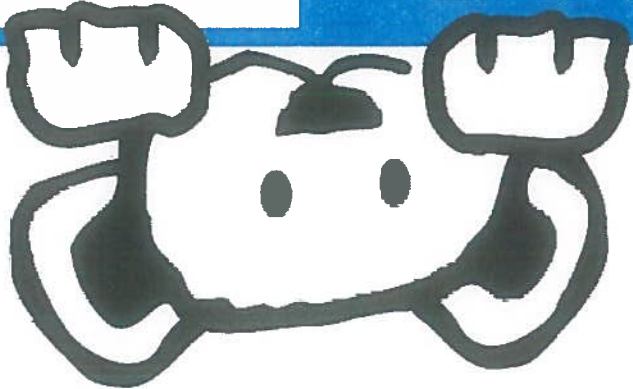


INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016



FINANCIAL INFORMATION



INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of V.I.P. TOTS, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows, and functional expenses 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 and the standards applicable to financial audits 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 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 V.I.P. TOTS as of June 30, 2016 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.

March 20, 2017



In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2017 on our consideration of V.I.P. TOTS' 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 the 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 considering V.I.P. TOTS' internal control over financial reporting and compliance.

Other Reporting Required by Government Auditing Standards

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 12-13 is presented for purposes of additional analysis, and is not a required part of the financial statements. The 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 other 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 Matters

V.I.P. TOTS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	ASSETS
	Cash
	Accounts receivable
	Grants receivable
	Other receivable
	Investments
	Property and equipment, net
	TOTAL ASSETS
\$ 119,253	
82,221	
13,599	
11,456	
2,402	
188,925	
<u>\$ 417,856</u>	
	LIABILITIES AND NET ASSETS
	Accounts payable
	Accrued liabilities
	Deferred revenue
	Accrued compensated absences
	TOTAL LIABILITIES
\$ 36,388	
40,345	
60,000	
43,973	
180,706	
<u>\$ 417,856</u>	
	NET ASSETS
	Unrestricted
	Temporarily restricted
	TOTAL NET ASSETS
237,150	
-	
237,150	
<u>\$ 417,856</u>	

See notes to financial statements

V.I.P. TOTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Inland Regional Center/Home Program	\$ 399,852	\$ -	\$ 399,852
Childcare tuition	279,234	-	279,234
Grant income - First 5 Special Needs	212,244	-	212,244
Grant income - First 5 A&Q	386,128	-	386,128
Inland Regional Center - Tots with Tutors	182,103	-	182,103
Small grants	17,776	-	17,776
Fundraising Income	25,545	-	25,545
Other income	25,394	-	25,394
Unrealized gain on investments	(3,259)	-	(3,259)
Interest income	1,468	-	1,468
Total Local	1,526,485	-	1,526,485
Net assets released from restrictions:			
Satisfaction of program requirements	10,000	(10,000)	-
TOTAL SUPPORT AND REVENUES	1,536,485	(10,000)	1,526,485
COSTS AND EXPENSES			
Program services:			
Inland Regional Center/Home Program	385,700	-	385,700
Training and Childcare	788,804	-	788,804
Tots with Tutors	177,338	-	177,338
TOTAL PROGRAM SERVICES	1,351,842	-	1,351,842
Support services:			
General and administrative	243,868	-	243,868
Fundraising	27,028	-	27,028
TOTAL SUPPORT SERVICES	270,896	-	270,896
TOTAL COSTS AND EXPENSES	1,622,738	-	1,622,738
Change in net assets	(86,253)	(10,000)	(96,253)
Beginning net assets	323,403	10,000	333,403
Ending net assets	\$ 237,150	\$ -	\$ 237,150

See notes to financial statements

V.I.P. TOTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Non-Cash Items:	
Depreciation expense	24,343
Unrealized (gain) loss on investments	3,259
(Increase)/Decrease in:	
Accounts receivable	19,275
Grants receivable	32,533
Other receivable	(11,456)
Increase/(Decrease) in:	
Accounts payable	17,046
Accrued liabilities	(28,689)
Deferred revenue	60,000
Accrued compensated absences	(11,559)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	8,499
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	28,914
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	28,914
CASH FLOWS FROM FINANCIAL ACTIVITIES	
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	-
Net Increase/(Decrease) in Cash	37,413
BEGINNING CASH	81,840
ENDING CASH	\$ 119,253
SUPPLEMENTAL INFORMATION	
Interest Paid	\$ -

V.I.P. TOTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Services				Support Services		Total All Services		
	Inland Center	Regional	Training and Childcare	Tots with Tutors	Total	General and Administrative		Fundraising	
Salaries and wages	\$ 266,889	\$ -	\$ 520,633	\$ 112,038	\$ 899,560	\$ 165,171	\$ 18,352	\$ 183,523	\$ 1,083,083
Payroll taxes	20,527	-	45,802	8,403	74,732	10,967	1,219	12,185	86,917
Employment costs	18,919	-	24,497	4,762	48,178	9,345	-	9,345	57,523
Worker's compensation insurance	31,750	-	43,427	19,320	94,497	19,635	-	19,635	114,132
Accounting and legal fees	-	-	-	-	-	7,904	-	7,904	7,904
Advertising and promotion	236	-	1,017	236	1,489	145	16	161	1,650
Bank charges	-	-	-	-	-	551	-	551	551
Depreciation	2,257	-	18,644	1,580	22,481	1,862	-	1,862	24,343
Dues and subscriptions	156	-	589	63	808	418	-	418	1,226
Fundraising events	-	-	-	-	-	-	6,989	6,989	6,989
Insurance expense	3,005	-	8,301	1,572	12,878	2,121	-	2,121	14,999
Outside services	7,235	-	15,212	17,089	39,536	11,047	200	11,247	50,783
Postage and printing	111	-	311	75	497	587	-	587	1,084
Rent	4,678	-	32,051	2,924	39,653	4,819	-	4,819	44,472
Repairs and maintenance	1,184	-	15,000	1,237	17,421	158	-	158	17,579
Supplies and equipment	4,598	-	28,378	3,419	36,395	3,804	252	4,056	40,451
Telephone and utilities	5,166	-	29,689	3,023	37,878	1,708	-	1,708	39,586
Travel	18,989	-	5,250	1,597	25,836	2,601	-	2,601	28,437
Other expenses	-	-	3	-	3	1,026	-	1,026	1,029
Total functional expenses	\$ 385,700	\$ -	\$ 788,804	\$ 177,338	\$ 1,351,842	\$ 243,868	\$ 27,028	\$ 270,896	\$ 1,622,738

See notes to the financial statements