

PRESBYTERIAN CHILDREN'S
HOMES AND SERVICES
(a non-profit organization)
FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
December 31, 2015 and 2014



Presbyterian Children's Homes and Services

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2015 AND 2014

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES

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Presbyterian Children's Homes and Services

May 20, 2016

Dear Friends of Presbyterian Children's Homes & Services:

Presbyterian Children's Homes & Services continues our long tradition of Christ-centered services, in which we minister to the spiritual, physical, intellectual, emotional and social needs of children. We are steadfast in our mission to offer Christ-centered care and support to children and families in need by providing a place of hope and healing.

In 2015, we maintained our commitment to partner with like minded organizations to expand our services through our strategic alliances with the Masonic Children & Family Services, and Juliette Fowler Homes that allows us to collectively serve children with ever increasing needs. These programs provide an opportunity for us to further broaden the continuum of services to help meet the growing needs of children and their families in crisis. We also provided services to single parents and their children in our new Houston Single Parent and Family program. These homes were built on property provided by St. John's Presbyterian Church. We are pleased to report that our affiliation with Presbyterian Children's Homes and Services of Missouri continues to strengthen and support our work with children and families. We are proud to serve along side these caring ministries to serve the needs of children and families.

We are pleased to present the 2015 audited financial statements of the Presbyterian Children's Homes and Services. Financial statements cannot begin to measure the healing of wounds that have torn families apart or provide a sense of the comfort and security that our young people feel in our care. However, these financial statements do reflect the tremendous sense of stewardship and commitment that the Board of Trustees, management and staff have felt toward the Christian mission we serve. These financial statements are a reflection of our current ministries and the strategic direction set by our Board of Trustees. Each year the Agency's financial statements are audited by a certified public accounting firm as a means of providing assurance of the Agency's stewardship of its resources.

We ask for your prayers for children who are abused, neglected, abandoned or suffer other family crises that continue to rise at an alarming rate. As a community in Christ we make a positive impact in the lives of children and families.

Sincerely yours,

A handwritten signature in black ink that reads "Ed Knight".

Ed Knight
President

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Presbyterian Children's Homes and Services
Austin, Texas

We have audited the accompanying financial statements of Presbyterian Children's Homes and Services (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities 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 of 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 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 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.

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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 presented fairly in all material respects, the financial position of Presbyterian Children's Homes and Services as of December 31, 2015 and 2014, 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 30-33 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
May 20, 2016

FINANCIAL STATEMENTS

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
ASSETS				
Cash and cash equivalents	\$ 1,663,454	\$ 1,338,930	\$ 87,041	\$ 3,089,425
Short-term investments	41,616	-	-	41,616
Accounts receivable, net of allowance	358,241	-	-	358,241
Interest receivable	66,226	-	-	66,226
Contributions receivable, net of allowance and discount	248,540	2,478,602	359,104	3,086,246
Estates receivable	6,735,099	-	41,019	6,776,118
Prepaid assets	334,454	-	-	334,454
Due from affiliate	208,947	-	-	208,947
Notes receivable	619,542	-	-	619,542
Long-term investments	54,018,887	2,725,251	57,653,511	114,397,649
Property and equipment, net of accumulated depreciation	6,114,741	-	-	6,114,741
Total assets	<u>\$ 70,409,747</u>	<u>\$ 6,542,783</u>	<u>\$ 58,140,675</u>	<u>\$ 135,093,205</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 471,726	\$ -	\$ -	\$ 471,726
Payroll payable	23,214	-	-	23,214
Other liabilities	29,433	-	-	29,433
Compensated absences	418,211	-	-	418,211
Total liabilities	<u>942,584</u>	<u>-</u>	<u>-</u>	<u>942,584</u>
Net Assets:				
Unrestricted				
Board designated	53,950,243	-	-	53,950,243
Undesignated	15,516,920	-	-	15,516,920
Total unrestricted	<u>69,467,163</u>	<u>-</u>	<u>-</u>	<u>69,467,163</u>
Temporarily restricted	-	6,542,783	-	6,542,783
Permanently restricted	-	-	58,140,675	58,140,675
Total net assets	<u>69,467,163</u>	<u>6,542,783</u>	<u>58,140,675</u>	<u>134,150,621</u>
Total liabilities and net assets	<u>\$ 70,409,747</u>	<u>\$ 6,542,783</u>	<u>\$ 58,140,675</u>	<u>\$ 135,093,205</u>

The accompanying notes are an integral part of this statement.

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 2,018,110	\$ 1,036,088	\$ 68,660	\$ 3,122,858
44,464	-	-	44,464
734,399	-	-	734,399
84,299	-	-	84,299
298,041	2,734,044	700,212	3,732,297
715,904	-	1,915,785	2,631,689
341,212	-	-	341,212
170,019	-	-	170,019
696,008	-	-	696,008
57,447,814	3,151,538	60,168,402	120,767,754
<u>6,319,404</u>	<u>-</u>	<u>-</u>	<u>6,319,404</u>
<u>\$ 68,869,674</u>	<u>\$ 6,921,670</u>	<u>\$ 62,853,059</u>	<u>\$ 138,644,403</u>
\$ 447,733	\$ -	\$ -	\$ 447,733
18,135	-	-	18,135
36,672	-	-	36,672
421,398	-	-	421,398
<u>923,938</u>	<u>-</u>	<u>-</u>	<u>923,938</u>
57,364,537	-	-	57,364,537
10,581,199	-	-	10,581,199
<u>67,945,736</u>	<u>-</u>	<u>-</u>	<u>67,945,736</u>
-	6,921,670	-	6,921,670
-	-	62,853,059	62,853,059
<u>67,945,736</u>	<u>6,921,670</u>	<u>62,853,059</u>	<u>137,720,465</u>
<u>\$ 68,869,674</u>	<u>\$ 6,921,670</u>	<u>\$ 62,853,059</u>	<u>\$ 138,644,403</u>

The accompanying notes are an integral part of this statement.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE, GAINS AND OTHER SUPPORT				
Contributions and bequests	\$ 9,999,723	\$ 354,990	\$ 268,115	\$ 10,622,828
Fees	2,984,114	-	-	2,984,114
Investment income	3,036,738	238,262	341	3,275,341
Change in fair value of split interest agreements	-	122,658	63,717	186,375
Gain (loss) on sale of assets	(5,283)	-	-	(5,283)
Other income	103,695	-	-	103,695
Net assets released from restrictions	879,224	(879,224)	-	-
Total revenue, gains and other support	<u>16,998,211</u>	<u>(163,314)</u>	<u>332,173</u>	<u>17,167,070</u>
Net realized and unrealized				
gains (losses) on long-term investments	<u>(1,432,538)</u>	<u>(215,573)</u>	<u>(5,044,557)</u>	<u>(6,692,668)</u>
Total revenue, realized & unrealized				
gains and other support	<u>15,565,673</u>	<u>(378,887)</u>	<u>(4,712,384)</u>	<u>10,474,402</u>
EXPENSES				
Group home programs	3,428,211	-	-	3,428,211
Single parent programs	857,070	-	-	857,070
Foster care & adoption services	4,459,600	-	-	4,459,600
Child and family programs	2,129,918	-	-	2,129,918
Advanced & student education	451,581	-	-	451,581
Program services	<u>11,326,380</u>	<u>-</u>	<u>-</u>	<u>11,326,380</u>
Fundraising	1,296,360	-	-	1,296,360
Management and general	1,421,506	-	-	1,421,506
Support services	<u>2,717,866</u>	<u>-</u>	<u>-</u>	<u>2,717,866</u>
Total expenses	<u>14,044,246</u>	<u>-</u>	<u>-</u>	<u>14,044,246</u>
CHANGE IN NET ASSETS				
	1,521,427	(378,887)	(4,712,384)	(3,569,844)
NET ASSETS, BEGINNING OF YEAR				
	<u>67,945,736</u>	<u>6,921,670</u>	<u>62,853,059</u>	<u>137,720,465</u>
NET ASSETS, END OF YEAR				
	<u>\$ 69,467,163</u>	<u>\$ 6,542,783</u>	<u>\$ 58,140,675</u>	<u>\$ 134,150,621</u>

2014

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 3,779,281	\$ 275,254	\$ 2,126,121	\$ 6,180,656
3,183,043	-	-	3,183,043
3,021,407	298,359	-	3,319,766
-	137,431	15,361	152,792
124,463	-	-	124,463
105,248	-	-	105,248
1,136,850	(1,136,850)	-	-
<u>11,350,292</u>	<u>(425,806)</u>	<u>2,141,482</u>	<u>13,065,968</u>
<u>2,110,304</u>	<u>204,372</u>	<u>277,420</u>	<u>2,592,096</u>
<u>13,460,596</u>	<u>(221,434)</u>	<u>2,418,902</u>	<u>15,658,064</u>
3,785,222	-	-	3,785,222
486,450	-	-	486,450
4,186,444	-	-	4,186,444
2,009,097	-	-	2,009,097
406,265	-	-	406,265
<u>10,873,478</u>	<u>-</u>	<u>-</u>	<u>10,873,478</u>
1,401,340	-	-	1,401,340
1,504,097	-	-	1,504,097
<u>2,905,437</u>	<u>-</u>	<u>-</u>	<u>2,905,437</u>
<u>13,778,915</u>	<u>-</u>	<u>-</u>	<u>13,778,915</u>
(318,319)	(221,434)	2,418,902	1,879,149
<u>68,264,055</u>	<u>7,143,104</u>	<u>60,434,157</u>	<u>135,841,316</u>
<u>\$ 67,945,736</u>	<u>\$ 6,921,670</u>	<u>\$ 62,853,059</u>	<u>\$ 137,720,465</u>

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, bequests, etc.	\$ 4,643,077	\$ 3,707,038
Cash received from service recipients	3,354,146	2,807,517
Investment income	3,390,959	3,276,916
Miscellaneous receipts	109,821	108,278
Cash paid to employees and suppliers	(13,624,912)	(13,656,598)
Net cash used in operating activities	(2,126,909)	(3,756,849)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(129,170)	(603,284)
Proceeds from sale of assets	15,735	475,171
Purchase of investments	(5,651,210)	(4,017,407)
Proceeds from sales of investments	5,310,416	6,023,331
Net cash provided by (used in) investing activities	(454,229)	1,877,811
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from contributions, bequests, etc.	2,547,705	247,355
Net cash provided by financing activities	2,547,705	247,355
DECREASE IN CASH AND CASH EQUIVALENTS	(33,433)	(1,631,683)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,122,858	4,754,541
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,089,425	\$ 3,122,858
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Change in net assets	\$ (3,569,844)	\$ 1,879,149
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	312,815	353,387
(Increase) decrease in accounts receivable	376,158	(372,496)
(Increase) decrease in interest receivable	18,073	(14,491)
Decrease in contributions receivable	646,051	160,451
(Increase) decrease in prepaid assets	6,758	(303,365)
Increase in due from affiliate	(38,928)	(95,867)
Increase in estates receivable	(4,144,429)	(2,129,243)
(Increase) decrease in notes receivable	76,466	(24,740)
Increase in accounts payable	23,993	11,496
Increase in payroll liabilities	5,079	3,409
Increase (decrease) in compensated absences payable	(3,187)	33,576
Increase (decrease) in other liabilities	(7,239)	7,625
Net realized and unrealized gains (losses) on long-term investments	6,692,668	(2,592,096)
Contributions restricted for long-term investments	(2,547,705)	(247,355)
Contributions of investments and fixed assets	21,079	(301,826)
(Gain) loss on sale of assets	5,283	(124,463)
Net cash used in operating activities	\$ (2,126,909)	\$ (3,756,849)

The accompanying notes are an integral part of this statement.

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 and 2014

1. ORGANIZATION AND PURPOSE

Presbyterian Children's Homes and Services (PCHAS) is a Texas non-profit corporation established in 1903. PCHAS provides a variety of Christ-centered childcare services which minister to the spiritual, physical, intellectual, emotional, and social needs of dependent and neglected children and their families. PCHAS's Foster Care and Adoption Programs provide therapeutic foster care in traditional foster homes throughout several communities in Texas and assists children in finding their forever family. Additionally, group foster care homes are located in Itasca and Waxahachie. The Single Parent programs in Weatherford, Waxahachie, San Antonio and Houston work to bring economic and emotional stability to children and their families. In addition, the Child and Family Programs located throughout Texas and Louisiana provide a child welfare network bringing together churches, schools, and other local resources to meet the varying needs of children and their families. The Advanced Education Program provides support to and funding for former residents who are interested in pursuing higher education, vocational, technical, or job training beyond a high school education. PCHAS is primarily supported through donor contributions, fees from families and the Texas Department of Family and Protective Services, and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of PCHAS have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the significant policies.

Basis of Presentation

The financial statements of PCHAS were prepared using the accrual basis of accounting. Under this basis, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred. PCHAS has adopted Financial Accounting Standards Board (FASB) Codification Section 958-605 *Not for Profit Entities Revenue Recognition* and FASB Codification Section 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. FASB Codification Section 958-605 requires that unconditional promises to give (pledges) be recorded as receivables and revenue and requires that the organization distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. FASB Codification Section 958-205 requires that the statements be organized on the basis of unrestricted, temporarily restricted, and permanently restricted net assets for external reporting. This presentation demonstrates the existence or absence of donor-imposed restrictions. The financial statements include a Statement of Financial Position, a Statement of Activities, a Statement of Cash Flows, and related notes. In addition, we have provided a Supplemental Schedule of Functional Expense for 2015. The Financial Accounting Standards Board is the accepted standard setting body for non-profit organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, PCHAS considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

PCHAS maintains its cash in several financial institutions. All bank accounts are insured by the FDIC up to \$250,000 per financial institution. Based upon cash balances at a single financial institution, the federally-insured deposit limits are exceeded as of December 31, 2015 and 2014 by \$2,684,725 and \$2,768,633 respectively.

Investments

Investments in marketable securities are carried at market value based on the closing prices on the stock exchange as of the last day of the period. Net realized and unrealized gains (losses) are reported as changes in unrestricted or temporarily restricted net assets based on any donor restrictions. PCHAS carries its investments in real estate at fair market value.

Investments include perpetual trusts in which PCHAS has an irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets which are held in trust by a third party. The interests in perpetual trusts are valued at the latest available market value. Changes in unrealized and realized gains (losses) are recorded as changes in permanently restricted net assets.

Investment Pools

PCHAS pools donor-restricted and board-designated endowments into pooled investment accounts. Realized and unrealized gains from the pooled investment accounts are allocated to the individual donor accounts based on the daily average of the market value of each endowment to the market value of the pooled investment accounts.

The fair value of assets in an individual donor restricted endowment are all above the endowment's historic dollar value.

Accounts Receivable

Accounts receivable consists primarily of program services fees. An allowance for uncollectible accounts is determined using the aging method. All accounts over 90 days are reviewed to determine an allowance. A general reserve, based on historical experience, is created for accounts under 90 days unless there is an unusual matter of which PCHAS is aware.

Contributions and Estates Receivable

Unconditional promises to give are recognized as revenue in the period the promise is received. Conditional promises to give are recognized only when the condition on which they depend is substantially met making the promise unconditional. PCHAS is the beneficiary of several split interest agreements that include various trusts and charitable gift annuities administered by third parties. The receivable for the split interest agreements is recorded at the present value of the estimated future benefits to be received when the trust assets are distributed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Estates Receivable (Continued)

Estates are recognized in the period when notification is received. The receivable for the estates is recorded at the estimated value of PCHAS's interest in the estate when the estate assets are distributed. Pledge contributions are recorded net of discount and allowance. Discounts and allowance are amortized over the term of the pledge contributions using the aging method.

Fixed Assets

PCHAS has adopted a capitalization threshold of \$2,000 and a useful life of five years or more. Land, buildings, and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis with the following estimated useful lives:

<u>Asset Type</u>	<u>Useful Life</u>
Vehicles	5 years
Furniture and equipment	5 - 10 years
Buildings and improvements	10 - 40 years

Donated fixed assets are valued at their estimated fair value at time of donation and are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor imposed stipulations, PCHAS reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Organization to review its plans for future property and improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

Donated Materials, Supplies and Facility Usage

Donated items and free use of facilities are valued at the estimated fair value at the date of donation. As donated items are used by our programs, a corresponding expense is recorded.

Donated Services

Donated services are recognized as contributions if the services create or enhance non-financial assets or if the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by PCHAS. In addition, volunteers provide assistance with specific programs, fundraising, and work on many committees that is not recognized as revenue since the recognition criteria were not met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions, Investment Income, and Gains Restricted by Donors

PCHAS recognizes revenue from contributions when they are received and program fees as the services are provided while expenses are reported as incurred. PCHAS reports gifts or investment income and gains as restricted income if it is received with donor stipulation that restricts the gift's use or income to a specific purpose or has a time restriction. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. If these restrictions are met in the same period in which the gift or income is earned, the gift or income is recorded as unrestricted support.

Estimates

In the preparation of financial statements in conformity with generally accepted accounting principles, management uses estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported revenue and expenses. While management believes these estimates to be reasonable, actual results could differ from those estimates. Significant estimates in the financial statements relate to determination of the allowance for uncollectible receivables and pledges, depreciable lives of property and equipment, split interest receivables, and fair value of investments.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the supplemental schedule, the Schedule of Functional Expenses, for the year ended December 31, 2015. Accordingly, certain costs in the Statement of Activities and in the supplemental schedule, the Schedule of Functional Expenses, have been allocated among the programs and support services that received benefit.

Income Tax Status

PCHAS is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code, though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). The Agency has concluded that no tax benefits or liabilities are required to be recognized in accordance with generally accepted accounting principles. The last three tax years remain open to examination by taxing authorities.

PCHAS has adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting and interim periods, disclosure, and transition. Management believes there were none. In addition, PCHAS qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization other than a private foundation under Section 509(a)3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Full-time employees earn annual compensated vacation time of 2 to 4 weeks based upon their position and length of service. The maximum accrual allowed is 1 ½ times the annual accrual. Upon termination, any unused vacation time is paid to the employee. Full-time employees accrue one day of sick leave per month. A maximum of sixty days may be accrued by each employee. Upon termination of employment, unused sick leave is forfeited unless the employee has 5 years or more of service. If the employee has 5 years or more of service, they are paid 25% of their sick leave accrual upon voluntary termination.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentations. Such reclassifications had no effect on previously reported change in net assets.

Affiliation with Presbyterian Children's Homes and Services of Missouri

Effective January 15, 2013, Presbyterian Children's Homes and Services (PCHAS-TX), a Texas nonprofit corporation, entered into an affiliation agreement with Presbyterian Children's Homes and Services of Missouri (PCHAS-MO), formerly Children's Foundation of Mid-America, a Missouri nonprofit corporation. Under this affiliation, PCHAS-MO and PCHAS-TX remain separate corporations and operate programs independently. On January 15, 2013, PCHAS-MO and PCHAS-TX entered into a shared services agreement through which specified areas of knowledge and expertise are mutually shared. PCHAS-TX provides supervision and oversight to several PCHAS-MO departments including the human resources, administrative, finance, development and quality assurance staff. PCHAS-MO provides information technology support and some administrative support services to PCHAS-TX. As of December 31, 2015 and 2014, PCHAS-TX has a net receivable of \$208,947 and \$170,019 from PCHAS-MO, respectively. In 2015, PCHAS-TX provided \$71,442 of labor for administrative, development and financial support services to PCHAS-MO and the reimbursement of travel expenses and affiliated material purchases. In addition, PCHAS-MO provided \$32,514 of IT support services to PCHAS-TX.

3. CASH AND INVESTMENTS

Deposits

PCHAS invests cash in excess of daily requirements in an overnight investment account.

Long-term Investments

A portion of long-term investments is held in pooled funds at Texas Presbyterian Foundation (TPF) and is invested generally 70% in equities and 20% in fixed income investments and 10% in real estate and alternative strategies.

PCHAS also holds some investments in real estate, mineral interests, notes receivable and securities all of which were donated. Long-term investments at the end of the year consist of the following:

3. CASH AND INVESTMENTS (Continued)

Long-term Investments (Continued)

Investment Type	December 31, 2015		December 31, 2014	
	Cost Basis	Market Value	Cost Basis	Market Value
TPF pooled funds - stocks, bonds, govt securities, real estate, alternative strategies	\$ 48,420,776	\$ 67,248,878	\$ 46,888,286	\$ 68,957,818
Debt securities	20,000	20,000	20,000	20,000
Beneficial interest in trusts	47,060,120	47,060,120	51,706,652	51,706,652
Alternative strategies	6,239	6,239	7,641	7,641
Real estate	49,646	49,646	44,646	44,646
Mineral interests	12,766	12,766	30,997	30,997
Total Investments	\$ <u>95,569,547</u>	\$ <u>114,397,649</u>	\$ <u>98,698,222</u>	\$ <u>120,767,754</u>

Fair Value Measurements

The following methods and assumptions were used in estimating the fair value disclosures for the financial instruments:

Investment securities - The fair values of investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices for identical or similar securities.

Receivables - The carrying amounts reported in the statements of financial position for all receivables approximate those receivables' fair values.

Payables - The carrying amounts reported in the statements of financial position for all payables approximate those payables' fair values.

	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Interest receivables	\$ 66,226	\$ 66,226	\$ 84,299	\$ 84,299
Contribution receivables	3,086,246	3,086,246	3,732,297	3,732,297
Estates receivables	6,776,118	6,776,118	2,631,689	2,631,689
Long term investments	114,397,649	114,397,649	120,767,754	120,767,754

3. CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

FASB Codification Section 820, *Fair Value Measurements and Disclosure*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Codification Section 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that can be easily accessed.

- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014 from prior periods.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds are valued at the net asset value (NAV) of shares held at the end of the year.

Alternative investments which include pooled real estate funds, real estate, pooled alternative strategies fund, closely held hedge funds, closely held REITS and private equity are valued at other significant observable and unobservable inputs that include quoted prices of similar securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while PCHAS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

3. CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, PCHAS assets at fair value as of December 31, 2015:

	<u>Level 1</u> Quoted Prices in Active Markets for Identical Assets	<u>Level 2</u> Significant Other Observable Inputs	<u>Level 3</u> Significant Unobservable Inputs	Fair Value
TPF pooled funds - stocks, bonds, govt securities, real estate, alternative strategies	\$ 54,557,751	\$ 12,691,127	\$ -	\$ 67,248,878
Equity & debt securities	20,000	-	-	20,000
Beneficial interest in trusts	35,633,592	6,930,077	4,496,451	47,060,120
Real estate	-	49,646	-	49,646
Mineral interests	12,309	-	6,696	19,005
	<u>\$ 90,223,652</u>	<u>\$ 19,670,850</u>	<u>\$ 4,503,147</u>	<u>\$ 114,397,649</u>

The following table sets forth a summary of changes in the fair value of Level 3 assets for the year ending December 31, 2015:

Beginning balance	\$ 4,670,124
Asset changes	(188,368)
Income	12,375
Realized loss	(14,769)
Unrealized gain	23,785
Ending balance	<u>\$ 4,503,147</u>

The following table sets forth by level, within the fair value hierarchy, PCHAS assets at fair value as of December 31, 2014:

	<u>Level 1</u> Quoted Prices in Active Markets for Identical Assets	<u>Level 2</u> Significant Other Observable Inputs	<u>Level 3</u> Significant Unobservable Inputs	Fair Value
TPF pooled funds - stocks, bonds, govt securities, real estate, alternative strategies	\$ 56,178,591	\$ 12,779,227	\$ -	\$ 68,957,818
Equity & debt securities	20,000	-	-	20,000
Beneficial interest in trusts	37,581,240	9,463,386	4,662,026	51,706,652
Real estate	-	44,646	-	44,646
Mineral interests	30,540	-	8,098	38,638
	<u>\$ 93,810,371</u>	<u>\$ 22,287,259</u>	<u>\$ 4,670,124</u>	<u>\$ 120,767,754</u>

3. CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The following table sets forth a summary of changes in the fair value of Level 3 assets for the year ending December 31, 2014:

Beginning balance	\$ 5,294,655
Asset changes	(783,841)
Income	46,573
Realized loss	(37,058)
Unrealized gain	149,795
Ending balance	<u>\$ 4,670,124</u>

4. RECEIVABLES

Accounts Receivable

Accounts receivable includes fees from public and private sources to assist in the cost of childcare.

	<u>2015</u>	<u>2014</u>
Accounts receivable	\$ 368,982	\$ 743,085
Allowance for uncollectible accounts	(10,741)	(8,686)
	<u>\$ 358,241</u>	<u>\$ 734,399</u>

Contributions

Contributions receivable consists of the following:

	<u>2015</u>	<u>2014</u>
Unrestricted donations receivable	\$ 128,683	\$ 150,712
Permanently restricted donations receivable	50	6,000
Unrestricted pledges	196,286	168,097
Temporarily restricted pledges	303,137	476,840
Permanently restricted pledges	-	850
Split interest gifts	2,561,934	3,019,893
Total receivables	<u>3,190,090</u>	<u>3,822,392</u>
Allowance for uncollectible pledges	(96,827)	(79,876)
Unamortized discount on pledges	(7,017)	(10,219)
Total	<u>\$ 3,086,246</u>	<u>\$ 3,732,297</u>

In calculating the present value of the long-term pledges, PCHAS used the IRS discount rate of the month for December. The rate applied to the pledges was based on the year in which the pledge was made. The rates are as follows:

IRS Discount Rate					
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2007	5.0%	2010	1.8%	2013	2.0%
2008	3.4%	2011	1.6%	2014	2.0%
2009	3.2%	2012	1.2%	2015	2.0%

4. RECEIVABLES (Continued)

Contributions (Continued)

PCHAS is the beneficiary in several split interest agreements. PCHAS is not the trustee nor does PCHAS exercise control over the assets of the trusts, but has been named as the remainder beneficiary. A receivable is recorded for the value provided by the third party trustee, which is the difference between the present value of expected future payments to the specified beneficiary and the market value of the assets. The change in fair value from 2014 to 2015 is an increase of \$186,375 and from 2013 to 2014 was an increase of \$152,792.

Total contribution receivables expected to be received within one year total \$2,033,377; between one to five years \$685,974 and longer than 5 years are \$470,739.

Estates

PCHAS is the beneficiary in several estates that are pending distribution. Receivables from estates total \$6,776,118 and \$2,631,689, as of December 31, 2015 and 2014, respectively. Amounts expected to be received within one year are \$6,735,099 and between one and five years \$41,019.

Notes Receivable

As of December 31, 2015 and 2014, the balance in notes receivable includes principal and accumulated interest of \$615,193 and \$691,712 due from a note to Presbyterian Children's Homes and Services of Missouri (PCHAS-MO), a Missouri nonprofit corporation, and \$4,349 and \$4,296 due from others, respectively. In January of 2013, PCHAS-TX and PCHAS-MO entered into an affiliation agreement that is expected to provide mutual benefit to the organizations. PCHAS-TX has extended an \$850,000 line of credit to PCHAS-MO. Interest accrues at the rate of prime plus 0.5%. The line of credit is scheduled to mature on December 31, 2018.

5. ENDOWMENT FUNDS

PCHAS's endowment consists of a number of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of PCHAS has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the purchasing power (real value) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, PCHAS classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (4) the portion of investment return added to the permanent endowment to maintain its purchasing power. For purposes of determining that portion, each year PCHAS adjusts permanently restricted net assets by an amount determined to be reasonable for use in the operations but also provide for the change in the average Consumer Price Index (CPI). If the endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets' real value, that excess is maintained as endowment assets in permanently restricted net assets until

5. ENDOWMENT FUNDS (Continued)

Interpretation of Relevant Law (Continued)

appropriated by the Board for expenditure. In accordance with TUPMIFA, PCHAS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

- 1) The duration and preservation of the fund;
- 2) The purposes of the organization and the donor-restricted endowment fund;
- 3) The general economic conditions;
- 4) The possible effect of inflation or deflation;
- 5) The expected total return from income and the appreciation of investments;
- 6) Other resources of the organization;
- 7) The investment policies of the organization.

Endowment Net Asset Classification by Type of Fund as of December 31, 2015

Endowment Type	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ -	\$ 2,725,251	\$ 58,140,675	\$ 60,865,926
Board designated	53,950,243	-	-	53,950,243
Total investments	<u>\$ 53,950,243</u>	<u>\$ 2,725,251</u>	<u>\$ 58,140,675</u>	<u>\$ 114,816,169</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2015

Endowment Assets	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning balance	\$ 57,364,537	\$ 3,151,538	\$ 62,853,059	\$ 123,369,134
<u>Investment return</u>				
Investment return	651,591	74,495	-	726,086
Net depreciation				
realized & unrealized	(1,433,451)	(215,573)	(4,980,499)	(6,629,523)
Total investment return	<u>(781,860)</u>	<u>(141,078)</u>	<u>(4,980,499)</u>	<u>(5,903,437)</u>
Contributions	-	-	268,115	268,115
Appropriation of endowment				
assets for expenditure	292,958	-	-	292,958
Transfer to undesignated	(2,925,392)	(285,209)	-	(3,210,601)
Ending balance	<u>\$ 53,950,243</u>	<u>\$ 2,725,251</u>	<u>\$ 58,140,675</u>	<u>\$ 114,816,169</u>

5. ENDOWMENT FUNDS (Continued)

Endowment Net Asset Classification by Type of Fund as of December 31, 2014

Endowment Type	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ -	\$ 3,151,538	\$ 62,853,059	\$ 66,004,597
Board designated	<u>57,364,537</u>	<u>-</u>	<u>-</u>	<u>57,364,537</u>
Total investments	<u>\$ 57,364,537</u>	<u>\$ 3,151,538</u>	<u>\$ 62,853,059</u>	<u>\$ 123,369,134</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2014

Endowment Assets	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning balance	\$ 57,144,151	\$ 3,130,222	\$ 60,434,157	\$ 120,708,530
<u>Investment return</u>				
Investment return	715,274	75,261	-	790,535
Net appreciation realized & unrealized	<u>2,107,001</u>	<u>204,372</u>	<u>292,781</u>	<u>2,604,154</u>
Total investment return	<u>2,822,275</u>	<u>279,633</u>	<u>292,781</u>	<u>3,394,689</u>
Contributions	-	-	2,126,121	2,126,121
Appropriation of endowment assets for expenditure	24,683	-	-	24,683
Transfer to undesignated	<u>(2,626,572)</u>	<u>(258,317)</u>	<u>-</u>	<u>(2,884,889)</u>
Ending balance	<u>\$ 57,364,537</u>	<u>\$ 3,151,538</u>	<u>\$ 62,853,059</u>	<u>\$ 123,369,134</u>

Return Objectives and Risk Parameters

PCHAS has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to result in high yields while assuming a moderate level of investment risk. PCHAS expects its endowment funds, over time, to provide an average rate of return of approximately eight (8) percent annually. Actual returns in any given year may vary from this amount.

6. FIXED ASSETS

Property and equipment consist of the following at year-end:

	Balance 12/31/2014	Additions/ Transfers	Deletions/ Transfers	Balance 12/31/2015
Land	\$ 959,808	\$ -	\$ -	\$ 959,808
Buildings and improvements	11,220,893	98,480	(88,282)	11,231,091
Furniture and equipment	625,520	30,690	(50,487)	605,723
Vehicles	18,047	-	-	18,047
Total fixed assets	12,824,268	129,170	(138,769)	12,814,669
Less: accumulated depreciation	(6,504,864)	(312,815)	117,751	(6,699,928)
Net fixed assets	\$ 6,319,404	\$ (183,645)	\$ (21,018)	\$ 6,114,741

Depreciation expense totaled \$312,815 in 2015 and \$353,387 in 2014.

PCHAS reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairments were indicated in 2015 or 2014.

7. NET ASSET CLASSIFICATIONS

Unrestricted

Unrestricted net assets represent resources over which the board has discretionary authority.

Temporarily Restricted

Temporarily restricted net assets include gifts that were received and are designated for a specific use or have a time restriction. When the restrictions are met, the net assets are released from the temporarily restricted fund to the unrestricted fund and reported on the statement of activities.

Temporarily restricted net assets are available for the following purposes:

	2015	2014
Permanent improvements	\$ 259,644	\$ 352,926
Advanced education	3,483,269	3,572,870
General education	176,394	298,261
Christian education	29,646	36,302
Special services	22,755	24,887
Time restricted	2,427,749	2,596,513
Other	143,326	39,911
Total	\$ 6,542,783	\$ 6,921,670

7. NET ASSET CLASSIFICATIONS (Continued)

Temporarily Restricted (Continued)

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes or by expiration of time restrictions:

	<u>2015</u>	<u>2014</u>
Permanent improvements	\$ 105,537	\$ 504,912
Advanced education	114,200	100,583
General education	122,644	53,654
Christian education	6,332	1,879
Special Services	1,683	1,692
Time restrictions	516,253	425,695
Other	12,575	48,435
Total	<u>\$ 879,224</u>	<u>\$ 1,136,850</u>

Permanently Restricted

Permanently restricted net assets include endowment funds which PCHAS must hold in perpetuity and can only spend the income. Trusts held by a third party in perpetuity for the benefit of PCHAS are also included in this net asset category. Gains on these investments are available for use as specified by the donor. Permanently restricted net assets categorized by income restriction are as follows:

	<u>2015</u>	<u>2014</u>
Advanced education	\$ 3,931,737	\$ 4,033,040
General education	4,407,009	2,560,964
Christian education	250,482	248,786
Special services	10,553	10,553
Permanent improvements	1,425,467	1,492,969
Other	72,420	75,886
Undesignated	48,043,007	54,430,861
Total	<u>\$ 58,140,675</u>	<u>\$ 62,853,059</u>

8. EMPLOYEE DEFINED CONTRIBUTION PLAN

PCHAS has established a 403(b) defined contribution plan to purchase annuity contracts for its employees in order to provide funds for their retirement or for their beneficiaries in the event of their death. All employees are eligible to contribute by voluntary salary reduction upon employment. All employees are eligible to receive employer contributions upon completion of one year of service or 1,000 hours of service in a twelve month period. Upon meeting eligibility requirements to receive employer contributions, PCHAS will contribute an amount equal to 3% of each employee's base salary as a non-matching contribution. PCHAS will make additional matching contributions based upon 200% of an employee's participation in the plan through a voluntary salary reduction up to a total match of 6%. PCHAS contributed \$487,845 and \$476,737 to the plan on behalf of employees during the year ended December 31, 2015 and 2014, respectively. No significant changes were made to the plan.

9. OPERATING LEASES

PCHAS leases office space under operating leases that have initial or remaining non-cancelable lease terms in excess of one year. In addition, the Organization leases its fleet vehicles under an agreement that does not require a minimum term. As of December 31, 2015 the minimum lease payments for those operating leases are as follows:

	Year Ending December 31	
2016	\$	182,038
2017		187,995
2018		110,245
2019		109,028
Thereafter		160,056
	\$	<u>749,362</u>

Rent expense totaled \$393,576 in 2015 and \$314,181 in 2014.

10. SUBSEQUENT EVENTS

Management of PCHAS has evaluated subsequent events through May 20, 2016, the issuance date of this report. Consequently, there are no particular events that have any effect related to the financial position of the organization for the year ending December 31, 2015 and do not require additional disclosure.

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SUPPLEMENTAL SCHEDULE

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

Classification	Group Home Programs	Single Parent Programs	Foster Care & Adoption Services	Child & Family Programs	Advanced & Student Education
Aftercare	\$ -	\$ -	\$ -	\$ -	\$ 980
Allowance	20,337	-	-	-	28,255
Association dues & fees	1,094	277	3,084	2,521	120
Bad debt expense	-	-	-	-	-
Bank service fees	157	-	-	124	-
Campus activities	6,152	-	-	-	-
Charitable giving	8,120	-	-	-	-
Children's gifts	26,863	2,867	17,911	-	3,500
Christian education	2,061	572	-	43	-
Clothing	33,627	1,166	7	-	-
Computer	27,300	14,331	29,984	17,765	6,544
Daycare	-	14,525	-	-	-
Depreciation	166,037	76,960	22,569	2,977	11,369
Employee relations	1,404	146	1,161	735	111
Entertainment & hospitality	5,746	2,351	20,043	5,668	761
Estate administration	-	-	-	-	-
Food	139,022	6,555	-	-	-
Foster care fees	-	-	1,316,719	-	-
Furniture and equipment	19,671	3,270	14,734	2,102	604
Grooming & personal care	9,207	424	28	-	-
Grounds maintenance	5,082	7,985	1,238	-	-
Housekeeping supplies	38,593	6,691	2,527	802	73
Insurance	98,707	52,047	52,604	30,014	7,941
Interest & financing fees	123	30	73	-	-
Legal	-	-	6,773	-	-
Licensing expense	4,113	431	178	-	-
Mailing services	-	-	-	-	-
Medical care	10,142	589	519	-	13
Miscellaneous	638	268	240	105	-

<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Support Services</u>	<u>Total</u>
\$ 980	\$ -	\$ -	\$ -	\$ 980
48,592	-	-	-	48,592
7,096	760	13,224	13,984	21,080
-	-	5,538	5,538	5,538
281	-	52,979	52,979	53,260
6,152	-	-	-	6,152
8,120	-	-	-	8,120
51,141	-	-	-	51,141
2,676	-	-	-	2,676
34,800	-	-	-	34,800
95,924	29,385	16,202	45,587	141,511
14,525	-	-	-	14,525
279,912	15,467	17,436	32,903	312,815
3,557	479	592	1,071	4,628
34,569	6,098	2,268	8,366	42,935
-	-	2,348	2,348	2,348
145,577	-	-	-	145,577
1,316,719	-	-	-	1,316,719
40,381	16	2,596	2,612	42,993
9,659	-	-	-	9,659
14,305	-	-	-	14,305
48,686	573	1,856	2,429	51,115
241,313	20,754	64,561	85,315	326,628
226	73	-	73	299
6,773	-	2,288	2,288	9,061
4,722	-	-	-	4,722
-	21,689	-	21,689	21,689
11,263	-	-	-	11,263
1,251	-	100	100	1,351

(continued)

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

Classification	Group Home Programs	Single Parent Programs	Foster Care & Adoption Services	Child & Family Programs	Advanced & Student Education
Office supplies	15,748	3,301	21,917	9,437	830
Outreach	-	10,342	10,715	173,803	-
Personnel - salaries	1,646,564	367,220	1,870,037	1,253,316	237,053
Personnel - benef & taxes	523,390	110,739	535,164	382,339	47,921
Photography	161	-	9	27	-
Post adoption services	-	-	403	-	-
Postal & delivery fees	1,408	275	2,572	1,059	350
Printing services	82	724	4,294	694	8
Program supplies	2,803	1,715	6,938	7,722	2,553
Public relations	269	129	7,966	144	-
Professional services	13,001	3,574	64,841	9,292	1,514
Recreation	38,186	6,906	-	-	-
Recruiting	11,517	1,558	13,458	5,442	2,345
Rent	107,254	27,960	184,601	42,751	11,607
Room & board - college	-	-	-	-	5,443
Repairs & maintenance	127,533	21,936	13,750	2,466	1,649
Safety program	5,732	2,278	17,140	1,111	435
School activities	3,722	-	-	-	-
School supplies	5,169	486	-	5,955	1,262
Senior retreat	-	-	-	-	355
Special events	3,264	383	1,827	1,428	37
Staff training	4,505	2,393	23,918	5,948	2,183
Taxes	-	-	-	-	-
Telephone	23,250	14,606	31,792	32,573	2,734
Therapy/psychiatric care	3,221	340	-	6,280	-
Transp - maintenance	30,268	8,101	7,510	4,673	1,022
Transp - gasoline	46,197	8,066	13,548	9,429	1,439
Travel - children/clients	6	1,391	103	-	219
Travel	11,060	9,758	119,687	109,845	3,820
Tuition and fees	-	456	-	-	62,241
Utilities	179,705	60,948	17,018	1,328	4,290
Total	\$ 3,428,211	\$ 857,070	\$ 4,459,600	\$ 2,129,918	\$ 451,581

Total Program Services	Fundraising	Management and General	Total Support Services	Total
51,233	4,770	4,520	9,290	60,523
194,860	-	-	-	194,860
5,374,190	732,181	875,890	1,608,071	6,982,261
1,599,553	166,688	226,545	393,233	1,992,786
197	-	-	-	197
403	-	-	-	403
5,664	59,846	3,463	63,309	68,973
5,802	77,807	65	77,872	83,674
21,731	-	-	-	21,731
8,508	16,207	-	16,207	24,715
92,222	8,659	40,920	49,579	141,801
45,092	-	-	-	45,092
34,320	-	-	-	34,320
374,173	10,441	8,962	19,403	393,576
5,443	-	-	-	5,443
167,334	12,272	14,941	27,213	194,547
26,696	1,629	122	1,751	28,447
3,722	-	-	-	3,722
12,872	-	-	-	12,872
355	-	-	-	355
6,939	42,015	-	42,015	48,954
38,947	803	1,148	1,951	40,898
-	-	20,570	20,570	20,570
104,955	9,229	7,625	16,854	121,809
9,841	-	-	-	9,841
51,574	2,310	1,759	4,069	55,643
78,679	4,356	2,369	6,725	85,404
1,719	-	-	-	1,719
254,170	47,569	24,409	71,978	326,148
62,697	-	-	-	62,697
263,289	4,284	6,210	10,494	273,783
<u>\$ 11,326,380</u>	<u>\$ 1,296,360</u>	<u>\$ 1,421,506</u>	<u>\$ 2,717,866</u>	<u>\$ 14,044,246</u>

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