



Presbyterian Children's Homes and Services

**PRESBYTERIAN CHILDREN'S HOMES AND SERVICES
OF MISSOURI
AUDITED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS
December 31, 2015 and 2014**

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI

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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Presbyterian Children's Homes and Services of Missouri
St. Louis, Missouri

We have audited the accompanying financial statements of Presbyterian Children's Homes and Services of Missouri (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 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 audits 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 supplementary schedules on pages 31-33 are presented for purposes of additional analysis and are 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

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 272,327	\$ 158,552
Receivables		
Bequests from estates and trusts	-	66,500
Government and local agencies, net of allowance	539,402	683,701
Related party	-	226,099
Contributions, net of allowance	98,187	27,662
Prepaid expenses	51,936	68,321
Total current assets	<u>961,852</u>	<u>1,230,835</u>
Investments, at fair value	601,346	216,031
Investments, at cost	7,000	7,000
Other assets	67,065	68,433
Scholarship loans	9,729	12,718
Property and equipment	5,012,867	5,166,491
Assets held in charitable remainder trusts	412,780	429,569
Beneficial interests in third-party trusts		
Charitable remainder trusts	139,725	160,204
Perpetual trusts	2,777,774	2,866,523
Total Assets	<u>\$ 9,990,138</u>	<u>\$ 10,157,804</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Lines of credit	175,000	242,260
Current portion of long-term debt	153,510	146,738
Accounts payable	133,193	203,274
Accrued expenses	310,083	256,634
Due to affiliate	208,947	170,019
Related party payable	29,975	-
Current portion of annuities payable	37,192	37,422
Total current liabilities	<u>1,047,900</u>	<u>1,056,347</u>
Long-term debt	3,646,692	3,876,941
Long-term annuities payable	160,014	188,289
Total liabilities	<u>4,854,606</u>	<u>5,121,577</u>
NET ASSETS		
Unrestricted	426,739	307,804
Temporarily restricted	856,323	804,109
Permanently restricted	3,852,470	3,924,314
Total net assets	<u>5,135,532</u>	<u>5,036,227</u>
Total liabilities and net assets	<u>\$ 9,990,138</u>	<u>\$ 10,157,804</u>

The accompanying notes are an integral part of this statement.

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2015 and 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUES				
Contributions				
Public	\$ 496,590	\$ 87,093	\$ -	\$ 583,683
Estates and trusts	150,458	-	-	150,458
Related organizations	80,593	-	-	80,593
Total contributions	<u>727,641</u>	<u>87,093</u>	<u>-</u>	<u>814,734</u>
Fees and grants from govt and local agencies	3,016,722	-	-	3,016,722
Program service fees	5,707,010	-	-	5,707,010
Interest and dividends	36,616	852	6,374	43,842
Gain (loss) on investments	8,432	1,537	12,981	22,950
Gain (loss) on charitable remainder trusts	-	(37,268)	-	(37,268)
Loss from perpetual trusts	-	-	(88,749)	(88,749)
Gain on sale of assets	459,506	-	-	459,506
Gain (loss) on annuities	(8,798)	-	-	(8,798)
Other income	178,194	-	-	178,194
Total public support and revenues	<u>10,125,323</u>	<u>52,214</u>	<u>(69,394)</u>	<u>10,108,143</u>
EXPENSES				
Program services				
Residential treatment	4,070,346	-	-	4,070,346
Professional services	4,774,986	-	-	4,774,986
Total program services	<u>8,845,332</u>	<u>-</u>	<u>-</u>	<u>8,845,332</u>
Supporting services				
Management and general	691,304	-	2,450	693,754
Development and public relations	469,752	-	-	469,752
Total expenses	<u>10,006,388</u>	<u>-</u>	<u>2,450</u>	<u>10,008,838</u>
CHANGES IN NET ASSETS	118,935	52,214	(71,844)	99,305
NET ASSETS, Beginning	307,804	804,109	3,924,314	5,036,227
NET ASSETS, Ending	<u>\$ 426,739</u>	<u>\$ 856,323</u>	<u>\$ 3,852,470</u>	<u>\$ 5,135,532</u>

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 446,998	\$ 24,859	\$ -	\$ 471,857
93,155	-	-	93,155
89,824	-	-	89,824
<u>629,977</u>	<u>24,859</u>	<u>-</u>	<u>654,836</u>
3,300,037	-	-	3,300,037
5,611,667	-	-	5,611,667
31,205	1,268	3,979	36,452
5	(1,307)	17,566	16,264
-	12,803	-	12,803
-	-	(56,909)	(56,909)
13,224	-	-	13,224
46,178	-	-	46,178
525,717	-	-	525,717
<u>10,158,010</u>	<u>37,623</u>	<u>(35,364)</u>	<u>10,160,269</u>
4,315,682	-	-	4,315,682
4,545,854	-	-	4,545,854
<u>8,861,536</u>	<u>-</u>	<u>-</u>	<u>8,861,536</u>
773,428	-	6,370	779,798
437,610	-	-	437,610
<u>10,072,574</u>	<u>-</u>	<u>6,370</u>	<u>10,078,944</u>
85,436	37,623	(41,734)	81,325
222,368	766,486	3,966,048	4,954,902
<u>\$ 307,804</u>	<u>\$ 804,109</u>	<u>\$ 3,924,314</u>	<u>\$ 5,036,227</u>

The accompanying notes are an integral part of this statement.

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2015 and 2014

	Years Ended December 31,	
	2015	2014
OPERATING ACTIVITIES		
Change in net assets	\$ 99,305	\$ 81,325
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Bad debts	45,050	32,940
Depreciation	190,037	204,042
Gain on sale of assets	(459,506)	(13,224)
Gain on investments	(22,950)	(16,264)
Loss (gain) from charitable remainder trusts	37,268	(12,803)
Loss from perpetual trusts	88,749	56,909
Losses (gains) on annuities	8,798	(46,178)
Changes in:		
Receivables		
Bequests from estates and trusts	66,500	187,211
Government and local agencies	110,967	9,048
Contributions	(82,243)	(33,689)
Related party	226,099	(76,708)
Prepaid expenses	16,385	(24,895)
Other assets	1,368	1,368
Assets held in charitable remainder trusts	16,789	(11,668)
Scholarship loans	2,989	14,724
Beneficial interests in third-party trusts	(16,789)	11,668
Accounts payable	(70,081)	(160,436)
Due to affiliate	38,928	95,867
Related party payable	29,975	-
Accrued expenses	53,449	(325,969)
Annuities payable	(37,303)	(39,794)
Net cash provided by (used in) operating activities	<u>343,784</u>	<u>(66,526)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(106,409)	(19,359)
Proceeds from sale of property and equipment	529,502	123,600
Proceeds from sale of investments	223,149	133,336
Purchase of investments	(585,514)	(103,890)
Net cash provided by investing activities	<u>60,728</u>	<u>133,687</u>
FINANCING ACTIVITIES		
Borrowings on lines of credit	835,113	1,298,521
Repayment on lines of credit	(902,373)	(1,475,839)
Repayment of long term debt	(223,477)	(140,193)
Net cash used in financing activities	<u>(290,737)</u>	<u>(317,511)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,775	(250,350)
CASH AND CASH EQUIVALENTS, Beginning	158,552	408,902
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 272,327</u>	<u>\$ 158,552</u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u>\$ 154,358</u>	<u>\$ 181,230</u>

The accompanying notes are an integral part of this statement.

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Presbyterian Children's Homes & Services of Missouri (PCHAS-MO) 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.

History

Presbyterian Children's Homes and Services of Missouri (PCHAS-MO), a Missouri non-profit corporation, was formerly Children's Foundation of Mid-America, Inc. The Agency was established in 1914 and changed its name to Presbyterian Children's Homes and Services of Missouri (PCHAS-MO) in 2013 upon affiliation with Presbyterian Children's Homes and Services (PCHAS-TX). PCHAS-MO provides Christ-centered care and support to children and families in need through residential treatment programs for adolescents, professional services such as community based case management programs for children of all ages that are from troubled family backgrounds and other related family services.

PCHAS-MO program services are provided in the following locations.

<u>Residential Treatment</u>	<u>Professional Services</u> <u>Community Based/Case Management</u>
Farmington	Springfield
Springfield	Joplin
Columbia	St. Louis

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, student loans and pledges, depreciable lives of property and equipment, valuation of annuities payable and fair value of investments.

Financial Statement Presentation

The financial statements of PCHAS-MO 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.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

PCHAS-MO resources are classified for accounting and reporting purposes into three asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories is as follows:

Unrestricted Net Assets - Represent those net assets that are not restricted by donors. All contributions are considered to be available for unrestricted use and available for operations unless specifically restricted by the donor.

Temporarily Restricted Net Assets - Represent those net assets whose use has been limited by donor-imposed stipulations that either specify expenditures, expire by passage of time, or can be fulfilled and removed by actions of the Board pursuant to those stipulations. Net assets in this classification are primarily related to time and program restrictions.

Permanently Restricted Net Assets - Represent those net assets that must be maintained in perpetuity, the income from which can be spent for operations except for the Park Fund and beneficial interest in third-party trusts. The income from these funds is subject to restrictions.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, PCHAS-MO considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents are stated at cost, which approximates market value.

PCHAS-MO from time to time during the year may have bank balances in excess of its insured limits. Management has deemed this as normal business risk.

PCHAS-MO has money market mutual funds, which are not federally insured, but are subject to Securities Investor Protection Coverage (SIPC) as of December 31, 2015 and December 31, 2014.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Receivables are deemed to be past due once they are more than 60 days old. 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 trade accounts receivable.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

Changes in the allowance for doubtful accounts, including receivables from government and local agencies, contributions, and scholarship loans, are as follows:

	As of and for the Years Ended December 31,	
	2015	2014
Balance - Beginning	\$ 47,212	\$ 64,490
Provision for Doubtful Accounts	45,050	32,940
Accounts Written Off	(12,000)	(50,218)
Balance - Ending	<u>\$ 80,262</u>	<u>\$ 47,212</u>

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-MO also has an investment in a related party that is recorded at cost.

Scholarship Loans

PCHAS-MO provides educational loans to eligible residents and former resident students based on restricted net assets. Educational loans to residents and former residents are non-interest bearing and are funded through donor restricted funds. The Agency has historically extended educational loans with a simple interest rate of 5% to former and current employees and their families. This practice was discontinued in 2013.

Student loans are stated at cost when awarded. The student is obligated to start repaying the loans upon graduation. Generally, repayment of loans is scheduled over five years. No interest is charged or accrued on loans while a student is actively enrolled in school.

There was no change in the allowance for uncollectible accounts from 2014 to 2015. The change in the allowance for 2014 was \$5,115.

Property and Equipment

Purchases of property and equipment with values of \$2,000 or more are capitalized, while all other purchases are recorded as expense in the year purchased. Property and equipment is recorded at cost, if purchased, or at estimated fair market value on the date of receipt, if donated.

Depreciation of property and equipment is provided on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Building Improvements	40
Furniture, Fixtures and Equipment	5 - 10
Vehicles	3

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional promises-to-give cash and other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are temporarily restricted as to use by the donor are reported as unrestricted when the restriction is fulfilled in the same time period in which the contribution is received.

Contributions that have been pledged but not received as of the end of an accounting period are reported at the net present value of the future cash flows of such pledges. Contributions that are conditional upon some event are not reported until such time as the condition has been met. Certain grants may qualify as contributions and, accordingly, they are recognized as support when made.

Designation of Unrestricted Net Assets

It is the policy of the Board of Trustees 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.

Program Service Fees and Grants from Governmental and Local Agencies

Fees and grants from governmental and local agencies are generally recognized as revenue in the period that specific services are performed.

Program service fees are recognized when the services are provided and are reported at the net realizable amounts from private payers, third-party payers, and others.

Contributions, Investment Income and Gains Restricted by Donors

PCHAS-MO 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.

Estate Bequests and Beneficial Interest

PCHAS-MO records contributions from donors for legacies and bequests as it is notified and the amounts are determinable. Additionally, the Agency records contributions from donors for charitable gift annuities.

PCHAS-MO is beneficiary of trusts in which the donors have established perpetual trusts administered by third-party trustees. PCHAS-MO has the irrevocable right to receive the income earned on the trust assets in perpetuity. The amount recorded in the statement of financial position represents the estimated fair value of the contributions based on its percentage interest of the fair value of the trust assets.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estate Bequests and Beneficial Interest (Continued)

PCHAS-MO is a beneficiary of charitable remainder trusts. PCHAS-MO has the irrevocable right to receive the distributions for a specified period of time and/or principal of the trust at the death of the donors or beneficiaries. The amount recorded in the statement of financial position represents the estimated fair value of the contribution measured as the present value of the principal based upon the actuarial lives of the donors.

Donated Materials

PCHAS-MO records the value of donated materials as contributions when there is an objective basis available to measure their fair value. 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-MO. 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.

Advertising

Advertising costs are charged to operations when incurred and were \$2,413 and \$973 for the years ended December 31, 2015 and 2014, respectively.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. PCHAS-MO determines the fair values of its financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

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 from prior periods.

Corporate stocks, bond and equity funds, 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.

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-MO 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.

Declines in the fair value of individual investments below their cost that are other than temporary result in write-downs of the individual securities to their fair value. The related write-downs are included in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the St. Louis Region to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Income Tax Status

PCHAS-MO 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-MO 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-MO 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.

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.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Full-time employees accrue 18 to 34 days per year of Earned Time Off (ETO) based upon their position and length of service. The maximum balance allowed is 42 days. Upon termination, employees are paid up to 100% of their unused ETO balance depending on their length of service.

Functional Expenses

PCHAS-MO allocates expenses on a functional basis among its various program and supporting services. Expenses that can be directly associated with a specific program are allocated directly according to their functional expense classification. Other expenses that are common to several functions are allocated by various statistical bases. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency.

Affiliation with Presbyterian Children's Homes and Services

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-MO has a net payable of \$208,947 and \$170,019 to PCHAS-TX, 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.

NOTE 2 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31,	
	2015	2014
Checking	\$ 222,705	\$ 106,882
Money market mutual funds	49,622	51,670
	\$ 272,327	\$ 158,552

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 3 — INVESTMENTS

Investments consist of the following:

	December 31,	
	2015	2014
Investments, at fair value		
Corporate stocks	\$ 58,834	\$ 187,237
Bond funds	542,221	8,539
Equity funds	-	19,900
U.S. government obligations	291	355
	<u>\$ 601,346</u>	<u>\$ 216,031</u>
Investments, at cost		
Investment in Missouri Alliance for Children and Families, L.L.C.	<u>\$ 7,000</u>	<u>\$ 7,000</u>

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	2015	2014
Land	\$ 1,301,635	\$ 1,301,635
Buildings and building improvements	6,230,741	6,559,399
Furniture, fixtures and equipment	882,018	914,723
Vehicles	158,788	152,706
	8,573,182	8,928,463
Less accumulated depreciation	<u>(3,560,315)</u>	<u>(3,761,972)</u>
	<u>\$ 5,012,867</u>	<u>\$ 5,166,491</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$190,037 and \$204,042, respectively. PCHAS-MO 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.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 5 — ASSETS HELD IN CHARITABLE REMAINDER TRUSTS

Donors have established charitable remainder trusts, naming the PCHAS-MO as the trustee. Charitable remainder trusts provide for the payment of distributions to designated beneficiaries over the trusts' terms. At the end of the trusts' terms, the remaining assets are to be available for the Agency's use, subject to donor-imposed restrictions. Assets held in charitable remainder trusts at December 31, 2015 and 2014 totaled \$412,780 and \$429,569, respectively, and are reported at fair value in the Agency's statement of financial position. These trust assets, which are invested and administered by bank trustees, are invested generally in equity securities (85%), fixed income securities (10%), and cash equivalents (5%).

Income from charitable remainder trusts including gains is reflected in the Agency's statement of activities. On an annual basis, PCHAS-MO reviews the need to re-evaluate the liability to make distributions to the designated beneficiaries based on actuarial assumptions. There were no changes in actuarial assumptions resulting in revaluations during the years ended December 31, 2015 and 2014. There was no liability under the unitrust as of December 31, 2015.

Donors have also established trusts with third party financial institutions naming PCHAS-MO as the beneficiary of charitable remainder trusts. At the time of the donors' deaths, the trusts are to terminate and remaining trust assets are to be distributed to PCHAS-MO and other entities, based upon formulas set forth in the trusts.

NOTE 6 — BENEFICIAL INTEREST IN THIRD-PARTY TRUSTS

Charitable Remainder Trusts

Based upon donor life expectancy, the present value of future benefits expected to be received by the Agency is estimated to be \$139,725 and \$160,204 at December 31, 2015 and 2014, respectively. These trust assets, which are invested and administered by bank trustees, are invested generally in equity securities (64%), alternative strategies (19%), fixed income securities (12%), and cash equivalents (5%).

Changes in the fair value of charitable remainder trusts are reflected as changes in temporarily restricted net assets in the Agency's statement of activities.

Perpetual Trusts

PCHAS-MO is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Agency. PCHAS-MO has legally enforceable rights and claims to such assets, including the sole right to income. These trust assets, which are invested and administered by bank trustees, are invested generally in equity securities (37%), fixed income securities (10%), alternative strategies (50%) and cash equivalents (3%).

The change in fair value related to the beneficial interests is reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value at December 31, 2015 and 2014 of those beneficial interest was \$2,777,774 and \$2,866,523 respectively.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 7 — LINES OF CREDIT

Notes payable consists of the following:

	December 31,	
	2015	2014
\$200,000 line of credit with a bank; interest payable monthly at prime rate plus 0.50%, subject to 4.75% floor; principal and interest due April 9, 2016, secured by property	\$ -	\$ 198,629
\$250,000 line of credit with a bank; interest payable monthly at prime rate plus 0.50%, subject to 4.00% floor; principal and interest due Sept. 22, 2016, secured by property	175,000	43,631
	<u>\$ 175,000</u>	<u>\$ 242,260</u>

The prime rate at December 31, 2015 and 2014 was 3.5% and 3.25%, respectively. Interest paid on lines of credit for the years ended December 31, 2015 and 2014 was \$3,453 and \$16,709, respectively.

NOTE 8 — LONG-TERM DEBT

Long-term debt consists of the following:

	December 31,	
	2015	2014
\$1,162,982 term loan with bank; payable in monthly installments of \$7,598, including interest, payable at 4.85%; final payment due November 21, 2027 - collateralized by real property	\$ 823,968	\$ 873,634
\$750,000 term loan with bank; payable in monthly installments of \$4,544, including interest, at lender's 1 Yr. CD rate plus 3.5%; final payment due October 9, 2029 - collateralized by real property	567,291	596,683
\$2,000,000 term loan with bank; payable in monthly installments of \$12,618, including interest, payable at 4.5%; final payment due in January 15, 2018 - collateralized by real property	1,793,750	1,861,650
\$850,000 line of credit with an affiliated organization; interest payable monthly at prime rate plus 0.50% ; principal and interest due December 31, 2018, secured by property.	615,193	691,712
	<u>3,800,202</u>	<u>4,023,679</u>
Less current portion of long-term debt	153,510	146,738
	<u>\$ 3,646,692</u>	<u>\$ 3,876,941</u>

Interest paid on long-term debt for the years ended December 31, 2015 and 2014 was \$145,234 and \$151,261, respectively.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 8 — LONG-TERM DEBT (Continued)

Future maturities of long-term debt are as follows:

	Year Ending December 31,
2016 - current portion	153,510
2017	161,188
2018	2,354,769
2019	95,365
2020	99,805
Thereafter	935,565
	<u>\$ 3,800,202</u>

NOTE 9 — ANNUITIES PAYABLE

PCHAS-MO receives donations from benefactors in exchange for annuities that provide income to a named beneficiary (or beneficiaries) until their death. The difference between the amount of the donation and the present value of expected future payments to the beneficiary is recognized as revenue in the year of the donation. The total expected annual payments are \$37,192 and \$37,422 at December 31, 2015 and 2014, respectively. In calculating the present value of the annuities, PCHAS-MO used a discount rate based on the IRS applicable federal rate for the month the contributions were received, which were applied to the current expected payoff based on the annuitant's remaining expected life.

Future maturities of annuities payable are as follows:

	Year Ending December 31,
2016 - current portion	37,192
2017	34,868
2018	32,240
2019	23,710
2020	17,655
Thereafter	51,541
	<u>\$ 197,206</u>

NOTE 10 — TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	December 31,	
	2015	2014
Program and purpose restrictions		
Scholarships	\$ 189,515	\$ 189,515
Time restrictions	666,808	614,594
	<u>\$ 856,323</u>	<u>\$ 804,109</u>

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 10 — TEMPORARILY RESTRICTED NET ASSETS (Continued)

There were no net assets released from donor restrictions by satisfying the restricted purpose for the year ended December 31, 2015 or the year ended December 31, 2014.

NOTE 11 — PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	December 31,	
	2015	2014
Endowment funds managed by PCHAS-MO	\$ 1,074,696	\$ 1,057,791
Beneficial interests in third-party trusts- Managed by Trust companies	2,777,774	2,866,523
	<u>\$ 3,852,470</u>	<u>\$ 3,924,314</u>

NOTE 12 — ENDOWMENT

Endowment

The Agency's endowment consists of various funds established for a variety of purposes. Its endowment includes donor restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions.

Uniform Prudent Management of Institutional Funds Act

The Uniform Law Commission (ULC) approved the Uniform Prudent Management of Institutional Funds Act (UPMIFA) that serves as a guideline for states to use in enacting legislation related to the UPMIFA. In response to the ULC's act the Financial Accounting Standards Board (FASB) issued Endowments of Not-for-Profit Organizations, which requires substantial additional disclosures relating to endowments. The State of Missouri passed legislation enacting a state version of the UPMIFA.

Interpretation of Relevant Law

The Board of Trustees of PCHAS-MO has interpreted State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, PCHAS-MO classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified by temporarily restricted net assets until those amounts are appropriated for expenditure by PCHAS-MO in a manner consistent with the standard of prudence prescribed by SPMIFA.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 12 — ENDOWMENT (Continued)

Interpretation of Relevant Law (Continued)

In accordance with SPMIFA, the PCHAS-MO 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) General economic conditions
- (4) The possible effect of inflation and 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

Return Objectives and Risk Parameters

PCHAS-MO 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 Agency must hold in perpetuity or for a donor specified period 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 produce results that exceed the price and yield results of the appropriate index while assuring a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, PCHAS-MO relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). PCHAS-MO targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

PCHAS-MO has a policy of distributing capital gains to the extent the then-current market value of the fund principal exceeds the historical dollar value of the gift less any distributions of principal allowed under the terms of the gift, unless otherwise specified by the donor. In establishing this policy, the Agency considered the long-term expected return on its endowment. Accordingly, over the long-term, PCHAS-MO expects the current spending policy to allow its endowment to grow annually. This is consistent with the Agency's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new contributions and investment return.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 12 — ENDOWMENT (Continued)

Endowment net asset composition which are permanently restricted consists of the following:

	December 31,	
	2015	2014
Donor Restricted		
Endowment Funds	\$ 1,074,696	\$ 1,057,791
Beneficial interest in third party trusts	\$ 2,777,774	\$ 2,866,523
Total	<u>\$ 3,852,470</u>	<u>\$ 3,924,314</u>

Donor restricted endowment funds are managed by PCHAS-MO. Donor restricted beneficial interest in third-party trusts are managed by trust companies.

Changes in permanently restricted endowment net assets are as follows:

	December 31,	
	2015	2014
Endowment net assets		
Beginning balance	\$ 3,924,314	\$ 3,966,048
Interest and dividends	6,374	3,979
Investment gains	12,981	17,566
Loss on perpetual trusts	(88,749)	(56,909)
Contributions	-	-
Appropriated for expenditure/transfer	(2,450)	(6,370)
Ending balance	<u>\$ 3,852,470</u>	<u>\$ 3,924,314</u>

NOTE 13 — OPERATING LEASES

The Organization leases office space and equipment under operating leases which expire through 2020. The rent payments may be adjusted each calendar year for a pro rata share of the increase in taxes and operating expenses over the base year expenses.

Minimum payments on these operating leases are as follows:

	Year Ending December 31
2016	\$ 71,160
2017	19,535
2018	11,395
2019	3,985
2020	533
	<u>\$ 106,608</u>

Rent expense was \$103,422 and \$147,053 for the years ended December 31, 2015 and 2014, respectively, and is included in operating expense.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 14 — FEES AND GRANTS FROM GOVERNMENT AND LOCAL AGENCIES

Fees and grant revenues from government and local agencies consist of the following:

	Years Ended December 31,	
	<u>2015</u>	<u>2014</u>
Unrestricted		
Residential fees		
State of Missouri	\$ 2,172,814	\$ 2,127,905
Missouri Alliance for Children and Families, L.L.C.	659,535	963,349
Other residential fees	136,737	75,737
	<u>2,969,086</u>	<u>3,166,991</u>
U.S. Department of Agriculture	44,636	59,735
Farmington School District R-7	-	52,288
Miscellaneous - amounts < \$50,000	3,000	21,023
	<u>\$ 3,016,722</u>	<u>\$ 3,300,037</u>

NOTE 15 — PROGRAM SERVICE FEES

Program service fees consist of the following:

	Years Ended December 31,	
	<u>2015</u>	<u>2014</u>
Unrestricted		
Missouri Alliance for Children and Families, L.L.C.	\$ 2,631,650	\$ 2,503,824
St. Louis County Children's Services Fund -		
Family Solutions for Kids	1,301,261	1,369,320
Therapeutic Mentoring and Family Support	1,546,464	1,563,729
Other - various	227,635	174,794
	<u>\$ 5,707,010</u>	<u>\$ 5,611,667</u>

NOTE 16 — RELATED PARTY TRANSACTIONS

The Organization is a member of Missouri Alliance for Children and Families, L.L.C. (the Alliance) in which it has a 12.5% equity interest. The Alliance contracts with most of its members to provide a variety of services, as well as with non-member agencies and organizations across the state. The Alliance currently provides services to the Missouri Children's Division under two contracts. Both contracts are reviewed with the state and revised and renewed periodically. Under the initial contract, the Alliance provides case management services to children in the care and custody of the state. The Organization contracts with the Alliance to provide certain services to these clients, including both residential and community-based care.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 16 — RELATED PARTY TRANSACTIONS (Continued)

Under the second contract, the Alliance is the provider of record with the state, but acts primarily to provide administrative services to the Organization and four other member agencies. These five agencies provide foster care case management services to clients, essentially as subcontractors with the Alliance. The new contract provides annually for bonuses and/or penalties. The Organization also provides other services for its clients and those of other private case management contractors across the state, as determined by the agency assigned to the case. These services include both residential and community-based services.

The Alliance owed the Organization \$106,690 and \$149,815 at December 31, 2015 and 2014, respectively. The Organization's negative equity in the Alliance is approximately \$129,900 and \$168,750 at December 31, 2015 and 2014, respectively.

The Organization leases office space to the Alliance on a monthly basis. Total rent income received from the related party was \$19,944 per year for the years ended December 31, 2015 and 2014.

Distributions from the Alliance, included in other revenues, were \$120,816 and \$137,767 for the years ended December 31, 2015 and 2014, respectively.

NOTE 17 — YOUTH OPPORTUNITIES PROGRAM

The Organization was awarded State of Missouri Youth Opportunities Program credits of \$195,109 in 2015 and in 2014. The award is for a one year period, with the current period ending June 30, 2016. Credits granted were to be distributed at a 50% rate in exchange for \$390,218 in contributions. Total donations and related program expenditures for the project were \$211,748 and \$188,429 for the years ended December 31, 2015 and 2014, respectively.

NOTE 18 — FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. For additional information on how the Organization measures fair value, see Note 1.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 18 — FAIR VALUE MEASUREMENTS (Continued)

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

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value
Investments	\$ 601,055	\$ 291	\$ 7,000	\$ 608,346
Charitable remainder trusts	412,780	-	-	412,780
Beneficial interests in third-party trusts				
Charitable remainder trusts	113,090	-	26,635	139,725
Perpetual trusts	1,401,999	-	1,375,775	2,777,774
Total	<u>\$ 2,528,924</u>	<u>\$ 291</u>	<u>\$ 1,409,410</u>	<u>\$ 3,938,625</u>

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

Balance on January 1, 2015	1,427,957
Total losses included in earnings	(10,586)
Sales	(7,961)
Balance on December 31, 2015	<u>\$ 1,409,410</u>

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

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value
Investments	\$ 215,676	\$ 355	\$ 7,000	\$ 223,031
Charitable remainder trusts	429,569	-	-	429,569
Beneficial interests in third-party trusts				
Charitable remainder trusts	124,514	-	35,690	160,204
Perpetual trusts	1,481,256	-	1,385,267	2,866,523
Total	<u>\$ 2,251,015</u>	<u>\$ 355</u>	<u>\$ 1,427,957</u>	<u>\$ 3,679,327</u>

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 18 — FAIR VALUE MEASUREMENTS (Continued)

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

Balance on January 1, 2014	\$ 1,406,573
Total gains included in earnings	14,862
Purchases	6,522
Balance on December 31, 2014	<u>1,427,957</u>

Gains (losses) included in earnings are reported as follows:

	<u>Years Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Realized gains on investments	\$ 22,950	\$ 16,264
Gain (loss) on charitable remainder trusts	(37,268)	12,803
Loss from perpetual trusts	(88,749)	(56,909)
	<u>\$ (103,067)</u>	<u>\$ (27,842)</u>

NOTE 19 — CONTINGENCIES

Certain revenue received by PCHAS-MO is subject to compliance audits by appropriate governmental authorities. The findings of these audits could result in additional liabilities to PCHAS-MO. However, management believes that PCHAS-MO has complied with the provisions of each contract and the effect of such findings, if any, would not have a material impact on the financial statements.

The Organization is a party to certain claims arising out of the normal conduct of its business. While the ultimate resolution of these matters cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the Organization.

NOTE 20 — SUBSEQUENT EVENTS

Management of PCHAS-MO has evaluated subsequent events through May 20, 2016 the issuance date of this report. While the following did not impact the financial statements as of December 31, 2015, management believes it is prudent to provide this additional disclosure.

Prior to 2013 PCHAS-MO had offered a 403(b) deferred compensation plan to qualified employees, however this plan was terminated December 31, 2012. Effective January 1, 2016, PCHAS-MO reestablished a 403(b) deferred compensation plan. All employees are eligible to contribute by voluntary salary reduction upon employment. The employer may make, at its discretion, matching contributions for eligible employees.

SUPPLEMENTARY SCHEDULES

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015

	Program Services				Supporting Services		
	Residential Treatment	Professional Services	Allocable Shared Services	Total	Management and General	Development and Public Relations	Total
SALARIES AND EMPLOYEE BENEFITS							
Salaries and wages	\$ 2,316,895	\$ 3,095,476	\$ 542,770	\$ 5,955,141	\$ 424,894	\$ 264,918	\$ 6,644,953
Employee benefits	199,072	252,780	27,175	479,027	66,319	20,225	565,571
Payroll taxes and insurance	261,827	277,528	42,121	581,476	32,763	21,383	635,622
	<u>2,777,794</u>	<u>3,625,784</u>	<u>612,066</u>	<u>7,015,644</u>	<u>523,976</u>	<u>306,526</u>	<u>7,846,146</u>
OTHER OPERATING EXPENSES							
Allocation of shared services	350,078	410,682	(760,760)	-	-	-	-
Bad debts (recoveries)	-	-	33,332	33,332	-	11,718	45,050
Affiliated agency services	-	-	(23,499)	(23,499)	54,362	8,065	38,928
Development	1,262	-	2,688	3,950	-	34,511	38,461
Equipment	8,710	19,650	2,890	31,250	2,002	1,852	35,104
Food	175,190	635	-	175,825	-	-	175,825
Interest	42,968	65,443	4,604	113,015	38,349	2,994	154,358
Miscellaneous	8,080	8,310	4,349	20,739	19,637	6,501	46,877
Occupancy	289,141	172,965	19,382	481,488	18,232	13,021	512,741
Postal and delivery	1,052	2,886	558	4,496	4,686	31,383	40,565
Printing and production	3,052	5,846	4,181	13,079	40	20,550	33,669
Professional fees	39,540	41,091	39,667	120,298	15,283	9,407	144,988
Client care	75,360	95,948	409	171,717	38	801	172,556
Supplies and repairs	60,348	34,146	2,566	97,060	4,452	2,152	103,664
Telephone	34,874	30,363	5,187	70,424	1,333	3,053	74,810
Training, meetings and dues	21,934	15,663	36,434	74,031	3,225	2,423	79,679
Travel and transportation	53,056	195,610	12,257	260,923	2,017	12,440	275,380
Total expenses before depreciation	<u>3,942,439</u>	<u>4,725,022</u>	<u>(3,689)</u>	<u>8,663,772</u>	<u>687,632</u>	<u>467,397</u>	<u>9,818,801</u>
DEPRECIATION	<u>127,907</u>	<u>49,964</u>	<u>3,689</u>	<u>181,560</u>	<u>6,122</u>	<u>2,355</u>	<u>190,037</u>
TOTAL	<u>\$ 4,070,346</u>	<u>\$ 4,774,986</u>	<u>\$ -</u>	<u>\$ 8,845,332</u>	<u>\$ 693,754</u>	<u>\$ 469,752</u>	<u>\$ 10,008,838</u>
PERCENTAGE	<u>40.7%</u>	<u>47.7%</u>		<u>88.4%</u>	<u>6.9%</u>	<u>4.7%</u>	<u>100.0%</u>

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
COMPARATIVE SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 2011 through 2015

	Year Ended December 31,				
	2015	2014	2013	2012	2011
PUBLIC SUPPORT AND REVENUES					
Contributions					
Public	\$ 583,683	\$ 471,857	\$ 468,818	\$ 735,052	\$ 448,863
Estates and trusts	150,458	93,155	581,415	7,415	357,412
Related organizations	80,593	89,824	89,126	100,764	136,123
	814,734	654,836	1,139,359	843,231	942,398
Fees and grants from government and local agencies	3,016,722	3,300,037	4,578,282	4,764,942	4,473,400
Program service fees	5,707,010	5,611,667	4,329,846	4,168,343	3,914,320
Interest and dividends	43,842	36,452	34,566	40,142	57,307
Gain (loss) on investments	22,950	16,264	13,536	(17,380)	28,343
Gain (loss) from charitable remainder trusts	(37,268)	12,803	63,753	73,818	(10,792)
Gain (loss) from perpetual trusts	(88,749)	(56,909)	(5,641)	(108,247)	(54,065)
Gain on sale of assets	459,506	13,224	30,415	-	-
Gains (losses) on annuities	(8,798)	46,178	(25,372)	(27,563)	(44,299)
Other revenues	178,194	525,717	279,256	252,744	262,845
Total public support and revenues	10,108,143	10,160,269	10,438,000	9,990,030	9,569,457
EXPENSES					
Residential treatment and program services	8,845,332	8,861,536	9,496,722	9,667,912	9,523,481
Development and public relations	469,752	437,610	510,492	341,143	381,445
Management and general	693,754	779,798	662,927	658,062	730,371
Total expenses	10,008,838	10,078,944	10,670,141	10,667,117	10,635,297
CHANGES IN NET ASSETS	99,305	81,325	(232,141)	(677,087)	(1,065,840)
NET ASSETS, Beginning	5,036,227	4,954,902	5,187,043	5,864,130	6,929,970
NET ASSETS, Ending	\$ 5,135,532	\$ 5,036,227	\$ 4,954,902	\$ 5,187,043	\$ 5,864,130

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