

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2015
TOGETHER WITH REPORT OF ACCOUNTANTS' COMPILATION

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
The Dwayne Peaslee Technical Training Center, Inc.
Lawrence, KS

We have compiled the accompanying statements of financial position of The Dwayne Peaslee Technical Training Center, Inc. (a nonprofit organization) as of December 31, 2015, and the related statements of activities and changes in net assets and cash flows for the nine months then ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Center's financial position and changes in net assets and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in pages 6-7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Summers, Spencer & Company P.A.

Summers, Spencer & Company, P.A.
Lawrence, KS

March 8, 2016

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

STATEMENT OF FINANCIAL POSITION

December 31,	2015
Assets	
Current assets	
Cash - operating bank account	\$ 94,473
Accounts receivable	1,660
Prepaid insurance	13,758
Other receivables	27,327
Restricted cash - renovations	2,820
Total current assets	<u>\$ 140,038</u>
Fixed assets, net of accumulated depreciation	
Building and land	4,113,681
Accumulated depreciation	<u>(55,793)</u>
Fixed assets, net	4,057,888
Noncurrent assets	
Funds held at DCCF	6,035
Deposits	<u>252</u>
Total assets	<u><u>\$ 4,204,213</u></u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable	61,198
Retainage payable	10,153
Credit card liability	121
Deferred rent	7,682
Current portion of notes payable	26,297
Total current liabilities	<u>105,451</u>
Noncurrent liabilities	
Notes payable, Hiper	1,750,000
Notes payable, City of Lawrence	122,426
Notes payable, Douglas County	126,925
Total liabilities	<u>2,104,802.00</u>
Net assets	
Unrestricted	2,099,411
Temporarily restricted	-
Total net assets	<u>2,099,411</u>
Total liabilities and net assets	<u><u>\$ 4,204,213</u></u>

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Three Months Ended December 31, 2015	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Tuition and fees	\$ 3,160	\$ -	\$ 3,160
City of Lawrence	25,000	-	25,000
Douglas County	25,000	-	25,000
Contributions	13,750	-	13,750
In-kind contributions	30,235	-	30,235
Lease income	43,671	-	43,671
Interest and dividend	111	-	111
<i>Total support and revenue</i>	140,927	-	140,927
Cost of revenues			
Instructional costs	1,488		1,488
<i>Net operating revenue</i>	139,439	-	139,439
Expenses			
<i>Property costs</i>			
Utility costs, net of billed amounts	16,655	-	16,655
Repairs and maintenance	15,930	-	15,930
Property insurance	5,475	-	5,475
Property management fees	3,000	-	3,000
Depreciation	13,979	-	13,979
Real estate taxes	39,721	-	39,721
Interest	20,237	-	20,237
<i>Total</i>	114,997	-	114,997
<i>General and administrative</i>			
Wages and benefits	33,952	-	33,952
Advertising/marketing	1,015	-	1,015
Office supplies	1,250	-	1,250
Outsourced accounting	3,600	-	3,600
Legal and other professional fees	4,339	-	4,339
Travel and meals	117	-	117
License and permits	850	-	850
Other insurance	328	-	328
<i>Total</i>	45,451	-	45,451
Total expenses	160,448	-	160,448
Change in net assets	(21,009)	-	(21,009)
Net assets, beginning of period	2,120,420	-	2,120,420
Net assets, end of period	\$ 2,099,411	\$ -	\$ 2,099,411

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2015	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Tuition and fees	\$ 13,112	\$ -	\$ 13,112
City of Lawrence	100,000	-	100,000
Douglas County	100,000	-	100,000
Economic Development Corporation	100,000	-	100,000
Contributions	76,601	-	76,601
In-kind contributions	781,374	-	781,374
Lease income	140,116	-	140,116
Interest and dividend	318	-	318
Gain on sale of assets	1,500	-	1,500
Grants for renovations	-	1,200,000	1,200,000
Amounts released from restrictions	1,200,000	(1,200,000)	-
<i>Total support and revenue</i>	2,513,021	-	2,513,021
Cost of revenues			
Instructional costs	6,736		6,736
<i>Net operating revenue</i>	2,506,285	-	2,506,285
Expenses			
<i>Property costs</i>			
Utility costs, net of billed amounts	34,940	-	34,940
Repairs and maintenance	24,685	-	24,685
Property insurance	20,168	-	20,168
Property management fees	12,095	-	12,095
Depreciation	55,793	-	55,793
Real estate taxes	43,708	-	43,708
Interest	80,092	-	80,092
<i>Total</i>	271,481	-	271,481
<i>General and administrative</i>			
Wages and benefits	119,403	-	119,403
Advertising/marketing	22,762	-	22,762
Office supplies	2,294	-	2,294
Outsourced accounting	14,740	-	14,740
Legal and other professional fees	8,230	-	8,230
Travel and meals	276	-	276
License and permits	880	-	880
Other insurance	985	-	985
Penalties and interest	38	-	38
<i>Total</i>	169,608	-	169,608
Total expenses	441,089	-	441,089
Change in net assets	2,065,196	-	2,065,196
Net assets, beginning of period	34,215	-	34,215
Net assets, end of period	<u>\$ 2,099,411</u>	<u>\$ -</u>	<u>\$ 2,099,411</u>

See Accountants' Compilation Report.

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31,	2015
Cash flows from operating activities	
Increase (decrease) in net assets	\$ 2,065,196
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	55,793
Donation of land and property	(750,000)
(Increase) decrease in assets:	
Accounts receivable	(1,660)
Prepaid insurance	(1,312)
Other receivables	(27,327)
Deposits	(252)
Increase (decrease) in liabilities:	
Accounts and renovations payable	71,351
Credit card liability	121
Deferred rent	7,682
<i>Net cash provided by operating activities</i>	<u>1,419,592</u>
Cash flows from investing activities	
Acquisition of fixed assets	(1,613,681)
Use of funds at DCCF	13,923
<i>Net cash used in investing activities</i>	<u>(1,599,758)</u>
Cash flows from financing activities	
Proceeds from notes payable	286,590
Principal payments on notes payable	(10,942)
<i>Net cash provided by financing activities</i>	<u>275,648</u>
Net increase in cash and cash equivalents	95,482
Cash and cash equivalents, restricted & unrestricted, beginning of year	<u>1,811</u>
Cash and cash equivalents, restricted & unrestricted, end of period	<u><u>\$ 97,293</u></u>
<u><i>Supplemental Disclosure</i></u>	
Noncash investing and financing transaction	
Fair market value of donated property	\$ 2,500,000
Assumption of note payable	1,750,000
Net, donation	<u><u>\$ 750,000</u></u>

Supplementary Information

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

BUDGET TO ACTUAL ANALYSIS WITH KEY RATIOS

Three Months Ended December 31,	2015	Budget	Difference
Support and revenue, unrestricted			
Tuition and fees	\$ 3,160	\$ -	\$ 3,160
City of Lawrence	25,000	25,000	-
Douglas County	25,000	25,000	-
Lease income	43,671	43,575	96
<i>Total support and revenue</i>	<u>96,831</u>	<u>93,575</u>	<u>3,256</u>
Cost of revenues			
Instructional costs	<u>1,488</u>	<u>21,000</u>	<u>(19,512)</u>
<i>Net operating revenue</i>	<u>95,343</u>	<u>72,575</u>	<u>22,768</u>
Expenses			
<i>Property costs</i>			
Utility costs, net of billed amounts	16,655	6,474	(10,181)
Repairs and maintenance	15,930	17,100	1,170
Property insurance	5,475	6,126	651
Property management fees	3,000	3,000	-
Real estate taxes	39,721	-	(39,721)
Interest	20,237	20,125	(112)
<i>Total</i>	<u>101,018</u>	<u>52,825</u>	<u>(48,193)</u>
<i>General and administrative</i>			
Wages and benefits	33,952	32,967	(985)
Advertising/marketing	1,015	3,000	1,985
Office supplies	1,250	300	(950)
Outsourced accounting	3,600	4,500	900
Legal and other professional fees	4,339	-	(4,339)
Travel and meals	117	300	183
Other insurance	328	-	(328)
Budget contingency	-	12,000	12,000
<i>Total</i>	<u>45,451</u>	<u>53,067</u>	<u>7,616</u>
Total expenses	<u>146,469</u>	<u>105,892</u>	<u>(40,577)</u>
Net operating income	(51,126)	(33,317)	17,809
Other Revenue			
Contributions and sponsorship	13,750	27,000	(13,250)
In-kind contributions	30,235	-	30,235
Interest and dividend	111	-	111
<i>Total other revenue</i>	<u>44,096</u>	<u>27,000</u>	<u>17,096</u>
Change in net assets	<u>\$ (7,030)</u>	<u>\$ (6,317)</u>	<u>\$ (713)</u>
Key Ratios	<u>4th Quarter</u>		
Days of expenses in cash on hand	59.3		
Days of expenses in accounts payable	38.4		
Days of revenue in accounts receivable	1.6		
Current ratio (Current assets/current liabilities)	1.3		

***Note:** Depreciation is not included in the above analysis.

THE DWAYNE PEASLEE TECHNICAL TRAINING CENTER, INC.

BUDGET TO ACTUAL ANALYSIS WITH KEY RATIOS

Year Ended December 31,	2015	Budget	Variance
Support and revenue, unrestricted			
Tuition and fees	\$ 13,112	\$ 35,000	\$ (21,888)
City of Lawrence	100,000	100,000	-
Douglas County	100,000	100,000	-
Economic Development Corporation	100,000	-	100,000
Lease income	140,116	142,500	(2,384)
<i>Total support and revenue</i>	<u>453,228</u>	<u>377,500</u>	<u>75,728</u>
Cost of revenues			
Instructional costs	6,736	35,000	(28,264)
<i>Net operating revenue</i>	<u>446,492</u>	<u>342,500</u>	<u>103,992</u>
Expenses			
<i>Property costs</i>			
Utility costs, net of billed amounts	34,940	23,172	(11,768)
Repairs and maintenance	24,685	56,100	31,415
Property insurance	20,168	17,504	(2,664)
Property management fees	12,095	12,000	(95)
Real estate taxes	43,708	-	(43,708)
Interest	80,092	80,282	190
<i>Total</i>	<u>215,688</u>	<u>189,058</u>	<u>(26,630)</u>
<i>General and administrative</i>			
Wages and benefits	119,403	121,139	1,736
Advertising/marketing	22,762	25,000	2,238
Office supplies & postage	2,294	2,800	506
Outsourced accounting	14,740	16,500	1,760
Legal and other professional fees	8,230	-	(8,230)
Travel & meals	276	1,200	924
License & permits	880	-	(880)
Other insurance	985	-	(985)
Penalties and interest	38	-	(38)
Budget contingency	-	20,000	20,000
<i>Total</i>	<u>169,608</u>	<u>186,639</u>	<u>(2,969)</u>
Total expenses	<u>385,296</u>	<u>375,697</u>	<u>(29,599)</u>
Net operating income	61,196	1,803	46,129
Other Revenue			
Contributions and sponsorship	76,601	108,000	(31,399)
In-kind contributions	781,374	-	781,374
Interest and dividend	318	-	318
Gain on sale of asset	1,500	-	1,500
Grants for renovations	1,200,000	-	1,200,000
<i>Total other revenue</i>	<u>2,059,793</u>	<u>108,000</u>	<u>1,951,793</u>
Change in net assets	<u>\$ 2,120,989</u>	<u>\$ 109,803</u>	<u>\$ 1,997,922</u>
Key Ratios	<u>12/31/2015</u>		
Days of expenses in cash on hand	88.0		
Days of expenses in accounts payable	57.0		
Days of revenue in accounts receivable	1.3		
Current ratio (Current assets/current liabilities)	1.3		

***Note:** Depreciation is not included in the above analysis.