

**White Plains Children's Center
Board of Directors' Meeting
September 21, 2015 @ 6:45 PM**

AGENDA

Call to Order - Welcome
Appointment of Secretary to take minutes
Invocation
Approval of Minutes

Chair/Vice Chair
Chair

Board Members

Committee Reports

Finance Committee

1. Audit for Year Ended June 30, 2015
2. Report as of August 31, 2015.

Skip King/Kellie Haight

Policy and Personnel Committee

Jeanne Marlowe

Director's Report

Wendy Partin

Marketing & Fundraising Report

1. Status 2015 of online fundraising campaign.
2. Status of or potential for grant applications.

Jenna/Madison/Wendy

PTA Report

Parent Representative

Old Business:

New Business:

White Plains Children's Center

Board of Director's Meeting Minutes

September 21, 2015

6:45 PM



In Attendance: Wendy Partin, Jenna-Marie Nelson, Gary Barnes, Merrie Jensen, Bill Harris, Leah Campbell, Madison Lewis, Amanda Witting

Absent: Dr. Lee Heathcoat, Mike Williams, Jeanne Marlowe, Sameer Pawa, Kellie Haight

Proxies: Jenna-Marie Nelson for Sameer Pawa, Mike Williams and Jeanne Marlowe

Visitor: Susie Murdoch, WPCC parent and PTA representative

Called to Order- Jenna-Marie @ 6:48 PM

We have a quorum.

Secretary: Madison Lewis

Invocation: Moment of Silence

(See attached agenda)

Introductions

PTA Report: Susie Murdoch

-Passed around business card

-Recognized WPCC for their turn out at the Kids Together Walk for Inclusiveness

-Current PTA balance: \$221.91

-September 9th was the first PTA meeting

--Possible fundraising ideas: Thirty-One, Papa Murphy's, Yankee Candle

Fundraiser (will begin Oct. 5th)

--Wendy suggested the company Initials

--Jenna Marie suggested doing a Together Time at a restaurant like Panera or Chick-Fil-A

--Sameer doing a fall fundraiser and a Valentine's Fundraiser with his chocolate company. 20-25% of the proceeds would go back to the Center.

--www.sweettreatsofnc.com

-PTA philosophy for this year: provide support throughout the school year, not just around holiday times. Focus on classroom wish lists and needs.

-Discussed Together Time on October 15th at 6:00 to 7:00 PM at Walnut Street Park in Cary. Everyone is invited.

Finance Committee Report- Skip King

-See the following attached documents: Financial Committee Report; PT CPA Letter to Board of Directors; Email document from Kellie Haight; & Financial Statements from June 30, 2015 and 2014

2015 Audit Review, Year Ended June 30, 2015- Skip King

- Good work on the audit by the WPCC administrative team
- Reviewed documents sent out via email prior to tonight's Board meeting.
- No significant difficulties or disagreements
- Areas of improvement:
 - Monthly bank reconciliation to be marked and signed as formally approved by a board member
 - Old accounts receivable should be cleaned up and off of the books
 - Board member should review PayPal account statements each month
 - Be sure bills are paid on time. There may have been one Visa bill that was not paid on time, but nothing major.
- Completely on an accrual basis, which the auditor recommended
- Overall, in 2014, we had realized gain of \$52099
- In 2015 we had a realized gain of just under \$25000
- Spending was in control and student enrollment increased
- Questions on reserve account: auditor recommended that have a minimum of 3-6 in the operating reserve account. See attached documents.
- 12% of our income goes to operate the center. The auditor stated this is a positive statistic, especially for grant writing to see where we put our funds.
- Board Member Questions about audit:**
 - Based on Statement of Functional Expenses:
 1. -- Why was there a big jump in phone cost over the years.
 - Phone cost increased because of cellphone
 2. --Increase in copier expenses?
 - We signed a 3-year lease
 - Skip will look into this cost increase in the copier. This could have been recorded wrong
 3. --Increase in insurance cost?
 - This is an increase in health insurance, not building insurance
 - Our insurance expires in December

August 2015 Financial Report- Skip King

- See attached documents
- \$3k less than projected to be, but this is mostly based on Wake County checks which we deferred.
- Additional expenses for substitutes because of the loss of a full-time teacher
- Depleted scholarship funds, we have about \$27 left. This means we are giving this money right out to families.

- Put this in a GoFundMe post/blurb: how much have we depleted this year in our scholarship fund?
- United Methodist Fund located on page 14 of audit: discussion of how the units work

Policy and Personnel

- No representative present.
- No report.

Director's Report- Wendy Partin

- See attached "Director's Report"
- Grant for playground completed.
- Future grant writing areas: staff development and professional development
 - Jenna mentioned the NAEYC yearly conference in Raleigh and that it would be great to be able to close WPCC so all staff can attend.
 - SAS and CISCO grants
- Interview with Cary Citizen is scheduled for September 22nd
- Carolina Today interview is scheduled for September 23rd
- ABC Together is tentatively scheduled for September 25th
- Madison reported updates playground committee has made and work they have done.
- Wendy reported what Community and Cultural Outreach and School Improvement Committees have done.
- Bri Voorhees, lead teacher in the Chipmunk classroom, has returned to Maryland and has therefore resigned from WPCC.
 - Amber Jacques will be starting at the lead teacher in the Chipmunks classroom on 9/28/15. She holds a BS in psychology and a Master's in Special Education. She will be completing her Birth-Kindergarten licensure this spring.

Marketing and Fundraising-Jenna-Marie Nelson

- See attached report
- All board members in attendance today were at the marketing meeting
- Madison to post an update emphasizing the current amount in our campaign and how much more we need to raise to meet our goal
- Go Fund Me: currently have \$615 in cash donations and \$3,695 in donations through the online platform.

Approval of the Minutes from August 2015: Motion to approve. Motion approved. All were in favor.

Approval of the 2014-2015 Audit: Motion to approve. Motion approved. All were in favor.

Old Business: none

New Business: none

Motion to adjourn: Motion to approve. Motion approved. All were in favor.

Meeting Adjourned 8:07 PM

Respectfully Submitted,
Madison Lewis
Communications Director, White Plains Children's Center

September 17, 2015 – Finance Committee Report

- Finance Committee Meeting – Date: September 17th, 2015
- Attendees: Wendy Partin, Kellie Haight, Mike Williams, Skip King, Joe Turchetti

Cash Position:

8/31/15

Checking \$56,325

Reserves \$21,435

Scholarship \$ 57

Cash Reserves \$21,492

UMF \$38,025

Endowment (Canady) \$17,990

Total Reserves \$77,507

Financial Review:

August 2015

	<u>Projected</u>	<u>Actual</u>	<u>Budget</u>
Income	\$ 44,251	\$ 38,741	\$ 45,712
Expenses	\$ 61,798	\$ 58,837	\$ 61,951
Profit/Loss (less trans)	\$ -16,647	\$ -19,946	\$ -16,239

September 2015

	<u>Projected</u>	<u>Actual</u>	<u>Budget</u>
Income	\$ 49,628		\$ 46,781
Expenses	\$ 55,827		\$ 60,453
Profit/Loss (less trans)	\$ -6,299		\$ -13,672

October 2015

	<u>Projected</u>	<u>Actual</u>	<u>Budget</u>
Income	\$ 63,169		\$ 65,798
Expenses	\$ 58,233		\$ 61,028
Profit/Loss (less trans)	\$ 4,436		\$ 4,770

Items of noted discussion:

- The FY 14/15 audit began on July 30th. The audit was completed on Monday, August 10th and the official Letter to the Board sent. Congratulations to Wendy, Kelli and Team for a great audit!

**White Plains Children's Center
Director's Report
September 21, 2015**

Overseeing Annual Operating Budget

- I have applied for 7 more (\$1000) grants through Walmart for playground expenses. These will be determined by October 31st.
- Kellie and I will be reviewing the budget to determine the most advantageous areas to request funds when applying for grants.
- \$615 cash donations have been made to the Go Fund Me campaign in addition to the \$3,695 online.

• **Community Relationships & Partnerships**

- Completed an interview with attorney, Jeffrey Marsocci, arranged by Leah that has been posted on their website.
- Representatives from WCPSS Office of Early Learning, Advocates for Inclusive Education and Dr. Jason Day, pediatric chiropractor, attended our Back to School orientation.
- Interview with Cary Citizen is scheduled for Sept. 22nd
- Carolina Today interview is scheduled for Sept. 23rd
- ABC Together is tentatively scheduled for Sept. 25th.

Students/Families

- Committee Reports
 - Playground - Madison to report
 - Community and Cultural Outreach - A lot of planning in the works!
 - Three walks this month (Inclusion Walk, Buddy Walk and Autism Walk) each staff member to participate in at least one.
 - Cary Christmas parade and possibly Raleigh too
 - Holiday Program
 - School Improvement - Reviewing policies to make sure they are reflective of NAEYC standards.

Employees – Maintaining happy, highly qualified staff

- Staff Meetings - Monthly for 2 hours at someone's home. 1.5 hours is spent on training.
- Bri Voorhees, our Lead Chipmunk teacher has returned to Maryland to get married and start her life. We were fortunate enough to have multiple strong candidates to take her position.
- Amber Jacques will be starting with us, next Monday, 9/28/15. She has her BS in Psychology, her Masters in Special Education and will be completing her Birth - Kindergarten licensure this spring. She is excited to get started with us!
- One of our parents is offering a 'couponing' class to our staff on 9/30/15.



Re: WPCC Board Meeting Sept. 21, 2015 @ 6:45 pm

Kellie Haight <haightk@gmail.com>

Wed, Sep 23, 2015 at 2:52 PM

To: Mike Williams <mikewilliams8285@gmail.com>

Cc: Gary Barnes <gbarnes@lepcoonline.com>, Jeanne Marlowe <marlowej3@gmail.com>, Jenna-Marie Nelson <caronjen@gmail.com>, Madison Lewis <mkwerline88@gmail.com>, "merri.jensen@sas.com" <merri.jensen@sas.com>, Ray Warren <ray@wpumc.com>, Sameer Pawa <sameerpawa@hotmail.com>, Skip King <skip.king@marriott.com>, Susan Harris <shharris1977@yahoo.com>, Wendy Partin <director@whiteplainschildrenscenter.org>, "Dr. Lee Heathcoat" <lee@wpumc.com>, Leah Campbell <lcampbellnc@gmail.com>, Amanda Witting <amandawitting@yahoo.com>

Good afternoon WPCC Board Members!

Skip forwarded me a few questions that were asked at the Board meeting regarding the Audited Financials Statements.

Below are my answers (in red.)

On pages 8 & 9 of audit 2015, 2014:

- Salaries – Fundraising column, expense \$11,191, \$9,804? **A percentage of salaries are allocated to fundraising expense for the time staff worked on the various fundraisers.**
- Program – Insurance, costs up over \$800 year over year (YOY)? **This is due to an increase in our premium for property/liability insurance.**
- Program - Copier lease, up over \$400 (if a set lease payment, shouldn't costs have been same YOY)? If added cost was for copies, toner, supplies should be coded to printing or to supplies correct? **The increase is mostly from extra color copies (our lease includes a certain amount) and additional toner. Color copies, toner, supplies etc. are separated internally, but reported as one line item on the financials.**
- Program - Staff Development, up \$3,687? **Most of the staff attended the ASK conference this year. In addition, WPCC purchased Teaching Strategies Gold, an assessment tool that corresponds with our curriculum.**
- Program - Telephone expenses, up \$387 YOY - **The office phone (TWC) experienced an increase in the monthly payment (about \$20) in FYE 2015. Good news, as of July our monthly bill has decreased about \$15.**

Accrual accounting? **Accrual method shows the ebb and flow of the Center's income and debts more accurately. Also, our auditor has recommended (for the past 2 years) to switch from cash to accrual accounting.**

Please let me know if you have additional questions!

Hope you all have a great week!

Kellie

On Fri, Sep 18, 2015 at 12:49 PM, Mike Williams <mikewilliams8285@gmail.com> wrote:

Fellow Board Members,

Our September board meeting is scheduled for Monday 9/21/2015 at 6:45 pm. I hope that you all will be able to attend. I will need to miss this meeting and Vice-Chair Jenna-Marie Nelson will chair the meeting. In my absence, I give my proxy to Jenna-Marie.

The primary business to conduct at the meeting, along with standard reports, is to review the results of our audit for the year ended June 30, 2015 and our progress in our Go Fund Me campaign. Of course, if there is other business, please feel free to bring it forward.

As for the Go Fund Me campaign, we are currently at \$3,420 from 47 contributors plus about \$200 in checks that have been delivered to the Center. I have been hearing very complimentary comments on the video. I know of one person that in receiving my email regarding the campaign immediately decided on how much she would contribute. Then after watching the video decided to double her contribution. So let's just keep getting the word out in as many ways and whatever ways that you feel comfortable doing!

As for the audit, Skip, Kellie, Wendy and I met yesterday with the auditor to receive and review the audit. Skip, Kellie and Wendy will in turn review the audit with the board on Monday. I have attached a draft of the audit so that you can begin to review it before the meeting if you wish. There have been no changes to the audit since this draft. But when this draft was scanned to a pdf file, page 16 containing footnotes 9 and 10 inadvertently were skipped. Kellie will follow up on Monday and email the full final audit with all the pages.

I am also attaching two standard letters from the auditor to the board. One letter contains his recommendations for improvements in controls. The second letter addresses significant audit findings and adjustments.

Jenna, I believe that there should be a formal vote to accept and approve the auditors findings. Kellie and I also spent time reviewing the IRS Form 990 which needs to be filed by November 30. Of course this IRS filing is supported by the audit and looks good to us.

Finally, I am attaching an agenda for the upcoming meeting and a board roster for your records.

Madison, would you please print copies of the agenda for the meeting.

Thanks to you all for what you are doing for WPCC. Have a great meeting!

Mike

--

Finance Administrator
White Plains Children's Center
313 SE Maynard Rd.
Cary, NC 27511
[\(919\) 469-2217](tel:(919)469-2217)

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CY, Raleigh Cary NC GM <cy.rduca.gm@marriott.com>

Wed, Sep 23, 2015 at 3:56 PM

To: Kellie Haight <haightk@gmail.com>, Mike Williams <mikewilliams8285@gmail.com>

Cc: Gary Barnes <gbarnes@lepcoonline.com>, Jeanne Marlowe <marlowej3@gmail.com>, Jenna-Marie Nelson

<caronjen@gmail.com>, Madison Lewis <mkwerline88@gmail.com>, "merri.jensen@sas.com" <merri.jensen@sas.com>, Ray Warren <ray@wpumc.com>, Sameer Pawa <sameerpawa@hotmail.com>, Susan Harris <shharris1977@yahoo.com>, Wendy Partin <director@whiteplainschildrenscenter.org>, "Dr. Lee Heathcoat" <lee@wpumc.com>, Leah Campbell <lcampbellnc@gmail.com>, Amanda Witting <amandawitting@yahoo.com>

Thanks Kellie for the level of detail!

Skip

From: Kellie Haight [mailto:haightk@gmail.com]

Sent: Wednesday, September 23, 2015 2:52 PM

To: Mike Williams

Cc: Gary Barnes; Jeanne Marlowe; Jenna-Marie Nelson; Madison Lewis; merri.jensen@sas.com; Ray Warren; Sameer Pawa; CY, Raleigh Cary NC GM; Susan Harris; Wendy Partin; Dr. Lee Heathcoat; Leah Campbell; Amanda Witting

Subject: Re: WPCC Board Meeting Sept. 21, 2015 @ 6:45 pm

[Quoted text hidden]

Leah Campbell <lcampbellnc@gmail.com>

Wed, Sep 23, 2015 at 8:21 PM

To: Kellie Haight <haightk@gmail.com>

Cc: Mike Williams <mikewilliams8285@gmail.com>, Gary Barnes <gbarnes@lepcoonline.com>, Jeanne Marlowe <marlowej3@gmail.com>, Jenna-Marie Nelson <caronjen@gmail.com>, Madison Lewis <mkwerline88@gmail.com>, "merri.jensen@sas.com" <merri.jensen@sas.com>, Ray Warren <ray@wpumc.com>, Sameer Pawa <sameerpawa@hotmail.com>, Skip King <skip.king@marriott.com>, Susan Harris <shharris1977@yahoo.com>, Wendy Partin <director@whiteplainschildrenscenter.org>, "Dr. Lee Heathcoat" <lee@wpumc.com>, Amanda Witting <amandawitting@yahoo.com>

Thank you. Very thorough!

Leah Campbell

[Quoted text hidden]

Go Fund Me 2015

Name	Amount	Address	WPCC Thank you Letter
Donald and Jo Ann Adams	\$100	1001 Manchester Dr. NC 27511	Cary,
Ivan Bowman	\$100	15001 Searstone Rd. #308 Cary, NC 27513	
James Kemp Neill	\$100	102 Illicium Ct. 27518	Cary, NC
Pathfinders SS Class	\$200	313 SE Maynard Rd. Cary, NC 27511	
John Partin	\$50	526 Egret Lake Dr. Knoll Shores, NC 28512	Pine
Joyce Goudeau	\$25	101 Streamview Dr. Cary, NC 27519	
Ling Guo	\$40	154 Skyros Loop NC 27519	Cary,
	\$615		

19/29
\$1565 in
cash

\$

WPCC
Audit Entries
6/30/15

1)	Depreciation Expense	1,541.00	
	Accum Depreciation		1,541.00
	To record 14/15 expense		
2)	Accounts Receivable	8,133.39	
	Govt Funds WCPSS		5,292.10
	Govt Funds CACFP		767.29
	Tuition-Subsidy-NACCRRRA		2,074.00
	To record Accounts Receivable at 6/30/15		
3)	Insurance - Property	1,418.59	
	Prepaid Expenses		1,418.59
	To adjust prepaid insur to the 6/30/15 calculation		
4)	Payroll Expenses		1,201.00
	Accrued PTO	1,201.00	
	Payroll Expenses		2,210.51
	Accrued Payroll		943.00
	Payroll Liabilities	3,153.51	
	To accrue 5 days in June 2015, paid at the end of July and adjust PTO liability to actual at 6/30/15		
5)	Food	1,090.67	
	Office Travel	43.70	
	Copier Lease	16.76	
	Accounts Payable		
	To record Accounts Payable at 6/30/15		
			1,151.13
6)	Meth Fdtn Unreal Gain		1,193.41
	Unreal Gain Income	1,193.41	
	To record Unreal Gain for fiscal year		
(7)	Tuition Subsidy - Durham Co	745.00	
	Tuition Subsidy - NACCRRRA	923.34	
	Government - CACFP	1,201.93	
	Tuition Subsidy - WCHS	10,329.80	
	Tuition		5,250.84
	Government - WCPS		7,949.23
	To correct opening balance entry discussed with Kellie & Mike in May 2015		



James J. Pappalardo, CPA
Joseph V. Turchetti, CPA

August 31, 2015

To the Board of Directors
White Plains Children's Center, Inc.

We have audited the financial statements of White Plains Children's Center, Inc. (the Center) for the year ended June 30, 2015, and have issued our report thereon dated August 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2015. Professional standards also require that we communicate to you the following information related to our audit. In addition, we noted other matters involving internal control and its operation that we have reported to management of the Center in a separate letter dated August 31, 2015.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allocation of functional expenses, the fair market value of the investment with the United Methodist Foundation, and the estimated useful lives of fixed assets.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were fair value reporting and the concentration of revenues.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached audit adjustments identified were not considered material, either individually or in the aggregate, to the financial statements taken as a whole.

PT CPAs PLLC

7610 Falls of Neuse Road • Raleigh, North Carolina 27615 | Tel 919.847.6800 • Fax 919.847.2900 • www.PTcpasnc.com

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Center and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Raleigh, North Carolina

White Plains Children's Center, Inc.

FINANCIAL STATEMENTS

June 30, 2015 and 2014

**PT CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
RALEIGH, NORTH CAROLINA**

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James J. Pappalardo, CPA
Joseph V. Turchetti, CPA

Independent Auditor's Report

Board of Directors
White Plains Children's Center, Inc.
Cary, North Carolina

We have audited the accompanying financial statements of White Plains Children's Center, Inc. (the Center), which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and changes in net assets, functional expenses 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 statement that are free from 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PT CPAs PLLC

7610 Falls of Neuse Road • Raleigh, North Carolina 27615 | Tel 919.847.6800 • Fax 919.847.2900 • www.PTcpasnc.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2015 and 2014, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Raleigh, North Carolina
August 31, 2015

FINANCIAL STATEMENTS

WHITE PLAINS CHILDREN'S CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
ASSETS:		
Cash and cash equivalents	\$ 121,185	\$ 96,228
Investments	38,025	39,329
Accounts receivable	9,174	16,796
State sales tax refund	462	462
Prepaid expenses	3,531	4,949
Property and equipment, net	<u>1,699</u>	<u>3,240</u>
TOTAL ASSETS	<u>\$ 174,076</u>	<u>\$ 161,004</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 2,491	\$ 5,414
Accrued payroll and liabilities	10,511	9,568
Accrued compensated absences	<u>5,011</u>	<u>6,212</u>
TOTAL LIABILITIES	<u>18,013</u>	<u>21,194</u>
NET ASSETS		
Unrestricted	100,467	89,144
Temporarily restricted	9,601	11,621
Permanently restricted	<u>45,995</u>	<u>39,045</u>
Total net assets	<u>156,063</u>	<u>139,810</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 174,076</u>	<u>\$ 161,004</u>

The accompanying notes are an integral part of these financial statements

WHITE PLAINS CHILDREN'S CENTER, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2015

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
CONTRIBUTIONS, REVENUES AND OTHER SUPPORT				
Tuition	\$ 270,844	\$ -	\$ -	\$ 270,844
Registration	2,895	-	-	2,895
Before and after school care	29,075	-	-	29,075
Contributions	13,810	-	6,950	20,760
Town of Cary	4,500	-	-	4,500
Donated facilities	86,985	-	-	86,985
Food program	13,880	-	-	13,880
Purchased services contracts	195,299	-	-	195,299
Subsidized childcare	106,857	-	-	106,857
United Way	5,633	-	-	5,633
Interest income	40	-	-	40
Investment income	-	453	-	453
Unrealized gain on investments	-	(164)	-	(164)
Other income	11,113	-	-	11,113
Fundraising events	11,483	-	-	11,483
Total contributions and other support	<u>752,414</u>	<u>289</u>	<u>6,950</u>	<u>759,653</u>
Net assets released from temporarily restrictions				
Satisfaction of donor's restrictions	2,309	(2,309)	-	-
EXPENSES				
Program services	633,015	-	-	633,015
General and administrative	91,716	-	-	91,716
Fundraising	18,669	-	-	18,669
Total expenses	<u>743,400</u>	<u>-</u>	<u>-</u>	<u>743,400</u>
CHANGE IN NET ASSETS	11,323	(2,020)	6,950	16,253
NET ASSETS - BEGINNING OF YEAR	<u>89,144</u>	<u>11,621</u>	<u>39,045</u>	<u>139,810</u>
NET ASSETS - END OF YEAR	<u>\$ 100,467</u>	<u>\$ 9,601</u>	<u>\$ 45,995</u>	<u>\$ 156,063</u>

The accompanying notes are an integral part of these financial statements

WHITE PLAINS CHILDREN'S CENTER, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2014

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
CONTRIBUTIONS, REVENUES AND OTHER SUPPORT				
Tuition	\$ 233,151	\$ -	\$ -	\$ 233,151
Registration	3,045	-	-	3,045
Before and after school care	28,528	-	-	28,528
Contributions	21,432	-	4,600	26,032
Town of Cary	4,000	-	-	4,000
Donated facilities	86,985	-	-	86,985
Purchased services contracts	199,454	-	-	199,454
Subsidized childcare	109,909	-	-	109,909
United Way	6,251	-	-	6,251
Interest income	7	-	-	7
Investment income	24	-	-	24
Unrealized gain on investments	-	5,990	-	5,990
Other income	5,363	-	-	5,363
Fundraising events	18,601	-	-	18,601
Total contributions and other support	<u>716,750</u>	<u>5,990</u>	<u>4,600</u>	<u>727,340</u>
Net assets released from temporarily restrictions				
Satisfaction of donor's restrictions	3,376	(3,376)	-	-
EXPENSES				
Program services	566,261	-	-	566,261
General and administrative	80,739	-	-	80,739
Fundraising	17,040	-	-	17,040
Total expenses	<u>664,040</u>	<u>-</u>	<u>-</u>	<u>664,040</u>
CHANGE IN NET ASSETS	56,086	2,614	4,600	63,300
NET ASSETS - BEGINNING OF YEAR	<u>33,058</u>	<u>9,007</u>	<u>34,445</u>	<u>76,510</u>
NET ASSETS - END OF YEAR	<u>\$ 89,144</u>	<u>\$ 11,621</u>	<u>\$ 39,045</u>	<u>\$ 139,810</u>

The accompanying notes are an integral part of these financial statements

WHITE PLAINS CHILDREN'S CENTER, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2015

	2015			
	Program	General and Administrative	Fundraising	Total
Salaries	\$ 369,297	\$ 67,145	\$ 11,191	\$ 447,633
Payroll taxes and benefits	71,022	12,913	2,152	86,087
Professional fees	-	6,000	-	6,000
Therapy	38,240	-	-	38,240
Supplies:				
Food	34,068	-	-	34,068
Educational	5,409	-	-	5,409
Office	1,879	342	57	2,278
Other	2,541	-	-	2,541
Telephone	3,052	555	92	3,699
Playground improvements	2,689	-	-	2,689
Travel	613	-	-	613
Postage	446	81	14	540
Printing	30	5	1	36
Bank fees	65	12	2	79
Advertising	-	1,300	-	1,300
Staff development	4,576	-	-	4,576
Insurance	6,993	1,271	212	8,476
Dues and subscriptions	617	112	19	748
Support services	255	-	-	255
Copier lease	2,259	411	68	2,738
Licenses, fees and taxes	1,348	245	-	1,593
Donated facilities expense	86,985	-	-	86,985
Direct benefit to donors	-	-	4,584	4,584
Miscellaneous	-	693	-	693
Depreciation	632	632	277	1,541
TOTALS	\$ 633,015	\$ 91,716	\$ 18,669	\$ 743,400

The accompanying notes are an integral part of these financial statements

WHITE PLAINS CHILDREN'S CENTER, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	2014			
	Program	General and Administrative	Fundraising	Total
Salaries	\$ 323,538	\$ 58,825	\$ 9,804	\$ 392,167
Payroll taxes and benefits	60,855	11,065	1,844	73,764
Professional fees	-	5,875	-	5,875
Therapy	35,826	-	-	35,826
Supplies:				
Food	28,915	-	-	28,915
Educational	3,605	-	-	3,605
Office	3,467	630	105	4,202
Other	1,240	-	-	1,240
Telephone	2,665	485	81	3,230
Playground improvements	6,670	-	-	6,670
Travel	673	-	-	673
Postage	401	73	12	486
Advertising	-	443	-	443
Staff development	890	-	-	890
Insurance	6,132	1,115	186	7,433
Dues and subscriptions	257	47	8	311
Support services	199	-	-	199
Copier lease	1,801	327	55	2,183
Licenses, fees and taxes	1,213	221	37	1,470
Donated facilities expense	86,985	-	-	86,985
Direct benefit to donors	-	-	4,444	4,444
Office equipment	-	497	-	497
Miscellaneous	-	207	-	207
Depreciation	930	930	465	2,325
TOTALS	\$ 566,261	\$ 80,739	\$ 17,040	\$ 664,040

The accompanying notes are an integral part of these financial statements

WHITE PLAINS CHILDREN'S CENTER, INC
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 16,253	\$ 63,300
Permanently restricted contributions	6,950	4,600
Adjustments to reconcile change in net assets provided by operating activities:		
Depreciation	1,541	2,325
Unrealized (appreciation) depreciation on investments	164	(5,990)
Effects of changes in operating assets and liabilities:		
Accounts receivable	7,622	(14,608)
Prepaid expenses	1,418	1,356
Accounts payable and accrued liabilities	<u>(3,181)</u>	<u>3,972</u>
Net cash provided by operating activities	30,767	54,955
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(832)	-
Distributions from investments	<u>1,972</u>	<u>1,744</u>
Net cash provided by investing activities	1,140	1,744
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for endowment	<u>(6,950)</u>	<u>(4,600)</u>
INCREASE IN CASH	24,957	52,099
CASH, BEGINNING OF YEAR	<u>96,228</u>	<u>44,129</u>
CASH, END OF YEAR	<u>\$ 121,185</u>	<u>\$ 96,228</u>

The accompanying notes are an integral part of these financial statements

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Center is a nonprofit corporation organized under the laws of the State of North Carolina. The Center is a development day care center serving typical and special needs children ages one through five years. Individual needs are determined through evaluation after which education goals are formalized into an individual plan. Occupational, physical, speech and music therapy are available to meet the children's special needs.

Basis of Presentation

Financial statement presentation follows the recommendations of the provisions of *Financial Statements of Not-For-Profit Organizations*. Under these provisions the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations, that are available without limitation for support of the Center's operations.

Temporarily Restricted Net Assets – These net assets represent contributions, and other income which must be spent for the purpose designated by the donors. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Restricted contributions whose restrictions are met within the same reporting period are reported as unrestricted contributions.

Permanently Restricted Net Assets – The net assets that are subject to donor-imposed stipulations that the principal be invested permanently and the income be used either for a designated purpose or for general operations of the Association. Generally, the donors of these assets permit the Association to use all of, or part of, the income earned on related investments for general or specific purposes. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation, and/or by law.

Allocation of Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, estimates have been made by management in allocating certain costs such as compensation, utilities, office expenses, etc., which have been distributed among the program and support services benefited.

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue

Grants and other contributions. Grants and contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as *"net assets released from restrictions."*

Contributions of non-cash assets or services. Contributions of donated non-cash assets are recorded as support at their fair values in the period received. Contributions of donated services are recorded at their fair market values in the period received. Donated services are those that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of unpaid volunteers have made significant contributions of their time to develop the Center's various programs. The value of this contributed time is not included in these statements since it is not susceptible to objective measurement or valuation.

Donated use of facilities. The value of donated facilities is calculated based on the estimated fair rental value of the space used. The fair rental value is the amount that would be charged for similar space that is rented under similar terms. Since the free use of facilities is not promised for any specified period of time, the Center recognizes the contribution and related expense for the period it occupies the free office space.

Contribution of property and equipment. Donations of property and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. If a donor does not stipulate how long a donated asset must be maintained, the Center reports expiration of donor restrictions when the donated asset is placed in service. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Concentrations of Credit Risk

The Center maintains cash in several commercial banks located in Cary, North Carolina. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specific limits. Balances in excess of FDIC limits are uninsured. At June 30, 2015 the Center did not have any cash in excess of FDIC limits.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with United States of America generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement of Cash Flows

For the purposes of reporting cash flows, cash includes cash on hand, money market accounts, short-term investments with maturities less than 90 days, and amounts on deposit with banks.

Property and Equipment

Property and equipment is carried at cost and adjusted for impairments of value. The Center capitalizes all expenditures in excess of \$300 for property and equipment at cost, and donated assets are recorded at fair market value at the date of the donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which vary between 3 and 7 years. Depreciation expense for the years ended June 30, 2015 and 2014 was \$1,541 and \$2,325, respectively.

Expenditures for repairs and maintenance are charged to expense as incurred. The costs of major renewals and betterments are capitalized and depreciated over their estimated useful lives, ranging between 3 and 40 years. Upon disposition, the cost and related accumulated depreciation accounts are relieved and any related gain or loss is included in operations.

Income Taxes

The Center is exempt from federal income taxes under Sections 501(c)(3) of the Internal Revenue Code. The State of North Carolina has granted a similar exemption. Therefore, no income taxes are reflected in these financial statements. The informational returns are still open to examination by the Internal Revenue Service for the fiscal years 2013, 2012 and 2011.

Accounts Receivable

The Center considers all accounts receivable to be fully realized, therefore, no provision for uncollectible amounts has been included at June 30, 2015 and 2014. If amounts do become uncollectible, they will be charged to the operations when that determination is made. For the years ended June 30, 2015 and 2014, there were not any receivables charged-off.

Advertising Costs

The Center charges the costs of advertising to expense, as incurred. Advertising expenses for the years ended June 30, 2015 and 2014 were \$1,300 and \$443, respectively.

Fair Value of Financing Instruments

The carrying amount of cash, accounts receivable, prepaid expenses and accounts payable and accrued liabilities approximate fair value due to the short duration of these instruments. Investments are described in Note 3. Their fair value is defined as the amount at which the instrument would be exchanged in a current transaction between willing parties.

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 2 – MAJOR FUNDING SOURCES

The Center has entered into purchase of services contracts with the Wake County Public School System and Wake County Human Services, to provide integrated developmental services, including special education services and specialized therapies. For the years ended June 30, 2015 and 2014, the Center recognized revenues from these entities in the amount of \$302,156 and \$309,363, respectively. Any significant reduction in these contracted services would have an adverse impact on the Center's operations and represents a concentration of revenues risk.

NOTE 3 - INVESTMENTS

At June 30, 2015 and 2014 the Center had amounts invested with the United Methodist Foundation (UMF), located in Garner, North Carolina. The Center held approximately 7,964 units of the UMF Balance Fund. For the years ended June 30, 2015 and 2014 investment activity was as follows.

	<u>2015</u>	<u>2014</u>
Cost basis - beginning of year	\$ 39,329	\$ 35,083
Investment earnings reinvested	832	-
Annual distributions	<u>(1,972)</u>	<u>(1,744)</u>
Cost basis - end of year	\$ 38,189	\$ 33,339
Unrealized gain (loss)	<u>(164)</u>	<u>5,990</u>
Fair value - end of year	<u><u>\$ 38,025</u></u>	<u><u>\$ 39,329</u></u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 59,983	\$ 59,983
Equipment and furniture	<u>51,176</u>	<u>51,176</u>
Total	\$ 111,159	\$ 111,159
Less: Accumulated Depreciation	<u>(109,459)</u>	<u>(107,919)</u>
Property and equipment, net	<u><u>\$ 1,700</u></u>	<u><u>\$ 3,240</u></u>

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 5 – RETIREMENT PLAN

The Center offers eligible employees a 403(b) defined contribution retirement plan. Employees make contributions to the plans through payroll deductions. For the years ended June 30, 2015 and 2014, the Center did not make any matching contributions to the plans and none of its employees participated in the plan.

NOTE 6 - LEASE COMMITMENTS

The Center has entered into an operating lease for its copier. The terms of the lease call for monthly payments of \$162, expiring September 2015. Future minimum lease payments are \$486 for fiscal year 2016.

NOTE 7 – ALLOCATION OF JOINT COSTS

The Center conducted activities that included requests for contributions as well as programmatic and management activities. These activities included fundraising activities for requests for grants and donation, and for special events. For the years ended June 30, 2015 and 2014 the Statement of Functional Expenses reported \$14,085 and \$12,596, respectively, of fundraising expenses that consisted of joint costs. Each functional expense related to fundraising has a ratio calculated that related to the percentage of expense designated to fundraising. These ratios were based on actual or historical use.

NOTE 8 – DONATED FACILITIES

The Center operates within a designated wing of White Plains United Methodist Church (the Church). The Church provides the facility at no cost to the Center. The recognized amount of donated facilities is based upon the prevailing Class B office space rental rates applied to the total square footage of the space utilized by the Center.

In addition, the playground on the Church grounds is also provided, at no cost, to the Center to use during its hours of operation. All of the playground equipment is the property of the Church, and any improvements or repairs to the playground equipment, paid by the Center, are expensed by the Center as a program cost, during the period the expense is incurred.

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 11 - ENDOWMENTS

The Center follows the guidance for endowments of Not-for-Profit Organizations, which includes a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. This guidance also requires expanded disclosures for all endowment funds.

The Center's endowment consists of an individual funds established for the long-term financial future of the the Center. Endowments include donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence of donor-imposed restrictions

Interpretation of Relevant Law

The Center's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Board 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 as temporarily restricted net assets until those amounts are appropriated for expenditure, by the Center, in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center 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 application of investments;
- (6) Other resources of the institution; and
- (7) The investment policies of the organization.

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce effective, long-term growth results.

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 11 – ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Center 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). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment net asset composition by fund type as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$ <u>-</u>	\$ <u>9,601</u>	\$ <u>45,995</u>	\$ <u>55,596</u>

Endowment net asset composition by fund type as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$ <u>-</u>	\$ <u>11,284</u>	\$ <u>39,045</u>	\$ <u>50,329</u>

Changes in endowment net assets for the year ended June 30, 2015:

	<u>2015</u>		
	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning	\$ 11,284	\$ 39,045	\$ 50,329
Contributions	-	6,950	6,950
Investment earnings, including realized losses	289	-	289
Annual distribution of earnings	(1,972)	-	(1,972)
Endowment net assets - ending	\$ 9,601	\$ 45,995	\$ 55,596

WHITE PLAINS CHILDREN'S CENTER, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 11 – ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2014:

	2014		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning	\$ 7,038	\$ 34,445	\$ 41,483
Contributions	-	4,600	4,600
Investment earnings, including realized losses	5,990	-	5,990
Annual distribution of earnings	(1,744)	-	(1,744)
Endowment net assets - ending	\$ 11,284	\$ 39,045	\$ 50,329

NOTE 12 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, relate to the following:

	2015	2014
Endowments	<u>\$ 45,995</u>	<u>\$ 39,045</u>

NOTE 13 – SUBSEQUENT EVENTS

Management evaluated subsequent events through August 31, 2015, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2015, but prior to August 31, 2015 that provided additional evidence about conditions that existed at June 30, 2015, have been recognized in the financial statements for the year ended June 30, 2015.