

**DELTA GAMMA ANCHOR CENTER  
FOR BLIND CHILDREN**

**FINANCIAL STATEMENTS**

**JUNE 30, 2011**

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### Independent Auditor's Report

The Board of Directors  
Delta Gamma Anchor Center for  
Blind Children  
Denver, Colorado

We have audited the accompanying statements of financial position of Delta Gamma Anchor Center for Blind Children, (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Gamma Anchor Center for Blind Children as of June 30, 2011 and 2010, and its changes in net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*Poysti & Adams, LLC*

September 27, 2011

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DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
STATEMENTS OF FINANCIAL POSITION

<u>June 30,</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,192,402	\$ 1,200,735
Investments	3,518,666	2,949,382
Prepaid expenses	52,457	45,758
Promises to give	177,403	188,627
Property and equipment, net of accumulated depreciation	6,275,934	6,519,992
Cash held for long-term purposes	<u>7,643</u>	<u>8,050</u>
Total Assets	<u>\$ 11,224,505</u>	<u>\$ 10,912,544</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 59,577	\$ 9,266
Deferred revenue	<u>27,700</u>	<u>23,950</u>
Total liabilities	<u>87,277</u>	<u>33,216</u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Undesignated	7,293,581	7,567,054
Board designated	1,292,337	1,112,922
Temporarily restricted	38,698	64,646
Permanently restricted	<u>2,512,612</u>	<u>2,134,706</u>
Total net assets	<u>11,137,228</u>	<u>10,879,328</u>
Total Liabilities and Net Assets	<u>\$ 11,224,505</u>	<u>\$ 10,912,544</u>

The accompanying notes are an integral part of these financial statements.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
STATEMENT OF ACTIVITIES

For the Year Ended June 30,

2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Support, Revenue, and</u>				
<u>Other Gains</u>				
Contributions	\$ 806,072	\$ 146,399	\$ 2,000	\$ 954,471
Program fees	126,381	0	0	126,381
Federal awards	0	10,000	0	10,000
Special events (net)	209,956	0	0	209,956
Investment income	255,056	0	483,490	738,546
Other	1,241	0	0	1,241
Net assets released from restrictions	<u>289,931</u>	<u>(182,347)</u>	<u>(107,584)</u>	<u>0</u>
Total support, revenue, and other gains	<u>1,688,637</u>	<u>(25,948)</u>	<u>377,906</u>	<u>2,040,595</u>
<u>Expenses</u>				
Program services				
School	1,376,983			1,376,983
Supporting services				
Management and general	188,542			188,542
Fundraising	<u>178,827</u>			<u>178,827</u>
Total supporting services	<u>367,369</u>			<u>367,369</u>
Total expenses	<u>1,744,352</u>			<u>1,744,352</u>
Changes in net assets	(55,715)	(25,948)	377,906	296,243
Correction of an error	(38,343)	0	0	(38,343)
Net assets, beginning of year	<u>8,679,976</u>	<u>64,646</u>	<u>2,134,706</u>	<u>10,879,328</u>
Net assets, end of year	<u>\$ 8,585,918</u>	<u>\$ 38,698</u>	<u>\$ 2,512,612</u>	<u>\$ 11,137,228</u>

The accompanying notes are an integral part of these financial statements.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
STATEMENT OF ACTIVITIES

For the Year Ended June 30,

2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Support, Revenue, and</u>				
<u>Other Gains</u>				
Contributions	\$ 673,500	\$ 76,520	\$ 2,000	\$ 752,020
Program fees	101,940	0	0	101,940
Federal awards	0	14,000	0	14,000
Special events (net)	189,783	0	0	189,783
Investment income	109,658	0	120,977	230,635
Other	1,465	0	0	1,465
Net assets released from restrictions	<u>168,261</u>	<u>(92,423)</u>	<u>(75,838)</u>	<u>0</u>
Total support, revenue, and other gains	<u>1,244,607</u>	<u>(1,903)</u>	<u>47,139</u>	<u>1,289,843</u>
<u>Expenses</u>				
Program services				
School	1,317,218			1,317,218
Supporting services				
Management and general	204,265			204,265
Fundraising	<u>161,224</u>			<u>161,224</u>
Total supporting services	<u>365,489</u>			<u>365,489</u>
Total expenses	<u>1,682,707</u>			<u>1,682,707</u>
Transfers	<u>(150,000)</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
Changes in net assets	(588,100)	(1,903)	197,139	(392,864)
Net assets, beginning of year	<u>9,268,076</u>	<u>66,549</u>	<u>1,937,567</u>	<u>11,272,192</u>
Net assets, end of year	<u>\$ 8,679,976</u>	<u>\$ 64,646</u>	<u>\$ 2,134,706</u>	<u>\$ 10,879,328</u>

The accompanying notes are an integral part of these financial statements.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
STATEMENTS OF FUNCTIONAL EXPENSES

	<u>School</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Totals</u>
<u>For the Year Ended June 30, 2011</u>				
Salaries and wages	\$ 740,963	\$ 61,616	\$ 118,396	\$ 920,975
Employee benefits	70,362	5,851	11,248	87,461
Payroll taxes	<u>54,517</u>	<u>4,534</u>	<u>8,715</u>	<u>67,766</u>
Total compensation	865,842	72,001	138,359	1,076,202
Professional fees	42,855	11,996	2,072	56,923
Supplies	17,458	635	1,220	19,313
Telephone	6,755	889	1,244	8,888
Postage	4,474	391	727	5,592
Occupancy	117,956	32,401	9,261	159,618
Equipment rental and maintenance	19,491	1,621	3,116	24,228
Printing	16,379	0	4,095	20,474
Dues and subscriptions	3,161	0	0	3,161
Travel and conventions	48,988	0	0	48,988
Miscellaneous	32,343	18,288	5,491	56,122
Depreciation and amortization	<u>201,281</u>	<u>50,320</u>	<u>13,242</u>	<u>264,843</u>
Total functional expenses	<u>\$ 1,376,983</u>	<u>\$ 188,542</u>	<u>\$ 178,827</u>	<u>\$ 1,744,352</u>
<u>For the Year Ended June 30, 2010</u>				
Salaries and wages	\$ 721,715	\$ 79,247	\$ 108,264	\$ 909,226
Employee benefits	60,940	6,943	9,257	77,140
Payroll taxes	<u>52,255</u>	<u>5,953</u>	<u>7,938</u>	<u>66,146</u>
Total compensation	834,910	92,143	125,459	1,052,512
Professional fees	38,589	9,107	176	47,872
Supplies	30,403	1,053	1,404	32,860
Telephone	6,768	891	1,247	8,906
Postage	5,221	595	793	6,609
Occupancy	111,262	31,003	8,869	151,134
Equipment rental and maintenance	16,210	3,039	1,013	20,262
Printing	13,962	0	3,490	17,452
Dues and subscriptions	4,842	0	0	4,842
Travel and conventions	41,828	0	0	41,828
Miscellaneous	11,908	16,105	5,529	33,542
Depreciation and amortization	<u>201,315</u>	<u>50,329</u>	<u>13,244</u>	<u>264,888</u>
Total functional expenses	<u>\$ 1,317,218</u>	<u>\$ 204,265</u>	<u>\$ 161,224</u>	<u>\$ 1,682,707</u>

The accompanying notes are an integral part of these financial statements.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
STATEMENTS OF CASH FLOWS

For the Years Ended June 30,	2011	2010
Cash flows from operating activities		
Cash received from contributions	\$ 976,977	\$ 1,054,553
Cash received from federal awards	10,000	14,000
Other cash received	386,121	491,257
Interest and dividends received	81,246	68,666
Cash paid to employees and suppliers	<u>(1,547,502)</u>	<u>(1,746,228)</u>
Net cash used for operating activities	<u>(93,158)</u>	<u>(117,752)</u>
Cash flows from investing activities		
Proceeds from the sale of investments	376,655	465,397
Purchase of investments	(288,639)	(1,454,559)
Purchase of property and equipment	(5,598)	(43,812)
Net decrease in assets held for long-term purposes	<u>407</u>	<u>0</u>
Net cash provided by (used for) investing activities	<u>82,825</u>	<u>(1,032,974)</u>
Cash flows from financing activities		
Contributions restricted for endowment	2,000	2,000
Contributions restricted for capital expenditures	<u>0</u>	<u>1,500</u>
Net cash provided by financing activities	<u>2,000</u>	<u>3,500</u>
Net decrease in cash and cash equivalents	(8,333)	(1,147,226)
Cash and cash equivalents, beginning of year	<u>1,200,735</u>	<u>2,347,961</u>
Cash and cash equivalents, end of year	<u>\$ 1,192,402</u>	<u>\$ 1,200,735</u>
Reconciliation of changes in net assets to net cash used for operating activities:		
Changes in net assets	\$ 296,243	\$ (392,864)
Adjustments		
Depreciation and amortization	264,843	264,888
Unrealized (gain) loss on investments	(640,900)	(173,032)
Realized (gain) loss on investments	(16,400)	11,063
Contributions restricted for endowment	(2,000)	(2,000)
Contributions restricted for capital expenditures	0	(1,500)
Donated fixed assets	(15,187)	(3,100)
Correction of an error	(38,343)	0
(Increase) decrease in assets		
Promises to give	11,224	218,208
Prepaid expenses	(6,699)	(25,557)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	50,311	(15,880)
Deferred revenue	<u>3,750</u>	<u>2,022</u>
Net cash used for operating activities	<u>\$ (93,158)</u>	<u>\$ (117,752)</u>

The accompanying notes are an integral part of these financial statements.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Delta Gamma Anchor Center for Blind Children (Center) is a nonprofit corporation whose mission is to teach visually impaired infants, young children and their families, providing hope and a nurturing environment where children reach their highest potential.

The Center is exempt from income tax under section 501(c)(3) of the United States Internal Revenue Code and comparable state law, and contributions to it are deductible within the limitations prescribed by the Code. The Center has been classified as a publicly supported organization which is not a private foundation under section 509(a) of the Code. The Center did not have any material unrelated business income tax liability or significant uncertain income tax positions for the years ended June 30, 2011 and 2010.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Classes of Net Assets

The financial statements report amounts separately by classes of net assets:

Unrestricted amounts are those currently available at the discretion of the Board for use in the Center's activities, and those resources invested in property and equipment.

Temporarily restricted amounts are those which are restricted by donors for specific operating purposes, for the acquisition of land, buildings, and equipment, or with a stipulated time restriction. 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 statement of activities as net assets released from restrictions.

Permanently restricted net assets are those restricted by donors requiring in perpetuity that the principal be invested and the income only be used for the Center's exempt purpose. Income from these funds is recognized as unrestricted, temporarily restricted, and permanently restricted income.

Property, Equipment and Depreciation

Assets over \$1,000 are recorded at cost if purchased, or if donated at their fair value at the time of the donation. Depreciation of property and equipment is provided over the estimated useful life of the respective asset on a straight line basis.

The Center reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

Many individuals volunteer their time and perform a variety of tasks to assist the Center including services in the Center's programs and special events. No amounts have been reflected in the financial statements for such services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Investments

Investments are carried at fair value. Donated investments are initially recorded at fair value on the date of donation. Realized and unrealized gains and losses are reflected in the statement of activities.

Federal Awards

Revenue is recognized when expenses are incurred on the projects.

Advertising Costs

The costs of promotion and advertising are expensed as incurred.

Other Matters

For the purposes of the statement of cash flows, the Center considers all highly liquid debt instruments with a maturity of six months or less to be cash and cash equivalents. The Center periodically has cash accounts that exceed the federally insured limit. They are selective with regard to the choice of financial institutions with which they deposit funds.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events

The provisions of FASB ASC 855, *Subsequent Events*, require management to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Center's financial statements were available to be issued on September 30, 2011, and this is the date through which subsequent events were evaluated. The Center did not identify any subsequent events requiring disclosure.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – INVESTMENTS

Carried at fair value (based on quoted market prices):

	<u>2011</u>	<u>2010</u>
Equity securities	\$ 2,514,649	\$ 2,107,164
Fixed income	907,840	756,067
Other	96,177	86,151
	<u>\$ 3,518,666</u>	<u>\$ 2,949,382</u>

Composition of investment return:

	<u>2011</u>	<u>2010</u>
Dividends and interest	\$ 80,051	\$ 65,461
Unrealized gains on investments	640,900	173,032
Realized gains (losses) on investments	16,400	(11,063)
	<u>\$ 737,351</u>	<u>\$ 227,430</u>

Reconciliation of investment return to amounts reported in the statement of activities:

	<u>2011</u>	<u>2010</u>
Investment return	\$ 737,351	\$ 227,430
Interest earned from operations	1,195	3,205
Total investment income	<u>\$ 738,546</u>	<u>\$ 230,635</u>

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, all of the Center's investments are valued using Level 1, Quoted Prices in Active Markets for Identical Assets inputs. The Center reviews its holdings on a regular basis to determine if any investment has experienced an other-than-temporary decline in fair value.

NOTE 3 – PROMISES TO GIVE

Promises to give are recorded at the net present value, determined using a discount rate commensurate with the IRS Applicable Federal Rate on the date of the promise, as receivables in the year made. Donor restricted promises to give are reported as additions to the appropriate temporarily restricted net assets. The promises to give from various trusts and individuals were as follows:

	<u>2011</u>	<u>2010</u>
In less than one year	\$ 128,403	\$ 154,402
In one to five years	49,000	34,225
Total promises to give	<u>\$ 177,403</u>	<u>\$ 188,627</u>

Management believes all promises to give will be received.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PROPERTY AND EQUIPMENT

	<u>2011</u>	<u>2010</u>
Building	\$ 6,251,300	\$ 6,237,164
Furniture	142,644	142,644
Equipment	155,364	166,047
Auto	23,000	23,000
Logo	6,826	6,826
Artwork	18,855	18,855
	<u>6,597,989</u>	<u>6,594,536</u>
Accumulated depreciation	<u>(1,005,937)</u>	<u>(758,426)</u>
	5,592,052	5,836,110
Land	683,882	683,882
	<u>\$ 6,275,934</u>	<u>\$ 6,519,992</u>

NOTE 5 – DEFERRED REVENUE

The Center received sponsorships and ticket revenue as well as prepaid tuition totaling \$27,700 and \$23,950, which was recorded as deferred revenue as of June 30, 2011 and 2010 primarily for Sunset in the Country. The revenue and associated expense will be recorded as a special event when the event and school takes place in the subsequent period.

NOTE 6 – NET ASSETS

Net assets are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Unrestricted Net Assets:		
Undesignated	\$ 7,293,581	\$ 7,567,054
Designated for quasi-endowment	1,292,337	1,112,922
	<u>\$ 8,585,918</u>	<u>\$ 8,679,976</u>
Temporarily Restricted Net Assets:		
Building	\$ 7,143	\$ 8,050
Capital	500	1,428
Family support	12,552	5,433
Internship	11,325	20,698
Outreach	1,385	1,925
Parent compass	1,474	1,348
Research	0	13,600
Supplies	114	992
Therapy/classroom	4,205	11,172
	<u>\$ 38,698</u>	<u>\$ 64,646</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2011</u>	<u>2010</u>
Building	\$ 908	\$ 0
Building maintenance/Austin Glen	60,995	30,545
Capital	1,428	73
Education	0	3,075
Family support	4,181	8,025
Internship	9,372	11,865
Operations/Greenleaf Trust	46,589	45,292
Outreach	15,540	10,000
Research	13,600	9,623
Spanish interpretation	0	5,000
Supplies	2,668	2,835
Therapy	134,650	41,928
	<u>\$ 289,931</u>	<u>\$ 168,261</u>

NOTE 8 – SPECIAL EVENTS

	<u>2011</u>	<u>2010</u>
Revenues		
Mary Poppins	\$ 0	\$ 942
Sunset in the Country 2009	0	358,963
Sunset in the Country 2010	322,844	0
Foresight Golf Classic 2010	0	121,937
Foresight Golf Classic 2011	120,340	0
Wicked	0	5,928
Billy Elliot Theater Event	858	0
Blue Man Group	693	0
Visions of Love	13,614	0
Total revenues	<u>458,349</u>	<u>487,770</u>
Expenses		
Mary Poppins	0	705
Sunset in the Country 2009	0	214,907
Sunset in the Country 2010	168,302	0
Foresight Golf Classic 2010	0	77,625
Foresight Golf Classic 2011	73,921	0
Wicked	0	4,750
Billy Elliot Theater Event	642	0
Blue Man Group	620	0
Visions of Love	4,908	0
Total expenses	<u>248,393</u>	<u>297,987</u>
Net Special Event Revenue	<u>\$ 209,956</u>	<u>\$ 189,783</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – ENDOWMENTS

The Center's endowments consist of approximately three individual funds established for a variety of purposes. Two endowments are considered donor-restricted endowment funds and one is considered a board-designated endowment fund. As required by the generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Board of the Center has interpreted the Colorado Prudent Management of Institutional Funds Act (CPMIFA) 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 Center classifies as permanently restricted and board designated 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 or board designated 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 CPMIFA. In accordance with CPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor restricted and board designated endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Center 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 Center.
7. The investment policies of the Center.
8. One of the Center's permanently restricted endowments has a restriction that requires an affirmative vote of at least two-thirds of the entire Board in order to withdraw amounts greater than the amount calculated under the endowment's Spending Policy.
9. The Center held \$2,512,612 and \$2,134,706 in permanently restricted endowment net asset for the years ended June 30, 2011 and 2010 and \$1,292,337 and \$1,112,922 in board designated endowment net asset for the years ended June 30, 2011 and 2010.

Changes in endowment net assets for the year ended June 30, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of the year	\$ 1,112,922	\$ 64,646	\$ 2,134,706	\$ 3,312,274
Contributions	0	146,399	2,000	148,399
Federal awards	0	10,000	0	10,000
Investment gains	179,415		483,490	662,905
Net assets released from restrictions	<u>0</u>	<u>(182,347)</u>	<u>(107,584)</u>	<u>(289,931)</u>
Endowment net assets, end of year	<u>\$ 1,292,337</u>	<u>\$ 38,698</u>	<u>\$ 2,512,612</u>	<u>\$ 3,843,647</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of the year	\$ 825,463	\$ 66,549	\$ 1,937,567	\$ 2,829,579
Contributions	0	76,520	2,000	78,520
Federal awards	0	14,000	0	14,000
Investment gains	97,459	0	120,977	218,436
Net assets released from restrictions	0	(92,423)	(75,838)	(168,261)
Net transfers	<u>190,000</u>	<u>0</u>	<u>150,000</u>	<u>340,000</u>
Endowment net assets, end of year	<u>\$ 1,112,922</u>	<u>\$ 64,646</u>	<u>\$ 2,134,706</u>	<u>\$ 3,312,274</u>

NOTE 10 – LEASES

The Center has entered into operating leases for copiers in January 2008 and September 2009 for \$195 and \$255 per month that expires in January 2013 and September 2014. Lease expense for the years ended June 30, 2011 and 2010 was \$6,733 and \$6,586.

Future minimum lease payments for the succeeding years ending June 30:

2012	\$ 5,400
2013	4,230
2014	3,060
2015	765

NOTE 11 – PENSION PLAN

The Center offers a tax deferred annuity 403(b) retirement plan to all eligible employees. The Center provides matching funds of 4% to full time employees with one year of service and 5.6% to full time employees with two or more years of service. Pension expense was \$40,482 and \$40,998 for the years ended June 30, 2011 and 2010.

NOTE 12 – CONCENTRATION IN DONATIONS

Twenty-three percent of 2011 donations were received from one donor and related entities. Thirteen percent of the 2010 donations were received from one donor. The Center monitors its cash flow so that it does not rely on large donations to perform its exempt purpose.

NOTE 13 – CORRECTION OF AN ERROR

The Center did not accrue employee paid time off of \$38,343 for the year ended June 30, 2010. This amount is reported as a correction of an error in the statement of activities as a reduction of unrestricted net assets.