

A CHILD'S PLACE OF CHARLOTTE, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

**A CHILD'S PLACE OF CHARLOTTE, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES - YEAR ENDED JUNE 30, 2015	4
STATEMENT OF ACTIVITIES - YEAR ENDED JUNE 30, 2014	5
STATEMENT OF FUNCTIONAL EXPENSES - YEAR ENDED JUNE 30, 2015	6
STATEMENT OF FUNCTIONAL EXPENSES - YEAR ENDED JUNE 30, 2014	7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
A Child's Place of Charlotte, Inc.
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of A Child's Place of Charlotte, Inc. (the "Agency"), which comprises the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, 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 statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

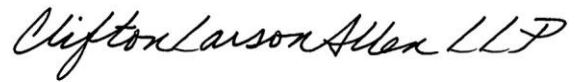
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 Agency'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 Agency'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Charlotte, North Carolina
September 18, 2015

A CHILD'S PLACE OF CHARLOTTE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 524,512	\$ 658,318
Prepaid Expenses	10,941	58,323
Grants Receivable	135,934	54,825
Other Receivables	893	1,898
Total Current Assets	672,280	773,364
PROPERTY AND EQUIPMENT		
Equipment	238,152	234,950
Less: Accumulated Depreciation	(141,254)	(97,880)
Total Property and Equipment, Net	96,898	137,070
Total Assets	\$ 769,178	\$ 910,434
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 38,779	\$ 42,061
Accrued Expenses and Other Current Liabilities	8,710	26,176
Capital Lease, Current Portion	3,512	3,375
Total Current Liabilities	51,001	71,612
LONG-TERM LIABILITIES		
Capital Lease, Net of Current Portion	7,784	11,296
Total Non-Current Liabilities	7,784	11,296
Total Liabilities	58,785	82,908
NET ASSETS		
Unrestricted	345,883	593,555
Temporarily Restricted	363,910	233,371
Permanently Restricted	600	600
Total Net Assets	710,393	827,526
Total Liabilities and Net Assets	\$ 769,178	\$ 910,434

See accompanying Notes to Financial Statements.

A CHILD'S PLACE OF CHARLOTTE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
SUPPORT AND REVENUE				
Contributions and Grants	\$ 1,222,914	\$ 203,182	\$ -	\$ 1,426,096
Special Events (Net of Direct Cost of \$159,326 and In-Kind Cost of \$91,508)	195,187	155,260	-	350,447
Third Party Events	119,605	145	-	119,750
Investment Income	109	-	-	109
Donated Goods and Services	505,280	-	-	505,280
Net Assets Released from Restrictions by:				
Fulfillment of Purpose	182,376	(182,376)	-	-
Passage of Time	45,672	(45,672)	-	-
Total Support and Revenue	<u>2,271,143</u>	<u>130,539</u>	<u>-</u>	<u>2,401,682</u>
EXPENSES				
Program Services	2,197,257	-	-	2,197,257
Management and General	110,754	-	-	110,754
Fundraising	210,804	-	-	210,804
Total Expenses	<u>2,518,815</u>	<u>-</u>	<u>-</u>	<u>2,518,815</u>
CHANGE IN NET ASSETS	(247,672)	130,539	-	(117,133)
NET ASSETS, BEGINNING	<u>593,555</u>	<u>233,371</u>	<u>600</u>	<u>827,526</u>
NET ASSETS, ENDING	<u>\$ 345,883</u>	<u>\$ 363,910</u>	<u>\$ 600</u>	<u>\$ 710,393</u>

See accompanying Notes to Financial Statements.

A CHILD'S PLACE OF CHARLOTTE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
SUPPORT AND REVENUE				
Contributions and Grants	\$ 1,307,077	\$ 102,330	\$ 600	\$ 1,410,007
Special Events (Net of Direct Cost of \$197,320 and In-Kind Cost of \$99,951)	293,879	114,361	-	408,240
Third Party Events	107,048	15,845	-	122,893
Investment Income	350	-	-	350
Donated Goods and Services	759,760	-	-	759,760
Net Assets Released from Restrictions by:				
Fulfillment of Purpose	163,236	(163,236)	-	-
Passage of Time	76,277	(76,277)	-	-
Total Support and Revenue	<u>2,707,627</u>	<u>(6,977)</u>	<u>600</u>	<u>2,701,250</u>
EXPENSES				
Program Services	2,480,493	-	-	2,480,493
Management and General	134,208	-	-	134,208
Fundraising	427,669	-	-	427,669
Total Expenses	<u>3,042,370</u>	<u>-</u>	<u>-</u>	<u>3,042,370</u>
CHANGE IN NET ASSETS	(334,743)	(6,977)	600	(341,120)
NET ASSETS, BEGINNING	<u>928,298</u>	<u>240,348</u>	<u>-</u>	<u>1,168,646</u>
NET ASSETS, ENDING	<u>\$ 593,555</u>	<u>\$ 233,371</u>	<u>\$ 600</u>	<u>\$ 827,526</u>

See accompanying Notes to Financial Statements.

**A CHILD'S PLACE OF CHARLOTTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
PERSONNEL				
Salaries	\$ 1,010,208	\$ 44,971	\$ 130,441	\$ 1,185,620
Benefits	204,173	8,473	15,870	228,516
Payroll Taxes	87,395	3,877	11,011	102,283
Total Personnel	<u>1,301,776</u>	<u>57,321</u>	<u>157,322</u>	<u>1,516,419</u>
OTHER EXPENSES				
Family Support	154,526	-	-	154,526
Classroom Supplies and Support	133,107	-	-	133,107
Occupancy	258,702	2,961	17,375	279,038
Professional Fees	78,084	49,062	18,334	145,480
Transportation	16,033	302	1,254	17,589
Public Relations	4,090	44	5,714	9,848
Insurance	10,561	204	1,195	11,960
Office Supplies	9,300	177	1,237	10,714
Printing	2,469	46	2,771	5,286
Postage	4,439	86	2,159	6,684
Staff Development	556	3	233	792
Telephone and Communications	4,335	62	362	4,759
Summer Camp	179,239	-	-	179,239
Direct and In-Kind Special Event Costs	-	-	250,834	250,834
Total Other Expenses	<u>855,441</u>	<u>52,947</u>	<u>301,468</u>	<u>1,209,856</u>
Total Expenses Before Depreciation	2,157,217	110,268	458,790	2,726,275
Depreciation Expense	<u>40,040</u>	<u>486</u>	<u>2,848</u>	<u>43,374</u>
TOTAL EXPENSES	2,197,257	110,754	461,638	2,769,649
Less - Direct and In-Kind Special Event Costs Deducted from Revenue	-	-	250,834	250,834
NET EXPENSES	<u>\$ 2,197,257</u>	<u>\$ 110,754</u>	<u>\$ 210,804</u>	<u>\$ 2,518,815</u>

See accompanying Notes to Financial Statements.

**A CHILD'S PLACE OF CHARLOTTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
PERSONNEL				
Salaries	\$ 1,008,262	\$ 46,697	\$ 239,794	\$ 1,294,753
Benefits	258,437	7,139	38,907	304,483
Payroll Taxes	87,626	3,845	20,569	112,040
Total Personnel	<u>1,354,325</u>	<u>57,681</u>	<u>299,270</u>	<u>1,711,276</u>
OTHER EXPENSES				
Family Support	184,866	-	-	184,866
Classroom Supplies and Support	217,404	-	-	217,404
Occupancy	301,638	3,919	23,610	329,167
Professional Fees	108,740	68,388	29,884	207,012
Transportation	14,830	1,015	1,627	17,472
Public Relations	18,013	80	54,593	72,686
Insurance	7,290	1,581	1,167	10,038
Office Supplies	5,089	202	1,477	6,768
Printing	6,785	154	2,975	9,914
Postage	11,638	309	7,787	19,734
Staff Development	3,286	273	1,628	5,187
Telephone and Communications	4,609	80	481	5,170
Summer Camp	205,041	-	-	205,041
Direct and In-Kind Special Event Costs	-	-	297,271	297,271
Total Other Expenses	<u>1,089,229</u>	<u>76,001</u>	<u>422,500</u>	<u>1,587,730</u>
Total Expenses Before Depreciation	2,443,554	133,682	721,770	3,299,006
Depreciation Expense	<u>36,939</u>	<u>526</u>	<u>3,170</u>	<u>40,635</u>
TOTAL EXPENSES	2,480,493	134,208	724,940	3,339,641
Less - Direct and In-Kind Special Event Costs Deducted from Revenue	-	-	297,271	297,271
NET EXPENSES	<u>\$ 2,480,493</u>	<u>\$ 134,208</u>	<u>\$ 427,669</u>	<u>\$ 3,042,370</u>

See accompanying Notes to Financial Statements.

**A CHILD'S PLACE OF CHARLOTTE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (117,133)	\$ (341,120)
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	43,374	40,635
Donated Equipment	-	(24,920)
Decrease (Increase) in Operating Assets:		
Prepaid Expenses	47,382	33,602
Grants Receivable	(81,109)	88,605
Other Receivables	1,005	(1,310)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(3,282)	21,642
Accrued Expenses and Other Liabilities	(17,466)	21,489
Net Cash Used in Operating Activities	(127,229)	(161,377)
INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(3,202)	(30,675)
Net Cash Used in Investing Activities	(3,202)	(30,675)
FINANCING ACTIVITIES		
Payments on Capital Lease	(3,375)	(2,977)
Net Cash Used in Financing Activities	(3,375)	(2,977)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(133,806)	(195,029)
Cash and Cash Equivalents - Beginning of Year	658,318	853,347
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 524,512	\$ 658,318
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Property and Equipment Financed through Capital Lease Obligation	\$ -	\$ 17,648

See accompanying Notes to Financial Statements.

A CHILD'S PLACE OF CHARLOTTE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 ORGANIZATION

A Child's Place of Charlotte, Inc. (the "Agency"), was incorporated as a nonprofit organization on August 9, 1990 under the laws of the State of North Carolina. The Agency is dedicated to erasing the impact of homelessness on children and their education in Mecklenburg County, North Carolina. The Agency's programs are focused on providing stability within the classroom for homeless, at-risk students and, at the same time, assess and strengthen their families to remove barriers that led to the homeless crisis. This unique partnership of student and family advocacy creates a unique approach to encouraging our students to be in school every day, stay focused on their education, develop a passion for learning and use the power of their education to change their lives. The Agency is supported primarily by contributions and grants from United Way, individuals, foundations, congregations, and public support, as well as special events held during the year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Agency and/or the passage of time. The Agency has adopted a policy to record all temporarily restricted contributions as unrestricted if the funds were utilized in the current fiscal year.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that must be maintained in perpetuity by the Agency. Donors of these assets stipulate that all, or part of, the income earned on related investments be used for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

A CHILD'S PLACE OF CHARLOTTE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Agency is a nonprofit organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income. The Agency is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

The Agency's income tax returns are subject to review and examination by Federal, state, and local authorities. The Agency is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Generally accepted accounting principles require an organization to recognize a tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. Management believes the Agency had no uncertain tax positions as of June 30, 2015 or 2014.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and investment accounts with original maturities less than three months. The Agency maintains bank accounts at various financial institutions covered by the FDIC. At times throughout the year, the Agency may maintain bank account balances in excess of the FDIC insured limit; however, management believes they are not exposed to any significant cash credit risk.

Property and Equipment

Property and equipment with a value of \$500 or more is recorded at cost if purchased or fair value if donated. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, which range from three years for computer equipment to seven years for office furniture.

Donated Goods and Services

Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at estimated fair value. During the years ended June 30, 2015 and 2014, the Agency recorded approximately \$414,000 (approximately \$92,000 included in Special Events Revenue) and \$624,000 (approximately \$100,000 included in Special Events Revenue), respectively, of donated goods and services.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Agency with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions, as they do not meet the criteria for recognition described above.

A CHILD'S PLACE OF CHARLOTTE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facility Usage

During the years ended June 30, 2015 and 2014, the Agency received the use of school office space and summer camp facilities, as well as office rent at a reduced rate. The annual use of this space has an estimated value of approximately \$183,000 and \$235,000, for the years ended June 30, 2015 and 2014, respectively, and has been included as donated goods and services revenue and classroom supplies and support and occupancy expense in the accompanying statements of activities. Because there are numerous factors used in determining the rental rates each period, the Agency is unable to estimate the amount of below market rent for future periods. Accordingly, no receivable has been recorded in the accompanying balance sheets for below market rent.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are released to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are not included as support until such time as the conditions are substantially met or the likelihood of not meeting the conditions is deemed remote.

Functional Allocation of Expenses

Expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent and various allocation methods appropriate to the type of expense.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements, with no effect on previously reported change in net assets.

Subsequent Events

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through September 18, 2015, the date the financial statements were available to be issued.

NOTE 3 GRANTS RECEIVABLE

The grants receivable balance as of June 30, 2015 and 2014 was approximately \$136,000 and \$55,000, respectively. These balances are shown at estimated realizable value with no allowance for uncollectable amounts. All outstanding amounts are expected to be collected within the next year. Of the grants receivable balance due as of June 30, 2015, approximately \$105,000 was due from the United Way. Of the grants receivable balance due as of June 30, 2014, approximately \$46,000 was due from the United Way.

A CHILD'S PLACE OF CHARLOTTE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 SPECIAL EVENTS

Special events revenue and expenses consist of the following at June 30, 2015 and 2014:

	2015	2014
Revenue	\$ 509,773	\$ 705,511
Expense	159,326	297,271
Net Revenue	\$ 350,447	\$ 408,240

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Balance at Year-End

Temporarily restricted net assets as of June 30, 2015 and 2014 were restricted for the following uses:

	2015	2014
United Way, Allocations for the Following Year	\$ 104,934	\$ 45,672
My Place Summer Camp	-	152,434
Supplies & Uniforms	12,795	2,774
Food & Snacks	3,396	3,396
Student/Family Support	-	406
Holiday Sponsorship	4,072	4,479
Reid Park-Social Worker	34,978	24,210
Walter G. Byers - Social Work Team	155,260	-
Medical Support	4,975	-
Operations	31,000	-
Technology	10,000	-
UNCC Evaluation	2,500	-
	\$ 363,910	\$ 233,371

NOTE 6 LEASE AGREEMENTS

Operating Leases

The Agency leases office space under a ten-year agreement with Children and Family Services Center, Inc. (the "Center"), a nonprofit organization created to construct and maintain an office building (Carol Grotnes Belk Building (the "Building")) to house Charlotte nonprofit agencies serving children and families in a central location at an affordable rate. The lease agreement also includes use of certain furniture, storage space, telephone system, computer equipment, and information technology and other collaborative services. The lease expires on April 30, 2017 and is renewable for three additional ten-year periods, and a fourth period ending December 31, 2052. The lease agreement requires payments of approximately \$10,300 per month through June 30, 2016. Lease payments may be changed at the Center's discretion.

A CHILD'S PLACE OF CHARLOTTE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 6 LEASE AGREEMENTS (CONTINUED)

Operating Leases (Continued)

Estimated future aggregate minimum annual payments under the operating lease agreement for office space, certain furniture, information technology and collaborative services, are due during the year ending June 30:

Year Ending June 30,	Amount
2016	\$ 123,552
2017	102,960
Total	\$ 226,512

Lease payments actually paid during the years ended June 30, 2015 and 2014 were approximately \$124,000 and \$121,000, respectively.

Capital Lease

The Agency leases office equipment under a capital lease obligation. Future minimum lease payments under capital lease obligations subsequent to June 30, 2015 are as follows:

Year Ending June 30,	Amount
2016	\$ 3,900
2017	3,900
2018	3,900
2019	325
Total	12,025
Less: Amounts Representing Interest	(729)
Less: Current Portion of Capital Lease Obligation	(3,512)
	\$ 7,784

NOTE 7 PENSION PLAN

In August 2009, the Agency began participating in the CFSC Shared Services, LLC 401(k) plan, a defined contribution retirement savings plan which covers all full-time and part-time employees of the Agency who meet certain minimal eligibility requirements. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Each year, participants may contribute up to 85% of their annual compensation on a pre-tax basis beginning the first day of the quarter following date of hire. The Agency contributes a matching contribution of 100% of the first 1% of base compensation that a participant contributes and 50% of the next 5% that a participant contributes. The Agency's contributions to the plan for the fiscal years ended June 30, 2015 and 2014 were approximately \$17,000 and \$23,000, respectively.

A CHILD'S PLACE OF CHARLOTTE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 8 COLLABORATIVE SERVICES

The Agency participates in a collaboration agreement with the Center and several other nonprofit agencies located in the Building to share financial and human resource functions. The collaboration will continue through the termination of the Agency's Center lease. If the Agency renews its Center lease, the collaboration agreement will be automatically extended for a period coterminous with the lease.

NOTE 9 CONCENTRATIONS

The Agency operates in a small geographic area, and is sensitive to changes in the local economy.