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January 11, 2018

Board of Directors  
Elkhart Child Development Center, Inc.  
2121 Prairie St.  
Elkhart, IN 46517

We have reviewed the report prepared by Elkhart Child Development Center, Inc. and opined upon by Cullar & Associates, PC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Elkhart Child Development Center, Inc. as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Cullar & Associates, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

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*FINANCIAL REPORT*

**ELKHART CHILD DEVELOPMENT CENTER, INC.**

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December 31, 2015 and 2014

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# CULLAR & ASSOCIATES, PC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Elkhart Child Development Center, Inc.  
Elkhart, Indiana

We have audited the accompanying financial statements of Elkhart Child Development Center, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 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.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elkhart Child Development Center, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Cullar & Associates, P.C.*

South Bend, Indiana  
September 19, 2016

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2015 and 2014

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<b>Assets:</b>	<u>2015</u>	<u>2014</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 171,960	\$ 104,486
Accounts receivable (net of allowance for doubtful accounts of \$1,231 and \$1,231)	2,645	2,742
Grants receivable	18,530	15,553
Prepaid expenses	<u>1,006</u>	<u>1,006</u>
<i>Total current assets</i>	<u>194,141</u>	<u>123,787</u>
<b>Non-Current Assets:</b>		
Property and equipment	180,905	196,823
Beneficial interests in assets held by others	<u>16,363</u>	<u>16,711</u>
<i>Total non-current assets</i>	<u>197,268</u>	<u>213,534</u>
<i>Total assets</i>	<u>\$ 391,409</u>	<u>\$ 337,321</u>
 <b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 7,599	\$ -
Deferred revenue	<u>148</u>	<u>378</u>
<i>Total liabilities</i>	<u>7,747</u>	<u>378</u>
<b>Net Assets:</b>		
<b>Unrestricted:</b>		
General operating	367,299	320,232
Funds functioning as permanent endowment	<u>16,363</u>	<u>16,711</u>
<i>Total unrestricted net assets</i>	<u>383,662</u>	<u>336,943</u>
Temporarily restricted	<u>-</u>	<u>-</u>
<i>Total net assets</i>	<u>383,662</u>	<u>336,943</u>
<i>Total liabilities and net assets</i>	<u>\$ 391,409</u>	<u>\$ 337,321</u>

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

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2015 and 2014

	2015			2014		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>Revenues, Gains, and Other Support:</b>						
Grants	\$ 355,156	\$ -	\$ 355,156	\$ 334,822	\$ 8,800	\$ 343,622
Fees	191,582	-	191,582	145,693	-	145,693
Contributions	1,315	-	1,315	3,379	-	3,379
Special events (net of direct expenses of \$1,239 and \$248)	(298)	-	(298)	(173)	-	(173)
Investment income	61	-	61	611	-	611
Change in value of beneficial interest in assets held by others	(348)	-	(348)	36	-	36
Other	1,568	-	1,568	678	-	678
Net assets released from restrictions	-	-	-	8,800	(8,800)	-
<i>Total revenues, gains, and other support</i>	<u>549,036</u>	<u>-</u>	<u>549,036</u>	<u>493,846</u>	<u>-</u>	<u>493,846</u>
<b>Expenses:</b>						
Child development	430,639	-	430,639	383,577	-	383,577
Management and general	71,678	-	71,678	70,146	-	70,146
<i>Total expenses</i>	<u>502,317</u>	<u>-</u>	<u>502,317</u>	<u>453,723</u>	<u>-</u>	<u>453,723</u>
<b>Change in net assets</b>	46,719	-	46,719	40,123	-	40,123
Net assets, beginning of year	336,943	-	336,943	296,820	-	296,820
<i>Net assets, end of year</i>	<u>\$ 383,662</u>	<u>\$ -</u>	<u>\$ 383,662</u>	<u>\$ 336,943</u>	<u>\$ -</u>	<u>\$ 336,943</u>

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

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2015 and 2014

	2015			2014		
	<u>Child Development</u>	<u>Management and General</u>	<u>Totals</u>	<u>Child Development</u>	<u>Management and General</u>	<u>Totals</u>
Personnel	\$ 333,872	\$ 51,662	\$ 385,534	\$ 288,949	\$ 49,795	\$ 338,744
Insurance	7,071	623	7,694	8,239	726	8,965
Food	39,663	-	39,663	32,978	-	32,978
Food supplies	1,437	-	1,437	1,867	-	1,867
Teaching supplies	5,631	-	5,631	6,254	-	6,254
Education and training	1,010	-	1,010	861	-	861
Utilities	9,793	863	10,656	11,848	1,044	12,892
Repairs and maintenance	13,703	1,208	14,911	12,784	1,127	13,911
Depreciation	14,629	1,289	15,918	14,501	1,278	15,779
Trash removal	722	64	786	1,330	117	1,447
Snow removal	695	-	695	795	-	795
Dues and subscriptions	309	-	309	597	-	597
Office supplies	-	5,861	5,861	-	5,759	5,759
Payroll services	1,048	162	1,210	1,018	176	1,194
Professional fees	-	5,400	5,400	-	5,300	5,300
Transportation	35	-	35	85	-	85
Communications	-	1,625	1,625	-	1,734	1,734
Postage	-	241	241	-	184	184
Printing and promotion	-	2,553	2,553	-	2,285	2,285
Bad debts	-	-	-	-	561	561
Interest	-	18	18	-	10	10
Other	1,021	109	1,130	1,471	50	1,521
<i>Totals</i>	<u>\$ 430,639</u>	<u>\$ 71,678</u>	<u>\$ 502,317</u>	<u>\$ 383,577</u>	<u>\$ 70,146</u>	<u>\$ 453,723</u>

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

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2014 and 2013

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	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 46,719	\$ 40,123
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,918	15,779
Bad debts	-	561
(Increase) decrease in accounts receivable	97	(3,024)
(Increase) decrease in grants receivable	(2,977)	8,721
(Increase) decrease in beneficial interest in assets held by others	348	(36)
Increase (decrease) in accounts payable and accrued liabilities	7,599	(143)
Increase (decrease) in deferred revenue	(230)	74
<i>Net cash provided by operating activities</i>	67,474	62,055
 <b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	-	(5,100)
 <b>Net change in cash and cash equivalents</b>	67,474	56,955
Cash and cash equivalents, beginning of year	104,486	47,531
<i>Cash and cash equivalents, end of year</i>	\$ 171,960	\$ 104,486

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

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

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**NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Elkhart Child Development Center, Inc. (the "Organization") is an Indiana nonprofit corporation organized to provide high quality comprehensive child care services primarily to children of lower-income families, while working to educate and strengthen the primary family unit. In order to fulfill its mission, the Organization provides an enriching educational environment that helps children to develop physically, emotionally, socially, and intellectually.

The Organization's operations are supported primarily by service fees from individuals and grants from the State of Indiana.

Significant Accounting Policies:

*Use of estimates:*

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. Significant estimates used in the accompanying financial statements include:

- Revenue earned from cost-reimbursement awards. The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by federal and State cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The allowances for uncollectible accounts and grants receivable, which are based on factors discussed later in this note. It is at least reasonably possible that the net realizable value of the receivables will be less than their carrying value.
- The valuation of the beneficial interest in assets held by others, which is based on the value of the underlying assets, as provided by the Community Foundation that holds the assets, and which approximates the present value of expected future distributions
- The allocations of costs between the program and supporting service, which are based on time and facility usage studies and other methods of cost allocation. Because the Organization receives the majority of its support from grants and contracts awarded through competitive bidding, fund raising costs are not material and are not separately presented in the accompanying financial statements.

*Net asset classes:*

The Organization reports its activities and financial position by the following classes of net assets:

**ELKHART CHILD DEVELOPMENT CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

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*Unrestricted net assets* are those currently available for use by the Organization.

*Temporarily restricted net assets* are those received with donor stipulations that limit the use of the donated assets. When stipulated time restrictions expire or purpose restrictions are accomplished, these net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

*Cash and cash equivalents:*

The Organization considers all time deposits, certificates of deposits, and highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

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*Accounts and grants receivable:*

Accounts receivable for services and other activities are stated at the outstanding principal balance, net of any charge-offs and an allowance for uncollectibles. Grants receivable are stated at the outstanding principal balance, net of any discount for contributions expected to be collected in more than one year, and an allowance for uncollectibles.

The Organization provides allowances for doubtful accounts based upon the specific identification of receivables where collection is no longer deemed probable and an allowance based upon the level of receivable balances. In determining the allowances, management evaluates the payment history and other known information for individual accounts, historical losses, and current economic conditions. Individual accounts are charged-off against the allowance in the period that the receivable is deemed uncollectible. Recoveries of receivables previously charged-off are recorded as income in the period received. The Organization does not generally charge interest on its receivables.

*Property and equipment:*

Property and equipment is stated at cost if purchased, or at fair market value at the date of receipt if donated. Improvements and betterments are capitalized, while routine maintenance and repairs are charged to expense as incurred. When property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reported in the statement of activities. Depreciation is recorded by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Buildings - original purchase .....	40 years
Buildings - improvements .....	7 to 40 years
Land improvements .....	5 to 10 years
Equipment .....	3 to 10 years

*Beneficial interest in assets held by others:*

The Organization recognizes its beneficial rights in assets held by others unless the donor has granted the recipient organization variance power. However, if the

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**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

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Organization is both the donor and the beneficiary of the assets, those rights are recognized even if the recipient organization has been granted variance power.

Beneficial interests in assets held by others are stated at fair value, based on the value of the underlying assets, as provided by the Community Foundation that holds them, and which approximates the present value of expected future distributions. Changes in the value of beneficial interests are included in revenues in the statements of activity.

*Contributions and grants:*

The Organization reports gifts and grants of cash and other assets as 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 as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

Revenues from governmental cost-reimbursement grants are recognized when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities.

Contributed services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such services are recorded at their estimated fair market value. No revenue from contributed services has been recognized in the accompanying financial statements.

*Fees for service:*

Fees for service are recognized as revenue when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities.

*Advertising costs:*

Advertising costs are charged to expense when incurred. Advertising costs were \$2,154 and \$1,906 for the years ended December 31, 2015 and 2014, respectively.

*Income taxes:*

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Indiana Code. Consequently, no provision is made for income taxes. The Organization is classified by the Internal Revenue Service as other

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

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than a private foundation under Internal Revenue Code Section 509(a)(1).

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Examples of tax positions include the tax-exempt status of the Organization and positions related to the potential sources of unrelated business taxable income. Management has not identified any uncertain tax positions taken or expected to be taken in a tax return, and there are no unrecognized tax benefits recorded as liabilities in the accompanying financial statements. The Organization classifies interest and penalties, if any, associated with uncertain tax positions as a component of income tax expense. There was no accrued interest or any penalties related to unrecognized tax benefits at either December 31, 2015 or 2014, or any interest or penalties expense related to unrecognized tax benefits for the years then ended. The Organization is no longer subject to examination by the Internal Revenue Service or the State of Indiana for years prior to 2012.

**NOTE 2. GRANTS RECEIVABLE**

Grants receivable consist of reimbursements due under governmental awards. All amounts are due within one year, and no allowance for uncollectibles is considered necessary.

At December 31, 2015, the Organization had received approximately \$80,000 in conditional promises to give in excess of allowable costs incurred under cost-reimbursement grants. Such promises will be recognized as revenue if and when allowable costs are incurred.

**NOTE 3. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Organization is the beneficiary of a fund held by Elkhart County Community Foundation, Inc. ("Community Foundation"), to which both the Organization and others have donated. The Organization and the donors have granted Community Foundation variance power in the determination of annual distributions and transfer of the accounts to other community organizations in certain circumstances. Total accumulated contributions by the Organization to the fund were \$11,000, all of which were made before 2014. The value of the portion of the fund attributable to contributions by the Organization at December 31, 2015 and 2014 is \$16,363 and \$16,711, respectively, which is reported as beneficial interest in assets held by others in the accompanying statements of financial position. This same amount is also reported as funds functioning as permanent endowment in the unrestricted net assets section of those statements. The Organization received distributions of none and \$576, respectively, during the years ended December 31, 2015 and 2014 from the portion of the fund attributable to contributions by the Organization, which are included in investment income. The change in value of the portion of the fund attributable to the Organization's contributions of (\$348) and \$36, respectively, during the years ended December 31, 2015 and 2014 is included in revenues in the accompanying statements of activities.

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

The value of the portion of the fund attributable to contributions by others at December 31, 2015 and 2014 was \$17,448 and \$17,819, respectively, which is not reported an asset in the accompanying financial statements. Grants from the portion of the fund attributable to contributions by others of none and \$624, respectively, were received during the years ended December 31, 2015 and 2014, respectively, which are included in contributions revenue.

**NOTE 4. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31, 2015 and 2014, respectively:

	<u>2015</u>	<u>2014</u>
Land	\$ 36,926	\$ 36,926
Building and improvements	487,969	487,969
Land improvements	25,471	25,471
Equipment	<u>116,419</u>	<u>116,419</u>
	666,785	666,785
Less accumulated depreciation	<u>(485,880)</u>	<u>(469,962)</u>
<i>Net property and equipment</i>	<u>\$ 180,905</u>	<u>\$ 196,823</u>

**NOTE 5. DEBT INFORMATION**

The Organization has a \$10,000 overdraft protection agreement with a bank. There were no borrowings under the agreement at either December 31, 2015 or 2014. The interest on the agreement was 12.75% at both December 31, 2015 and 2014.

**NOTE 6. NET ASSETS INFORMATION**

Funds functioning as permanent endowment in the unrestricted net assets section of the statements of financial position represent the Organization's beneficial interest in assets held by Elkhart County Community Foundation, Inc. discussed in Note 3.

Net assets were released from donor restrictions in 2014 by expending funds to purchase computer equipment and certain supplies.

**NOTE 7. RETIREMENT PLAN**

The Organization participates in a defined-contribution SIMPLE retirement plan under Internal Revenue Code Section 408(p) that covers substantially all employees. Retirement expense was \$2,831 and \$1,384 for the years ended December 31, 2015 and 2014, respectively.

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

**NOTE 8. ENDOWMENT INFORMATION**

As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Indiana enacted the *Uniform Prudent Management of Institutional Funds Act of 2006* ("UPMIFA") effective July 1, 2007, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors and management have determined that certain net assets meet the definition of endowment funds under UPMIFA. These consist of the beneficial interest in assets held by the Community Foundation discussed in Note 3, which was funded by unrestricted net assets. The investment and spending policies for these funds are established by the Community Foundation's governing body and are not under the control of the Organization.

Changes in the endowment for the years ended December 31, 2015 and 2014, respectively, are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 16,711	\$ 16,675
Change in value	(348)	612
Appropriated for current expenditure	-	(576)
<i>Balance, end of year</i>	<u>\$ 16,363</u>	<u>\$ 16,711</u>

**NOTE 9. FAIR VALUE MEASUREMENTS**

U.S. generally accepted accounting principles defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in an entity's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Such principles establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of assets measured on a recurring basis at December 31, 2015 and 2014, respectively, is as follows:

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<i>For 2015:</i>				
Beneficial interest in assets held by others	\$ <u>16,363</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>16,363</u>
<i>For 2014:</i>				
Beneficial interest in assets held by others	\$ <u>16,711</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>16,711</u>

Fair value for the beneficial interest in assets held by others (the Community Foundation fund discussed in Note 3) is based on the fair value of the underlying assets, as provided by the Community Foundation, and which approximates the present value of expected future distributions.

The following is a reconciliation of beginning and ending balances of the fair value of assets measured by Level 3 inputs as of December 31, 2015 and 2014, respectively:

	<u>2015</u>	<u>2014</u>
Beneficial interest in assets held by others:		
Fair value beginning of year	\$ 16,711	\$ 16,675
Change in value	(348)	612
Distributions received	<u>-</u>	<u>(576)</u>
<i>Fair value end of year</i>	<u>\$ 16,363</u>	<u>\$ 16,711</u>

The change in value of the beneficial interest in assets held by others is reported as such in unrestricted net assets in the accompanying statements of activities, and is composed of investment gains and losses and undistributed earnings on investments held by Community Foundation.

**NOTE 10. CONCENTRATIONS**

The Organization's donors and activities are concentrated in Elkhart County, Indiana. Accordingly, its contributions and other sources of support and revenue may be affected by conditions in that area. In addition, for the years ended December 31, 2015 and 2014, approximately 60% and 62%, respectively, of total revenues were received from the State of Indiana.

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of grants receivable. At December 31, 2015, approximately 89% of grants receivable were due the State of Indiana.

**NOTE 11. CASH FLOWS INFORMATION**

For the years ended December 31, 2015 and 2014, the Organization paid interest of \$18 and \$10, respectively, and paid no income taxes in either year.

**ELKHART CHILD DEVELOPMENT CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

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**NOTE 12. SUBSEQUENT EVENTS**

The date through which events occurring subsequent to December 31, 2015 have been evaluated for possible adjustment to the financial statements or disclosure is September 19, 2016, the date on which the financial statements were available to be issued. Management identified no such events.