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January 23, 2018

Board of Directors
Whitewater College Programs, Inc.
1300 Spartan Drive
Connersville, IN 47331

We have reviewed the report prepared by Whitewater College Programs, Inc. and opined upon by Kemper CPA Group LLP, 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 Whitewater College Programs, 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, Kemper CPA Group LLP 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, CPA
State Examiner

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

FINANCIAL STATEMENTS
December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Whitewater College Programs, Inc.
Connersville, Indiana

We have audited the accompanying financial statements of Whitewater College Programs, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, and cash flows for the year 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.

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 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 Whitewater College Programs, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kemper CPA Group LLP
KEMPER CPA GROUP LLP
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

November 23, 2016
Connersville, Indiana

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Statement of Financial Position
December 31, 2015

Assets

Current Assets:		
Cash in Bank	\$	120,332
Accounts Receivable		5,790
Grant Receivable		<u>32,834</u>
Total Current Assets	\$	158,956
Fixed Assets:		
Equipment and Fixtures		21,849
Vehicles		<u>24,679</u>
		46,528
Less: Accumulated Depreciation		<u>(27,112)</u>
Total Fixed Assets		19,416
Other Assets:		
Software		2,000
Less: Accumulated Amortization		<u>(2,000)</u>
Total Other Assets		<u>-</u>
Total Assets	\$	<u><u>178,372</u></u>

Liabilities and Net Assets

Current Liabilities:		
Accounts Payable	\$	5,250
Accrued Payroll Taxes		<u>6,882</u>
Total Current Liabilities	\$	12,132
Net Assets:		
Unrestricted Net Assets		<u>166,240</u>
Total Net Assets		<u>166,240</u>
Total Liabilities and Net Assets	\$	<u><u>178,372</u></u>

See accompanying notes to financial statements.

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Statement of Activities
For the Year Ended December 31, 2015

Changes in Unrestricted Net Assets:	%
Unrestricted Revenue and Gains:	
Contributions	\$ 138,848 24.32
Fee Income	221,850 38.86
Grant Income	210,131 36.82
Total Unrestricted Revenue and Gains	570,829 100.00
Expenses:	
Salaries	219,820 38.51
Rent Expense	111,018 19.45
Advertising	986 0.17
Contract Services	33,856 5.93
Depreciation	8,028 1.41
Bank Charges	4,094 0.72
Driver's Education Car Lease	13,050 2.29
Licenses and Fees	923 0.16
Office Expense	3,897 0.68
Insurance	3,827 0.67
Repairs and Maintenance	171 0.03
Legal and Professional	725 0.13
Education Supplies	58,426 10.24
Printing	2,922 0.51
Travel	6,130 1.07
Conferences, Conventions, and Meetings	4,835 0.85
Payroll Taxes	13,944 2.44
Telephone	3,357 0.59
Transportation	7,204 1.26
Program Expenses	5,923 1.04
Lease Expense	2,909 0.51
Total Expenses	506,045 88.66
Other Income (Expense):	
Interest Income	112 0.02
Interest and Penalties Expense	(304) (0.05)
Total Other Income (Expense)	(192) (0.03)
Increase in Unrestricted Net Assets	64,592 11.30
Net Assets at Beginning of Year	101,648
Net Assets at End of Year	\$ 166,240

See accompanying notes to financial statements.

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows from Operating Activities:	
Changes in Net Assets	\$ 64,592
Adjustments to Reconcile Change in Net Assets to	
Cash Provided by Operating Activities:	
Depreciation	8,028
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(2,788)
Increase in Grant Receivable	(15,087)
Decrease in Accounts Payable	(4,611)
Decrease in Accrued Payroll Taxes	(904)
Net Cash Provided by Operating Activities	<u>49,230</u>
Cash Flows from Investing Activities:	
Purchase of Fixed Assets	<u>(14,403)</u>
Net Cash Used in Investing Activities	<u>(14,403)</u>
Net Increase in Cash and Cash Equivalents	34,827
Cash and Cash Equivalents at Beginning of Year	<u>85,505</u>
Cash and Cash Equivalents at End of Year	<u>\$ 120,332</u>

See accompanying notes to financial statements.

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Notes to the Financial Statements
December 31, 2015

NOTE 1 Summary of Significant Accounting Policies

Nature of Activities

Whitewater College Programs, Inc., located in Connersville, Indiana, is a not-for-profit corporation established in 1968. The purpose of the Organization is to foster, support, and encourage continuing education for persons of all ages in Connersville and the surrounding communities. The Organization manages and operates education programs including Afterschool programs that serve the elementary schools in Fayette County, drivers education that serves seven area high schools, CNA (Certified Nurse's Assistant) and QMA (Qualified Medication Aide) certification programs, Rockin' Readers summer reading program for elementary students, and other programs as opportunities or needs arise.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization 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.

Economic Dependency

The Organization receives a substantial amount of its funding from the Indiana Department of Education for the Afterschool program. If this funding were to cease, it may impair the Organization's ability to operate at its current level.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible promises receivable. See Note 3 for promises to give at December 31, 2015.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Notes to the Financial Statements
December 31, 2015

NOTE 1 Summary of Significant Accounting Policies (continued)

Fixed Assets

Buildings, improvements, equipment, and furniture and fixtures are stated at cost. Expenditures for additions, replacements and betterments are added to capital accounts. Repairs and maintenance are charged to expense as incurred.

Depreciation is computed on a declining balance basis over the useful lives of the assets generally as follows:

Vehicles	5 years
Furniture and equipment	5-7 years

Depreciation expense was \$8,028 for the year ended December, 31, 2015.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

All donor-restricted contributions are 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 reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Facilities

The Organization has a memorandum of understanding with the Fayette County School Corporation (FCSC) for the use of its facilities. During the year ended December 31, 2015, the FCSC provided office space and use of three elementary schools for the Afterschool program without charge. Facilities are measured at the fair value for similar facilities. The Organization also received material donations-in-kind from a food service company that provided dinner to the students in the Afterschool program. The following amounts were included in the financial statements for the year ended December 31, 2015 as in-kind contributions and as rent expense and education supplies expense.

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Notes to the Financial Statements
December 31, 2015

NOTE 1 Summary of Significant Accounting Policies (continued)

Contributed Facilities (continued)

Unrestricted Revenue and Gains:

Contributions \$ 138,495

Expenses:

Rent Expense \$ 111,018

Education Supplies 27,477

Total Expenses \$ 138,495

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is an organization that is not a private foundation under Section 170(b)(1)(A)(vi). However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income and proxy tax.

The Organization files tax exempt income tax returns in the U.S. federal and Indiana jurisdictions. With a few exceptions, the Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2012.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. On an annual basis, management reviews their judgments regarding uncertain tax positions. As circumstances change, income reflects any adjustments to deferred tax assets or liabilities for uncertain tax positions. The Organization recognizes interest expense and penalties associated with tax positions in the statement of activities. Management is not aware of any material uncertain tax positions that would give rise to unrecognized tax benefits, interest expense, and penalties.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include checking accounts and short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Advertising Costs

The Organization has a policy of expensing nondirect-response advertising costs as incurred. Total advertising costs charged to expense were \$986 for the year ended December 31, 2015.

WHITEWATER COLLEGE PROGRAMS, INC.
Connersville, Indiana

Notes to the Financial Statements
December 31, 2015

NOTE 1 Summary of Significant Accounting Policies (continued)

Date of Management's Review

Subsequent events were evaluated through November 23, 2016, which is the date the financial statements were available to be issued.

NOTE 2 Composition of Cash and Cash Equivalents

Cash and cash equivalents were composed of the following at December 31, 2015:

Cash – Checking	\$ 41,141
Cash – Savings	54,148
Cash – Money Market	<u>25,043</u>
	\$ <u>120,332</u>

NOTE 3 Promises to Give

Conditional promises to give consist of \$32,834 from the Indiana Department of Education at December 31, 2015.

The Indiana Department of Education agreed to give the Organization \$209,948 for the period of June 1, 2014 through May 31, 2015 and \$174,999 for the period of June 1, 2015 through May 31, 2016. The funds are to be used exclusively for the Afterschool program and are given after the expenses have been incurred. The Organization received \$210,131 for the year ended December 31, 2015.

NOTE 4 Operating Lease

The Organization leases office equipment under an operating lease agreement that expires in December 2017.

Future minimum lease payments required under the noncancelable operating lease that has remaining terms in excess of one year as of December 31, 2015 are:

2016	\$ 1,219
2017	1,219
2018	0
2019	0
2020	<u>0</u>
	\$ <u>2,438</u>

Total annual lease expense was \$2,909 for the year ended December 31, 2015.