

Davidson-Cornelius
Child Development Center



ANNUAL REPORT

Fiscal Year July 2014 Through June 2015

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1. Letter from President, Board of Directors

Dear Friends,

It has been such a privilege and great pleasure to have served as the President of our beloved Davidson-Cornelius Child Development Center (DCCDC) throughout fiscal years 2013-2014 and 2014-2015. Prior to these years, I served as the Vice President of the Board of Directors for two years, and I am serving as the Immediate Past President during fiscal year 2015-2016. There is nothing like walking into the DCCDC and seeing all the smiling, active, curious children!

With the tremendous support from our community of donors and volunteers, an experienced and dedicated Board of Directors, an amazing new Executive Director and her talented, committed, and nurturing teachers and staff we have transformed the DCCDC from the financial and managerial struggles of about five years ago to a healthy, vibrant, growing 5-star early education and care center.

Back in 2010 (and for years prior to 2010), the DCCDC faced financial crisis, low child enrollment, and community donor concern. With a necessary change in the Board of Directors' composition, skills and expertise, and commitment to turn around the DCCDC's performance, coupled with a change in Executive Director leadership to the highly-talented and credentialed Libby Johnston, we have been able to transform the DCCDC:

- Over the past 5 fiscal years, we have turned around the DCCDC financial status from a net loss of \$73,459 in fiscal year July 2010 through June 2011, to net income of \$83,845 in fiscal year July 2014 through June 2015.
- During this same period, child enrollment has grown from 21 children to 60 children!
- Importantly, the DCCDC has gone from a 2-star rating from the State of North Carolina in 2010, to a 5-star rating (highest rating) for 2012–current. Our Executive Director, Libby Johnston, has transformed not only the quality of our early child development program but also the skills and morale of the teachers and the confidence of parents/families.
- The DCCDC raised funds in 2013 and 2014 to build 3 new classrooms – one infant room and two toddler rooms, enabling the DCCDC to care for 20 additional children, and addressing a significant community need for high-quality infant care.
- Board composition was elevated to include individuals with not only passion for and commitment to the DCCDC but also significant financial, strategic planning, fundraising, and construction/building maintenance expertise.

We could not have achieved these milestones without YOUR generous support, and the confidence of our parents/families that we truly have a very special place for our community's children with the DCCDC.

But we're not "resting on our laurels" – we have more work to do to continue to make improvements to the DCCDC, and I am confident that under the fiscal year 2015-2016 leadership of my friend Tom Bright that we will continue to advance the mission of our community treasure – the DCCDC!

With gratitude,



Ellen Donaldson

President, Board of Directors

Fiscal Years 2013-2014 and 2014-2015

2. Overview of the DCCDC

The Davidson-Cornelius Child Development Center (DCCDC) (officially known as the North Mecklenburg Child Development Association dba the DCCDC) is a non-profit, 501c3-designated organization that serves Lake Norman-area children, including children from primarily Davidson and Cornelius, and also Huntersville, Mooresville, and Concord.

The DCCDC is the only center in the North Mecklenburg area that offers 5-star, full-time, bilingual early education and care with scholarship support for working families who otherwise could not afford high-quality, licensed education and care for their children.

- Currently, about 40% to 50% of our children receive scholarship support.
- Scholarship support is based on HUD family size and income levels, and ranges from 25% to 75% of total tuition cost.
- Additionally, we recently created the DCCDC Community Compassion Fund, which provides for 100% tuition support for eligible families undergoing financial crisis.

The Center was founded in 1969 in response to a tragic fire that claimed the lives of three young African American children. Their mother had no access to child care and had left her children at home while she worked outside the home to support them. In response to this tragedy, a group of socially-conscious citizens set about to address the need for safe, affordable child care. Community members, the faith community, local businesses, and Davidson College staff united around the creation of a unique center that would serve families of all income levels and backgrounds.

A treasured landmark in our community for over 45 years, the original mission of the Center remains true today: to provide high-quality, affordable early care and education for all children of our community, and to embrace and foster diversity in a safe learning environment for young children. Since we opened our doors in 1969, the Center has helped shape the foundations of over 2,200 children.

The DCCDC provides exceptional early childhood education and care for children in the following developmental age groups:

- 6 weeks to 12 months – one of the few 5-star centers offering infant care scholarships!
- 12-24 months – our toddlers
- 2-year olds
- 3-year olds
- Pre-Kindergarten

Some of the key features of the DCCDC include:

- Ability to provide care for infants and young toddlers, thanks to a major renovation and creation of two new classrooms in 2013, and a second toddler room in 2014.
- Six individual classrooms with small class sizes, low teacher-to-child ratios, and developmentally-targeted education and activities.
- Affordability, including scholarship assistance as needed, in order to attract a diverse mix of children from our communities, both economically and racially.
- Utilization of the award-winning Creative Curriculum, which emphasizes child development through exploration and creativity.
- Strong teacher dedication with low turnover – early childhood education is their passion!
- Chef-prepared healthy meals and snacks, using only fresh ingredients – no canned goods!

Most of the funds necessary to operate the DCCDC come from local citizens, churches and businesses, with scholarship grant support from the Mecklenburg County Community Development Block Grant (CDBG), and DCCDC Community Compassion Fund support from a local Community Foundation.

We currently employ a staff of 15, composed of 14 full-time (Executive Director, Program Coordinator, Chef/Cook plus 11 Teachers) and 1 part-time (1 Teacher) individuals dedicated to serving children.

Our Board of Directors, composed of 11 business and community leaders from Davidson, Cornelius, Huntersville, and Mooresville, is truly a “working board” as well as a governing board, with each member contributing between 10-20 hours a month volunteering, planning, and implementing projects and programs on behalf of the DCCDC.

We also have an amazing network of over 50 community volunteers, including students from Davidson College, who donate their time to help with a variety of projects, from reading to the children to yard work, painting and building maintenance.

3. Our Mission and Core Values

The mission of the Davidson-Cornelius Child Development Center is to provide high-quality, affordable early care and education for all children of our community, and to embrace and foster diversity in a safe learning environment for young children.

Our core values are:

- Children are our highest priority
- Early childhood education fosters later success in life
- Quality and continuous improvement
- Individuality; respect for differences
- Accountability
- Teamwork and open communication
- Parent/family and community engagement

4. Summary of Fiscal Year 2014-2015 Accomplishments

- Financial performance for FY 7/2014 through 6/2015 exceeded our expectations:
 - Total income of \$654,941, up from \$601,848 in prior FY (up 9%)
 - Operating expenses held steady at \$557,577, up from \$546,294 in prior FY (up 2%)
 - Net income of \$83,845, up from \$56,003 in prior FY (up 50%; excludes write off of 2009 loan made to center by former Director [\$31,910], which will not be repaid. If write off is included, net income in prior FY was \$87,913)
- In August, 2014, the DCCDC was awarded a Community Development Block Grant (CDBG) of \$59,000 from Mecklenburg County to be used for scholarships – this was our first application for a CDBG, and greatly helps our efforts to raise funds for scholarships for our children
- Child enrollment increased from 46 to 56, aided by the construction of a second toddler room, donated in memory of Ed Donaldson; ribbon-cutting ceremony held with Mayors Woods (Davidson) and Travis (Cornelius) on September 19, 2014.
- Instituted Quarterly Volunteer Workdays on November 15, 2014, led by Rev. David Buck and the Building & Maintenance Committee.
- Raised \$22,000 from the December 2014 Holiday Letter Campaign, plus \$15,000 from two local corporate supporters, Lowe's and Metrolina Greenhouses.
- With the generous donation of \$10,000 from a local Community Foundation, matched by a local citizen for a total of \$20,000, we established the DCCDC Community Compassion Fund. The Fund is used exclusively to provide tuition support for children of families in our community who are facing economic challenges such that they are not able to afford the 25% share of tuition cost afforded by a 75% scholarship, the highest scholarship level. Without tuition support, members of these families would have to choose between staying at home to care for their child/children and putting their child/children in unlicensed day care. A presentation and celebration of these generous donations was held on February 5, 2015.
- The acclaimed pianist George Winston, a childhood friend of Rev. David Buck, performed a benefit concert on March 18, with 1/3 of the proceeds – over \$5,000 – benefiting the DCCDC (remainder of the proceeds going to two other local non-profits).
- Our Annual Breakfast Event, held on April 24, 2015, rose over \$27,000 in support of the DCCDC Community Compassion Fund and general center operations.
- Teacher Nerissa Thompson was promoted to Program Coordinator for the DCCDC in June, 2015. In this position, Nerissa guides teachers on lesson plans and training programs, assists Libby in administrative and operational tasks, and continues to teach morning classes.

5. Financial Information

Balance Sheet – July 1, 2014 through June 30, 2015

| | <u>Jun 30, 15</u> |
|--|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| ADP P/R Clearing | 817.70 |
| 1001 · Checking-BBT account | 7,215.81 |
| 1005 · Peoples Bank | 59,319.85 |
| 1006 · Peoples Saving Capital Campaign | 287.23 |
| 1007 · P-Savings community fund | 18,677.63 |
| 1036 · Fidelity Invest | <u>18.59</u> |
| Total Checking/Savings | <u>86,336.81</u> |
| Accounts Receivable | |
| 1200 · Accounts Receivable | <u>-1,476.06</u> |
| Total Accounts Receivable | <u>-1,476.06</u> |
| Total Current Assets | <u>84,860.75</u> |
| Fixed Assets | |
| 1500 · Furniture & Fixtures - Cost | 4,290.28 |
| 1505 · Computer Equipment & Software | 5,258.59 |
| 1507 · Equipment (Kitchen & Classroom) | 4,695.19 |
| 1510 · Building Improvements - Cost | 151,313.47 |
| 1511 · Accumulated Depreciation | <u>-13,007.13</u> |
| Total Fixed Assets | <u>152,550.40</u> |
| TOTAL ASSETS | <u>237,411.15</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 · Accounts Payable | <u>1,814.88</u> |
| Total Accounts Payable | <u>1,814.88</u> |
| Other Current Liabilities | |
| 2400 · Peoples Term Loan | <u>143,065.74</u> |
| Total Other Current Liabilities | <u>143,065.74</u> |
| Total Current Liabilities | <u>144,880.62</u> |
| Total Liabilities | <u>144,880.62</u> |
| Equity | |
| 3010 · Fund Balance | -99,534.09 |
| 3900 · Retained Earnings | 108,219.19 |
| Net Income | <u>83,845.43</u> |
| Total Equity | <u>92,530.53</u> |
| TOTAL LIABILITIES & EQUITY | <u>237,411.15</u> |

Income Statement – July 1, 2014 through June 30, 2015

| | <u>Jul '14 - Jun 15</u> |
|---|------------------------------------|
| Ordinary Income/Expense | |
| Income | |
| Bad Debt | |
| Bad Debt | <u>0.00</u> |
| Total Bad Debt | 0.00 |
| Late Fees | |
| Late Payment Fee | <u>0.00</u> |
| Total Late Fees | 0.00 |
| 4000 · Tuition | |
| Miscellaneous Debit | 0.00 |
| 4001 · Tuition Credit | -17,696.56 |
| 4005 · Bad Debt | -5,920.90 |
| 4000 · Tuition - Other | <u>561,604.52</u> |
| Total 4000 · Tuition | 537,987.06 |
| 4100 · Miscellaneous Parent Fees | |
| 4101 · Late Fees | 350.00 |
| 4102 · Bad check charge | -30.00 |
| 4105 · Registration fees | |
| Registration Fee | 0.00 |
| 4105 · Registration fees - Other | <u>100.00</u> |
| Total 4105 · Registration fees | 100.00 |
| 4106 · Wait List Fee | 2,650.00 |
| 4107 · Returned Check Charge | 35.00 |
| 4100 · Miscellaneous Parent Fees - Other | <u>62.50</u> |
| Total 4100 · Miscellaneous Parent Fees | 3,167.50 |
| 5100 · Tuition Scholarships and Disc | |
| 5110 · Tuition Scholarships | |
| Tuition Scholarships | <u>-76,617.50</u> |
| Total 5110 · Tuition Scholarships | -76,617.50 |
| 5150 · Sibling Discounts | |
| Sibling Discounts | <u>-2,880.00</u> |
| Total 5150 · Sibling Discounts | -2,880.00 |
| 5170 · Employee Discounts | |
| Employee Discounts | <u>-5,687.50</u> |
| Total 5170 · Employee Discounts | -5,687.50 |
| Total 5100 · Tuition Scholarships and Disc | -85,185.00 |
| 6000 · Grants & Donations-unrestricted | |
| 6023 · Grants | 7,869.00 |
| 6024 · Faith Donation | 16,150.00 |
| 6032 · Local Fundraising Activities | |
| 6032A · Fall Letter Campaign | 21,726.64 |
| 6032 · Local Fundraising Activities - Other | <u>34,334.16</u> |
| Total 6032 · Local Fundraising Activities | 56,060.80 |

| | |
|--|-------------------|
| 6036 · Breakfast Fundraiser | 31,677.00 |
| 6038 · CDGB Grant | 58,829.00 |
| Total 6000 · Grants& Donations-unrestricted | 170,585.80 |
| 6001 · Grants & Donations Designated | |
| 6010 · Community Compassion Fund | 20,001.00 |
| 6021 · Playground Designated Donations | 4,890.00 |
| 6036.1 · Breakfast fundraiser-Comm Fund | 1,575.00 |
| 6036.2 · Brkfst Fundraiser-Plygrnd Fund | 1,920.00 |
| Total 6001 · Grants & Donations Designated | 28,386.00 |
| Total Income | 654,941.36 |
| Gross Profit | 654,941.36 |
| Expense | |
| 6560 · Payroll Preparation Expense | 2,030.60 |
| 6561 · FICA Expense | 26,637.53 |
| 6562 · Medicare Expense | 1,705.80 |
| 6563 · Federal Unemployment Tax | 672.62 |
| 6564 · State Unemployment | 8,322.66 |
| 6565 · Property Tax Expense | 36.54 |
| 66900 · Reconciliation Discrepancies | -1.88 |
| 7015 · Administrative Salaries | 50,923.12 |
| 7017 · Teaching Staff Salaries | 299,378.25 |
| 7018 · Substitutes | 523.86 |
| 7020 · Benefits | 31,841.22 |
| 7102 · Field Trips | 200.00 |
| 7105 · Supplies | 19,259.25 |
| 7107 · Gifts | 100.00 |
| 7205 · Office Supplies | 5,388.88 |
| 7207 · Postage | 1,173.25 |
| 7208 · Printing | 1,162.54 |
| 7210 · Advertising | 6,480.35 |
| 7212 · Bank Fees | 342.67 |
| 7215 · Fund Raising | 286.00 |
| 7225 · Telephone | 2,496.74 |
| 7228 · Education & Training | 2,932.00 |
| 7229 · Food - Staff events | 1,195.87 |
| 7246 · Travel-Center Business | 1,516.29 |
| 7250 · Accounting | 7,895.00 |
| 7300 · Kitchen Expenses | |
| 7305 · Kitchen Salaries | 22,085.02 |
| 7315 · Food | 19,705.19 |
| Total 7300 · Kitchen Expenses | 41,790.21 |
| 7410 · Utilities | 10,091.46 |
| 7420 · Building and Ground Maintenance | 5,289.70 |
| 7421 · Remodel Expenses (Non-Capital) | 3,147.25 |
| 7430 · Insurance | 13,069.08 |
| 7435 · Computer Maintenance | 4,346.46 |
| 7440 · Maintenance Contracts | 7,234.49 |

| | |
|-----------------------------|--------------------------------|
| 7715 · Other Expenditures | <u>109.18</u> |
| Total Expense | <u>557,576.99</u> |
| Net Ordinary Income | 97,364.37 |
| Other Income/Expense | |
| Other Expense | |
| 7200 · Interest Exp. | 8,542.94 |
| 8700 · Depreciation | <u>4,976.00</u> |
| Total Other Expense | <u>13,518.94</u> |
| Net Other Income | <u>-13,518.94</u> |
| Net Income | <u><u>83,845.43</u></u> |

6. List of Board Officers and Members

| Name | Board Role | Term |
|----------------------------|--|---------------------------|
| Thomas Bright | President/Chair Executive Committee Chair | 6/2018 (2 nd) |
| Paul Newton | Vice President Executive Committee Member | 6/2018 |
| Brenda Kolls | Treasurer Executive Committee Member | 6/2016 |
| Rev. David Buck | Secretary Executive Committee Member | 6/2016 (2 nd) |
| Ellen Donaldson | Immediate Past President Executive Committee Member | 6/2018 (2 nd) |
| Elizabeth (Libby) Johnston | Center Executive Director (non-voting) Executive Committee Member | NA |
| Susan Abbott | Member | 6/2016 |
| Alison Boughrum | Member | 6/2017 |
| Andrew O'Geen | Member | 6/2018 |
| Lynda Stark | Member | 6/2016 |
| Pat Stenhouse | Member | 6/2016 |
| Leslie Urban | Member | 6/2016 |

Respectfully submitted,



Ellen Donaldson
President, Board of Directors
Fiscal Years 2013-2014 and 2014-2015