

Davidson-Cornelius
Child Development Center



ANNUAL REPORT

Fiscal Year July 2015 Through June 2016

Contents:

- 1. Letter from President, Board of Directors**
- 2. Overview of the DCCDC**
- 3. Our Mission Statement and Core Values**
- 4. Summary of Year's Accomplishments**
- 5. Financial Information**
- 6. List of Board Officers and Members**

1. Letter from President, Board of Directors

Dear Friends,

It has been such a great privilege to have served as the President of the Davidson-Cornelius Child Development Center (DCCDC) throughout fiscal year 2014-2015, and I am honored to serve again as President in fiscal year 2016-2017. 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 Executive Director and her talented, committed, and nurturing teachers and staff we have transformed the DCCDC from the financial and managerial struggles of about six 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 6 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 \$78,073 in fiscal year July 2015 through June 2016.
- 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, with the most recent assessment this past summer. 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.
- Board composition has been 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 finished – we have more work to do to expand the center so that we can care for 40 more children and continue to make improvements to the DCCDC. I am confident that we will achieve our goals in 2016-2017 and continue to advance the mission of our community treasure – the DCCDC!

With gratitude,

Tom Bright
President, Board of Directors
Fiscal Years 2015-2016 and 2016-2017

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, 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 47 years, the original mission of the Center remains true today: to provide high-quality, affordable early care and education for any child 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 2,300 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. And, we recently received a generous scholarship grant from The Leon Levine 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 10 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 any child 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 2015-2016 Accomplishments

- Financial performance for FY 7/2015 through 6/2016 was on target with our expectations:
 - Total income of \$666,974
 - Operating expenses contained to \$587,643
 - Net income of \$78,073
- In August, 2015, the DCCDC was again awarded a Community Development Block Grant (CDBG) of \$69,000 from Mecklenburg County to be used for scholarships, and greatly helps our efforts to raise funds for scholarships for our children.
- Child enrollment increased from 52 to 60, with a wait list of 35-40 children, underscoring the need for expansion of the DCCDC to accommodate 100 children.
- Raised over \$24,000 from the December 2015 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 added to 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.
- We kicked off our Building Expansion Campaign at our Annual Breakfast Event, held on May 6, 2016, which raised over \$23,000 in support of the DCCDC Community Compassion Fund, Building Expansion Fund and general center operations.
- Teacher Michelle Balch was promoted to Program Coordinator for the DCCDC in June, 2015. In this position Michelle 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 – December 16, 2016

	<u>Dec 16, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1001 · Checking-BBT account	30,478.70
1005 · Peoples Bank	69,189.37
1006 · Peoples Saving Capital Campaign	2,904.81
1007 · P-Savings community fund	41,959.95
1036 · Fidelity Invest	<u>18.59</u>
Total Checking/Savings	144,551.42
Accounts Receivable	
1200 · Accounts Receivable	<u>18,736.19</u>
Total Accounts Receivable	18,736.19
Other Current Assets	
1050 · Sales Tax Receivable-2%	6.04
1065 · Sales Taxes Iredell 6.75%	41.33
1071 · Sales Tax Mecklenburg 7.25%	210.01
1100 · Prepaid Expenses	<u>2,809.92</u>
Total Other Current Assets	<u>3,067.30</u>
Total Current Assets	166,354.91
Fixed Assets	
1500 · Furniture & Fixtures - Cost	1,606.81
1505 · Computer Equipment & Software	7,173.12
1507 · Equipment (Kitchen & Classroom)	6,913.38
1508 · Playground Equipment	6,614.86
1510 · Building Improvements - Cost	157,533.47
1511 · Accumulated Depreciation	<u>-21,328.77</u>
Total Fixed Assets	<u>158,512.87</u>
TOTAL ASSETS	<u>324,867.78</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2400 · Peoples Term Loan	136,486.22
2700 · Accrued Payroll	15,674.13
2701 · Accrued Vacation	<u>7,213.28</u>
Total Other Current Liabilities	<u>159,373.63</u>
Total Current Liabilities	<u>159,373.63</u>
Total Liabilities	159,373.63
Equity	

3010 · Fund Balance	-99,534.09
3900 · Retained Earnings	248,712.91
Net Income	<u>16,315.33</u>
Total Equity	<u>165,494.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>324,867.78</u></u>

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

	<u>Jul '15 - Jun 16</u>
Ordinary Income/Expense	
Income	
4000 · Tuition	626,352.65
4100 · Miscellaneous Parent Fees	3,285.00
5100 · Tuition Scholarships and Disc	-155,609.06
5180 · Payroll Deduction Pymts	-287.30
6000 · Grants & Donations-unrestricted	150,897.50
6001 · Grants & Donations Designated	<u>42,335.00</u>
Total Income	<u>666,973.79</u>
Gross Profit	666,973.79
Expense	
Interest Expense	6,302.40
6560 · Payroll Preparation Expense	1,917.74
6561 · FICA Expense	25,017.79
6562 · Medicare Expense	5,840.15
6563 · Federal Unemployment Tax	21.20
6564 · State Unemployment	4,067.33
6565 · Property Tax Expense	48.06
7015 · Administrative Salaries	58,849.40
7017 · Teaching Staff Salaries	312,737.13
7020 · Benefits	18,923.65
7102 · Field Trips	228.07
7105 · Supplies	32,056.58
7107 · Gifts	548.65
7120 · Endowment & Grant Expenditures	312.00
7205 · Office Supplies	5,036.88
7207 · Postage	443.33
7208 · Printing	5,965.96
7210 · Advertising	3,378.80
7212 · Bank Fees	319.37
7213 · Returned Check	327.00
7215 · Fund Raising	160.00
7225 · Telephone	2,504.83
7228 · Education & Training	4,668.60
7229 · Food - Staff events	32.58
7230 · Licenses and Permits	376.95
7246 · Travel-Center Business	1,103.13
7250 · Accounting	6,225.00
7300 · Kitchen Expenses	47,341.42
7315A · Food- Staff event	1,611.51
7410 · Utilities	9,397.97
7420 · Building and Ground Maintenance	7,536.12
7430 · Insurance	13,915.42
7435 · Computer Maintenance	574.00

7440 · Maintenance Contracts	9,766.42
7501 · Dues & Subscriptions	74.25
7715 · Other Expenditures	<u>12.94</u>
Total Expense	<u>587,642.63</u>
Net Ordinary Income	79,331.16
Other Income/Expense	
Other Income	
8100 · interest income	<u>12.46</u>
Total Other Income	12.46
Other Expense	
7200 · Interest Exp.	<u>1,270.19</u>
Total Other Expense	<u>1,270.19</u>
Net Other Income	<u>-1,257.73</u>
Net Income	<u><u>78,073.43</u></u>

6. List of Board Officers and Members

Name	Board Role	Term
Thomas Bright	President/Chair Executive Committee Chair	6/2017 (2 nd)
Paul Newton	Vice President Executive Committee Member	6/2018 (1 st)
Brenda Kolls	Treasurer Executive Committee Member	6/2017 (exten.)
Leslie Urban	Secretary Executive Committee Member	6/2019 (2 nd)
Ellen Donaldson	Immediate Past President Executive Committee Member	6/2017 (2 nd)
Elizabeth (Libby) Johnston	Center Executive Director (non-voting) Executive Committee Member	NA
Alison Boughrum	Member	6/2017 (1 st)
John Cunningham	Member	6/2019 (1 st)
Andrew O'Geen	Member	6/2018 (1 st)
Jody Seymour	Member	6/2019 (1 st)
Marie Sotelo	Member	6/2019 (1 st)

Respectfully submitted,

Tom Bright
 President, Board of Directors
 Fiscal Years 2015-2016 and 2016-2017