

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENT

FINANCIAL STATEMENTS

June 30, 2009 and 2008



ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

FINANCIAL STATEMENTS

June 30, 2009 and 2008

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CERTIFIED PUBLIC ACCOUNTANTS

HEADQUARTERS

2150 Hampton Avenue
St. Louis, Missouri 63139
1.800.489.2150
314.644.2150
Fax: 314.644.7132
www.zielinskico.com
mail@zielinskico.com

EUROPEAN LEGAL ADVISOR

Dalla Vedova
Studio Legale
12, Via V. Bachelet
00185 Roma, Italia
011.3906.444.0821
Fax: 011.3906.446.2165

Independent Auditors' Report

Board of Directors
Delta Gamma Center for Children
with Visual Impairments
St. Louis, Missouri

We have audited the accompanying statements of financial position of the Delta Gamma Center for Children with Visual Impairments (the Center) as of June 30, 2009 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Delta Gamma Center for Children with Visual Impairments as of June 30, 2008 were audited by other auditors whose report dated October 28, 2008 expressed an unqualified opinion on those statements.

September 28, 2009

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and 2008

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Assets								
Cash and cash equivalents	\$ 125,003	\$ 15,129	-	\$ 140,132	\$ 116,079	\$ 14,210	-	\$ 130,289
Pledges receivable (less allowance for doubtful accounts of \$10,000 at June 30, 2009 and 2008) (Note C)	-	530,109	-	530,109	556,090	511,575	-	1,067,665
Service contracts receivable	47,085	-	-	47,085	20,383	-	-	20,383
Due from temporarily restricted fund	-	-	-	-0-	5,421	-	-	5,421
Inventory	13,570	-	-	13,570	15,669	-	-	15,669
Prepaid expenses	19,905	-	-	19,905	32,897	-	-	32,897
Investments (Note D)	1,939,967	-	\$ 31,218	1,971,185	2,332,093	-	\$ 43,361	2,375,454
Property and equipment, net (Note E)	1,726,722	-	-	1,726,722	70,735	-	-	70,735
Construction in progress (Note E)	1,472,480	-	-	1,472,480	1,587,769	-	-	1,587,769
TOTAL ASSETS	<u>\$ 5,344,732</u>	<u>\$ 545,238</u>	<u>\$ 31,218</u>	<u>\$ 5,921,188</u>	<u>\$ 4,737,136</u>	<u>\$ 525,785</u>	<u>\$ 43,361</u>	<u>\$ 5,306,282</u>
Liabilities and Net Assets								
Liabilities								
Accounts payable	\$ 11,724	-	-	\$ 11,724	\$ 16,647	-	-	\$ 16,647
Accrued expenses	48,192	-	-	48,192	53,719	-	-	53,719
Construction line of credit (Note F)	896,018	-	-	896,018	713,485	-	-	713,485
Due to unrestricted fund	-	-	-	-0-	-	\$ 5,421	-	5,421
Deferred revenue	10,000	-	-	10,000	10,000	-	-	10,000
TOTAL LIABILITIES	<u>965,934</u>	<u>-</u>	<u>-</u>	<u>965,934</u>	<u>793,851</u>	<u>5,421</u>	<u>-</u>	<u>799,272</u>
Net assets								
Unrestricted								
Operating	100,000	-	-	100,000	100,000	-	-	100,000
Board designated	4,278,798	-	-	4,278,798	3,843,285	-	-	3,843,285
TOTAL UNRESTRICTED NET ASSETS	<u>4,378,798</u>	<u>-</u>	<u>-</u>	<u>4,378,798</u>	<u>3,943,285</u>	<u>-</u>	<u>-</u>	<u>3,943,285</u>
Temporarily restricted (Note J)	-	\$ 545,238	-	545,238	-	520,364	-	520,364
Permanently restricted (Note K)	-	-	\$ 31,218	31,218	-	-	\$ 43,361	43,361
TOTAL NET ASSETS	<u>4,378,798</u>	<u>545,238</u>	<u>31,218</u>	<u>4,955,254</u>	<u>3,943,285</u>	<u>520,364</u>	<u>43,361</u>	<u>4,507,010</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,344,732</u>	<u>\$ 545,238</u>	<u>\$ 31,218</u>	<u>\$ 5,921,188</u>	<u>\$ 4,737,136</u>	<u>\$ 525,785</u>	<u>\$ 43,361</u>	<u>\$ 5,306,282</u>

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended June 30, 2009 and 2008

	<u>2009</u>				<u>2008</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues								
Contributions	\$ 231,989	\$ 1,035,112	-	\$ 1,267,101	\$ 264,984	\$ 1,012,715	-	\$ 1,277,699
In-kind donations	30,860	-	-	30,860	1,415	-	-	1,415
Grants	27,491	35,324	-	62,815	83,560	102,363	-	185,923
Bequests	61,685	-	-	61,685	581,516	-	-	581,516
Program	262,084	-	-	262,084	254,243	-	-	254,243
Investment income	80,431	-	-	80,431	131,623	-	-	131,623
Special event, net of direct costs of \$56,540 and \$53,404 at June 30, 2009 and 2008, respectively	99,955	-	-	99,955	129,042	-	-	129,042
Realized and unrealized loss on investments, net	(465,856)	-	\$ (12,143)	(477,999)	(277,521)	-	\$ (7,139)	(284,660)
Miscellaneous	3,495	-	-	3,495	4,308	-	-	4,308
Net assets released from restrictions (Note J)	<u>1,045,562</u>	<u>(1,045,562)</u>	<u>-</u>	<u>-0-</u>	<u>923,467</u>	<u>(923,467)</u>	<u>-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUES	<u>1,377,696</u>	<u>24,874</u>	<u>(12,143)</u>	<u>1,390,427</u>	<u>2,096,637</u>	<u>191,611</u>	<u>(7,139)</u>	<u>2,281,109</u>
Expenses								
Program	734,348	-	-	734,348	726,811	-	-	726,811
Management and general	72,004	-	-	72,004	80,805	-	-	80,805
Development	<u>135,831</u>	<u>-</u>	<u>-</u>	<u>135,831</u>	<u>117,374</u>	<u>-</u>	<u>-</u>	<u>117,374</u>
TOTAL EXPENSES	<u>942,183</u>	<u>-</u>	<u>-</u>	<u>942,183</u>	<u>924,990</u>	<u>-</u>	<u>-</u>	<u>924,990</u>
CHANGES IN NET ASSETS	435,513	24,874	(12,143)	448,244	1,171,647	191,611	(7,139)	1,356,119
Net Assets, Beginning of Year	<u>3,943,285</u>	<u>520,364</u>	<u>43,361</u>	<u>4,507,010</u>	<u>2,771,638</u>	<u>328,753</u>	<u>50,500</u>	<u>3,150,891</u>
NET ASSETS, END OF YEAR	<u>\$ 4,378,798</u>	<u>\$ 545,238</u>	<u>\$ 31,218</u>	<u>\$ 4,955,254</u>	<u>\$ 3,943,285</u>	<u>\$ 520,364</u>	<u>\$ 43,361</u>	<u>\$ 4,507,010</u>

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended June 30, 2009 and 2008

	<u>2009</u>				<u>2008</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>
Salaries and Related Expenses								
Salaries and related benefits	\$ 493,635	\$ 46,406	\$ 92,282	\$ 632,323	\$ 492,612	\$ 56,417	\$ 84,216	\$ 633,245
Other personnel costs	<u>1,051</u>	<u>93</u>	<u>202</u>	<u>1,346</u>	<u>3,189</u>	<u>368</u>	<u>532</u>	<u>4,089</u>
TOTAL SALARIES AND RELATED EXPENSES	494,686	46,499	92,484	633,669	495,801	56,785	84,748	637,334
Other Expenses								
Communications	14,284	1,278	14,236	29,798	14,012	1,617	10,612	26,241
Utilities	4,332	385	833	5,550	4,592	528	765	5,885
Program and trip expenses	28,710	248	531	29,489	50,510	244	352	51,106
Facility	72,190	11,763	12,672	96,625	50,599	9,528	8,604	68,731
Professional services	9,554	856	1,837	12,247	6,007	894	1,002	7,903
Staff training	2,038	925	212	3,175	5,782	2,392	475	8,649
Staff travel	40,829	701	-	41,530	36,408	1,543	300	38,251
Insurance	16,004	4,705	3,079	23,788	12,790	1,473	2,132	16,395
Asset disposal costs	14,737	1,323	2,834	18,894	-	-	-	-0-
Building acquisition and improvements	<u>27,422</u>	<u>2,463</u>	<u>5,275</u>	<u>35,160</u>	<u>40,606</u>	<u>4,681</u>	<u>6,767</u>	<u>52,054</u>
TOTAL OTHER EXPENSES	<u>230,100</u>	<u>24,647</u>	<u>41,509</u>	<u>296,256</u>	<u>221,306</u>	<u>22,900</u>	<u>31,009</u>	<u>275,215</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	724,786	71,146	133,993	929,925	717,107	79,685	115,757	912,549
Depreciation and Amortization	<u>9,562</u>	<u>858</u>	<u>1,838</u>	<u>12,258</u>	<u>9,704</u>	<u>1,120</u>	<u>1,617</u>	<u>12,441</u>
TOTAL EXPENSES	<u>\$ 734,348</u>	<u>\$ 72,004</u>	<u>\$ 135,831</u>	<u>\$ 942,183</u>	<u>\$ 726,811</u>	<u>\$ 80,805</u>	<u>\$ 117,374</u>	<u>\$ 924,990</u>

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Increase in net assets	\$ 448,244	\$ 1,356,119
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,258	12,441
Increase in allowance for doubtful accounts	-	10,000
Realized and unrealized loss on investments	477,999	284,660
(Increase) decrease in assets		
Pledges receivable, net	537,556	(769,380)
Service contracts receivable	(26,702)	(2,990)
Inventory	2,099	686
Prepaid expenses	12,992	2,611
Increase (decrease) in liabilities		
Accounts payable	(4,923)	5,976
Accrued expenses	(5,527)	18,063
Deferred revenues	-	(240)
	<u>1,453,996</u>	<u>917,946</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,453,996</u>	<u>917,946</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,552,956)	(1,595,535)
Purchase of investments—net	(73,730)	(21,534)
	<u>(1,626,686)</u>	<u>(1,617,069)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,626,686)</u>	<u>(1,617,069)</u>
Cash Flows from Financing Activities		
Net proceeds from construction line of credit	182,533	713,485
	<u>182,533</u>	<u>713,485</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>182,533</u>	<u>713,485</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,843	14,362
Cash and Cash Equivalents, Beginning of Year	<u>130,289</u>	<u>115,927</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 140,132</u>	<u>\$ 130,289</u>
Other Supplemental Information		
Interest paid	<u>\$ 22,672</u>	<u>\$ 21,156</u>

See notes to financial statements.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

**NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Organization

Delta Gamma Center for Children with Visual Impairments (the Center) a not-for-profit corporation, is committed to helping St. Louis Metropolitan area children with visual impairments reach their full potential by providing individualized education, therapy, and support services to them and their families. The Center is certified by the Missouri State Department of Elementary and Secondary Education and the Illinois Department of Human Services and licensed by the Missouri Department of Mental Health. The fees generated for service assistance are provided by various state or local agencies and grants. Additionally, the Center is funded by contributions, volunteer sponsored fundraising events, and public money.

Basis of Presentation

The Center reports its information regarding financial position and activities according to three classes of net assets depending upon the existence or nature of any donor-imposed restrictions.

Net assets are classified as follows:

- *Permanently restricted net assets*—those resources subject to donor-imposed restrictions that will be maintained permanently by the Center. The donors of these resources permit the Center to use all or part of the income earned, including capital appreciation, on related investments for unrestricted or temporarily restricted purposes.
- *Temporarily restricted net assets*—those resources subject to donor-imposed restrictions that will be satisfied by actions of the Center or the passage of time.
- *Unrestricted net assets*—those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources that the Board has set aside for a particular purpose.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. Gifts are reported as temporarily or permanently restricted support if they are received with a donor's stipulation that limits the use of the donated assets. When a donor's restriction is satisfied, temporarily restricted net assets are released and reported as an increase in unrestricted net assets.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Income Taxes

The Center is tax exempt under Section 501(c)(3) of the Internal Revenue Code. As such, the Center can only be taxed on income from any business activities unrelated to its charitable purpose. The Center received no unrelated business taxable income for the years ended June 30, 2009 and 2008; therefore, the statements do not include any provision for income taxes.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts and money market accounts with original maturities of three months or less.

Service Contracts Receivable

The Center is reimbursed for services provided under contracts with the First Steps Programs in Missouri and Illinois and the Productive Living Board for St. Louis County Citizens with Developmental Disabilities. Service contracts receivable at June 30, 2009 and 2008 represent billings at contractual rates. On an annual basis, the Center evaluates its service contracts receivable and determines the requirement for an allowance based on a history of past collection experience. Service contracts receivable are written off when it is determined that all collection efforts have been exhausted. No allowance was considered necessary at June 30, 2009 and 2008.

Promises to Give

Unconditional promises to give are expected to be collected within one year and are recorded at their net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management considers an allowance for uncollectible promises to give to be necessary at June 30, 2009 and 2008.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS (*Continued*)

June 30, 2009 and 2008

NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Investments and Investment Income

Investments consist of bond and equity index mutual funds. Investments are recorded at fair value in accordance with Statement of Financial Accounting Standards (SFAS) #124 *Accounting for Certain Investments Held by Not-For-Profit Organizations*. The investments have readily determinable fair values and are based on quoted market values. The Center records donated investments at the fair market value at the date of donation. Realized and unrealized investment gains and losses are determined by comparison of specific costs of acquisition to proceeds at the time of disposal, or market value at the date of the statements of financial position. These gains and losses and other investment income are reflected in the statements of activities and changes in net assets.

Inventory

Inventory consists of books recorded at the lower of cost or market using the first-in/first-out method.

Property and Equipment

Property and equipment are stated at cost if purchased and at fair market value if contributed. Major renewals and betterments are charged to the property accounts while maintenance and repairs, which do not improve or extend the lives of the respective assets, are charged to expense as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. Leasehold improvements are amortized using the straight-line method over the remaining terms of the leases. The Center capitalizes the acquisition costs of items purchased for \$1,000 or more.

Deferred Revenue

Deferred revenue results from the Center's recognizing revenue in the period in which the related services are performed, or when the conditions for the support have been met.

Advertising Costs

Advertising costs are charged to expense in the year in which the costs are incurred. Advertising costs were \$760 and \$276 for the years ended June 30, 2009 and 2008, respectively.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Donated Services and Materials

Donated services and materials are recorded at the estimated fair value if they enhance the Center's non-financial assets, or are specialized skills that the Center would normally purchase if not provided by donation. During the years ended June 30, 2009 and 2008, volunteers donated a significant amount of time to the Center's program services and its fundraising which did not meet the requirements of SFAS No. 116 and are not reflected in the accompanying financial statements.

Functional Allocation of Expenses

The Center allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management's estimate of the resources devoted to the program or supporting service activity.

Reclassifications

Certain reclassifications have been made to the prior year's amounts to make them consistent with the 2009 presentation.

NOTE B—RISK AND UNCERTAINTIES

Financial instruments that potentially subject the Center to credit and market risk consist principally of temporary cash and long-term investments.

The Center places substantially all of its cash with banks and other financial institutions. The accounts in those institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and the Securities Investor Protection Corporation (SIPC) up to \$100,000. As of June 30, 2009, the Center had amounts over the SIPC coverage; however, the Center does not anticipate non-performance by the financial institutions.

The Center has investments that are subject to market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE C—PLEDGES RECEIVABLE

During the year ended June 30, 2007, the Center embarked upon a Capital Campaign to fund the acquisition of a building to support the daily operations of the Center. The Center also received certain unconditional promises to give related to its program services.

The unconditional promises to give at June 30, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
Less than one year	\$ 347,164	\$ 824,802
One to five years	<u>207,180</u>	<u>271,133</u>
	554,344	1,095,935
Less allowance for doubtful accounts	(10,000)	(10,000)
Less discounts to net present value	<u>(14,235)</u>	<u>(18,270)</u>
NET PLEDGES RECEIVABLE	<u>\$ 530,109</u>	<u>\$ 1,067,665</u>

The rate used to discount the long-term pledges receivable was 3.5 percent and 4.85 percent in 2009 and 2008, respectively.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE D—INVESTMENTS

Investments consisted of the following as of June 30:

	2009		
	Cost	Unrealized Loss	Market Value
Mutual funds	\$ 2,733,844	\$ (762,659)	\$ 1,971,185
	2008		
	Cost	Unrealized Loss	Market Value
Mutual funds	\$ 2,660,114	\$ (284,660)	\$ 2,375,454

Investment return for June 30, 2009 and 2008 consists of:

	2009		
	Unrestricted	Permanently Restricted	Total
Interest and dividends	\$ 80,431	-	\$ 80,431
Realized and unrealized loss on investments, net	(465,856)	\$ (12,143)	(477,999)
	\$ (385,425)	\$ (12,143)	\$ (397,568)
	2008		
	Unrestricted	Permanently Restricted	Total
Interest and dividends	\$ 131,623	-	\$ 131,623
Realized and unrealized loss on investments, net	(277,521)	\$ (7,139)	(284,660)
	\$ (145,898)	\$ (7,139)	\$ (153,037)

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE E—PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2009	2008
Building	\$ 1,575,000	-
Office equipment	75,599	\$ 113,520
Tree lot equipment	9,439	9,439
Leasehold improvements	-	90,480
Furniture and fixtures	128,052	31,637
	1,788,090	245,076
Less accumulated depreciation and amortization	(61,368)	(174,341)
	\$ 1,726,722	\$ 70,735

Depreciation and amortization expense amounted to \$12,258 and \$12,441 for the years ended June 30, 2009 and 2008, respectively.

During the year ended June 30, 2008, the Center purchased a new building for \$1,575,000. A Capital Campaign that was started in fiscal year 2007 and continued through 2009 was the primary funding for the building, along with a line of credit. The building was purchased in February 2008, but was not fully in use until July of 2009. During the year ended June 30, 2009, renovations were in progress to prepare the building for use. These renovations were partially completed as of June 30, 2009.

NOTE F—LINE OF CREDIT

During the year ended June 30, 2008, the Center purchased a building. In order to finance the purchase of the building and renovations, the Center entered into a construction loan agreement dated February 15, 2008. All withdrawals made on the loan must be used for the purchase and development of the facility. The total amount available from the line of credit is \$2,000,000. The line of credit has an interest rate of 6.0 percent. The outstanding balance on the line of credit was \$896,018 and \$713,485 at June 30, 2009 and 2008, respectively. The Center must maintain an average monthly balance of \$25,000 in cash as a requirement of the loan.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE G—LEASE COMMITMENT

The Center leased its former office facilities under a non-cancelable operating lease that expired in March 2009.

Rental expenses for the years ended June 30, 2009 and 2008 were \$53,732 and \$51,028, respectively.

NOTE H—PROGRAM REVENUES

Program revenues consist of funding from the following:

	<u>2009</u>	<u>2008</u>
Missouri First Steps Program	\$ 205,219	\$ 195,475
Illinois First Steps Program	19,937	21,071
Productive Living Board for St. Louis County Citizens with Developmental Disabilities	17,040	16,616
Other	<u>19,888</u>	<u>21,081</u>
TOTAL PROGRAM REVENUE	<u>\$ 262,084</u>	<u>\$ 254,243</u>

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE I—FUNDRAISING EVENTS

During the years ended June 30, 2009 and 2008, the Center engaged in several fundraising activities. These included the following:

	<u>2009</u>	<u>2008</u>
Tree lot		
Gross revenues	\$ 68,206	\$ 76,328
Gross expenses	<u>32,671</u>	<u>33,925</u>
Net income from tree lot	35,535	42,403
Run for Sight		
Gross revenues	52,360	57,272
Gross expenses	<u>9,632</u>	<u>9,543</u>
Net income from Run for Sight	42,728	47,729
Holiday House		
Gross revenues	21,247	36,280
Gross expenses	<u>6,852</u>	<u>8,225</u>
Net income from Holiday House	14,395	28,055
Miscellaneous		
Gross revenues	14,682	12,566
Gross expenses	<u>7,385</u>	<u>1,711</u>
Net income from miscellaneous	<u>7,297</u>	<u>10,855</u>
TOTAL SUPPORT FROM FUNDRAISING EVENTS, NET	<u>\$ 99,955</u>	<u>\$ 129,042</u>

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS *(Continued)*

June 30, 2009 and 2008

NOTE J—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes at June 30:

	2009	2008
Purpose restriction—purchase and development of a new facility	\$ 507,784	\$ 440,040
Time restriction—Missouri Foundation for Health	5,000	50,000
Time restriction—United Way	30,324	30,324
Valerie Walch—endowment	2,130	-
TOTAL	\$ 545,238	\$ 520,364

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2009	2008
Satisfaction of restrictions:		
Purchase and development of a new facility	\$ 916,184	\$ 893,143
Time restrictions	75,324	30,324
Building campaign expenses	54,054	-
TOTAL	\$ 1,045,562	\$ 923,467

NOTE K—PERMANENTLY RESTRICTED NET ASSETS

These funds were established in 1999 to ensure stability of the Center. The income from these funds is temporarily restricted to fund lecturing and speaking engagements that support the Center's purpose.

NOTE L—RELATED PARTY DISCLOSURES

During the years ended June 30, 2009 and 2008, the Center received \$17,780 and \$50,263, respectively, in contributions and pledges from various members of the Board of Directors and from companies for which members serve as executive officers.

DELTA GAMMA CENTER FOR CHILDREN
WITH VISUAL IMPAIRMENTS

NOTES TO FINANCIAL STATEMENTS (*Continued*)

June 30, 2009 and 2008

NOTE M—PENSION PLAN

The Center has a defined contribution pension plan that allows for an employer contribution of 5 percent of compensation, as defined by the plan, for participants meeting eligibility requirements of one year of service and age 21. Participants are 100 percent vested in the employer's contributions after three years of vesting service. Pension expenses for the years ended June 30, 2009 and 2008 were \$19,487 and \$21,715, respectively.

NOTE N—COMMITMENTS

The Center has committed to the following major expenditure after June 30, 2009. The Center is currently in negotiations regarding this expenditure.

Building renovation	<u>\$ 277,324</u>
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