A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015
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INDEPENDENT AUDITORS’ REPORT

Board of Directors
A C C A, Inc.
Annandale, Virginia

We have audited the accompanying financial statements of A C C A, Inc. (Annandale Christian Community for Action) (“ACCA”), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses 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.

Auditors’ 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 auditors’ 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 organization’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 organization’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.
Board of Directors
A C C A, Inc. (Annandale Christian Community for Action)

**Opinion**
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A C C A, Inc. (Annandale Christian Community for Action) as of June 30, 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.

**Report on Summarized Comparative Information**
We have previously audited ACCA's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*CliftonLarsonAllen LLP*

Arlington, Virginia
September 15, 2015
A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH SUMMARIZED TOTALS AS OF JUNE 30, 2014)

See accompanying Notes to Financial Statements.

(3)
# Statement of Activities

Year Ended June 30, 2015  

(with summarized totals for the year ended June 30, 2014)

See accompanying Notes to Financial Statements.
### Statement of Functional Expenses

**Year Ended June 30, 2015**

(with summarized totals for the year ended June 30, 2014)

#### Summary of Expenses

- **Salaries**: $1,368,046
- **Payroll and Other Taxes**: $101,306
- **Employee Benefits**: $136,519
- **Food**: $220,454
- **Bank and Services Charges**: $5,794
- **Materials, Equipment and Supplies**: $109,870
- **Repairs and Maintenance**: $38,191
- **Rent and Custodial**: $41,658
- **Insurance**: $7,142
- **Contracted Services**: $30,269
- **Professional Development**: $16,207
- **Laundry**: $27,899
- **Temporary Help**: $11,200
- **Dues and Registration**: $7,472
- **Printing and Equipment Rental**: $17,189
- **Legal and Accounting**: $24,580
- **Miscellaneous**: $27,899
- **Depreciation**: $381,892
- **VPI Expense**: $24,580
- **Assistance to Individuals**: $4,800

#### Program Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Program</th>
<th>Management and General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$1,368,046</td>
<td>$300,303</td>
</tr>
<tr>
<td>Payroll and Other Taxes</td>
<td>$101,306</td>
<td>-</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$136,519</td>
<td>-</td>
</tr>
<tr>
<td>Food</td>
<td>$220,454</td>
<td>$20,253</td>
</tr>
<tr>
<td>Bank and Services Charges</td>
<td>-</td>
<td>$5,794</td>
</tr>
<tr>
<td>Materials, Equipment and Supplies</td>
<td>$109,870</td>
<td>$8,383</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>$38,191</td>
<td>-</td>
</tr>
<tr>
<td>Rent and Custodial</td>
<td>$41,658</td>
<td>$9,144</td>
</tr>
<tr>
<td>Insurance</td>
<td>$7,142</td>
<td>-</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>$30,269</td>
<td>-</td>
</tr>
<tr>
<td>Professional Development</td>
<td>$16,207</td>
<td>$1,568</td>
</tr>
<tr>
<td>Laundry</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Temporary Help</td>
<td>-</td>
<td>$402</td>
</tr>
<tr>
<td>Dues and Registration</td>
<td>$11,200</td>
<td>$2,459</td>
</tr>
<tr>
<td>Telephone and Postage</td>
<td>$7,472</td>
<td>$1,640</td>
</tr>
<tr>
<td>Printing and Equipment Rental</td>
<td>$17,189</td>
<td>$3,773</td>
</tr>
<tr>
<td>Legal and Accounting</td>
<td>-</td>
<td>$23,935</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$27,899</td>
<td>$3,505</td>
</tr>
<tr>
<td>In-kind Support</td>
<td>$381,892</td>
<td>$83,830</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$24,580</td>
<td>$5,396</td>
</tr>
<tr>
<td>VPI Expense</td>
<td>$64,800</td>
<td>-</td>
</tr>
<tr>
<td>Assistance to Individuals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Family Emergency</td>
<td>$278,382</td>
<td>-</td>
</tr>
<tr>
<td>Housing</td>
<td>$7,000</td>
<td>-</td>
</tr>
<tr>
<td>Furniture</td>
<td>$58,532</td>
<td>-</td>
</tr>
<tr>
<td>Food and Nutrition</td>
<td>$168,309</td>
<td>-</td>
</tr>
<tr>
<td>Scholarship</td>
<td>$16,581</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Total Expenses

- **2015**: $2,604,694
- **2014**: $1,668,349

#### Total All Funds

- **2015**: $2,389,636
- **2014**: $1,547,677

*See accompanying Notes to Financial Statements.*

(5)
# Statement of Cash Flows

**Year Ended June 30, 2015**

(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

## CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition Fees and Subsidies</td>
<td>$2,367,676</td>
<td>$2,185,991</td>
</tr>
<tr>
<td>Contributions</td>
<td>399,126</td>
<td>355,665</td>
</tr>
<tr>
<td>Grants</td>
<td>302,836</td>
<td>301,365</td>
</tr>
<tr>
<td>Interest</td>
<td>4,071</td>
<td>4,888</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>8,418</td>
<td>4,094</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>3,082,127</td>
<td>2,852,003</td>
</tr>
<tr>
<td>Disbursements</td>
<td>2,937,886</td>
<td>2,720,703</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>$144,241</td>
<td>$131,300</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of Property and Equipment</td>
<td>(139,412)</td>
<td>(15,554)</td>
</tr>
<tr>
<td>Purchases of Investments</td>
<td>(210,890)</td>
<td>(99,450)</td>
</tr>
<tr>
<td>Sales/Maturities of Investments</td>
<td>209,683</td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash Used by Investing Activities</strong></td>
<td>(140,619)</td>
<td>(115,004)</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Payments Received on Note</td>
<td>1,684</td>
<td>3,502</td>
</tr>
<tr>
<td>Escrow Payable</td>
<td>911</td>
<td>(1,758)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Financing Activities</strong></td>
<td>$2,595</td>
<td>1,744</td>
</tr>
</tbody>
</table>

**NET INCREASE IN CASH**

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents - Beginning of Year</td>
<td>902,590</td>
<td>884,550</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents - END OF YEAR</strong></td>
<td>$908,807</td>
<td>$902,590</td>
</tr>
</tbody>
</table>

## RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$5,681</td>
<td>$147,141</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>34,976</td>
<td>27,635</td>
</tr>
<tr>
<td>Loan Amortization Write-Off</td>
<td>(7,445)</td>
<td>-</td>
</tr>
<tr>
<td>Changes in Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>23,784</td>
<td>(48,453)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(563)</td>
<td>3,000</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>10,833</td>
<td>(9,615)</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>59,709</td>
<td>161</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>23,747</td>
<td>(3,636)</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>(6,481)</td>
<td>15,067</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>$144,241</td>
<td>$131,300</td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
A C C A, Inc. (Annandale Christian Community for Action) ("ACCA") is a nonprofit corporation organized in 1967 under the laws of the Commonwealth of Virginia to promote and sponsor Christian social action in the Annandale, VA area. ACCA is governed by a Board of Directors (Board) consisting of the corporation’s officers and representatives from area member churches. ACCA operates the Child Development Center, with paid staff, to provide day care and early childhood education for its infant, toddler, and preschool children from primarily low-income families. ACCA also operates the all-volunteer Human Services Ministries to provide financial assistance for needy family emergencies, food and furniture deliveries, housing renovations, and scholarships in accordance with Board-approved budgets, policies, and procedures. ACCA is supported by contributions from individuals, Annandale area churches, and private foundations; subsidies and in-kind contributions from Fairfax County, VA; and federal and state grants.

Basis of Presentation
ACCA prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when the obligations are incurred.

Income Tax Status
ACCA is exempt from the payment of federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Organization is not a private foundation.

ACCA has adopted the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The adoption of this standard had no impact on the Organization’s financial statements. The Organization files as a tax-exempt organization and is not aware of any activities that would jeopardize its tax-exempt status.

Comparative Financial Information
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACCA’s financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents
Cash and cash equivalents consist primarily of interest bearing checking accounts, saving accounts and money market accounts.

Accounts Receivable
Tuition fees receivable from parents are considered past due if payments are not received within 30 days of the invoice date. The Organization currently does not charge any interest or finance charges on the past due invoices. The provision for doubtful accounts is based on management’s evaluation of the collectability of existing receivables. Government receivables are primarily due from Fairfax County for the tuition subsidy and recorded when earned.

Inventory
Inventory consists mainly of donated food and is recorded using estimated fair value at retail cost.

Investments
Certificates of deposit held through a financial institution are reported at cost plus accrued interest which approximate fair value and those held at an investment brokerage firm are reported fair market value. Money market accounts are recorded at fair market value.

Property and Equipment
Property is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the property which ranges from 5 to 10 years. The Organization capitalizes items with an original purchase price, or fair market value at the time of donation, of at least $500 and $250 for the years ended June 30, 2015 and 2014, respectively, and a useful life of more than one year. Maintenance and repairs are expensed as incurred.

Net Assets
Net assets and changes therein are classified into the following categories:

- Unrestricted Net Assets
  - Operating - represent funds available for general operations.
  - Board Designated - represent funds designated by the Board of Directors for specific purposes.

- Temporarily Restricted Net Assets
  Represents resources received by ACCA that are specifically time-restricted or restricted by donors for various programs.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition
Contributions from area churches, individuals and organizations are recorded when received. Contributions with donor-imposed restrictions are reported as restricted support except for donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose 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.

Tuition revenue is recognized when earned. Parent fees are billed weekly for child care based on a sliding scale of family income. Parental tuition subsidies from Fairfax County are recorded based on children attendance for eligible parents. Any amounts received in advance of services are recorded as deferred revenue.

The Organization recognizes in-kind support only if professional services received (a) create or enhance long-lived assets or (b) require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Most services received by the Organization do not meet these criteria. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets.

Fair Value Measurements
ACCA accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. ACCA accounts for certain financial assets and liabilities at fair value under various accounting literature. ACCA also accounts for certain assets at fair value under applicable industry guidance.

Fair Value Hierarchy
ACCA has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1
Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that ACCA has the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on active exchanges (such as the New York Stock Exchange), as well as U.S. Treasury and other exchange traded securities.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Hierarchy - Continued

Level 2
Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3
Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Interfund Transfers
The Human Services Ministries shares donations with the Child Development Center through the annual budget process. These amounts are treated as interfund transfers and are eliminated in the financial statements. Total support from the Human Service Ministries to the Child Development Center was $132,500 and $162,000 for the years ended June 30, 2015 and 2014, respectively.

Allocation of Expenses
The costs of providing various programs and supporting activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on personnel efforts or space usage.

Reclassification
Certain 2014 amounts have been reclassified to conform to 2015 presentation. The reclassification had no effect on previously reported net asset balances.

Subsequent Events
In preparing these financial statements, ACCA has evaluated events and transactions for potential recognition or disclosure through September 15, 2015, the date the financial statements were available to be issued.

NOTE 2  CONCENTRATION OF CREDIT RISK

Financial instruments which subject ACCA to a concentration of credit risk consist of demand deposits placed with financial institutions. At times during the year, the Organization had funds invested with local financial institutions in excess of the Federal Deposit Insurance Corporation limits.
NOTE 3  CASH AND CASH EQUIVALENTS

A summary of cash and cash equivalents at June 30, 2015 and 2014, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Child Development Center</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Checking</td>
<td>$ 346,996</td>
<td>$ 344,286</td>
</tr>
<tr>
<td>Business Saving</td>
<td>199,378</td>
<td>198,960</td>
</tr>
<tr>
<td>Money Market</td>
<td>57,458</td>
<td>57,172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>603,832</td>
<td>600,418</td>
</tr>
<tr>
<td><strong>Human Service Ministries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Checking</td>
<td>37,317</td>
<td>13,380</td>
</tr>
<tr>
<td>Family Emergency Checking</td>
<td>8,195</td>
<td>29,145</td>
</tr>
<tr>
<td>Nutrition Checking</td>
<td>1,323</td>
<td>1,675</td>
</tr>
<tr>
<td>Money Market Savings</td>
<td>258,140</td>
<td>257,972</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>304,975</td>
<td>302,172</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>$ 908,807</td>
<td>$ 902,590</td>
</tr>
</tbody>
</table>

Cash and cash equivalents are classified for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$ 443,004</td>
<td>$ 435,421</td>
</tr>
<tr>
<td>Board Designated</td>
<td>404,703</td>
<td>414,703</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>61,100</td>
<td>52,466</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 908,807</td>
<td>$ 902,590</td>
</tr>
</tbody>
</table>

NOTE 4  ACCOUNTS RECEIVABLE

Tuition receivable (non-government) is reported net of the allowance for uncollectible accounts. There was no allowance for uncollectible accounts as of June 30, 2015 and 2014.

ACCA submits monthly estimated billings to government agencies. A summary of amounts included in total government receivables, net of allowance of $0 and $9,979 at June 30, 2015 and 2014, respectively, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Child Development Center</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parental Subsidy - Fairfax County</td>
<td>$ 174,643</td>
<td>$ 196,496</td>
</tr>
<tr>
<td>United States Department of Agriculture</td>
<td>12,000</td>
<td>22,500</td>
</tr>
<tr>
<td>Virginia Preschool Initiative</td>
<td>875</td>
<td>1,050</td>
</tr>
<tr>
<td><strong>Total Government Receivables</strong></td>
<td>$ 187,518</td>
<td>$ 220,046</td>
</tr>
</tbody>
</table>
NOTE 5  INVENTORY

Inventory consists of the following donated food and furniture at June 30, 2015 and 2014. The donated food and furniture are estimated at their fair market value.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$19,133</td>
<td>$16,317</td>
</tr>
<tr>
<td>Furniture</td>
<td>3,124</td>
<td>5,377</td>
</tr>
<tr>
<td></td>
<td><strong>$22,257</strong></td>
<td><strong>$21,694</strong></td>
</tr>
</tbody>
</table>

NOTE 6  NOTE RECEIVABLE

On March 15, 1989, land and buildings in Leesburg, Virginia were sold for a $55,000 note receivable with payments of $303 due on a monthly basis for a term of 40 years at 6% per annum. Prevailing rate at that time was 12% and therefore a discount was recorded when the note was issued. The discount of $7,445 remaining as of June 30, 2014, has been written off in 2015.

NOTE 7  INVESTMENTS

Investments consist of the following at June 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Development Center Certificates of Deposit</td>
<td>$100,551</td>
<td>$100,000</td>
</tr>
<tr>
<td>Human Service Ministries Certificates of Deposit</td>
<td>-</td>
<td>200,218</td>
</tr>
<tr>
<td>Money Market</td>
<td>210,339</td>
<td>9,465</td>
</tr>
<tr>
<td>Total investments</td>
<td><strong>$310,890</strong></td>
<td><strong>$309,683</strong></td>
</tr>
</tbody>
</table>

Investment income for the years ended June 30, 2015 and 2014, is comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from Investments</td>
<td>$2,124</td>
<td>$2,758</td>
</tr>
<tr>
<td>Interest from Note Receivable</td>
<td>1,947</td>
<td>2,130</td>
</tr>
<tr>
<td></td>
<td><strong>$4,071</strong></td>
<td><strong>$4,888</strong></td>
</tr>
</tbody>
</table>
NOTE 8  FAIR VALUE MEASUREMENT

The following table presents ACCA’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market</td>
<td>$210,339</td>
<td>$210,339</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$210,339</td>
<td>$210,339</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$200,218</td>
<td>-</td>
<td>$200,218</td>
<td>-</td>
</tr>
<tr>
<td>Money Market</td>
<td>9,465</td>
<td>9,465</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$209,683</td>
<td>$9,465</td>
<td>$200,218</td>
<td>-</td>
</tr>
</tbody>
</table>

NOTE 9  PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2015 and 2014, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2015</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Depreciation</td>
<td>Net Cost</td>
<td>Depreciation</td>
</tr>
<tr>
<td>Child Development Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment and Furniture</td>
<td>$640,550</td>
<td>$439,669</td>
<td>$200,881</td>
<td>$29,976</td>
</tr>
<tr>
<td>Human Service Ministries</td>
<td>41,907</td>
<td>27,740</td>
<td>14,167</td>
<td>5,000</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$682,457</td>
<td>$467,409</td>
<td>$215,048</td>
<td>$34,976</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2014</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Depreciation</td>
<td>Net Cost</td>
<td>Depreciation Expense</td>
</tr>
<tr>
<td>Child Development Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment and Furniture</td>
<td>$501,138</td>
<td>$409,693</td>
<td>$91,445</td>
<td>$22,635</td>
</tr>
<tr>
<td>Human Service Ministries</td>
<td>47,543</td>
<td>28,376</td>
<td>19,167</td>
<td>5,000</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$548,681</td>
<td>$438,069</td>
<td>$110,612</td>
<td>$27,635</td>
</tr>
</tbody>
</table>
NOTE 10 UNRESTRICTED BOARD-DESIGNATED NET ASSETS

The Board of Directors formed the Legacy Fund to designate certain contributions to benefit the poor of the community through programs and services deemed appropriate by ACCA. These funds will be used for Board-approved projects over a 10-year period.

Unrestricted Board-Designated net assets at June 30, 2015 and 2014, consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, Beginning of Year</td>
<td>$414,703</td>
<td>$494,703</td>
</tr>
<tr>
<td>Support Approved</td>
<td>(10,000)</td>
<td>(80,000)</td>
</tr>
<tr>
<td>Balance, End of Year</td>
<td>$404,703</td>
<td>$414,703</td>
</tr>
</tbody>
</table>

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2015 and 2014, consisted of funds for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>July 1, 2014</th>
<th>Additions</th>
<th>Releases</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarship - Ruffing</td>
<td>$18,254</td>
<td>$14,925</td>
<td>$(16,000)</td>
<td>$17,179</td>
</tr>
<tr>
<td>Preschool Technology Initiative - CDC</td>
<td>16,000</td>
<td>-</td>
<td>-</td>
<td>16,000</td>
</tr>
<tr>
<td>Nutrition and Hygiene</td>
<td>8,782</td>
<td>178,118</td>
<td>$(168,409)</td>
<td>18,491</td>
</tr>
<tr>
<td>Furniture - Crib Fund</td>
<td>9,430</td>
<td>-</td>
<td>-</td>
<td>9,430</td>
</tr>
<tr>
<td></td>
<td>$52,466</td>
<td>$193,043</td>
<td>$(184,409)</td>
<td>$61,100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>July 1, 2013</th>
<th>Additions</th>
<th>Releases</th>
<th>June 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarship - Ruffing</td>
<td>$19,729</td>
<td>$14,525</td>
<td>$(16,000)</td>
<td>$18,254</td>
</tr>
<tr>
<td>Preschool Technology Initiative - CDC</td>
<td>16,000</td>
<td>-</td>
<td>-</td>
<td>16,000</td>
</tr>
<tr>
<td>Nutrition and Hygiene</td>
<td>14,497</td>
<td>154,697</td>
<td>$(160,412)</td>
<td>8,782</td>
</tr>
<tr>
<td>Furniture - Crib Fund</td>
<td>8,720</td>
<td>710</td>
<td>-</td>
<td>9,430</td>
</tr>
<tr>
<td></td>
<td>$42,946</td>
<td>$185,932</td>
<td>$(176,412)</td>
<td>$52,466</td>
</tr>
</tbody>
</table>
NOTE 12 IN-KIND SUPPORT

ACCA receives various types of in-kind support, including facilities, food, furniture and professional services. A summary of in-kind support received by type for the years ended June 30, 2015 and 2014, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent and Utilities</td>
<td>$459,410</td>
<td>$467,682</td>
</tr>
<tr>
<td>Donated Food</td>
<td>135,430</td>
<td>117,689</td>
</tr>
<tr>
<td>Donated Furniture</td>
<td>19,614</td>
<td>21,930</td>
</tr>
<tr>
<td>Donated Professional Service</td>
<td>-</td>
<td>3,600</td>
</tr>
<tr>
<td>Donated Software</td>
<td>-</td>
<td>29,711</td>
</tr>
<tr>
<td>Donated Other</td>
<td>6,312</td>
<td>10,776</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$620,766</strong></td>
<td><strong>$651,388</strong></td>
</tr>
</tbody>
</table>

NOTE 13 PENSION PLAN

Effective October 1, 2014, ACCA amended its 403(b) plan agreement. The amended plan agreement is available for employees who are 18 or older, and has worked greater than 1,000 hours or one year of service. The plan allows for a discretionary employer match. Under this plan, amounts contributed to the plan for the benefit of eligible employees were treated as deferred salary. As the plan qualified under Section 403(b) of the Internal Revenue Code, such deferred salary payments were not treated as taxable income for the employees. Retirement plan expense for the year ended June 30, 2015 and 2014, is $4,925 and $0, respectively.

NOTE 14 LEASED FACILITIES

The Child Development Center operates at 7200 Columbia Pike, Annandale, Virginia. The preschool day care activities are housed in a former elementary school where approximately 12,000 square feet of space is leased from Fairfax County for rental of $627 per month, including all utilities. The lease agreement executed August 26, 1980, does not specify any fixed terms but provides that the County Board of Supervisors may adjust all terms and conditions of the lease upon 120 days written notice. The infant and toddler day care activities are housed at an additional facility adjacent to the preschool day care, consisting of approximately 6,000 square feet of space which ACCA began leasing from Fairfax County on October 1, 1991. The lease provides for free rent and utilities and for automatic renewal on a yearly basis unless 90 days written notice is given by either party. The facility is accepted “as is” with the understanding that ACCA is solely responsible for all necessary repairs and improvements. ACCA’s total rent and custodial expense was $50,802 and $43,100 for the years ended June 30, 2015 and 2014, respectively.

The fair value of free rent component has been recorded in the accompanying financial statements as in-kind support and in-kind expense, estimated at $27 a square foot for the years ended June 30, 2015 and 2014, less the actual amount of rent and custodial expenses paid by ACCA.
NOTE 15 LEASED EQUIPMENT

ACCA has two operating lease agreements for two copiers. Future minimum lease payments under the above two leases are as follows for June 30:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>15,383</td>
</tr>
<tr>
<td>2017</td>
<td>10,158</td>
</tr>
<tr>
<td></td>
<td><strong>25,541</strong></td>
</tr>
</tbody>
</table>

NOTE 16 ECONOMIC DEPENDENCY AND CONCENTRATION OF REVENUE

The operation of ACCA is dependent to a significant extent on continuing contributions from area churches and by future funding from Fairfax County and the United States Department of Agriculture. The CDC received 46% and 45% of total revenue directly from Fairfax County for parental tuition subsidies for the years ending June 30, 2015 and 2014, respectively. The CDC also received 12% and 13% of total revenue directly from Fairfax County for in-kind rent and utilities for the years ending June 30, 2015 and 2014, respectively.