

THE POTTER'S HOUSE

CONSOLIDATED
FINANCIAL STATEMENTS

With Independent Auditor's Report

August 31, 2015 and 2014

JAMES H. QUIST CPA PLC

THE POTTER'S HOUSE

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FINANCIAL STATEMENTS**

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August 31, 2015 and 2014

**The  Potter's
HouseSM**

An Urban, Christ-Centered School



Enhancing Trust

THE POTTER'S HOUSE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

The Potter's House

Grand Rapids, Michigan

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying consolidated financial statements of The Potter's House (a nonprofit organization), which consist of the consolidated statements of financial position as of August 31, 2015 and 2012, the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT, continued

Opinion

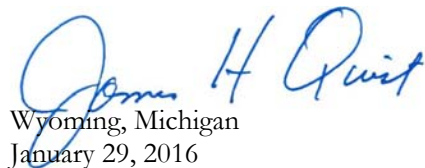
In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Potter's House as of August 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the consolidated financial statements, the consolidated financial statements as of August 31, 2014 and for the year then ended have been restated to correct misstatements. My opinion is not modified with respect to this matter.

Other Matter

My audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary data on pages 20 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



James H. Quist
Wyoming, Michigan
January 29, 2016

THE POTTER'S HOUSE

Consolidated Statements of Financial Position

	August 31,	
	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,608,362	\$ 118,524
Accounts receivable, net of allowance of \$45,000	95,313	93,084
Contributions receivable	-	50,000
Prepaid expenses	60,976	46,018
Property held for sale	-	1,640,776
Investments held for long-term purposes	1,498,957	1,595,292
Property and equipment, net of accumulated depreciation	4,425,666	4,161,353
Total Assets	\$ 7,689,274	\$ 7,705,047
LIABILITIES AND NET ASSETS		
Liabilities		
Bank overdraft	\$ 768	\$ -
Accounts payable	95,909	50,912
Accrued salaries and wages	71,286	62,244
Flexible spending plan	1,175	129
Deferred revenue - Note 11	129,766	138,027
Line of credit payable	300,000	300,000
Capitalized lease obligations	27,111	40,311
Land contract payable	68,501	70,996
Total Liabilities	694,516	662,619
Net Assets - Note 11		
Unrestricted		
Undesignated	251,655	554,640
Designated	7,528	6,437
Net investment in property and equipment	4,357,165	4,090,357
	4,616,348	4,651,434
Temporarily restricted	2,378,410	2,390,994
Total Net Assets	6,994,758	7,042,428
Total Liabilities and Net Assets	\$ 7,689,274	\$ 7,705,047

See accompanying notes to consolidated financial statements

THE POTTER'S HOUSE

Consolidated Statements of Activities

For the Years Ended August 31,

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Tuition and fees - Note 11	\$ 3,225,883	\$ -	\$ 3,225,883	\$ 3,129,198	\$ -	\$ 3,129,198
Less: tuition grants and discounts	(2,330,534)	-	(2,330,534)	(2,250,759)	-	(2,250,759)
	895,349	-	895,349	878,439	-	878,439
Contributions	3,188,582	598,505	3,787,087	2,885,748	1,844,686	4,730,434
Fund-raisers, net of expenses	107,577	-	107,577	211,515	-	211,515
Lunch program revenues	157,411	-	157,411	167,269	-	167,269
Campus program revenue	5,738	-	5,738	2,774	-	2,774
Sales, net of cost of sales	-	-	-	71	-	71
Investment (loss) income	(49,918)	4,913	(45,005)	139,631	94,958	234,589
Other income	4,716	-	4,716	9,686	-	9,686
Total Support and Revenue	4,309,455	603,418	4,912,873	4,295,133	1,939,644	6,234,777
RECLASSIFICATIONS						
Net assets released for satisfaction of purpose restrictions - Note 11	616,002	(616,002)	-	304,742	(304,742)	-
EXPENSES						
Program Services						
Instructional	3,609,028	-	3,609,028	3,312,294	-	3,312,294
Auxiliary	245,321	-	245,321	280,526	-	280,526
Extra-curricular	122,220	-	122,220	110,219	-	110,219
Total Program Services	3,976,569	-	3,976,569	3,703,039	-	3,703,039
Supporting Activities						
Management and general	636,989	-	636,989	645,407	-	645,407
Fund-raising	346,985	-	346,985	320,977	-	320,977
Total Supporting Activities	983,974	-	983,974	966,384	-	966,384
Total Expenses	4,960,543	-	4,960,543	4,669,423	-	4,669,423
Change in Net Assets	(35,086)	(12,584)	(47,670)	(69,548)	1,634,902	1,565,354
Net Assets, Beginning of Year - Note 11	4,651,434	2,390,994	7,042,428	4,720,982	756,092	5,477,074
Net Assets, End of Year - Note 11	\$ 4,616,348	\$ 2,378,410	\$ 6,994,758	\$ 4,651,434	\$ 2,390,994	\$ 7,042,428

See accompanying notes to consolidated financial statements

THE POTTER'S HOUSE

Consolidated Statement of Functional Expenses

For the Year Ended August 31, 2015

	Instructional	Auxiliary	Extra- Curricular	Total Program Services	Management and General	Fund- Raising	Total Supporting Activities	Totals
Salaries and wages	\$ 2,119,050	\$ 61,830	\$ 62,337	\$ 2,243,217	\$ 382,053	\$ 208,777	\$ 590,830	\$ 2,834,047
Other employee benefits	428,504	103	31	428,638	75,868	23,166	99,034	527,672
Payroll taxes	152,724	971	4,199	157,894	22,594	11,384	33,978	191,872
Professional services - management	-	-	-	-	10,769	-	10,769	10,769
Professional services - accounting	-	-	-	-	8,362	-	8,362	8,362
Professional services - other	132,091	128,446	-	260,537	17,112	-	17,112	277,649
Advertising and promotion	-	-	-	-	189	2,553	2,742	2,742
Office	11,930	-	-	11,930	52,374	17,008	69,382	81,312
Information technology	7,058	-	-	7,058	4,350	824	5,174	12,232
Occupancy	197,452	18,623	-	216,075	23,810	2,991	26,801	242,876
Travel	1,603	21,207	-	22,810	3,992	3,992	7,984	30,794
Conferences, conventions and meetings	-	-	-	-	6,467	-	6,467	6,467
Interest	-	-	-	-	14,245	-	14,245	14,245
Depreciation	118,076	4,292	-	122,368	6,215	-	6,215	128,583
Insurance	18,032	-	-	18,032	1,184	-	1,184	19,216
Instructional	416,501	-	13,824	430,325	-	-	-	430,325
Athletics	-	-	41,829	41,829	-	-	-	41,829
Lunch program	-	2,538	-	2,538	-	-	-	2,538
Alumni and donor relations	-	6,466	-	6,466	5,153	76,290	81,443	87,909
Parent and booster clubs	-	845	-	845	-	-	-	845
Accreditation and memberships	6,007	-	-	6,007	2,252	-	2,252	8,259
Total Expenses	\$ 3,609,028	\$ 245,321	\$ 122,220	\$ 3,976,569	\$ 636,989	\$ 346,985	\$ 983,974	\$ 4,960,543

See accompanying notes to consolidated financial statements

THE POTTER'S HOUSE

Consolidated Statement of Functional Expenses

For the Year Ended August 31, 2014

	Instructional	Auxiliary	Extra- Curricular	Total Program Services	Management and General	Fund- Raising	Total Supporting Activities	Totals
Salaries and wages	\$ 2,024,358	\$ 58,966	\$ 56,094	\$ 2,139,418	\$ 358,034	\$ 190,506	\$ 548,540	\$ 2,687,958
Other employee benefits	403,020	81	77	403,178	40,361	20,996	61,357	464,535
Payroll taxes	152,183	961	4,179	157,323	20,180	9,851	30,031	187,354
Professional services - management	-	-	-	-	9,694	-	9,694	9,694
Professional services - accounting	-	-	-	-	8,302	-	8,302	8,302
Professional services - other	123,014	137,444	-	260,458	9,891	-	9,891	270,349
Advertising and promotion	-	-	-	-	516	3,026	3,542	3,542
Office	9,983	47	-	10,030	130,460	16,697	147,157	157,187
Information technology	9,530	310	-	9,840	5,124	871	5,995	15,835
Occupancy	206,505	46,201	-	252,706	24,631	4,287	28,918	281,624
Travel	1,349	25,651	-	27,000	698	698	1,396	28,396
Conferences, conventions and meetings	-	-	-	-	9,512	-	9,512	9,512
Interest	-	-	-	-	10,273	-	10,273	10,273
Depreciation	126,268	-	-	126,268	6,646	-	6,646	132,914
Insurance	14,900	-	-	14,900	1,218	-	1,218	16,118
Instructional	234,721	-	9,919	244,640	-	-	-	244,640
Athletics	-	-	39,950	39,950	-	-	-	39,950
Lunch program	-	2,749	-	2,749	-	-	-	2,749
Alumni and donor relations	-	3,077	-	3,077	7,401	74,045	81,446	84,523
Parent and booster clubs	-	5,039	-	5,039	-	-	-	5,039
Accreditation and memberships	6,463	-	-	6,463	2,466	-	2,466	8,929
Total Expenses	\$ 3,312,294	\$ 280,526	\$ 110,219	\$ 3,703,039	\$ 645,407	\$ 320,977	\$ 966,384	\$ 4,669,423

See accompanying notes to consolidated financial statements

THE POTTER'S HOUSE

Consolidated Statements of Cash Flows

	For the Years Ended August 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (47,670)	\$ 1,565,354
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Contribution of real estate	-	(1,640,776)
Depreciation	128,583	132,914
Net losses (gains) from property held for sale and investments	76,649	(197,395)
Change in:		
Accounts receivable	(2,229)	39,206
Contributions receivable	50,000	50,000
Prepaid expenses	(14,958)	(2,544)
Bank overdraft	768	-
Accounts payable	44,997	(25,760)
Accrued salaries and wages	9,042	3,988
Flexible spending plan	1,046	(209)
Deferred revenue	(8,261)	20,088
	<u>237,967</u>	<u>(55,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	2,007,164	342,287
Purchases of investments	(346,702)	(323,640)
Purchases of property and equipment	(392,896)	(128,965)
	<u>1,267,566</u>	<u>(110,318)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments received on land contract	-	4,664
Proceeds from line of credit	835,000	935,000
Payments on line of credit	(835,000)	(685,000)
Principal payments under capital lease obligations	(13,200)	(12,189)
Payments on land contract	(2,495)	(2,558)
	<u>(15,695)</u>	<u>239,917</u>
Change in Cash and Cash Equivalents	1,489,838	74,465
Cash and Cash Equivalents, Beginning of Period	118,524	44,059
	<u>\$ 1,608,362</u>	<u>\$ 118,524</u>
SUPPLEMENTAL INFORMATION		
Interest paid on line of credit and land contract	\$ 14,245	\$ 10,273
NONCASH INVESTING AND FINANCING ACTIVITIES		
Campaign contribution of real estate held for sale	\$ -	\$ 1,640,776

See accompanying notes to consolidated financial statements

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

1. NATURE OF ORGANIZATION

The mission of The Potter's House (TPH) is to provide a Christ-centered education to children of all ethnic heritages and income levels, equipping them to serve God and society to their fullest potential. TPH offers an excellent academic program in an urban environment. Rooted in Biblical principles and values, TPH encourages students to reach their full potential by maintaining a healthy spiritual, physical, social and emotional life. TPH challenges students and their families to grow in their personal relationship with Jesus Christ. TPH promotes unity and reconciliation in the Roosevelt Park Community.

In existence since 1981, TPH offers grades K-12 as well as preschool to families throughout Grand Rapids, Michigan and its surrounding communities. Its facilities are located on two campuses, the preschool through eighth grade in the Roosevelt Park community of Grand Rapids and the high school in Wyoming. Its operations are financed primarily from contributions, tuition and fees. TPH also provides for the feeding of students on a fee basis. The costs for various program and extra-curricular activities are also financed by fees, fund-raising efforts and ticket sales.

TPH is a nonprofit organization incorporated in Michigan and is exempt from federal income taxes under section 501(c)(3) of the United States Internal Revenue Code (code) and comparable state law, and has been classified as a publicly supported organization that is not a private foundation under section 509(a) of the code. Contributions to TPH are tax deductible within the limits prescribed by the code.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The consolidated financial statements of TPH are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies that have been adopted by TPH are described below.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of The Potter's House include the combined financial resources and activities of The Potter's House Foundation (the Foundation), a Michigan nonprofit corporation that exists solely for the financial support of The Potter's House. All inter-organization balances and transactions have been eliminated in the consolidation.

CASH, CASH EQUIVALENTS AND CONCENTRATION OF CREDIT RISK

Cash and cash equivalents includes checking, money market and other highly liquid investment accounts which are not included in the holdings of the managed portfolio for investments held for long-term purposes. While balances in these accounts may at times exceed federally insured limits, TPH has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on these accounts.

At August 31, 2014, the balance of non-endowment temporarily restricted net assets less the capital campaign contribution exceeded the balance of cash and cash equivalents. However, TPH can borrow against its line of credit (Note 6) if such would be necessary to fulfill the purpose restrictions of temporarily restricted net assets. Cash required to fulfill the purpose restrictions of endowment temporarily restricted net assets would be withdrawn from investments held for long-term purposes.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued

ACCOUNTS RECEIVABLE

Accounts receivable, consisting primarily of unpaid tuition and fee charges, are reported net of any anticipated losses due to uncollectible accounts. TPH considers an account to be past due when items billed on the account have not been paid by the due date. All outstanding balances at August 31, 2015 are considered past due. Past due accounts are subject to internal collection efforts but remain classified as active accounts until graduation or withdrawal from the school. A late fee of 1 percent per month is assessed on past due accounts, but are not assessed on accounts sent to collection. At August 31, 2015 and 2014, \$54,798 and \$37,239 of receivables had been sent to collection, respectively. Uncollectible accounts are recognized as additions to bad debt expense in the period it is determined the amounts could become uncollectible. The allowance for doubtful accounts is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, payment patterns and general economic conditions. The allowance is maintained at a level that, in management's judgment, is adequate to absorb potential losses inherent in the receivables portfolio.

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give were recognized as income when made and reported at fair value based upon estimated future cash flows. Those expected to be collected within one year were reported at net realizable value and those expected to be collected in future years were reported at the present value of their estimated future cash flows. The discounts on those amounts were computed using risk free interest rates applicable to the years in which the promises were received. This discount rate was based on yields of the various U.S. treasury bills corresponding to the timing of the promises to give. Amortization of the discount is included in contributions revenue.

Conditional promises to give are recognized as income when the conditions are met. Uncollectible promises to give are reported as an allowance for doubtful accounts when it is determined the amounts could become uncollectible.

Contributions receivable at August 31, 2014 were deemed by management to be fully collectible and expected to be paid within one year.

PROPERTY HELD FOR SALE

Property held for sale consists of land and residential real estate received as contributions. TPH initially records such investments at the fair value as of the dates these investments are donated to the organization and thereafter utilizes the market approach technique for determining current estimated values, based on sales of comparable properties in the area where the property is located (Level 2 measurements). The value of a contribution of real estate received during the year ended August 31, 2014 was determined based on the proceeds of approximately \$1.6 million received from the sale of the property subsequent to August 31, 2014.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued

INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at fair value based on quoted prices in active markets (all Level 1 measurements) in the consolidated statements of financial position. For purposes of determining gross realized gains and losses, the cost of securities sold is based on specific identification. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Donated investments are reported at market value at the date of donation and thereafter carried in accordance with the above policies.

PROPERTY AND EQUIPMENT

Expenditures for property and equipment in excess of \$1,000 are capitalized at cost when purchased. Donated items are reported at their estimated fair market values as of the date of the gifts were received. Depreciation is reported using the straight-line method over the estimated useful lives of the assets, which range from 3 to 50 years. Depreciation expense was \$128,583 and \$132,914 for the years ended August 31, 2015 and 2014, respectively.

DEFERRED REVENUE

Deferred revenue results primarily from deposits received and credit balances carried forward for fall enrollment.

NET ASSETS

The consolidated financial statements report amounts separately by classes of net assets.

UNRESTRICTED NET ASSETS are those available for current purposes under the direction of the Board (undesignated net assets), those designated by the Board for specific uses and those invested in capitalized property and equipment less related debt.

TEMPORARILY RESTRICTED NET ASSETS are those subject to donor-imposed stipulations that may or will be met either by actions of TPH or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

PERMANENTLY RESTRICTED NET ASSETS are those subject to donor-imposed stipulations to be maintained permanently by an organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes. To date, TPH has received no permanently restricted contributions.

SUPPORT AND REVENUE

Contributions are recognized when cash is received, unconditional promises are made or ownership of donated assets are transferred. Contributions received are reported as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued

SUPPORT AND REVENUE, continued

Contributions of assets other than cash are reported at their estimated fair value. TPH reports donations of property and equipment as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment donated with restrictions regarding their use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired and placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time.

Tuition revenues are reported net of discounts, which are determined based on household income and the total number of children in the household. Parents also receive a discount for fulfilling a specified amount of volunteer hours at the school.

Sales revenue and cost of sales are reported net of discounts.

All other revenues are reported when earned.

GIFTS-IN-KIND

Donated goods and services are reflected as contributions at their fair market value on the date of donation. There were no in-kind contributions received during the years ended August 31, 2015 and 2014.

CONTRIBUTED SERVICES

During the years ended August 31, 2015 and 2014, 140 and 204 individuals provided over 7,100 and 6,450 hours of volunteer support to TPH, respectively. For the years ended August 31, 2015 and 2014, management estimates the total value of volunteer services to be approximately \$106,800 and \$97,000, respectively. However, the value of these services is not reflected in the consolidated financial statements because the services do not meet the definition of donated professional services under generally accepted accounting principles. Volunteer positions consist of student tutors, student mentors and office assistants, cleaning, carpentry and various work projects.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported as incurred. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefitting from those expenditures. TPH incurred no joint costs during the years ended August 31, 2015 and 2014.

ADVERTISING

TPH expenses advertising costs as they are incurred. Advertising costs totaled \$2,653 and \$3,542 for the years ended August 31, 2015 and 2014, respectively.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

3. INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes are reported at fair value and consist of the following:

	August 31, 2015		
	Fair Value	Carrying Value	Unrealized Gain (Loss)
Cash and cash equivalents	\$ 148,209	\$ 148,209	\$ -
Marketable corporate and government bonds	154,559	90,791	63,768
Marketable equity securities	222,322	204,097	18,225
Marketable preferred equity securities	112,858	95,903	16,955
Mutual funds	861,009	902,445	(41,436)
	\$ 1,498,957	\$ 1,441,445	\$ 57,512
	August 31, 2014		
	Fair Value	Carrying Value	Unrealized Gain (Loss)
Cash and cash equivalents	\$ 118,759	\$ 118,759	\$ -
Marketable corporate and government bonds	96,597	90,791	5,806
Marketable equity securities	245,248	204,097	41,151
Marketable preferred equity securities	124,742	95,903	28,839
Mutual funds	1,009,946	902,445	107,501
	\$ 1,595,292	\$ 1,411,995	\$ 183,297

Investment income is attributable entirely to the Foundation and consists of the following:

	Years Ended August 31,	
	2015	2014
Interest and dividends	\$ 31,644	\$ 36,809
Realized gains	86,700	49,427
Unrealized (losses) gains	(163,349)	148,353
	\$ (45,005)	\$ 234,589

TPH accounts for investments under fair value accounting standards. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The financial accounting standards have established a hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Under the standards, three levels of inputs that may be used to measure fair value are:

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

3. INVESTMENTS HELD FOR LONG-TERM PURPOSES, continued

LEVEL 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that TPH has the ability to access.

LEVEL 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

LEVEL 3 - Level 3 inputs are unobservable inputs including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. TPH's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

All investments are held in an account at an unrelated financial institution and managed by consent of the Foundation board. Fair values are determined utilizing Level 1 measurement inputs for all holdings.

4. ENDOWMENT

The Foundation has six individual funds established for student scholarships, property maintenance and general operations. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation Board has interpreted Michigan Prudent Management of Institutional Funds Act (MI-PMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation would classify as permanently restricted net assets

- (1) the original value of gifts donated to the permanent endowment,
- (2) the original value of subsequent gifts to the permanent endowment and
- (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Foundation has at the present time no endowments that would be classified as permanently restricted. Therefore, all donor-restricted endowment funds are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by MI-PMIFA. In accordance with MI-PMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the fund;
- (2) the purposes of the organization and the donor-restricted endowment fund;
- (3) general economic conditions;
- (4) the possible effect of inflation and deflation;
- (5) the expected total return from income and the appreciation of investments;
- (6) other resources of the organization;
- (7) the investment policies of the organization.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

4. ENDOWMENT, continued

ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND

	August 31,	
	2015	2014
Unrestricted endowment funds	\$ 899,938	\$ 970,488
Temporarily restricted endowment funds	594,917	641,647
Total funds	\$ 1,494,855	\$ 1,612,135

CHANGES IN ENDOWMENT NET ASSETS

	Unrestricted	Temporarily Restricted	Total
Endowment net assets, August 31, 2013	\$ 860,096	\$ 576,176	\$ 1,436,272
Investment return			
Investment income	21,872	14,801	36,673
Realized gains	26,774	22,653	49,427
Unrealized gains	96,850	57,504	154,354
Total investment return	145,496	94,958	240,454
Contributions	27,147	32,303	59,450
Appropriation of endowment assets for expenditure	(62,251)	(61,790)	(124,041)
Endowment net assets, August 31, 2014	970,488	641,647	1,612,135
Investment return			
Investment income	20,717	10,927	31,644
Realized gains	36,528	50,172	86,700
Unrealized losses	(107,163)	(56,186)	(163,349)
Total investment return	(49,918)	4,913	(45,005)
Contributions	50,444	10,604	61,048
Appropriation of endowment assets for expenditure	(71,076)	(62,247)	(133,323)
Endowment net assets, August 31, 2015	\$ 899,938	\$ 594,917	\$ 1,494,855

FUNDS WITH DEFICIENCIES

Because the Foundation has no endowments with perpetual duration, any reductions in the fair value of assets associated with individual donor restricted endowment funds caused by unfavorable market fluctuations are reported as reductions to the individual donor restricted endowments.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

4. ENDOWMENT, continued

RETURN OBJECTIVES AND RISK PARAMETERS

The investment objectives of the Foundation are:

- (1) to preserve the principal value of the Foundation funds;
- (2) to provide growth and income by earning a reasonable return on Foundation investments and
- (3) to invest Foundation funds in a manner which is consistent with the needs and circumstances of donors and beneficiaries.

RETURN OBJECTIVES AND RISK PARAMETERS, continued

The long-term investment goal is to provide a long-term rate of return on an annualized basis of 3 percent in excess of the rate of inflation as measured by the Consumer Price Index. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Foundation has a policy of appropriating for distribution each year 5 percent of the average fair value of the endowment fund over the prior 16 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held for donor-specified purposes as well as to provide additional real growth through new gifts and investment return.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	August 31,	
	2015	2014
Land - Notes 6 and 7	\$ 631,422	\$ 551,422
Land improvements	5,667	5,667
Buildings and improvements - Notes 6 and 7	4,711,459	4,344,580
Furniture and equipment	532,199	395,850
Computers and software	173,120	171,314
Vehicles	72,289	62,419
Website development costs	28,765	28,765
Construction in progress	-	203,201
	<u>6,154,921</u>	<u>5,763,218</u>
Less accumulated depreciation	<u>(1,729,255)</u>	<u>(1,601,865)</u>
	<u>\$ 4,425,666</u>	<u>\$ 4,161,353</u>

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

6. NOTES PAYABLE

TPH has a \$400,000 bank line of credit due in March 2016. The line is secured by the high school real estate. Amounts borrowed under this agreement bear interest at the bank's prime rate (which equates to 3.75 percent at August 31, 2015 and 2014). Interest is payable monthly. \$835,000 and \$935,000 was borrowed from the line of credit during the years ended August 31, 2015 and 2014, respectively, and TPH repaid \$835,000 and \$685,000 during the years ended August 31, 2015 and 2014, respectively.

Total interest expense is as follows:

	Years Ended August 31,	
	2015	2014
Line of credit	\$ 11,454	\$ 7,377
Land contract payable	2,791	2,896
	<u>\$ 14,245</u>	<u>\$ 10,273</u>

7. LAND CONTRACT PAYABLE

In October 2012, TPH purchased property for \$80,000 from Roosevelt Park Community Christian Reformed Church. The purchase was financed by an initial deposit of \$5,000 and a land contract for \$75,000 at a rate of 4 percent per annum, requiring 84 monthly payments of \$454 and a balloon payment of the remaining balance in January 2020. There is no penalty for prepayment. Total interest expense for the years ended August 31, 2015 and 2014 was \$2,791 and \$2,896, respectively.

The future scheduled maturities of long-term debt are as follows:

<u>Year Ending August 31,</u>	<u>Principal</u>
2016	\$ 2,771
2017	2,884
2018	3,001
2019	3,124
2020	56,721
Total	<u>\$ 68,501</u>

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

8. TEMPORARILY RESTRICTED NET ASSETS - See also Note 11

Temporarily restricted net assets consist of the following:

	August 31,	
	2015	2014
<u>School</u>		
Birthday club	\$ 3,641	\$ 1,196
Bowling for books	4,804	8,885
Capital Campaign	1,640,776	1,640,776
College scholarships	32,770	10,820
High school media center	5,550	5,143
Jesus Year	2,884	2,884
Superintendent mentorship	55,146	55,146
Teacher training	37,062	16,844
Technology	860	7,653
	<u>1,783,493</u>	<u>1,749,347</u>
<u>Foundation Endowments</u>		
Eighth grade Washington, D.C. class trip	87,852	100,524
Student tuition assistance	507,065	541,123
	<u>594,917</u>	<u>641,647</u>
	<u>\$ 2,378,410</u>	<u>\$ 2,390,994</u>

9. LEASES

TPH leased office equipment under four operating lease agreements. The first lease was for a term of 60 months, requiring monthly payments of \$1,329. The second lease was for a term of 60 months, requiring quarterly payments of \$192. The third lease was for a term of 58 months, requiring monthly payments of \$51. The fourth lease was for a term of 60 months, requiring monthly payments of \$99.

Financial accounting standards require the capitalization of the first lease because it provides for a purchase of the equipment as of the end of the contract period for one dollar. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated useful lives. Amortization of assets under capital leases is included in depreciation expense for the fiscal years ended August 31, 2015 and 2014.

The following is a summary of property held under capital leases:

	August 31,	
	2015	2014
Equipment	\$ 65,554	\$ 65,554
Accumulated amortization	(32,777)	(23,412)
	<u>\$ 32,777</u>	<u>\$ 42,142</u>

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

9. LEASES, continued

Minimum future lease payments under the capital lease agreement as of August 31, 2014 are as follows:

<u>Year Ending August 31,</u>	
2016	\$ 15,948
2017	<u>13,290</u>
Net minimum lease payments	29,238
Amount representing interest	<u>(2,127)</u>
Present value of net minimum lease payments	<u><u>\$ 27,111</u></u>

The interest rate on the capitalized lease agreement is 8 percent and is imputed based on the lower of TPH's estimated incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

Total lease payments made during both fiscal years ended August 31, 2015 and 2014 was \$18,520.

Minimum future lease payments under operating lease agreements as of August 31, 2015 are as follows:

<u>Year Ending August 31,</u>	
2016	\$ 19,560
2017	19,176
2018	19,176
2019	17,988
2020	<u>17,988</u>
	<u><u>\$ 93,888</u></u>

10. CONCENTRATION

For the years ended August 31, 2015 and 2014, the top five donors gave 22.0 percent and 50.4 percent, respectively, of total contributions, including a campaign gift of over \$1.6 million during the year ended August 31, 2014.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

August 31, 2015 and 2014

11. PRIOR YEAR CORRECTION

The consolidated financial statements as of and for the year ended August 31, 2014 have been retroactively restated to reflect the following issues:

To correct the understatement of deferred revenue at August 31, 2014 and the overstatement of tuition revenue for the year then ended.

To correct the understatement of temporarily restricted net assets at August 31, 2014.

A summary of these corrections is as follows:

<u>Net Assets at August 31, 2014</u>	<u>As Previously Reported</u>	<u>Corrections</u>	<u>As Corrected</u>
Deferred revenue	\$ 106,468	\$ 31,559	\$ 138,027
Unrestricted			
School	\$ 3,722,978	\$ (42,032)	\$ 3,680,946
Foundation	999,106	(28,618)	970,488
	<u>4,722,084</u>	<u>(70,650)</u>	<u>4,651,434</u>
Temporarily Restricted			
School	1,738,874	10,473	1,749,347
Foundation	613,029	28,618	641,647
	<u>2,351,903</u>	<u>39,091</u>	<u>2,390,994</u>
Total Net Assets	<u>\$ 7,073,987</u>	<u>\$ (31,559)</u>	<u>\$ 7,042,428</u>
Tuition and fees	<u>\$ 3,160,757</u>	<u>\$ (31,559)</u>	<u>\$ 3,129,198</u>

12. SUBSEQUENT EVENTS

Subsequent events were evaluated through January 29, 2016, which is the date the financial statements were available to be issued.

In September 2015, TPH contracted for professional fund-raising services with The Timothy Group at a cost of \$71,250.

SUPPLEMENTARY DATA

THE POTTER'S HOUSE

Consolidating Statements of Financial Position

	August 31,							
	2015				2014			
	The Potter's House	The Potter's House Foundation	Eliminations	Totals	The Potter's House	The Potter's House Foundation	Eliminations	Totals
ASSETS								
Cash and cash equivalents	\$ 1,608,362	\$ -	\$ -	\$ 1,608,362	\$ 101,681	\$ 16,843	\$ -	\$ 118,524
Accounts receivable, net of allowance of \$45,000	98,647	-	(3,334)	95,313	93,084	-	-	93,084
Contributions receivable	-	-	-	-	50,000	-	-	50,000
Prepaid expenses	60,976	-	-	60,976	46,018	-	-	46,018
Property held for sale	-	-	-	-	1,640,776	-	-	1,640,776
Investments held for long-term purposes	-	1,498,957	-	1,498,957	-	1,595,292	-	1,595,292
Property and equipment, net of accumulated depreciation	4,425,666	-	-	4,425,666	4,161,353	-	-	4,161,353
Total Assets	\$ 6,193,651	\$ 1,498,957	\$ (3,334)	\$ 7,689,274	\$ 6,092,912	\$ 1,612,135	\$ -	\$ 7,705,047
LIABILITIES AND NET ASSETS								
Liabilities								
Bank overdraft	\$ -	\$ 768	\$ -	\$ 768	\$ -	\$ -	\$ -	\$ -
Accounts payable	95,909	3,334	(3,334)	95,909	50,912	-	-	50,912
Accrued salaries and wages	71,286	-	-	71,286	62,244	-	-	62,244
Flexible spending plan	1,175	-	-	1,175	129	-	-	129
Deferred revenue - Note 11	129,766	-	-	129,766	138,027	-	-	138,027
Line of credit payable	300,000	-	-	300,000	300,000	-	-	300,000
Capitalized lease obligations	27,111	-	-	27,111	40,311	-	-	40,311
Land contract payable	68,501	-	-	68,501	70,996	-	-	70,996
Total Liabilities	693,748	4,102	(3,334)	694,516	662,619	-	-	662,619
Net Assets								
Unrestricted								
Undesignated	(648,283)	899,938	-	251,655	(415,848)	970,488	-	554,640
Designated	7,528	-	-	7,528	6,437	-	-	6,437
Net investments in property and equipment	4,357,165	-	-	4,357,165	4,090,357	-	-	4,090,357
	3,716,410	899,938	-	4,616,348	3,680,946	970,488	-	4,651,434
Temporarily restricted	1,783,493	594,917	-	2,378,410	1,749,347	641,647	-	2,390,994
Total Net Assets	5,499,903	1,494,855	-	6,994,758	5,430,293	1,612,135	-	7,042,428
Total Liabilities and Net Assets	\$ 6,193,651	\$ 1,498,957	\$ (3,334)	\$ 7,689,274	\$ 6,092,912	\$ 1,612,135	\$ -	\$ 7,705,047

THE POTTER'S HOUSE

Consolidating Statement of Activities

For the Year Ended August 31, 2015

	The Potter's House			The Potter's House Foundation			Eliminations	Totals
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		
SUPPORT AND REVENUE								
Tuition and fees	\$ 3,225,883	\$ -	\$ 3,225,883	\$ -	\$ -	\$ -	\$ -	\$ 3,225,883
Less: tuition grants and discounts	(2,330,534)	-	(2,330,534)	-	-	-	-	(2,330,534)
	895,349	-	895,349	-	-	-	-	895,349
Contributions	3,229,467	587,901	3,817,368	50,444	10,604	61,048	(91,329)	3,787,087
Fund-raisers, net of expenses	107,577	-	107,577	-	-	-	-	107,577
Lunch program revenues	157,411	-	157,411	-	-	-	-	157,411
Campus program revenue	5,738	-	5,738	-	-	-	-	5,738
Investment income	-	-	-	(49,918)	4,913	(45,005)	-	(45,005)
Other income	4,716	-	4,716	-	-	-	-	4,716
Total Support and Revenue	4,400,258	587,901	4,988,159	526	15,517	16,043	(91,329)	4,912,873
RECLASSIFICATIONS								
Net assets released for satisfaction of purpose restrictions	553,755	(553,755)	-	62,247	(62,247)	-	-	-
EXPENSES								
Program Services								
Instructional	3,609,028	-	3,609,028	-	-	-	-	3,609,028
Auxiliary	245,321	-	245,321	-	-	-	-	245,321
Extra-curricular	122,220	-	122,220	-	-	-	-	122,220
Grants to The Potter's House	-	-	-	91,329	-	91,329	(91,329)	-
Total Program Services	3,976,569	-	3,976,569	91,329	-	91,329	(91,329)	3,976,569
Supporting Activities								
Management and general	611,628	-	611,628	25,361	-	25,361	-	636,989
Fund-raising	330,352	-	330,352	16,633	-	16,633	-	346,985
Total Supporting Activities	941,980	-	941,980	41,994	-	41,994	-	983,974
Total Expenses	4,918,549	-	4,918,549	133,323	-	133,323	(91,329)	4,960,543
Change in Net Assets	35,464	34,146	69,610	(70,550)	(46,730)	(117,280)	-	(47,670)
Net Assets, Beginning of Year - Note 11	3,680,946	1,749,347	5,430,293	970,488	641,647	1,612,135	-	7,042,428
Net Assets, End of Year	\$ 3,716,410	\$ 1,783,493	\$ 5,499,903	\$ 899,938	\$ 594,917	\$ 1,494,855	\$ -	\$ 6,994,758

THE POTTER'S HOUSE

Consolidating Statement of Activities

For the Year Ended August 31, 2014

	The Potter's House			The Potter's House Foundation			Eliminations	Totals
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		
SUPPORT AND REVENUE								
Tuition and fees - Note 11	\$ 3,129,198	\$ -	\$ 3,129,198	\$ -	\$ -	\$ -	\$ -	\$ 3,129,198
Less: tuition grants and discounts	(2,250,759)	-	(2,250,759)	-	-	-	-	(2,250,759)
	878,439	-	878,439	-	-	-	-	878,439
Contributions	2,944,442	1,812,383	4,756,825	27,011	32,303	59,314	(85,705)	4,730,434
Fund-raisers, net of expenses	211,515	-	211,515	-	-	-	-	211,515
Lunch program revenues	167,269	-	167,269	-	-	-	-	167,269
Campus program revenue	2,774	-	2,774	-	-	-	-	2,774
Sales, net of cost of sales of \$148	71	-	71	-	-	-	-	71
Investment income	-	-	-	139,631	94,958	234,589	-	234,589
Other income	9,686	-	9,686	-	-	-	-	9,686
Total Support and Revenue	4,214,196	1,812,383	6,026,579	166,642	127,261	293,903	(85,705)	6,234,777
RECLASSIFICATIONS								
Net assets released for satisfaction of purpose restrictions - Note 11	242,952	(242,952)	-	61,790	(61,790)	-	-	-
EXPENSES								
Program Services								
Instructional	3,312,294	-	3,312,294	-	-	-	-	3,312,294
Auxiliary	280,526	-	280,526	-	-	-	-	280,526
Extra-curricular	110,219	-	110,219	-	-	-	-	110,219
Grants to The Potter's House	-	-	-	85,705	-	85,705	(85,705)	-
Total Program Services	3,703,039	-	3,703,039	85,705	-	85,705	(85,705)	3,703,039
Supporting Activities								
Management and general	628,502	-	628,502	16,905	-	16,905	-	645,407
Fund-raising	305,547	-	305,547	15,430	-	15,430	-	320,977
Total Supporting Activities	934,049	-	934,049	32,335	-	32,335	-	966,384
Total Expenses	4,637,088	-	4,637,088	118,040	-	118,040	(85,705)	4,669,423
Change in Net Assets	(179,940)	1,569,431	1,389,491	110,392	65,471	175,863	-	1,565,354
Net Assets, Beginning of Year	3,860,886	179,916	4,040,802	860,096	576,176	1,436,272	-	5,477,074
Net Assets, End of Year - Note 11	\$ 3,680,946	\$ 1,749,347	\$ 5,430,293	\$ 970,488	\$ 641,647	\$ 1,612,135	\$ -	\$ 7,042,428

THE POTTER'S HOUSE

Consolidating Statement of Functional Expenses

For the Year Ended August 31, 2015

	Instructional	Auxiliary	Extra- Curricular	Grants	Total Program Services	Management and General	Fund- Raising	Total Supporting Activities	Eliminations	Totals
Salaries and wages	\$ 2,119,050	\$ 61,830	\$ 62,337	\$ -	\$ 2,243,217	\$ 382,053	\$ 208,777	\$ 590,830	\$ -	\$ 2,834,047
Other employee benefits	428,504	103	31	-	428,638	75,868	23,166	99,034	-	527,672
Payroll taxes	152,724	971	4,199	-	157,894	22,594	11,384	33,978	-	191,872
Professional services - management	-	-	-	-	-	10,769	-	10,769	-	10,769
Professional services - accounting	-	-	-	-	-	8,362	-	8,362	-	8,362
Professional services - other	132,091	128,446	-	-	260,537	17,112	-	17,112	-	277,649
Advertising and promotion	-	-	-	-	-	189	2,553	2,742	-	2,742
Office	11,930	-	-	-	11,930	52,374	17,008	69,382	-	81,312
Information technology	7,058	-	-	-	7,058	4,350	824	5,174	-	12,232
Occupancy	197,452	18,623	-	-	216,075	23,810	2,991	26,801	-	242,876
Travel	1,603	21,207	-	-	22,810	3,992	3,992	7,984	-	30,794
Conferences, conventions and meetings	-	-	-	-	-	6,467	-	6,467	-	6,467
Interest	-	-	-	-	-	14,245	-	14,245	-	14,245
Grants to The Potter's House	-	-	-	91,329	91,329	-	-	-	(91,329)	-
Depreciation	118,076	4,292	-	-	122,368	6,215	-	6,215	-	128,583
Insurance	18,032	-	-	-	18,032	1,184	-	1,184	-	19,216
Instructional	416,501	-	13,824	-	430,325	-	-	-	-	430,325
Athletics	-	-	41,829	-	41,829	-	-	-	-	41,829
Lunch program	-	2,538	-	-	2,538	-	-	-	-	2,538
Alumni and donor relations	-	6,466	-	-	6,466	5,153	76,290	81,443	-	87,909
Parent and booster clubs	-	845	-	-	845	-	-	-	-	845
Accreditation and memberships	6,007	-	-	-	6,007	2,252	-	2,252	-	8,259
Total Expenses	\$ 3,609,028	\$ 245,321	\$ 122,220	\$ 91,329	\$ 4,067,898	\$ 636,989	\$ 346,985	\$ 983,974	\$ (91,329)	\$ 4,960,543

THE POTTER'S HOUSE

Consolidating Statement of Functional Expenses

For the Year Ended August 31, 2014

	Instructional	Auxiliary	Extra- Curricular	Grants	Total Program Services	Management and General	Fund- Raising	Total Supporting Activities	Eliminations	Totals
Salaries and wages	\$ 2,024,358	\$ 58,966	\$ 56,094	\$ -	\$ 2,139,418	\$ 358,034	\$ 190,506	\$ 548,540	-	\$ 2,687,958
Other employee benefits	403,020	81	77	-	403,178	40,361	20,996	61,357	-	464,535
Payroll taxes	152,183	961	4,179	-	157,323	20,180	9,851	30,031	-	187,354
Professional services - management	-	-	-	-	-	9,694	-	9,694	-	9,694
Professional services - accounting	-	-	-	-	-	8,302	-	8,302	-	8,302
Professional services - other	123,014	137,444	-	-	260,458	9,891	-	9,891	-	270,349
Advertising and promotion	-	-	-	-	-	516	3,026	3,542	-	3,542
Office	9,983	47	-	-	10,030	130,460	16,697	147,157	-	157,187
Information technology	9,530	310	-	-	9,840	5,124	871	5,995	-	15,835
Occupancy	206,505	46,201	-	-	252,706	24,631	4,287	28,918	-	281,624
Travel	1,349	25,651	-	-	27,000	698	698	1,396	-	28,396
Conferences, conventions and meetings	-	-	-	-	-	9,512	-	9,512	-	9,512
Interest	-	-	-	-	-	10,273	-	10,273	-	10,273
Grants to The Potter's House	-	-	-	85,705	85,705	-	-	-	(85,705)	-
Depreciation	126,268	-	-	-	126,268	6,646	-	6,646	-	132,914
Insurance	14,900	-	-	-	14,900	1,218	-	1,218	-	16,118
Instructional	234,721	-	9,919	-	244,640	-	-	-	-	244,640
Athletics	-	-	39,950	-	39,950	-	-	-	-	39,950
Lunch program	-	2,749	-	-	2,749	-	-	-	-	2,749
Alumni and donor relations	-	3,077	-	-	3,077	7,401	74,045	81,446	-	84,523
Parent and booster clubs	-	5,039	-	-	5,039	-	-	-	-	5,039
Accreditation and memberships	6,463	-	-	-	6,463	2,466	-	2,466	-	8,929
Total Expenses	\$ 3,312,294	\$ 280,526	\$ 110,219	\$ 85,705	\$ 3,788,744	\$ 645,407	\$ 320,977	\$ 966,384	\$ (85,705)	\$ 4,669,423