# WALDORF SCHOOL OF SAN DIEGO

## Financial Statements
## For Eleven Months Ended June 30, 2014
## (with Summarized Comparative Information for the Year Ended July 31, 2013)

## (With Independent Auditor's Report Thereon)



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## TABLE OF CONTENTS — PAGE NO.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Waldorf School of San Diego

We have audited the accompanying financial statements of Waldorf School of San Diego which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the eleven months 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.

***Auditor's 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 auditor's 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 entity'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 entity'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.

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**INDEPENDENT AUDITOR'S REPORT**
(Continued)

***<u>Opinion</u>***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waldorf School of San Diego as of eleven months ended June 30, 2014, and the changes in its net assets and its cash flows for the eleven months then ended in accordance with accounting principles generally accepted in the United States of America.

***<u>Report on Summarized Comparative Information</u>***

We have previously audited the Waldorf School of San Diego's July 31, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kushner Smith Joanou & Gregson, LLP

September 15, 2014

**Kushner, Smith, Joanou, and Gregson, LLP**
8105 Irvine Center Drive, Suite 1000, Irvine, California 92618

**WALDORF SCHOOL OF SAN DIEGO**

**Statement of Financial Position**
**June 30, 2014**
**(with Summarized Comparative Information for the Year Ended July 31, 2013)**

| | Unrestricted | Temporarily Restricted | 2014 Total | 2013 Total |
|---|---|---|---|---|
| Current assets: | | | | |
| Cash and cash equivalents | $ 233,563 | $ 91,517 | $ 325,080 | $ 293,124 |
| Tuition receivable | 42,957 | -- | 42,957 | 118,403 |
| Inventory | 74,832 | -- | 74,832 | 69,095 |
| Prepaid expenses | 43 | -- | 43 | 9,048 |
| Total current assets | 351,395 | 91,517 | 442,912 | 489,670 |
| Property and equipment, net (Note 2) | 5,216,499 | -- | 5,216,499 | 2,394,120 |
| Deferred loan costs | 60,749 | -- | 60,749 | -- |
| Total assets | $ 5,628,643 | $ 91,517 | $ 5,720,160 | $ 2,883,790 |

(Statement of financial position continued on the following page)

## WALDORF SCHOOL OF SAN DIEGO

### Statement of Financial Position
### (Continued)
### June 30, 2014
### (with Summarized Comparative Information for the Year Ended July 31, 2013)

| | Unrestricted | Temporarily Restricted | 2014 Total | 2013 Total |
|---|---|---|---|---|
| Current liabilities: | | | | |
| Accounts payable | $ 38,914 | $ -- | $ 38,914 | $ 16,716 |
| Accrued payroll | 81,225 | -- | 81,225 | 71,635 |
| Other accrued liabilities (Note 3) | 14,619 | -- | 14,619 | -- |
| Current portion of long-term debt (Note 4) | 107,369 | -- | 107,369 | 60,689 |
| Deferred revenue | 274,543 | -- | 274,543 | 239,631 |
| Total current liabilities | 516,670 | -- | 516,670 | 388,671 |
| Long-term liabilities: | | | | |
| Long-term debt (Note 4) | 4,244,937 | -- | 4,244,937 | 1,731,211 |
| Total liabilities | 4,761,607 | -- | 4,761,607 | 2,119,882 |
| Commitments (Note 5) | | | | |
| Net assets (Note 6): | | | | |
| Unrestricted | 867,036 | -- | 867,036 | 703,783 |
| Temporarily restricted | -- | 91,517 | 91,517 | 60,125 |
| Total net assets | 867,036 | 91,517 | 958,553 | 763,908 |
| Total liabilities and net assets | $ 5,628,643 | $ 91,517 | $ 5,720,160 | $ 2,883,790 |

# WALDORF SCHOOL OF SAN DIEGO

## Statement of Changes in Net Assets
## Eleven Months Ended June 30, 2014
## (with Summarized Comparative Information for the Year Ended July 31, 2013)

| | Unrestricted | Temporarily Restricted | 2014 Total | 2013 Total |
|---|---|---|---|---|
| Revenues: | | | | |
| Tuition, school fees, & extended care (net of allowances of $1,627,938 and $1,497,422, respectively) | $ 2,948,334 | $ -- | $ 2,948,334 | $ 2,470,947 |
| Grants | 22,803 | 30,000 | 52,803 | 57,303 |
| Donations | 128,549 | -- | 128,549 | 90,984 |
| Field trip income | -- | 189,066 | 189,066 | 159,982 |
| Rental income | 40,208 | -- | 40,208 | 28,381 |
| Fundraising income | 92,877 | 621,469 | 714,346 | 83,058 |
| Interest | -- | -- | -- | 540 |
| Miscellaneous income | -- | -- | -- | 1,406 |
| Merchandise and scrip sales | 632,135 | -- | 632,135 | 607,878 |
| Net assets released from restrictions | 809,143 | (809,143) | -- | -- |
| Total revenues | 4,674,049 | 31,392 | 4,705,441 | 3,500,479 |
| Expenses: | | | | |
| Program services | 3,526,720 | -- | 3,526,720 | 2,941,573 |
| Management and general | 749,339 | -- | 749,339 | 534,883 |
| Fundraising | 234,737 | -- | 234,737 | 56,451 |
| Total expenses | 4,510,796 | -- | 4,510,796 | 3,532,907 |
| Change in net assets | 163,253 | 31,392 | 194,645 | (32,428) |
| Net assets at beginning of year | 703,783 | 60,125 | 763,908 | 796,336 |
| Net assets at end of year | $ 867,036 | $ 91,517 | $ 958,553 | $ 763,908 |

# WALDORF SCHOOL OF SAN DIEGO

## Statement of Functional Expenses
## Eleven Months Ended June 30, 2014
## (with Summarized Comparative Information for the Year Ended July 31, 2013)

| | Program Services | Management and General | Fundraising | 2014 Totals | 2013 Totals |
|---|---|---|---|---|---|
| Salaries | $ 1,749,796 | $ 304,353 | $ 63,413 | $ 2,117,562 | $ 1,846,651 |
| Payroll taxes | 182,809 | 20,839 | 4,738 | 208,386 | 167,066 |
| Employee benefits | 163,094 | 18,373 | 2,260 | 183,727 | 169,147 |
| Total salaries and related expenses | 2,095,699 | 343,565 | 70,411 | 2,509,675 | 2,182,864 |
| Cost of goods sold | 553,601 | -- | -- | 553,601 | 552,182 |
| Mortgage interest | 116,757 | 50,039 | -- | 166,796 | 133,484 |
| Property taxes | 20,656 | 8,853 | -- | 29,509 | 8,453 |
| Rent | 25,205 | 6,301 | -- | 31,506 | 44,111 |
| Utilities | 31,770 | 7,942 | -- | 39,712 | 27,900 |
| Telephone and internet | -- | 13,968 | -- | 13,968 | 9,216 |
| Office expenses | -- | 12,712 | -- | 12,712 | 12,107 |
| Professional development | 30,870 | -- | -- | 30,870 | 19,432 |
| Classroom supplies | 131,790 | -- | -- | 131,790 | 117,590 |
| Facilities expenses | 89,417 | 29,806 | -- | 119,223 | 90,720 |
| Professional services | -- | 45,435 | -- | 45,435 | 6,329 |
| Advertising expense | -- | 11,451 | -- | 11,451 | 14,395 |
| Liability insurance | -- | 27,666 | -- | 27,666 | 23,699 |
| Membership dues | -- | 19,419 | -- | 19,419 | 14,862 |
| Bad debt expense | -- | 39,274 | -- | 39,274 | 300 |
| Finance charges and merchant fees | -- | 13,092 | -- | 13,092 | 5,593 |
| Board expenses | -- | 1,074 | -- | 1,074 | 220 |
| Field trips and classroom expenses | 157,674 | -- | -- | 157,674 | 136,173 |
| Repairs and maintenance | -- | 10,311 | -- | 10,311 | 8,162 |
| Automobiles | 9,907 | -- | -- | 9,907 | 7,072 |
| Charity and outreach | -- | 4,021 | -- | 4,021 | 1,810 |
| Security | 8,812 | -- | -- | 8,812 | 6,610 |
| Loss on extinguishment of debt | 171,426 | 73,468 | -- | 244,894 | -- |
| Miscellaneous | -- | 10,158 | -- | 10,158 | -- |
| Fundraising | -- | -- | 164,326 | 164,326 | 54,465 |
| Total expenses before depreciation | 3,443,584 | 728,555 | 234,737 | 4,406,876 | 3,477,749 |
| Amortization | 7,087 | 1,772 | -- | 8,859 | -- |
| Depreciation | 76,049 | 19,012 | -- | 95,061 | 55,158 |
| Total expenses | $ 3,526,720 | $ 749,339 | $ 234,737 | $ 4,510,796 | $ 3,532,907 |

See accompanying notes to financial statements

# WALDORF SCHOOL OF SAN DIEGO

## Statement of Cash Flows
## Eleven Months Ended June 30, 2014
## (with Summarized Comparative Information for the Year Ended July 31, 2013)

| | 2014 | 2013 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Changes in net assets | $ 194,645 | $ (32,428) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 103,920 | 55,158 |
| Changes in operating assets and liabilities: | | |
| (Increase)/decrease in tuition receivable | 75,446 | (34,217) |
| (Increase)/decrease in inventory | (5,737) | (7,791) |
| (Increase)/decrease in prepaid expenses | 9,005 | (9,048) |
| (Decrease)/increase in accounts payable | 22,198 | 16,716 |
| (Decrease)/increase in accrued payroll | 9,590 | 71,635 |
| (Decrease)/increase in other accrued liabilities | 14,619 | (1,569) |
| (Decrease)/increase in deferred revenue | 34,912 | 45,897 |
| Net cash provided by operating activities | 458,598 | 104,353 |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (2,917,440) | (62,894) |
| Acquisitions of deferred loan costs | (69,608) | -- |
| Net cash (used in) investing activities | (2,987,048) | (62,894) |
| **Cash flows from financing activities:** | | |
| Repayments of long-term debt | (1,839,594) | (55,082) |
| Proceeds from issuance of long-term debt | 4,400,000 | -- |
| Net cash provided by (used in) financing activities | 2,560,406 | (55,082) |
| Net increase (decrease) in cash and cash equivalents | 31,956 | (13,623) |
| Cash and cash equivalents, beginning of year | 293,124 | 306,747 |
| Cash and cash equivalents, end of year | $ 325,080 | $ 293,124 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 152,658 | $ 133,484 |

See accompanying notes to financial statements

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**June 30, 2014 and July 31, 2013**

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization -** The Waldorf School of San Diego (the School) began in 1981 with a small and enthusiastic group of individuals studying the educational philosophy of Rudolf Steiner. The school began to grow each year as the School expanded educational programs. The School is incorporated and operates as a not-for-profit organization.

**Basis of Presentation** - The financial statements of the School have been prepared on the accrual basis of accounting.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

- *Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations. Expenses of this fund include management and program expenses.

- *Temporarily Restricted Net Assets* - Net assets that are subject to donor-imposed stipulations that require passage of time or the occurrence of a specific event.

- *Permanently Restricted Net Assets* - Net assets subject to donor-imposed restrictions that require a balance to be kept in perpetuity while permitting the School to use or expend part or all of the income derived from the assets.

The School records gifts of cash and other assets as temporarily restricted contributions if they are received with donor stipulations that limit the use of the donated assets. 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 statement of changes in net assets as net assets released from donor restrictions. Contributions with donor-imposed restrictions that are received and spent in the same year have been recorded as temporarily restricted with the corresponding amount reclassified to unrestricted net assets in the accompanying statement of changes in net assets.

During fiscal year ended July 31, 2013, the School elected to change its fiscal year end from July 31 to June 30. This change took effect in the fiscal year ended June 30, 2014.

**Cash and Cash Equivalents** - For purposes of the statements of cash flows, the School considers highly liquid investments and investments with original maturities of three months or less to be cash and cash equivalents. The School places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

(Note 1 continued on the following page)

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**(Continued)**
**June 30, 2014 and July 31, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Tuition Revenue and Receivable -** Tuition revenues consist of all gross tuition revenue and other School related fees earned. The School recognizes unrestricted revenues from student tuition and fees totally within the fiscal year in which the academic term is predominantly conducted. Unearned tuition and fees are included in deferred revenue and gains in the statements of financial position. The School maintains an allowance for estimated uncollectible accounts based on experience and any unusual circumstances that may affect the ability of customers to meet their obligations. Amounts deemed uncollectible for the eleven months ended June 30, 2014 and the year ended July 31, 2013 were $19,845 and none, respectively.

**Inventory -** Inventory is stated at the lower of cost (first-in, first-out) or market value. Market value is determined by comparison with recent purchases or net realizable value. Inventory consists primarily of Scrip (store gift cards), books, craft supplies, and other household goods.

**Property and Equipment -** Property and equipment are stated at cost, or if donated, at the fair market value at the date of donation. The building improvements, equipment, and furniture are depreciated using the straight-line method over estimated useful lives of 3 to 50 years.

**Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of -** Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

**Deferred Loan Costs -** During the eleven months ended June 30, 2014, the School simultaneously refinanced its existing mortgage loans with RSF bank and financed the purchase of real property by entering into one mortgage loan with First Bank (Note 4). Costs relating to obtaining the mortgage loan are capitalized and amortized over the term of the related mortgage loan using the straight-line method. Accumulated amortization at June 30, 2014 amounted to $8,859. Amortization of deferred financing costs charged to operations for the eleven months ended June 30, 2014 was $8,859. The net book value of these deferred loan costs was $60,749 at June 30, 2014.

(Note 1 continued on the following page)

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**(Continued)**
**June 30, 2014 and July 31, 2013**

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Contributed Services and Gifts In-Kind -** Contributed services are recognized if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time and services in the School's core activities. Only those amounts that meet the criteria above are recorded in the accompanying financial statements. The School recognized as income $9,435 and none of in-kind donations during the eleven months ended June 30, 2014 and year ended July 31, 2013, respectively.

**Advertising Expense** - Advertising and promotional costs are charged to operations when incurred. For the eleven months ended June 30, 2014 and the year ended July 31, 2013, advertising and promotional costs totaled $11,451 and $14,395, respectively.

**Revenue Recognition -** Revenue from the sale of inventory is recognized when persuasive evidence of the arrangement exists, delivery and performance has occurred, the price is fixed and determinable and collectivity is probable. Generally, these criteria are met at the time the sale has occurred. The School provides for estimated customer returns and allowances by reducing sales in the period that the sale occurs.

**Income Taxes -** The School is exempt from Federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of the California Revenue and Taxation Statute. However, the School is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. As a matter of course, various taxing authorities, including the IRS, have the authority to regularly audit the School. There were no tax years open to examination by major tax jurisdictions as of June 30, 2014. Management believes that the School's tax positions comply with applicable tax law and has adequately provided for these matters.

The School has adopted the provisions of Accounting Standards Codification ("ASC") 740-10-05 relating to accounting and reporting for uncertainty in income taxes. For the School, these provisions could be applicable to the incurrence of any unrelated business income attributable to the School. Because of the School 's general tax-exempt status, ASC 740-10-05 is not anticipated to have a material impact on the Organization's financial statements.

**Use of 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 the reported amounts of 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 continued on the following page)

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**(Continued)**
**June 30, 2014 and July 31, 2013**

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Comparative Data** - The financial statements include 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 the School's financial statements for the year ended July 31, 2013 from which the summarized information was derived.

**Subsequent Events -** The School evaluated subsequent events through September 15, 2014, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

## NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2014 and July 31, 2013 consist of the following:

| | 2014 | 2013 |
|---|---|---|
| Land | $ 1,553,796 | $ 551,266 |
| Buildings and improvements | 4,140,518 | 2,243,456 |
| Equipment and furniture | 107,704 | 89,858 |
| Total | 5,802,018 | 2,884,580 |
| Less: accumulated depreciation | (585,519) | (490,460) |
| | $ 5,216,499 | $ 2,394,120 |

Depreciation expense totaled $95,061 and $55,158 for the eleven months ended June 30, 2014 and the year ended July 31, 2013, respectively.

## NOTE 3 - OTHER ACCRUED LIABILITIES

Other accrued liabilities at June 30, 2014 and July 31, 2013 consist of the following:

| | 2014 | 2013 |
|---|---|---|
| Interest | $ 14,138 | $ -- |
| Other | 481 | -- |
| | $ 14,619 | $ -- |

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**(Continued)**
**June 30, 2014 and July 31, 2013**

## NOTE 4 - LONG TERM DEBT

Long-term debt at June 30, 2014 and July 31, 2013 is summarized as follows:

| | 2014 | 2013 |
|---|---|---|
| In November 2013, the School entered into a 3.90% fixed rate term loan with an original principal amount of $4,400,000 payable in monthly installments of principal and interest of $23,132 with a bank. The loan has an amortization period of 25 years, and matures in November 2018. The note is collateralized by the real property of the School. | $ 4,352,306 | $ -- |
| 7.95% fixed rate term loan with an original principal amount of $1,500,000 payable in monthly installments of principal and interest of $11,582. The loan has an amortization period of 25 years, and matures in August 2016. The note is collateralized by the real property of the School. The note was paid in full in November 2013. | -- | 1,311,988 |
| Variable rate term loan with an original principal amount of $493,890 payable in monthly installments of principal and interest. The interest rate, which was 4.5% at July 31, 2013, is based on the 90 LIBOR rate plus a spread rate determined by the lender. The spread rate is determined from time to time by the lender, but not more often than quarterly, and has a cap of 3.25%. The loan has an amortization period of 20 years, and matures in August 2016. The note is collateralized by the real property of the School. The note was paid in full in November 2013. | -- | 479,912 |
| | 4,352,306 | 1,791,900 |
| Less current portion | (107,369) | (60,689) |
| | $ 4,244,937 | $ 1,731,211 |

(Note 4 continued on the following page)

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**(Continued)**
**June 30, 2014 and July 31, 2013**

## NOTE 4 - LONG TERM DEBT (Continued)

The annual aggregate maturities of long-term debt are as follows:

| | | |
|---|---|---|
| Years ending June 30: | | |
| 2015 | $ | 107,369 |
| 2016 | | 111,235 |
| 2017 | | 116,171 |
| 2018 | | 120,849 |
| 2019 | | 3,896,682 |
| | $ | 4,352,306 |

## NOTE 5 - LEASES

The School leases office equipment and vehicles for use in day-to-day operations. The leases are currently scheduled to expire on various dates ranging from November 2015 through March 2018. The monthly lease payments are fixed and range from $117 to $253. Future minimum lease payments under noncancelable operating leases as of June 30, 2014 are as follows:

| | | |
|---|---|---|
| Years ending June 30: | | |
| 2015 | $ | 15,504 |
| 2016 | | 9,686 |
| 2017 | | 4,633 |
| 2018 | | 1,771 |
| 2019 | | -- |
| | $ | 31,594 |

Rent expense totaled $31,506 and $44,111 for the eleven months ended June 30, 2014 and the year ended July 31, 2013, respectively.

**WALDORF SCHOOL OF SAN DIEGO**

**Notes to Financial Statements**
**(Continued)**
**June 30, 2014 and July 31, 2013**

## NOTE 6 - NET ASSETS

During the eleven months ended June 30, 2014 and year ended July 31, 2013, $809,143 and $166,173, respectively, were released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

Net assets are restricted for the following purposes at June 30, 2014 and July 31, 2013:

| | 2014 | 2013 |
|---|---|---|
| Temporarily restricted: | | |
| Field trips | $ 15,340 | $ 15,001 |
| Classroom funds | 76,177 | 45,124 |
| Total temporarily restricted assets | $ 91,517 | $ 60,125 |

## NOTE 7 - RETIREMENT PLAN

The School has a retirement plan for employees formed under Section 403(b) of the Internal Revenue Code consisting of a tax-sheltered custodial account. Under the provisions of the Plan, employees may make voluntary contributions up to 100% of annual salary. No matching contributions have been made by the School.