THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2014 and 2013

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Nonprofit Corporation

TABLE OF CONTENTS

Randall
Hensel
& Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Division for Early Childhood
Of the Council for Exceptional Children
3415 South Sepulveda Blvd, St 1100
Los Angeles, CA 90034

Report on the Financial Statements

We have audited the accompanying financial statements of The Division for Early Childhood of the Council for Exceptional Children (Division), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activity, statements of functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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.

P. O. Box 4325 Missoula, Montana 59806 (406) 728-5539 Fax (406) 728-5568
Member AICPA

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Randall, Hensel & Company

Randall, Hensel & Company
Certified Public Accountants

Missoula, Montana
October 1, 2014

This Page Intentionally Left Blank

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Nonprofit Corporation

STATEMENTS OF FINANCIAL POSITION

As of June 30,

	2014	2013
ASSETS		
Cash and Cash Equivalents	$ 246,036	$ 100,503
Accounts Receivable	62,938	46,412
Prepaid Expenses	7,476	14,700
Inventory	15,934	54,409
Endowments	48,777	48,496
TOTAL ASSETS	$ 381,161	$ 264,520
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 8,752	$ 16,850
Payroll Liabilities	254	7,788
Vacation Liabilities	10,816	2,360
Deferred Revenue	231,157	131,756
TOTAL LIABILITIES	$ 250,979	$ 158,754
NET ASSETS		
Unrestricted	$ 81,405	$ 57,270
Temporarily Restricted	3,870	3,914
Permanently Restricted	44,907	44,582
TOTAL NET ASSETS	$ 130,182	$ 105,766
TOTAL LIABILITIES AND NET ASSETS	$ 381,161	$ 264,520

The accompanying notes are an integral part
of these financial statements.

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Nonprofit Corporation

STATEMENTS OF ACTIVITY

For the Years Ended June 30,

	2014	2013
UNRESTRICTED NET ASSETS		
REVENUES:		
Conference Revenue	$ 386,659	$ 333,199
Membership Dues and Support	98,059	104,206
Publications and Subscriptions	182,523	130,956
Grant Income	25,000	0
Contracts	3,077	1,948
Interest	48	488
Royalties	5,662	10,615
Other Income	0	25
Net Assets Released From Restrictions	87	150
TOTAL REVENUES	$ 701,115	$ 581,587
EXPENSES:		
Conference	$ 290,715	$ 272,159
Publications	226,341	194,959
Member Services	50,073	91,662
Education and Advocacy	22,943	47,877
General and Administrative	86,908	72,359
TOTAL EXPENSES	$ 676,980	$ 679,016
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	$ 24,135	$ (97,429)
TEMPORARILY RESTRICTED NET ASSETS		
REVENUES/(EXPENSES)		
Interest Earned	$ 43	$ 92
Released from Restrictions	(87)	(150)
INCREASE/(DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	$ (44)	$ (58)
PERMANENTLY RESTRICTED NET ASSETS		
REVENUES/(EXPENSES)		
Contributions	$ 325	$ 1,045
Interest Added to Corpus	0	5
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	$ 325	$ 1,050
TOTAL INCREASE/(DECREASE) IN NET ASSETS	$ 24,416	$ (96,437)
NET ASSETS, BEGINNING OF YEAR		
Unrestricted	$ 57,270	$ 154,699
Temporarily Restricted	3,914	3,972
Permanently Restricted	44,582	43,532
TOTAL NET ASSETS, BEGINNING OF YEAR	$ 105,766	$ 202,203
NET ASSETS, END OF YEAR		
Unrestricted	$ 81,405	$ 57,270
Temporarily Restricted	3,870	3,914
Permanently Restricted	44,907	44,582
TOTAL NET ASSETS, END OF YEAR	$ 130,182	$ 105,766

The accompanying notes are an integral part
of these financial statements.

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Nonprofit Corporation

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2014

DESCRIPTION		CONFERENCE	PUBLICATIONS	MEMBER SERVICES	EDUCATION AND ADVOCACY	GENERAL AND ADMINISTRATION		TOTAL
Salaries and Fringe Benefits	$	47,239	38,349	37,457	6,320	29,228	$	158,593
Cost of Publications		0	165,252	0	169	0		165,421
Contract Services		65,390	4,588	7,065	14,943	28,694		120,680
Minor Equipment/Rental		21,790	0	0	295	0		22,085
Dues and Publications		0	0	0	500	0		500
Miscellaneous		877	12	409	87	70		1,455
Outreach		114	2,822	287	0	319		3,542
Postage and Printing		16,076	7,302	0	304	2,743		26,425
Space Costs/Meeting Rooms		64,458	0	0	0	17,162		81,620
Supplies		2,679	221	125	0	1,054		4,079
Telephone		0	0	0	0	3,117		3,117
Travel and Training		63,728	0	4,648	325	644		69,345
Insurance		0	0	82	0	2,673		2,755
Bank/Credit Card Processing		8,364	7,795	0	0	175		16,334
Write off of Uncollectible Accounts		0	0	0	0	1,029		1,029
TOTAL EXPENSES	$	290,715	226,341	50,073	22,943	86,908	$	676,980
		42.94%	33.43%	7.40%	3.39%	12.84%		100.00%

The accompanying notes are an integral part
of these financial statements.

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Corporation

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2013

DESCRIPTION	CONFERENCE	PUBLICATIONS	MEMBER SERVICES	EDUCATION AND ADVOCACY	GENERAL AND ADMINISTRATION	TOTAL
Salaries and Fringe Benefits	$ 64,303	62,123	57,478	20,708	23,069	$ 227,681
Cost of Publications	0	107,651	0	0	0	107,651
Contract Services	28,379	6,802	15,229	25,222	27,868	103,500
Minor Equipment/Rental	48,481	0	0	0	0	48,481
Dues and Publications	0	0	0	550	295	845
Miscellaneous	609	28	0	150	64	851
Outreach	1,133	2,325	2,288	0	0	5,746
Postage and Printing	28,092	7,322	443	0	488	36,345
Space Costs/Meeting Rooms	56,910	799	0	0	13,250	70,959
Supplies	3,426	1,457	0	0	2,138	7,021
Telephone	0	0	0	0	2,380	2,380
Travel and Training	18,386	982	15,944	1,247	199	36,758
Insurance	0	0	280	0	2,257	2,537
Bank/Credit Card Processing	9,453	3,497	0	0	351	13,301
Write off of Uncollectible Accounts	12,987	1,973	0	0	0	14,960
TOTAL EXPENSES	$ 272,159	194,959	91,662	47,877	72,359	$ 679,016
	40.08%	28.71%	13.50%	7.05%	10.66%	100.00%

The accompanying notes are an integral part
of these financial statements.

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Corporation

STATEMENTS OF CASH FLOWS

For the Years Ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Conference	$ 489,137	$ 358,703
Cash Received from Members	93,645	105,260
Cash Received from Publications and Subscriptions	170,411	151,475
Cash Received for Interest	91	585
Cash Received from Grants, Contributions and Other	30,662	10,640
Cash Paid for Contract Staffing/ Wages	(157,671)	(251,111)
Cash Paid for Publications and Subscriptions	(126,946)	(111,194)
Cash Paid to Vendors and Suppliers	(353,840)	(323,180)
Net Cash Provided/(Used) by Operating Activities	$ 145,489	$ (58,822)
CASH FLOWS FROM INVESTING ACTIVITIES		
Re-investment of Interest Earned	$ 0	$ (434)
Proceeds of Sale of Investments	0	86,229
Net Cash Provided/(Used) by Investing Activities	$ 0	$ 85,795
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Added to Endowment Corpus	$ 0	$ (5)
Cash Paid to Endowment	(281)	(987)
Cash Received for Contributions to Endowment	325	1,045
Net Cash Provided/(Used) by Financing Activities	$ 44	$ 53
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 145,533	$ 27,026
CASH AND CASH EQUIVALENTS AT JULY 1	100,503	73,477
CASH AND CASH EQUIVALENTS AT JUNE 30	$ 246,036	$ 100,503

The accompanying notes are an integral part
of these financial statements.

THE DIVISION FOR EARLY CHILDHOOD
Of the Council for Exceptional Children
A Montana Corporation

STATEMENTS OF CASH FLOWS, continued

For the Years Ended June 30,

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED/(USED) BY OPERATING ACTIVITIES

	2014	2013
Change in Net Assets	$ 24,416	$ (96,437)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Items not Affecting Cash		
Contributions to Endowment	(325)	(1,045)
Changes in Assets and Liabilities:		
(Increase)/Decrease in Receivables	(16,526)	21,573
(Increase)/Decrease in Prepaid Expenses	7,224	20,504
(Increase)/Decrease in Inventory	38,475	(3,543)
Increase/(Decrease) in Accounts Payable	(8,098)	(33,578)
Increase/(Decrease) in Payroll Liabilities	922	10,148
Increase/(Decrease) in Deferred Revenue	99,401	23,556
Net Cash Provided/(Used) by Operating Activities	$ 145,489	$ (58,822)

The accompanying notes are an integral part
of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1. NATURE OF DIVISION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Division for Early Childhood of the Council for Exceptional Children (Division) is a professional membership organization designed for individuals who work with or on behalf of children with special needs, birth through age eight, and their families. Founded in 1973, the Division is dedicated to promoting policies and practices that support families and enhance the optimal development of children. Children with special needs include those who have disabilities, developmental delays, are gifted and talented, or are at risk of future developmental problems.

The Division focuses on 1) the promotion of parent-professional collaboration in the implementation of early childhood intervention services, 2) advocates for policy, planning, and best practices in prevention and intervention, 3) supports those who work with or on behalf of young children with special needs and their families, and accomplishes these goals through professional development, collaboration, research, and dissemination of information.

The Division is a nonprofit corporation under Internal Revenue Code 501(c)(3) with its office in Los Angeles, California. The Division is a Montana Corporation operating in California as a foreign corporation. Members of the Division are located throughout the United States, Canada, and other countries.

B. BASIS OF ACCOUNTING

The Division's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The Agency measures financial instruments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash and cash equivalents, current receivables, and current liabilities approximate their fair values because of their short-term nature. Investments are recorded at quoted active market prices at the reporting date for identical assets (Level 1).

C. CATEGORIES OF NET ASSETS

The net assets of the Division are reported in the following categories:

Unrestricted net assets generally have no donor-imposed restrictions. This category includes those revenues and expenses associated with providing professional and family services. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

NOTE 1. NATURE OF DIVISION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. CATEGORIES OF NET ASSETS, continued

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met and funds for which the ultimate purpose of the proceeds is not permanently restricted. As of June 30, 2014 and 2013, the Division had $3,870 and $3,914 in temporarily restricted net assets, respectively.

Permanently restricted net assets result from contributions and other inflows of assets whose use by the Division is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Division. As of June 30, 2014 and 2013, the Division had $44,907 and $44,582 in permanently restricted net assets, respectively.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in banks and on hand, and highly liquid debt instruments that are readily convertible to known amounts of cash. Such debt instruments have original maturities of three months or less from the date of purchase. All funds in the Agency's endowment account are considered to have a maturity of greater than three months due to its long-term purpose.

E. PROGRAM ACTIVITIES AND EXPENSE CLASSIFICATIONS

Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into activity groups. The primary activity groups and their related purposes are summarized as follows:

Conference—Costs associated with the Division's annual conference focusing on advancement of, and current issues of concern to individuals who work with or on behalf of infants and young children who have special needs and their families. Examples include costs for the conference planner, hotel accommodations, and printing of conference materials.

Publications—Costs associated with quarterly publication of the *Journal of Early Intervention* and *Young and Exceptional Children* journals, books, monographs, and other publications. Examples include copy editing and production costs.

Member Services—Costs associated with outreach services to associates, students, sponsored state subdivision members, and under-represented groups regarding the promotion of quality services for young children and their families. The Division supports local subdivisions by providing rebates based on local membership and administrative support. Examples include website development, rebates and incentives, and costs associated with collection of member dues.

NOTE 1. NATURE OF DIVISION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. PROGRAM ACTIVITIES AND EXPENSE CLASSIFICATIONS, continued

Education and Advocacy—Costs associated with the dissemination of early childhood information at the national and local level in order to advance early childhood intervention information and promote recommended practices. Examples include travel and relations professional.

General and Administrative—Costs associated with the general administration and operations of the Division that are not directly attributable to a specific program. Examples include administrative salaries and fringe benefits, space costs, office supplies, and accounting.

F. CONTRIBUTED SUPPORT

The Division recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as unrestricted or temporarily restricted depending upon the existence of donor stipulations. Temporarily restricted contributions whose restrictions have been fulfilled in the current year are reported as unrestricted.

G. REVENUE RECOGNITION

Contract, grant, and other revenues are recognized when earned.

Contributed service revenue results when donated services create or enhance nonfinancial assets or when they require specialized skills provided by people possessing those skills that would typically be purchased if not provided by donation. Contributed goods are valued at their estimated fair value at the date of contribution.

H. FIXED ASSETS AND INVENTORY

The Division capitalizes equipment with a purchase price of at least $5,000 and an expected life of at least three years. Property and equipment are carried at cost. As of June 30, 2014 and 2013, the Division has not purchased any property or equipment over $5,000. Inventory consists of publications which are valued at the lower of cost or market on average cost method.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions which affect the reported assets, liabilities, revenues, and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1. NATURE OF DIVISION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

J. SUBSEQUENT EVENTS

The Division recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of June 30, 2014, including the estimates inherent in the process of preparing financial statements. Subsequent events that provide evidence about conditions that did not exist as of June 30, 2014, but arose after that date and prior to the financial statements are available to be issued are not recognized in these financial statements. The Division evaluates subsequent events through the date the financial statements are available to be issued which is the date of the auditor's report.

K. INCOME TAXES

Provisions for income taxes have not been recorded in these financial statements because the Division believes it had no income unrelated to its exempt purposes in 2014 or 2013. With few exceptions, the Division is no longer subject to U.S. federal or state tax examinations by tax authorities for years before 2011.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash in banks and on hand, and highly liquid debt instruments that are readily convertible to known amounts of cash. Such debt instruments have original maturities of three months or less from the date of purchase. Investments consist of debt instruments with original maturities to the Division in excess of three months. All investments have readily determinable fair values. (Level 1)

As of June 30, 2014 and 2013, the Division's interest bearing money market account and savings account earned interest at a rate of 0.10 percent as of June 30, 2014 and 2013. The Division's investments and endowments consisted of one certificate of deposit earning interest at a rate of 0.20 and 0.30 percent, respectively.

NOTE 3. RECEIVABLES

Accounts Receivable represents the amounts owing to the Division from the Council for Exceptional Children and amounts due from publications and members. The Council for Exceptional Children collects payments for dues and subscriptions on behalf of the Division, and pays for related costs of those activities. As of June 30, 2014 and 2013, the Council for Exceptional Children held cash for the Division of $27,965 and $23,551, respectively. These amounts are included in Accounts Receivable.

The Division uses the specific write off method for recording bad debts which is not a method generally accepted under current accounting standards. The difference between these two methods is not considered material to the financial statements.

NOTE 4. PREPAID EXPENSES

Prepaid expenses consist of expenses related to the Division's annual conference usually held in October/November. As of June 30, 2014 and 2013, the Division had prepaid expenses for the following year's conferences of $7,476 and $11,450 consisting primarily of printing costs, travel expenses, and payments to the events planner. As of June 30, 2013, the remaining prepaid expenses consist of prepaid rents of $1,600, prepaid equipment lease of $650, and prepaid contract expenses of $1,000.

NOTE 5. ENDOWMENTS

A. <u>Interpretation of Relevant Law</u>

The Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift 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 Agency classifies as permanently restricted net assets the original value of the gifts donated to the permanent endowment, the original value of the subsequent gifts to the permanent endowment, and 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 remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is 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 SPMIFA. 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.

NOTE 5. ENDOWMENTS, continued

B. Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Agency to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations that occur during the investment of the permanently restricted contribution and continued appropriation for certain programs that are deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2014 and 2013.

C. Return Objectives and Risk Parameters

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, endowment assets are invested in a manner that is intended to produce consistent results while assuming a prudent level of investment risk. The Agency targets an asset allocation of fixed income, certificates of deposit and cash equivalents.

D. Endowment Net Asset Composition and Changes in Endowment Net Assets

In 1994, the Division received a $20,000 contribution to establish the Rose C. Engel endowment fund. The principal of the fund is to remain intact, while income earned by the fund is to be used to make annual cash awards to outstanding professionals meeting established criteria. Earnings on the endowment are classified as temporarily restricted until awarded. Principal of the endowment is classified as permanently restricted. The balance of the Rose C. Engel endowment fund as of June 30, 2014 and 2013 was $23,651 and $23,695, respectively.

NOTE 5. ENDOWMENTS, continued

ROSE C. ENGEL ENDOWMENT FUND

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, July 1, 2012	$ 3,758	$ 20,000	$ 23,758
Investment Return			
Investment Income	87	0	87
Contributions	0	0	0
Appropriations for Expenditures and Fees	(150)	0	(150)
Endowment Net Assets, June 30, 2013	$ 3,695	$ 20,000	$ 23,695
Investment Return			
Investment Income	43	0	43
Contributions	0	0	0
Appropriations for Expenditures and Fees	(87)	0	(87)
Endowment Net Assets, June 30, 2014	$ 3,651	$ 20,000	$ 23,651

In 2001, the Division received contributions to establish the J. David Sexton endowment fund. The principal of the fund is to remain intact, with income earned to be divided equally among principal and a fund for doctoral student awards. Funds for the doctoral student awards are treated as temporarily restricted until awarded. Once the principal balance reaches $40,000, the board may use all of the income generated to fund other research related activities, as long as the student cash award is at a minimum of $500 per year. The balance of the J. David Sexton endowment fund as of June 30, 2014 and 2013 was $25,126 and $24,801, respectively.

NOTE 5. ENDOWMENTS, continued

DONOR-RESTRICTED ENDOWMENT FUNDS
J. DAVID SEXTON ENDOWMENT FUND

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, July 1, 2012	$ 214	$ 23,532	$ 23,746
Investment Return			
Investment Income	5	5	10
Contributions	0	1,045	1,045
Appropriations for Expenditures and Fees	0	0	0
Endowment Net Assets, June 30, 2013	$ 219	$ 24,582	$ 24,801
Investment Return			
Investment Income	0	0	0
Contributions	0	325	325
Appropriations for Expenditures and Fees	0	0	0
Endowment Net Assets, June 30, 2014	$ 219	$ 24,907	$ 25,126

NOTE 6. DEFERRED REVENUE

Deferred Revenue consists of funds collected for dues and subscriptions, and amounts received in advance for the Division's November 2014 and November 2013 conferences. Dues and subscriptions revenues are recognized over the period that the dues and subscriptions are for, usually one year. Those amounts collected attributable to periods beyond June 30, 2014 and 2013, are deferred until the services are actually provided. As of June 30, 2014 and 2013, the Division had $46,419 and $41,352, respectively, in deferred dues and subscriptions revenues and deferred conference revenues of $184,738 and $90,404, respectively.

NOTE 7. OPERATING AND CAPITAL LEASES

Since November 2011, the Division entered into a month to month agreement to lease its Missoula office space for $950 per month. The office lease agreement was terminated on October 31, 2013. The Division closed its Missoula office at that time and relocated its administrative office to Los Angeles, California. In September of 2013, the Division entered into a lease agreement to lease office space for $1,089 per month. The lease was renewed in January 2014 for six months.

NOTE 8. EMPLOYEE BENEFITS

The Division has established a SIMPLE IRA plan (Plan) which will match dollar for dollar employee elective deferrals up to 3% of wages earned during the year. For the year ended June 30, 2014 and 2013, the Division contributed $215 and $4,426 to the plan, respectively.