



# 2015 ANNUAL REPORT

## SPECIAL THANKS TO OUR CORPORATE SPONSORS



MOTOROLA SOLUTIONS  
FOUNDATION



Destination Imagination, Inc.  
1111 S. Union Ave.  
Cherry Hill, NJ 08002

The Destination Imagination program blends STEM education (science, technology, engineering and mathematics) with the arts and social entrepreneurship. Our programs are designed to inspire young people to engage their innate curiosity while learning about structural engineering, science, automotive design, theatrical techniques, improvisation, social entrepreneurship and more. Students who participate in Destination Imagination become better at collaboration, creative and critical thinking, and problem solving, and learn the skills needed to succeed in an ever-changing world.

Destination Imagination, Inc. is a 501(c)(3) Nonprofit Education Organization.

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# OUR VISION

To be the global leader in teaching the creative process from imagination to innovation.

# OUR MISSION

To develop opportunities that inspire the global community of learners to utilize diverse approaches in applying 21st century skills and creativity.

The Destination Imagination program is a fun, hands-on system of learning that fosters students' creativity, courage and curiosity through open-ended academic Challenges in the fields of STEM (science, technology, engineering and mathematics), fine arts and service learning. Our participants learn patience, flexibility, persistence, ethics, respect for others and their ideas, and the collaborative problem solving process. Teams may showcase their solutions at a tournament.



# LETTER FROM THE CEO & BOARD OF TRUSTEES CHAIR

## **Dear Friends and Destination Imagination Colleagues**

Our Board of Trustees and staff have contributed to this annual report to provide you with a summary of this year's activities. Feel free to use this report as a yearbook or as a way of introducing Destination Imagination to new constituencies.

## **More than the Sum of Its Parts**

I still remember how overwhelmed I was during my first day working at Destination Imagination. I struggled to find my footing as I imagined ways in which I could inspire an organization that was so inspirational to me. I finally recognized that Destination Imagination (DI) could be thought of as a system—a group of related parts that work together to achieve a purpose. This sounds simple until you begin to realize that for this definition to apply to our organization, the word “parts” must be replaced with the word “people.” The people of DI have formed a highly complex and interconnected set of structures, behaviors, processes, procedures and programs that combine to form a unique familial culture aimed at achieving a purpose. Team Managers, Affiliate staff, DI staff, Boards of Trustees, online communities, tournament volunteers, and University of Tennessee staff annually combine efforts to ensure that our program participants gain the 21st century skills they will need to thrive in an ever-changing world. I believe that our global people system is a major strength of DI and one that will carry us forward over the long term. One thing is for sure: Destination Imagination is more than the sum of its parts.

## **The DI Program**

Project-based learning initiatives are finally making their way into school curriculum; however, this shift is not yet widely adopted and many projects do not transfer 21st century skills. The Partnership for 21st Century Learning (P21) studied a number of these school initiatives. Through the Exemplar Program, P21 is working to identify, document, promote and celebrate examples of successful 21st century learning. Destination Imagination became platinum member of P21 to interact with industry practitioners and to learn industry best practices for 21st century learning methodology. These best practices are taken into account as we develop our Program materials.

## **Operational Results**

For the first time, our revenues exceeded \$12 million; however, expenses exceeded budgeted expectations. Our actual net income results were \$45,000 compared to \$157,000 the prior year. If you would like to read a more detailed financial summary, our audited financial statements are included in the back of this publication. Destination Imagination participation has steadily grown 20 percent over the past five years. International expansion has been the primary driver of this growth.





### **Global Finals Presented by Disney**

This was the largest event in the history of Destination Imagination with 1,468 team presentations and more than 17,000 attendees. Two of the highlights of this year's event were Disney's sponsorship and attendance by astronaut Buzz Aldrin. Disney hosted 11 skills-based workshops that were led by its very own cast members and employees, including renowned animator Mark Henson, imagineer MK Haley, and theatrical educators Lauren Chapman and Matt Zambarano. Dr. Aldrin spoke to attendees about Mars as the next frontier to conquer. NASA's interactive Journey to Mars exhibit provided a video and several hands-on activities to further students' understanding of Mars and space exploration. Students attending Global Finals had the opportunity to participate in more than 100 skills workshop sessions and popular events such as the annual 3M Duct Tape Costume Ball. More than 500 DI volunteers from around the world made this event possible.

### **International Invitational**

China hosted our first International Invitational which brought teams from around the world to engage in cross-cultural experiences. In February 2016, DI Qatar will host the Invitational. Global readiness is a 21st century skill and DI will continue to provide opportunities and education to ensure our student participants gain this skill.

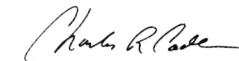
### **Our Future**

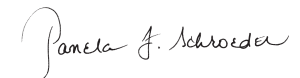
DI will continue to ensure that our Challenge program prepares students for the future workforce, college and life. Our leadership is involved with the Partnership for 21st Century Skills, the Project Learning Network, the Project Management Institute, American Chemical Society, AICPA, Society for Neuroscience, American Institute of Aeronautics and Astronautics, the American Psychological Association, and many other organizations to ensure that our programming is meeting best practices for education and relevant for student success in the future workforce. We are committed to

the training of our volunteers through DI University and through our Affiliate infrastructure so that our student participants are empowered with the teamwork and creative process skills they will need to become the next generation of innovators, leaders and industry pioneers.

Our Board of Trustees and staff hope that this annual report will allow you to reflect on this past year and recognize the significant contributions made by our sponsors, volunteers and alumni, who are so important to our program's success. Without their support and the support of our partners and sponsors, Destination Imagination would not have the resources to expand throughout the world. This has been a great year and we can't wait to see the student solutions to our Challenges for the next DI season.

Sincerely,

  
Dr. Charles R. Cadle  
CEO

  
Ms. Pamela Schroeder  
Board of Trustees Chair





# CHALLENGE PROGRAM

Each year, students from 48 U.S. states and 30 countries participate in the Destination Imagination Challenge Program. After selecting one of six open-ended Destination Imagination Challenges in our Challenge program, teams work for months developing, practicing and perfecting a unique solution to their chosen Challenge. They continually stretch their ideas from imagination to innovation to construct some of the most fascinating and innovative creations in the fields of STEM (science, technology, engineering and mathematics), the arts and social entrepreneurship each and every year.



**Team counts all over the world grew during 2015.**





## DI youth stand up, speak up and make a positive impact on their communities.

From hosting clothing drives to creating mobile apps for social good, more than 4,500 Destination Imagination students worldwide participate in our Project Outreach Challenge each year and work in teams to address real-world issues. Many participate in local and state DI tournaments to present a performance in which they showcase their hard work and accomplishments. Because each DI Team Challenge includes a performance component, many other DI teams are using this required element to research and raise awareness of real-world issues as well.



### Massachusetts Team Raised Money to Help Diabetic Teen

When a DI team from Massachusetts heard about a young girl in their school district, McKenna, who was struggling with Type 1 Diabetes, they set their hearts on helping her. The group held fundraisers, reached out to banks and other institutions, and hosted bake sales and other events in the hopes of covering the cost of the service dog and the training. Through the generosity of local businesses and people in their community, the team's project finally became a reality and they were able to provide McKenna with a service dog. The dog, whose name is Dice, prevents long-term damage to McKenna's body by almost instantaneously alerting her to dangerous fluctuations in her system.



### Oregon Students Worked Together to Boost Girls' Confidence

According to a survey conducted by Dove, seven in 10 girls believe that they don't measure up in some way, including their looks, performance in school and relationships with friends and family members, which is why a DI team from Oregon created a campaign to help combat the problem. The team, called Love My Reflection, handed out more than 100 compact mirrors in their school district with empowering messages written inside of them, including "You are inspiring," "You are brilliant" and "You are beautiful." "I've learned that this issue isn't just a local issue, but something that affects girls around the world," said team member Avery Burn. "We really had no idea that this project would impact so many people, and we have received dozens of emails and requests from girls, parents, and organizations to partner with us so that they can hand out mirrors in their school or city."



## Students in Texas Challenged Dating Violence Legislation

When East Texas team, Somebody's Hot for Tone Tone, chose to raise awareness of teen violence for their Service Learning project, they never imagined it would lead them to the Texas Capital. "At first we just wanted to spread the word and educate people about the problem and how big of a problem it was," said eighth-grader Ashlyn Ellgass. "We joined with Texas Advocacy Project and the project's just grown way bigger than we could have ever expected." The team raised money to create a PSA about teen violence and then contacted the Texas Advocacy Project for more support. In February 2015, the girls headed to the Texas Capitol to discuss amendments to a 2007 bill that required students to be educated about dating violence and continue to work with the Texas Advocacy Project.



## Canadian Team Raised Awareness on Childhood Cancer

The Structural Challenge is not just a chance for teams to display their engineering skills, but also the opportunity to showcase their storytelling, design and performance skills. For their performance, team Hood Rats from Canada wrote and performed a play about a young girl who is diagnosed with cancer. The audience watched as the young girl went through the stages of grief, from initial denial to the final stage of acceptance. The team used photography in their sketch to help emphasize the stages of grief, creating the cancer awareness symbol out of photographs on a large, white backdrop.



## North Carolina Team Received the Spirit of DI Award

In DI, a select number of teams are given awards for going above and beyond in their performance. At Global Finals 2015, team Valley Springs Middle School from North Carolina was given the Spirit of DI Award team for their Structural Challenge solution, which featured a performance on the subject of bullying. During their performance, the team portrayed the harmful effects of bullying on a young girl by tearing petals from a team-designed flower each time she was harassed. Throughout the story, the girl began to lose her confidence, hope and self-esteem. With the petals gone, the flower withers away and dies, symbolizing the shattered spirit of a child who is bullied.



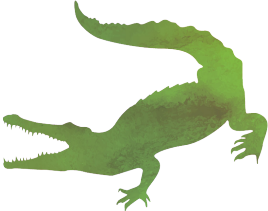
**Nine U.S. Affiliates achieved team count growth over 25% from 2013-14 to 2014-15.**



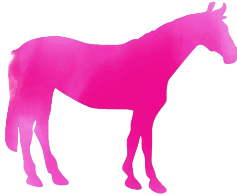
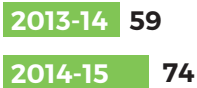
**Georgia**  
**96%**



**Pennsylvania**  
**88%**



**Louisiana**  
**25%**



**Kentucky**  
**50%**



**Rhode Island**  
**100%**



**Montana**  
**25%**



**North Carolina**  
**53%**



**New York**  
**27%**



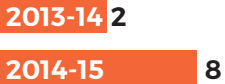
**West Virginia**  
**63%**



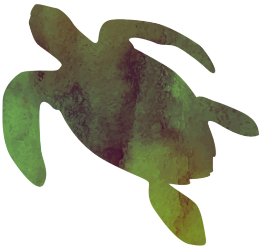
Destination Imagination team counts grew worldwide.



**India**  
**300%**



**Qatar**  
**547%**



**Cayman Islands**  
**167%**



**Poland**  
**136%**



**Turkey**  
**27%**





# GLOBAL FINALS

In 2015, Destination Imagination hosted its largest Global Finals to date. More than 17,000 participants, volunteers and supporters from 41 U.S. states and 15 countries gathered at the University of Tennessee in Knoxville to take part in Global Finals, the world's largest celebration of student creativity. 1,468 teams had the opportunity to showcase their innovative Challenge solutions, interact and build friendships with students from across the world, and immerse themselves in an experience of a lifetime. Attendees also had the opportunity to participate in interactive exhibits, camps and skills workshops, as well as enjoy performances by pop sensation, The Exchange, and an appearance by legendary Apollo 11 astronaut, Buzz Aldrin, at the Welcome Ceremony.







## Disney Inspired the Next Generation of Dreamers and Doers

In 2015, Disney supported creativity for thousands of students at Global Finals. Disney, the event's presenting sponsor, hosted 11 skills-based workshops that were led by its very own cast members and employees, including renowned animator Mark Henn, Walt Disney Imagineer MK Haley, and Disney Theatrical educators Lauren Chapman and Matt Zambarano. Through the workshops, students gained insights into the importance of collaboration in creative teams, key principles of animation that bring Disney characters to life, and the importance of sound, lighting and movement for stage performances. As an added treat, Global Finals guests also had the chance to view Disney's animation hit *Big Hero 6* on the big screen at World's Fair Park.



## Souvenir Sales: Long Lines Were Worth the Wait for Exclusive Merchandise

For Global Finals participants, the Souvenir Sales store in the Innovation Expo was a stop that could not be missed. This year's Souvenir Sales featured the newest Destination Imagination keepsakes and apparel ranging from commemorative pins and t-shirts designed specifically for this year's event to brain games and books. The store also featured three t-shirt designs created by Destination Imagination participants. In addition to Destination Imagination products, Souvenir Sales was home to many creative products offered by our Global Finals sponsors and entertainers, including official merchandise from Buzz Aldrin's ShareSpace Foundation and vocal pop group, The Exchange.





## Innovative Companies Showcased Their Cutting-Edge Technology, Products & Services

The Innovation Expo at Global Finals gives participants the opportunity to engage with leading organizations in the technology, engineering, science and education industries. This year, the Innovation Expo featured interactive exhibits where participants and attendees could test the latest technology and products from organizations including 3M, NASA, Microsoft, Oracle Academy, the U.S. Space & Rocket Center®, Space Camp®, Mayo Clinic Fitness Zone and Vizitech.





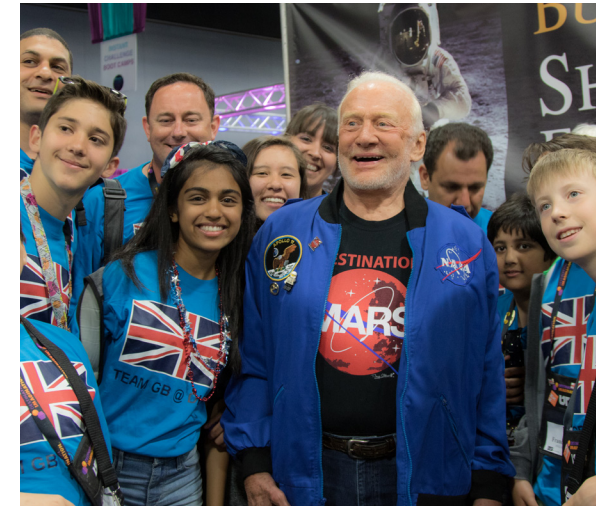
## NASA Invited Families to Take a Journey to Mars

At the Global Finals 2015 Innovation Expo, participants of all ages had the opportunity to participate in a custom, interactive NASA exhibit that boasted a Mars simulation experience, a 30-foot inflatable Space Launch System (SLS) rocket, Mars research and artifacts, a 'Create Your Own Mars Colony' kinetic sand station, images from the Hubble Space Telescope, a Journey to Mars selfie spot scavenger hunt, and a 'Train Like an Astronaut' agility course. In addition to the exhibit, NASA hosted seven different skills workshops to help provide elementary through high school students with an in-depth understanding of different elements involved in space exploration.



## International Teams Came Together to Celebrate Global Creativity

Global Finals isn't just an opportunity for top-tiered teams to showcase their Challenge solutions; it's a multi-cultural event that promotes global diversity. Each year, more than 300 DI teams from the U.S. and Canada are paired with teams from around the world, including China, Poland, Turkey and Qatar, to learn more about each other's culture, celebrate their creativity, and learn a few new words and phrases along the way. Teams also support one another by watching Team Challenge performances together and attending events such as the annual Passport Party, where students can take a trip around the world without leaving the University of Tennessee campus.



## Legendary Apollo 11 Astronaut Shared Stories with Students

At Global Finals 2015, participants and families were treated to an out-of-this-world appearance by Buzz Aldrin at the annual Welcome Ceremony. The legendary Apollo 11 astronaut spoke to students about the need for new innovators to push the boundaries of the universe and explore Mars, as well as the work his ShareSpace Foundation is doing to spark more children's interest in science, technology, engineering, arts and mathematics (STEAM). In addition to speaking at the Welcome Ceremony, Aldrin hosted a sold-out Q&A workshop, where kids had the opportunity to ask him about everything from what it's like to walk on the moon and float





### Students Learned from the Pros Through Skills Workshops Series

Our Global Finals Skills Workshops are designed to give participants of all ages the opportunity to work with and learn from industry experts. From computer coding to costume design, students had the opportunity to participate in more than 100 Skills Workshops sessions hosted by some of the most innovative companies, musicians and creators, including legendary astronaut Buzz Aldrin, award-winning singer Paula Abdul, Disney animator Mark Henn, vocal pop sensation The Exchange, and Broadway star Sarah Berry.



### Students Got Creative at the Scotch Imagination Treehouse

Destination Imagination participants are no strangers to duct tape and its many uses. At Global Finals 2015, participants of all ages helped transform a white, 4,500 square-foot treehouse into a colorful, vibrant work of art thanks to Scotch and 3M duct tape. The Scotch Imagination Treehouse was one of the most popular attractions at the Global Finals Innovation Expo, with more than 5,000 students, parents and supporters adding their duct tape touch to this one-of-a-kind, collaborative masterpiece.



### Kids Trained Like Astronauts with the U.S. Space & Rocket Center

At the Innovation Expo, the U.S. Space & Rocket Center® challenged kids to put their adventure skills to the test with their Space Camp® Multi-Axis Trainer, a machine that simulates the disorientation an astronaut would feel if an emergency took place on their flight. This was the U.S. Space & Rocket Center's second year hosting their interactive space exhibit for Global Finals participants. Students also had the opportunity to test their research, problem solving and engineering skills through several space-themed Skills Workshop sessions that the U.S. Space & Rocket Center hosted throughout the four-day event.



## **Destination Imagination & First Book Gifted Knoxville Students 40,000 Books**

Destination Imagination and First Book partnered to support East Tennessee educators and program leaders serving children in need. Through the partnership, 40,000 brand new books were donated to educators and program leaders in the greater Knoxville area. DI participants, parents and volunteers helped sort and organize the books over the course of three days at the Global Finals Innovation Expo. The books were distributed to educators and program leaders in the area on May 23. As a nonprofit organization dedicated to fostering literacy, creativity and STEM learning, DI regularly partners with organizations, like First Book, that match its vision for youth education.



## **Grammy Award Winner Paula Abdul Gave Powerful Message on Self-Esteem and Perseverance**

Internationally acclaimed singer, dancer and choreographer, Paula Abdul, teamed up with Dr. Bill Dorfman, celebrity dentist and founder of the LEAP foundation, to host the Win Against All Odds Skills Workshop for high school and college students attending Global Finals. In the workshop, Abdul gave personal testaments about how her fighting spirit allowed her to achieve success by not conforming to the mold, while Dorfman spoke about how hard work and dedication can stretch one's success to new and different fields. Abdul and Dorfman also shared tips and strategies with students on ways they can improve their self-confidence and persevere in all aspects of life.



# Thousands took to social media for the world's largest celebration of student creativity.



Our YouTube videos were viewed over 84,000 times during Global Finals 2015.



The #GlobalFinals15 hashtag was used 5,251 times.

## We expanded resources for volunteers, educators and parents.

Our website had 389,368 users, 50,000 of which were new visitors. Our blog readership grew by 62%.

Home / Blog [SHARE](#)

### TIPS FOR TEAMS: 20 WAYS TO RULE THIS SEASON

« Previous Article [Next Article »](#)

September 29, 2015  
Written by Tina Shaffer



Recently, we asked some of our young, veteran DI-ers to give one piece of advice to a team just starting out. From the importance of teamwork to learning from failure to the fun of duct tape, we put together a list of tips for our new students to keep in mind this season as they travel on their creative journey. Check out our Top 20:

### Tips for Teams Series


Our alumni and veteran DI-ers helped students become problem solving pros, offering advice on everything from brainstorming to budgeting.

Home / Blog [SHARE](#)

### YOU KNOW YOU'RE A DI KID WHEN...

« Previous Article [Next Article »](#)

October 01, 2015  
Written by Liz Lohrmann, DI alumna



Destination Imagination allows each and every one of its participants to have incredible experiences from which they can learn. Here are a few experiences that every DI alum and participant can relate to:

- You've worn a duct tape outfit.**  
Don't lie to yourself—we've all done it. Maybe you wore a single item like a

### Alumni Spotlight


Each month, we highlighted the accomplishments of our DI alumni and how they are applying the skills learned in DI to real-world projects.

Home / Blog [SHARE](#)

### SO YOU'RE A NEWBIE TEAM MANAGER

« Previous Article [Next Article »](#)

September 03, 2015  
Written by Melissa Dick



So you think you might sign up for this 'Team Manager' thing for the very first time? You and your team are in for an amazing journey of a lifetime. However, starting any new position can feel overwhelming. Here are eight tips to help you best manage your team this season:

### Team Manager Tips Series

With the help of some of our experienced Team Managers, we launched a new blog series to provide tips, advice and resources for new Team Managers.

## We continued building a bigger, stronger community of supporters worldwide.



Facebook grew by 37% (7,205 people)



Twitter grew by 46% (2,707 people)



Pinterest grew by 109% (680 people)



Instagram grew by 60% (1,200 people)





# SPECIAL PROJECTS & PARTNERSHIPS

Destination Imagination is a driving force in the 21st century learning movement, bringing together diverse individuals and organizations to help empower the next generation of leaders and innovators. Through collaborations with NASA, 3M, Disney, Mayo Clinic, Oracle Academy, Project Management Institute Educational Foundation, ShareSpace Foundation, Motorola Solutions Foundation, PCG Education, National Geographic, Morgridge Family Foundation, U.S. Space & Rocket Center, Partnership for 21st Century Learning, and other industry organizations, DI has been able to inspire and engage more than 1.5 million students in a wide variety of programming that touches many disciplines.



November 2014

### DI & PCG Education Expanded Project-Based Learning Opportunities for Teachers

In November 2014, DI partnered with PCG Education, a leading U.S. provider of K-12 education consulting and technology solutions, to advance project-based learning opportunities for teachers. Through the partnership, PCG Education repurposed and incorporated DI content into in-school curriculum as well as after-school and summer camp programming. "We are thrilled to partner with Destination Imagination and employ its engaging activities in our afterschool and summer camp programs," said Jim Popp, Manager, PCG Education. "This partnership will help us broaden access to the life-changing benefits of this incredible programming, so that thousands more deserving students will become more capable, confident and happy."



December 2014

### DI China Hosted Second Annual International Invitational

In December 2014, DI China hosted the second annual International Invitational in Beijing. five hundred and forty Chinese teams competed for their chance to advance to Global Finals. In addition to local teams, DI China hosted 25 international teams from Canada, Poland, Mexico, Korea, Turkey, Qatar and the United States. International teams participated in a 24-hour Extreme Challenge sponsored by Disney, which tested their research, design and collaborative problem solving skills. International teams also had the opportunity to showcase their solutions to the 2014-15 Team Challenges.

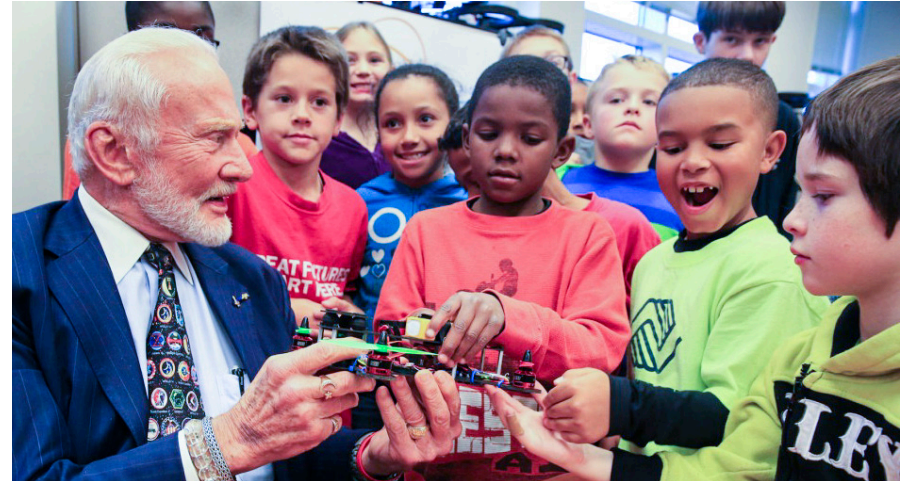




January 2015

### **DI & Oracle Academy Joined Forces to Advance Computer Science Education**

In January 2015, Destination Imagination and Oracle Academy formed a partnership to help advance technology-based learning opportunities for students and teachers worldwide. “The technology skills gap presents a tremendous opportunity for today’s students and demands global attention,” said Alison Derbenwick Miller, Vice President of Oracle Academy. “To become tomorrow’s innovators, students must develop their creativity and computer science knowledge over a number of years.” At Global Finals 2015, Oracle Academy hosted an interactive workshop at the Innovation Expo as well as several computer science workshops to teach students about coding.



May 2015

### **ShareSpace Foundation & Destination Imagination Partnered to Empower Students Through STEAM**

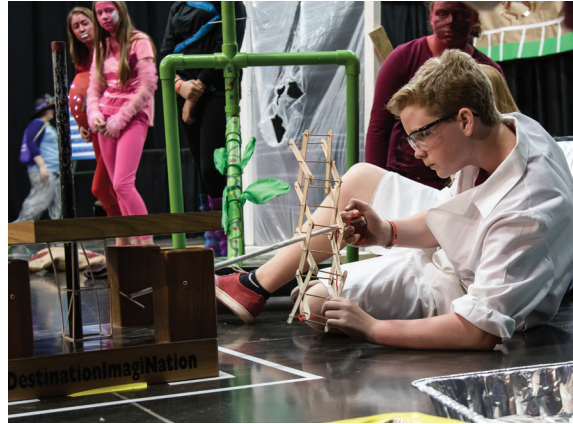
In May 2015, Destination Imagination entered a strategic partnership with Buzz Aldrin’s ShareSpace Foundation to further ignite children’s passion for science, technology, engineering, arts and math (STEAM) and inspire them to become the next generation of space leaders who will explore the unknown. Apollo 11 astronaut, Buzz Aldrin, joined Destination Imagination CEO, Dr. Chuck Cadle, onstage at the Global Finals 2015 Welcome Ceremony to announce the partnership. At the event, Aldrin and the ShareSpace Foundation staff hosted a sold-out Q&A workshop as well as a hands-on exhibit at the Innovation Expo



July 2015

## DI Volunteers Collaborated and Shared Ideas at Annual Ignite Conference

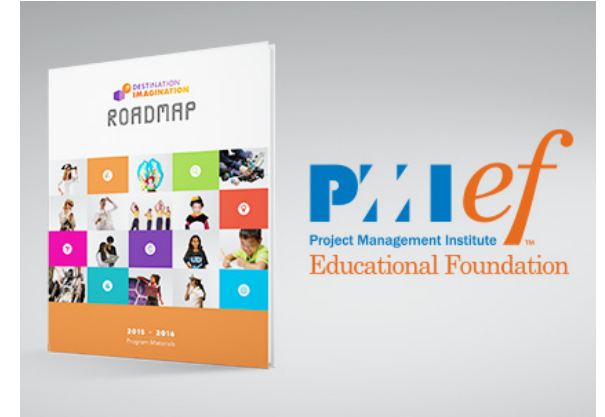
In July 2015, Destination Imagination volunteers from around the world gathered at the University of Tennessee in Knoxville for the organization's annual Ignite conference. From generating ideas on new and different DI Challenges to learning about successful fundraising strategies to 21st century learning workshops, the organization's Affiliate Directors, Regional Directors and Affiliate Growth Directors all came together for a shared purpose of collaborating on their dedication and passion for readying students for the future workforce.



August 2015

## Destination Imagination Received 2015 Motorola Solutions Foundation Grant

In August 2015, the Motorola Solutions Foundation awarded Destination Imagination with their Innovation Generation Grant to help foster and support science, technology, engineering and math (STEM) initiatives for teachers and preschool through university students in the U.S.—especially girls and underrepresented minorities. "Organizations like Destination Imagination are teaching tomorrow's leaders that careers in engineering and technology are not only fun, but also within their reach," said Matt Blakely, director of the Motorola Solutions Foundation. With the help of the grant, DI will continue to develop educational programming that will help prepare students for the future workforce.



August 2015

## PMIEF Provided Students with Project Management Tools and Resources

This year, Destination Imagination partnered with the Project Management Institute Educational Foundation (PMIEF) to provide DI teams, including Team Managers, with essential project management tools and resources. The PMIEF tools and resources were included in the 2015-16 Roadmap resource, which was released in September 2015. The resource guides teams from the start of their first team meeting all the way through to a tournament, where they showcase their Challenge solutions. These essential project management tools and processes not only help teams in the design and management process for their DI projects, but also help them with managing school and future work projects.





## Destination Imagination alumni are making a difference around the world

In May, Destination Imagination established the Alumni Ambassador Program to better engage its many alumni. Through the program, alumni can easily get involved with their local Affiliate by volunteering at a DI tournament, assisting with a skills workshop, or by helping their chapter with outreach efforts, including fundraising.

In addition, DI formed the first Alumni Ambassador Council to help expand the organization's volunteer, marketing and outreach efforts. The council, which includes 14 alumni from across the U.S., also assists staff members on strategic development trips to share their firsthand accounts of how the DI prepared them for college, their careers and beyond.



**Kevin Hoban / Michigan**

Produced the National Geographic Channel show, "Ultimate Survival Alaska"

*"Even as an adult, I volunteer as a DI Appraiser because I want to be a part of that energy," said Hoban. "Every time I do, I'm amazed at the creativity kids as young as five years old can display."*



**Meghan Kolf / Wyoming**

PhD student and speaker at the Mayo Clinic Center for Innovation's Transform conference in Minnesota

*"Creative thinking, teamwork and innovation are essential for the practice of medicine as well as for me personally. DI was a starting point for my soon-to-be career in pharmacy."*



**Kate Bishop / Virginia**

Received the prestigious National Geographic Young Explorers grant to continue archaeological research in Guatemala

*"The challenges that DI throws your way may not involve snakes, but solving them can make you fearless."*



**Renee Smith / Arkansas**

Peace Corps Youth Asset Builder teaching English in Morocco

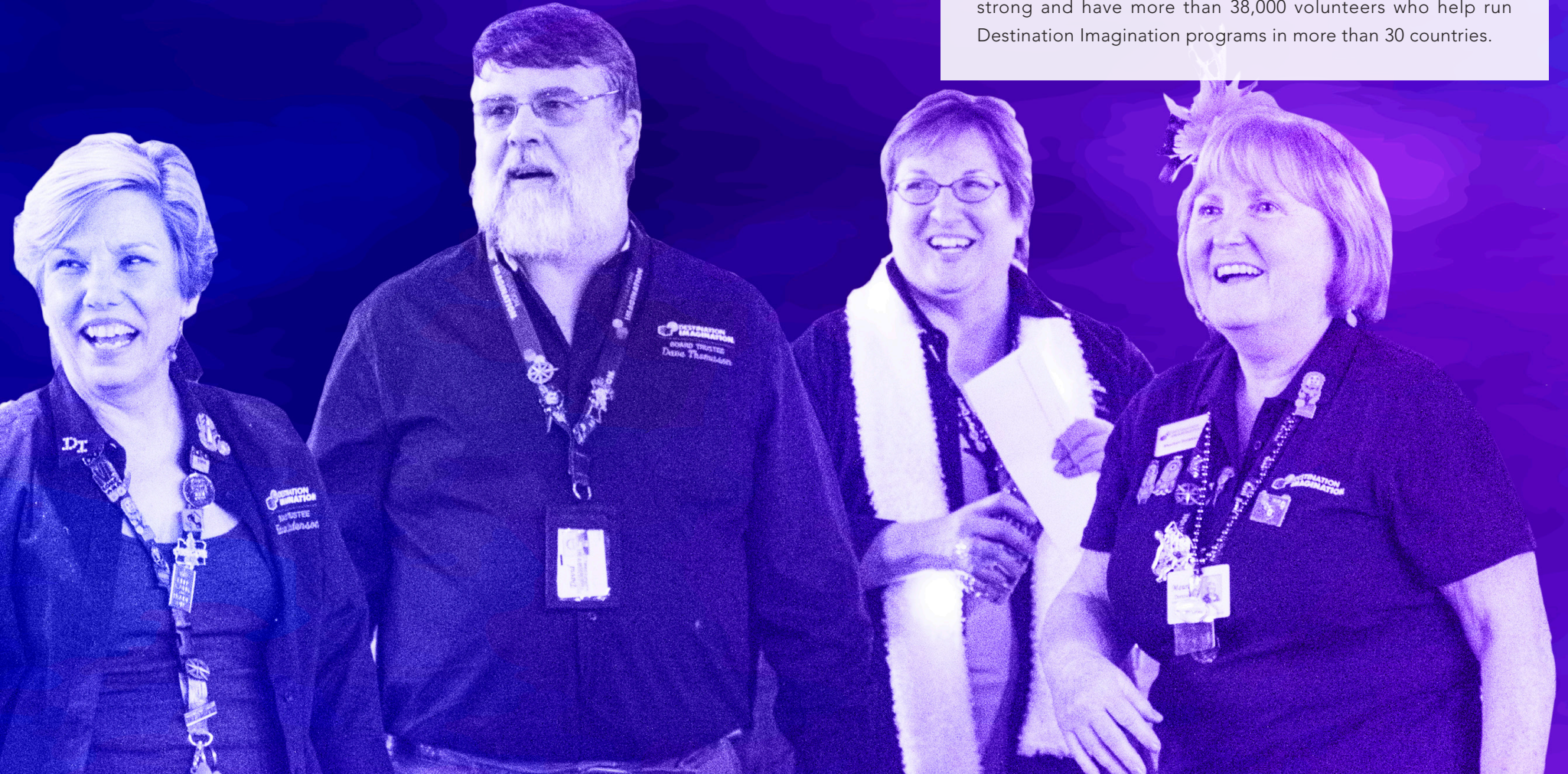
*"What I cherish most about DI is the opportunity to be a small part of the reason why students are able to develop teamwork, creativity and problem solving skills."*





# WHO WE ARE

Our passionate staff, Board of Trustees, Affiliate Directors and volunteers join forces each year to help inspire the next global generation of innovators and leaders. We are 1.5 million alumni strong and have more than 38,000 volunteers who help run Destination Imagination programs in more than 30 countries.





## Our Board

### Chair

Pamela Schroeder

### Vice Chair

Louise Liddle

### Secretary

Karen Anderson

### Treasurer

Rosemary Bognar Pinney

### Trustees

Rick Rand

Dr. Nina Schwenk

David Thomason

Max Kringen

Sarah Benczik

Rosemary Bognar Pinney

Barry Gilman

Carmine Liuzzi

Dr. Chuck Cadle,

CEO Ex-Officio,

Non-Voting Board Member

## Our Staff

### Office of the CEO

Chuck Cadle, PMP

*Chief Executive Officer*

Eric Wolff

*Director of Communications and*

*Culture and Board of Trustees*

*Liaison*

Britt Dyer

*Director of Strategic Partnerships*

*and Events*

Roger Garriock

*Director of Corporate Development*

Wendy Niemann

*Associate Director of Industry*

*Development*

### Administrative Operations

Kevin McDonough

*Director of Administrative and*

*Human Resource Operations*

Steve Flaa

*Controller*

JoAnne Quinn

*Senior Bookkeeper*

Delilah Passero

*Customer Support Coordinator*

Leonard Greenwood

*Customer Fulfillment Coordinator*

Mike Marcasciano

*Staff Accountant*

John Boland

*IT Administrator/ Programmer*

Don Aufiero

*IT Back-End Developer*

Darlene Courter

*Customer Support Coordinator*

### Affiliate Operations

Johnny Wells

*Director of Education*

Kris Beisel

*Director of Educational Alliances*

Brownie Mitchell

*Director of Field Operations*

Michael Judkins

*Manager of Training and Outreach*

### DI Programs

Sheila Swanson

*Director of DI Programs*

Andrew Whitmire

*Associate Director of DI Programs*

Jennifer Batchelor

*Program Support Coordinator*

Amanda Potter

*DI Program Coordinator*

### Design & Brand Management

Kate Grimes

*Art Director & Director of*

*Brand Management*

Christie Casselring

*Graphic Designer*

Tina Shaffer

*Communications Coordinator*

*and Editor*

Paige Curtis

*Project Manager*

## Our Affiliate Directors

### Alabama

Joseph Banks

### Alberta

Susan Picard  
Sue Williams

### Arizona

Sylvia Maiorana

### Arkansas

Mike Mitchell  
Patti Thompson

### Brazil

Jennifer Kagohara

### British Columbia

Joan Vyner

### California

Dick Pinney

### Cayman Islands

David Finch

### China

Mr. Li Xiao

### Colombia

Wilson Robayo

### Colorado

Kate Donelan

### Connecticut

Kristen Niforos  
Julie Mantius

### Delaware

Sally Gold

### District of Columbia

Sally Gold

### Ecuador

Maria Gloria  
Banomera

### Georgia

Dave Lohrmann

### Guatemala

Jose Luna

### Illinois

Jan Darnell  
Diana Dignan

### India

Rashmi Basavanhalli

### Indiana

Denise Benczik  
Bruce Newell

### Iowa

Alisha Day

### Israel

Noa Lahav

### Kansas

Lohren Meier

### Kentucky

Bill Broomhead

### Korea - KASI

Jung Hun Mo

### Louisiana

Nancy Farley

### Malaysia

May Lee

### Maine

Chad Reynolds

### Manitoba

Lonnie Liske

### Maryland

Sally Gold

### Massachusetts

Karin Knapik  
Vicki Smith

### Mexico

Erika Ugarte

### Michigan

Ted Grossnickle

### Minnesota

Pamela Schroeder

### Mississippi

Joyce Ellison

### Missouri

Chuck Good

### Montana

Heather Geiger

### Nebraska

Kim Bejot

### New Brunswick

Stephanie Patterson

### New Hampshire

Jill Schoonmaker

### New Jersey

Carmine Liuzzi

### New Mexico

Emily Foose  
Vince Urias

### New York

Sue Brailey

### North Carolina

Cynthia and Tom  
Kirby

### North Dakota

Max Kringen

### Nova Scotia

Jerry Thibeau

### Ohio

Cinda Weisgerber

### Ontario

*Mary Jo Smith*

### Oregon

Donna Dreis  
Simon Dodd

### Pennsylvania

Mike Sernoffsky

### Philippines

Timothy Valdez

### Poland

Gosia Jastrzebska

### Prince Edward Island

Vicki Allen-Cook

### Qatar

Renee Rainville

### Quebec

Nancy Lum  
Vincent Lupien

### Rhode Island

Katie Jones

### Romania

Lyndsay Bain

### Saskatchewan

Randy Emerson

### Singapore

Sandra Cheng

### South Dakota

Dean Fenenga

### Tennessee

Linda Chambers

### Texas

Sue Shanks

### Turkey

Burcu Delen  
Elif Kiziltan

### Vermont

Pasquale DiLego

### Virginia

Laurie Abeel  
Adam Law

### Washington

Barbara Sailors

### West Virginia

Ron Rogillio

### Wisconsin

Mary Bykowski

### Wyoming

Marcia McChesney

### Yukon

Johanne Koser



# FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Destination Imagination, Inc.

We have audited the accompanying financial statements of Destination Imagination, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015 and 2014, and the related statements of activities, cash flows and functional expenses 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 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Destination Imagination, Inc. as of September 30, 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.

100B Centre Boulevard, P.O. Box 730  
Marlton, New Jersey 08053-0730

p: (856) 810-2160  
f: (856) 810-2165

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 13 and 14 are presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

FAKTOROW, BARNETT & BRUNNER, L.L.C.

Certified Public Accountants  
November 6, 2015

DESTINATION IMAGINATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30,

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

	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,047,577	\$ 714,289
Accounts receivable	185,449	90,589
Inventory and prepaid expenses	498,034	480,026
Deposits	937	31,310
Loans and notes receivable	43,849	153,686
Property and equipment	<u>1,330,668</u>	<u>1,375,126</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,106,514</u></b>	<b><u>\$ 2,845,026</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 158,460	\$ 77,250
Accrued expenses	319,202	234,915
Other liabilities	51,793	56,093
Deferred revenue	<u>443,474</u>	<u>388,195</u>
<b>TOTAL LIABILITIES</b>	<b><u>972,929</u></b>	<b><u>756,453</u></b>
<b>NET ASSETS</b>		
Unrestricted net assets		
Unrestricted	1,784,631	1,972,953
Board designated	<u>47,942</u>	<u>44,711</u>
	1,832,573	2,017,664
Temporarily restricted net assets	<u>301,012</u>	<u>70,909</u>
<b>TOTAL NET ASSETS</b>	<b><u>2,133,585</u></b>	<b><u>2,088,573</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,106,514</u></b>	<b><u>\$ 2,845,026</u></b>

DESTINATION IMAGINATION, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30,

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

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Team registrations	\$ 1,137,212	\$ -	\$ 1,137,212	\$ 1,281,011	\$ -	\$ 1,281,011
Affiliate license fee	9,450	-	9,450	9,400	-	9,400
Partnerships/Sponsors/Grants/Donations	607,340	312,195	919,535	504,431	119,265	623,696
Product sales	103,482	-	103,482	96,374	-	96,374
Global finals	10,018,602	-	10,018,602	9,163,905	-	9,163,905
Training/conferences	20,050	-	20,050	49,433	-	49,433
Investment income	1,956	-	1,956	2,391	-	2,391
Other	1,188	-	1,188	26,952	-	26,952
Net assets released from restrictions	<u>82,092</u>	<u>(82,092)</u>	<u>-</u>	<u>203,499</u>	<u>(203,499)</u>	<u>-</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b><u>11,981,372</u></b>	<b><u>230,103</u></b>	<b><u>12,211,475</u></b>	<b><u>11,337,396</u></b>	<b><u>(84,234)</u></b>	<b><u>11,253,162</u></b>
<b>EXPENSES</b>						
Program	11,231,035	-	11,231,035	10,172,241	-	10,172,241
Management and general	643,907	-	643,907	629,100	-	629,100
Fundraising	<u>291,521</u>	<u>-</u>	<u>291,521</u>	<u>294,662</u>	<u>-</u>	<u>294,662</u>
<b>TOTAL EXPENSES</b>	<b><u>12,166,463</u></b>	<b><u>-</u></b>	<b><u>12,166,463</u></b>	<b><u>11,096,003</u></b>	<b><u>-</u></b>	<b><u>11,096,003</u></b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(185,091)</b>	<b>230,103</b>	<b>45,012</b>	<b>241,393</b>	<b>(84,234)</b>	<b>157,159</b>
<b>NET ASSETS, beginning of year</b>	<b><u>2,017,664</u></b>	<b><u>70,909</u></b>	<b><u>2,088,573</u></b>	<b><u>1,776,271</u></b>	<b><u>155,143</u></b>	<b><u>1,931,414</u></b>
<b>NET ASSETS, end of year</b>	<b><u>\$ 1,832,573</u></b>	<b><u>\$ 301,012</u></b>	<b><u>\$ 2,133,585</u></b>	<b><u>\$ 2,017,664</u></b>	<b><u>\$ 70,909</u></b>	<b><u>\$ 2,088,573</u></b>



DESTINATION IMAGINATION, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30,

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

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 45,012	\$ 157,159
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	66,849	72,293
Write off of loan receivable	42,760	45,366
Loss on disposition of property and equipment	13,981	2,753
(Increase) decrease in:		
Accounts receivable	(94,860)	76,861
Inventory and prepaid expenses	(18,008)	(93,079)
Deposits	30,373	-
Loans and notes receivable	67,077	(31,215)
Increase (decrease) in:		
Accounts payable	81,210	(249,680)
Accrued expenses	84,287	62,796
Other liabilities	(4,300)	47,503
Deferred revenue	55,279	(38,715)
<b>Net cash provided by operating activities</b>	<u>369,660</u>	<u>52,042</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(37,873)	(18,700)
Proceeds from sale of property and equipment	1,501	200
<b>Net cash (used) by investing activities</b>	<u>(36,372)</u>	<u>(18,500)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on mortgages payable	-	(663,925)
<b>Net cash used by financing activities</b>	<u>-</u>	<u>(663,925)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	333,288	(630,383)
<b>Cash and cash equivalents at beginning of year</b>	<u>714,289</u>	<u>1,344,672</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,047,577</u>	<u>\$ 714,289</u>
Supplemental disclosures of cash payments made:		
Interest	\$ 645	\$ 18,485
Taxes	\$ -	\$ -

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS

**A - NATURE OF ACTIVITIES AND CREDIT CONCENTRATION**

DESTINATION IMAGINATION, INC. is a nonprofit organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Destination Imagination, Inc. values and nurtures creativity. Through its activities, the Organization provides for the fullest development of human, creative, intellectual, social, artistic and psychological ability by organizing and managing educational and human service programs.

The Organization grants credit to members who are educational institutions, state affiliations, community groups, or foreign affiliates located worldwide.

**B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of Destination Imagination, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

**Affiliates**

The financial statements do not include the assets, liabilities, and results of operations of affiliates since such affiliates are autonomous and are treated as independent.

**Inventory**

Inventory consisting of awards, certificates, educational books, videos, and souvenirs is carried at the lower of cost or market determined by the first-in, first-out method.

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Acquisitions of property and equipment and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets in excess of \$5,000 are capitalized. Property and equipment are carried at cost. Asset impairments are recorded when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Depreciation is provided for using the straight-line method for financial reporting purposes. The estimated useful lives of the assets are as follows:

Building	40 years
Building improvements	10-40 years
Furniture, fixtures and equipment	5-8 years
Vehicles	5 years

Depreciation expense for the years ended September 30, 2015 and 2014 amounted to \$66,849 and \$67,980, respectively.

**Loan Fees**

Loan fees relating to the mortgages were being amortized over the life of the related loans. Amortization for the years ending September 30, 2015 and 2014 amounted to \$0 and \$4,313, respectively.

**Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**Revenue Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 activities as net assets released from restrictions.

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Revenue**

Income from team registrations are deferred and recognized over the periods to which they relate.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Advertising**

The Organization follows the policy of charging the costs of advertising, sponsorships and exhibits to expense as incurred.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Contributed and Volunteered Services**

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Thirty-five thousand volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Functional Expenses**

Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.



DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Conditional promises to give are recognized only when conditions on which they depend are substantially met and the promises become unconditional.

**C - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	2015	2014
Land	\$ 178,000	\$ 178,000
Buildings	1,084,108	1,084,108
Building improvements	118,416	97,491
Furniture, fixtures and equipment	333,493	322,460
Vehicle	-	32,521
	<u>1,714,017</u>	<u>1,714,580</u>
Less: Accumulated depreciation	<u>383,349</u>	<u>339,454</u>
	<u>\$ 1,330,668</u>	<u>\$ 1,375,126</u>

**D - LOANS AND NOTES RECEIVABLE**

Loans and notes receivable represents non-interest bearing advances made to a few non-profit entities that have relationships with the Organization.

**E - TAX-DEFERRED ANNUITY PLAN**

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. The Organization contributes a percentage of gross salaries for qualified employees to the plan. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The Organization's contributions for the years ended September 30, 2015 and 2014 amounted to \$47,970 and \$42,439 respectively.

**F - REVOLVING LINE OF CREDIT**

The Organization has a \$200,000 unsecured revolving line of credit available from Fulton Bank of New Jersey. Advances are payable on demand and carry an interest rate of prime or 4.00% whichever is higher. There was no outstanding balance at September 30, 2015 and 2014.

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**F - REVOLVING LINE OF CREDIT (CONTINUED)**

The Organization has a \$700,000 revolving line of credit available from Republic Bank. Advances on the line of credit are payable on demand and carry an interest rate of the Wall Street Prime rate with a 3.25% floor. The credit line is secured by the Organization's commercial office in Cherry Hill, NJ. There was no outstanding balance at September 30, 2015 and 2014.

**G - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of September 30, 2015 and 2014 consist of the following:

	2015	2014
3M Foundation	\$ 70,000	\$ -
Motorola Foundation	67,363	69,229
Disney Worldwide	132,300	-
PMI Educational Foundation	30,427	-
Other	<u>922</u>	<u>1,680</u>
	<u>\$ 301,012</u>	<u>\$ 70,909</u>

**H - MORTGAGES PAYABLE**

The Organization was obligated to Fulton Bank of New Jersey under a commercial mortgage in the original aggregate amount of \$990,000. The New Jersey Economic Development Authority (NJEDA) had agreed to participate in this mortgage in the amount of \$495,000.

The mortgages listed above were modified in November 2013 and consolidated into one monthly payment of \$4,160.13 due to Fulton Bank of New Jersey which included interest at 4.00% for the initial five year period. The underlying real estate served as collateral for this commercial mortgage which was paid in full April 2014.

**I - INCOME TAX STATUS**

The Organization is exempt from federal income tax (except taxes on unrelated business income, if any) under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the years ended September 30, 2015 and 2014 since the Organization had no taxable income from unrelated business activities.

**DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**I - INCOME TAX STATUS (CONTINUED)**

The Organization performed an evaluation of uncertain tax positions for the year ended September 30, 2015 and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of September 30, 2015, the statute of limitations for tax years 2012 and later remains open with the U.S. federal jurisdiction or the state in which the Organization files tax returns. It is the Organization's policy to recognize interest and penalties related to uncertain tax positions, if any, in income tax expense.

**J - GLOBAL FINALS**

The Organization holds an annual Global Finals tournament. Revenues and expenses of this tournament for the years ending September 30, 2015 and 2014 are as follows:

	2015	2014
Revenues		
Housing and registration	\$ 9,491,468	\$ 8,655,639
Sponsorships and contributions	43,360	59,240
Souvenir sales	302,633	264,237
Special events and transfers	<u>181,141</u>	<u>184,789</u>
	<u>10,018,602</u>	<u>9,163,905</u>
Expenses		
Awards	35,363	12,500
Consulting	9,500	10,000
Housing and registration	6,365,343	5,916,564
Program and video expense	1,436,789	1,080,766
Salaries - bonus and overtime	611,495	566,776
Souvenir purchases	163,811	132,363
Special events and transfers	<u>170,965</u>	<u>166,467</u>
	<u>8,793,266</u>	<u>7,885,436</u>
	<u>\$ 1,225,336</u>	<u>\$ 1,278,469</u>

**K - COMMITMENTS AND CONTINGENCIES**

The Organization has contracted to hold Global Finals through 2016 at the University of Tennessee. Either party can terminate this contract. Under certain circumstances cancellation fees would apply.

**DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**K - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The Organization entered into an eight-year agreement with Public Consulting Group, Inc., (PCGI). In October 2014, PCGI was granted exclusive rights within the United States to use and adapt content already created by Destination Imagination, Inc. Under terms of this agreement PCGI will pay a minimum of \$640,000 as follows. Commencing October 2014 \$60,000 per year through October 2017, followed by \$100,000 per year through October 2021. For the third and fourth year of the agreement the licensee shall pay 3% of net revenue for the prior year if it is greater than the \$60,000 due for those years. For the fifth and each subsequent year thereafter the licensee shall pay 5% of net revenue for the prior year if it is greater than the \$100,000 due for those years. The Organization received \$60,000 for the year ended September 30, 2015, under this agreement.

**L - CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Organization maintains cash balances at several financial institutions. Cash in these accounts at times exceeds \$250,000. Interest bearing and non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2015 and 2014, the uninsured balance was \$315,026 and \$131,447 respectively.

**M - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 6, 2015, the date the financial statements were available to be issued.



DESTINATION IMAGINATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

	PROGRAM SERVICES	MANAGEMENT and GENERAL	FUND RAISING	TOTAL
<b>DIRECT COST</b>				
Affiliate support and administration	\$ 113,951	\$ -	\$ 45,661	\$ 159,612
DI University	31,621	-	-	31,621
Licensee conference	130,066	-	-	130,066
Program materials/shipping/commissions	319,103	-	-	319,103
Creative Compass/other materials	99,363	-	-	99,363
Credit card fees	18,927	-	-	18,927
Conference & bulk mail reimbursement	22,350	-	-	22,350
Team challenges	43,962	-	-	43,962
QRP challenges	11,819	-	-	11,819
Instant challenges	7,532	-	-	7,532
Early learning - updates/phase II	-	-	-	-
Product cost	24,376	-	-	24,376
Events & other	37,515	-	-	37,515
Asia office costs	50,883	-	-	50,883
Global fundraising networking	117,500	-	-	117,500
Global finals	8,793,266	-	-	8,793,266
<b>TOTAL DIRECT COST</b>	<b>9,822,234</b>	<b>-</b>	<b>45,661</b>	<b>9,867,895</b>
<b>STAFF EXPENSE</b>				
Staff salaries/commissions	599,264	333,807	127,370	1,060,441
Professional development	22,950	14,840	5,950	43,740
Employer cost	131,591	36,280	13,843	181,714
Retirement contribution	32,284	12,644	3,041	47,969
Employee expense - Outreach	35,301	10,627	22,786	68,714
Employee expense	114,111	51,406	34,532	200,049
<b>TOTAL STAFF EXPENSE</b>	<b>935,501</b>	<b>459,604</b>	<b>207,522</b>	<b>1,602,627</b>
<b>OTHER OPERATING EXPENSE</b>				
Board of Trustees administration/travel	7,000	24,501	3,500	35,001
IT costs	100,595	25,149	-	125,744
Annual report/art	2,453	1,227	409	4,089
Audit & legal fees	47,530	47,554	1,348	96,432
Association memberships	21,166	16,107	30,792	68,065
Other shipping	9,411	1,046	-	10,457
Office supplies	55,391	13,848	-	69,239
Insurance	68,806	29,784	916	99,506
Building maintenance	47,878	5,019	749	53,646
Interest on mortgage	576	60	9	645
Miscellaneous	9,617	-	-	9,617
<b>TOTAL OTHER OPERATING EXPENSE</b>	<b>370,423</b>	<b>164,295</b>	<b>37,723</b>	<b>572,441</b>
Write off of bad debts	42,670	-	-	42,670
Loss on disposal of assets	13,981	-	-	13,981
Depreciation/amortization	46,226	20,008	615	66,849
<b>TOTAL EXPENSES</b>	<b>\$ 11,231,035</b>	<b>\$ 643,907</b>	<b>\$ 291,521</b>	<b>\$ 12,166,463</b>

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DESTINATION IMAGINATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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

	PROGRAM SERVICES	MANAGEMENT and GENERAL	FUND RAISING	TOTAL
<b>DIRECT COST</b>				
Affiliate support and administration	\$ 96,203	\$ -	\$ 48,835	\$ 145,038
DI University	19,398	-	-	19,398
Licensee conference	215,971	-	-	215,971
Program materials/shipping/commissions	300,555	-	-	300,555
Creative Compass/other materials	35,362	-	-	35,362
Credit card fees	21,761	-	-	21,761
Conference & bulk mail reimbursement	9,746	-	-	9,746
Team challenges	36,363	-	-	36,363
QRP challenges	8,778	-	-	8,778
Instant challenges	12,182	-	-	12,182
Early learning - updates/phase II	8,186	-	-	8,186
Product cost	81,610	-	-	81,610
Events & other	27,458	-	-	27,458
Asia office costs	-	-	-	-
Global fundraising networking	177,211	-	-	177,211
Global finals	7,885,436	-	-	7,885,436
<b>TOTAL DIRECT COST</b>	<b>8,936,220</b>	<b>-</b>	<b>48,835</b>	<b>8,985,055</b>
<b>STAFF EXPENSE</b>				
Staff salaries/commissions	537,111	318,731	134,543	990,385
Professional development	22,854	16,835	3,301	42,990
Employer cost	129,294	37,331	15,758	182,383
Retirement contribution	28,003	11,982	2,454	42,439
Employee expense - Outreach	-	-	-	-
Employee expense	71,601	63,158	51,593	186,352
<b>TOTAL STAFF EXPENSE</b>	<b>788,863</b>	<b>448,037</b>	<b>207,649</b>	<b>1,444,549</b>
<b>OTHER OPERATING EXPENSE</b>				
Board of Trustees administration/travel	7,982	27,937	3,991	39,910
IT costs	94,091	23,523	-	117,614
Annual report/art	3,089	1,545	515	5,149
Audit & legal fees	55,174	38,868	1,571	95,613
Association memberships	4,839	14,517	29,034	48,390
Other shipping	6,761	751	-	7,512
Office supplies	42,185	10,546	-	52,731
Insurance	65,592	32,095	1,009	98,696
Building maintenance	52,612	5,233	982	58,827
Interest on mortgage	16,532	1,644	309	18,485
Miscellaneous	2,137	-	-	2,137
<b>TOTAL OTHER OPERATING EXPENSE</b>	<b>350,994</b>	<b>156,659</b>	<b>37,411</b>	<b>545,064</b>
Write off of bad debts	45,366	-	-	45,366
Loss on disposal of assets	2,753	895	28	3,676
Depreciation/amortization	48,045	23,509	739	72,293
<b>TOTAL EXPENSES</b>	<b>\$ 10,172,241</b>	<b>\$ 629,100</b>	<b>\$ 294,662</b>	<b>\$ 11,096,003</b>

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