

PAGE EDUCATION FOUNDATION

FINANCIAL STATEMENTS

June 30, 2015 and 2014

CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3
Statements of functional expenses	4
Statements of cash flows	5
Notes to financial statements	6 - 13



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Page Education Foundation
Minneapolis, Minnesota

Report on Financial Statements

We have audited the accompanying financial statements of Page Education Foundation (Foundation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, 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 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 Page Education Foundation as of June 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.

Lurie, LLP
Minneapolis, Minnesota

December 24, 2015

PAGE EDUCATION FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 455,759	\$ 565,559
Certificates of deposit	1,708,126	1,505,255
Endowment fund investments	2,189,921	2,110,071
Prepaid expenses	19,313	9,731
Cash value of life insurance	85,591	54,250
	<u>\$ 4,458,710</u>	<u>\$ 4,244,866</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 288	\$ 799
Accrued expenses	6,011	1,819
	<u>6,299</u>	<u>2,618</u>
NET ASSETS		
Unrestricted	2,208,341	2,078,028
Restricted - temporarily	1,221,694	1,147,844
Restricted - permanently	1,022,376	1,016,376
	<u>4,452,411</u>	<u>4,242,248</u>
	<u>\$ 4,458,710</u>	<u>\$ 4,244,866</u>

See notes to financial statements.

PAGE EDUCATION FOUNDATION

STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2015			Year Ended June 30, 2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND SUPPORT								
Contributions – cash	\$ 1,123,364	\$ 236,014	\$ 6,000	\$ 1,365,378	\$ 1,167,563	\$ 210,793	\$ 26,528	\$ 1,404,884
Contributions – investments	8,769	-	-	8,769	18,461	-	-	18,461
Interest and dividends	12,368	41,782	-	54,150	10,181	40,153	-	50,334
Realized gain (loss) on sale of investments	(841)	68,141	-	67,300	(1,679)	12,141	-	10,462
Unrealized gain (loss) on investments	1,347	(36,073)	-	(34,726)	(640)	313,352	-	312,712
Net assets released from restrictions	236,014	(236,014)	-	-	260,245	(260,245)	-	-
TOTAL REVENUES AND SUPPORT	1,381,021	73,850	6,000	1,460,871	1,454,131	316,194	26,528	1,796,853
EXPENSES								
Program services:								
Scholarships	834,875	-	-	834,875	806,625	-	-	806,625
Program and mentor management	123,264	-	-	123,264	158,438	-	-	158,438
	958,139	-	-	958,139	965,063	-	-	965,063
Support services:								
General administration	118,702	-	-	118,702	113,597	-	-	113,597
Fundraising	173,867	-	-	173,867	162,274	-	-	162,274
	292,569	-	-	292,569	275,871	-	-	275,871
TOTAL EXPENSES	1,250,708	-	-	1,250,708	1,240,934	-	-	1,240,934
INCREASE IN NET ASSETS	130,313	73,850	6,000	210,163	213,197	316,194	26,528	555,919
NET ASSETS								
Beginning of year	2,078,028	1,147,844	1,016,376	4,242,248	1,864,831	831,650	989,848	3,686,329
End of year	2,208,341	1,221,694	1,022,376	4,452,411	2,078,028	1,147,844	1,016,376	4,242,248

See notes to financial statements.

PAGE EDUCATION FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended June 30, 2015				
	Program Services		Support Services		
	Scholarship	Scholarship and Mentor Program	General Administration	Fundraising	Total
Scholarships	\$ 834,875	\$ -	\$ -	\$ -	\$ 834,875
Compensation	-	100,701	49,724	66,060	216,485
Payroll taxes	-	7,704	3,804	5,053	16,561
Employee benefits	-	-	5,878	-	5,878
Computer expense	-	-	11,108	-	11,108
Directors' life insurance	-	-	(15,623)	-	(15,623)
Fundraising events	-	-	-	70,064	70,064
Insurance	-	-	1,973	-	1,973
Office rent	-	-	29,865	-	29,865
Office supplies and expense	-	2,605	8,836	6,850	18,291
Postage	-	-	910	7,858	8,768
Printing	-	2,321	3,304	8,092	13,717
Professional fees	-	321	17,572	321	18,214
Program expense	-	910	-	-	910
Supplies	-	8,702	-	9,569	18,271
Telephone	-	-	1,351	-	1,351
	<u>\$ 834,875</u>	<u>\$ 123,264</u>	<u>\$ 118,702</u>	<u>\$ 173,867</u>	<u>\$ 1,250,708</u>

	Year Ended June 30, 2014				
	Program Services		Support Services		
	Scholarship	Scholarship and Mentor Program	General Administration	Fundraising	Total
Scholarships	\$ 806,625	\$ -	\$ -	\$ -	\$ 806,625
Compensation	-	127,984	47,480	41,443	216,907
Payroll taxes	-	9,790	3,633	3,171	16,594
Employee benefits	-	-	5,443	-	5,443
Computer expense	-	-	8,846	-	8,846
Directors' life insurance	-	-	(11,170)	-	(11,170)
Fundraising events	-	-	-	74,451	74,451
Insurance	-	-	1,457	-	1,457
Office rent	-	-	23,747	-	23,747
Office supplies and expense	-	2,073	7,329	6,721	16,123
Postage	-	1,714	-	8,009	9,723
Printing	-	3,040	4,407	5,505	12,952
Professional fees	-	5,775	20,893	-	26,668
Program expense	-	2,459	-	-	2,459
Supplies	-	5,603	-	22,974	28,577
Telephone	-	-	1,532	-	1,532
	<u>\$ 806,625</u>	<u>\$ 158,438</u>	<u>\$ 113,597</u>	<u>\$ 162,274</u>	<u>\$ 1,240,934</u>

See notes to financial statements.

PAGE EDUCATION FOUNDATION
STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Increase in net assets	\$ 210,163	\$ 555,919
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Contributions of investments	(8,769)	(18,461)
Realized and unrealized net gain on investments	(32,574)	(323,174)
Cash value of life insurance increase	(31,341)	(11,170)
Charitable trust receivable decrease	-	39,452
Changes in operating assets and liabilities:		
Prepaid expenses	(9,582)	3,891
Accounts payable and accrued expenses	3,681	447
Net cash provided by operating activities	<u>131,578</u>	<u>246,904</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	839,562	854,215
Purchases of investments	(1,160,264)	(905,280)
(Increase) decrease in endowment fund cash	79,324	(102,458)
Net cash used by investing activities	<u>(241,378)</u>	<u>(153,523)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(109,800)	93,381
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>565,559</u>	<u>472,178</u>
End of year	<u>\$ 455,759</u>	<u>\$ 565,559</u>

See notes to financial statements.

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

1. Description of Organization and Summary of Significant Accounting Policies -

Organization

The Page Education Foundation (Foundation) is a nonprofit corporation established in 1988 to promote the importance of education to minority youth in Minnesota. The Foundation provides services to children's programs, a scholarship program and an adult "Senior Mentor" program, which offer positive role models and community education and service to accomplish the Foundation's mission. The Foundation's principal source of revenue is from public contributions. The Foundation has also been the beneficiary of various types of donated and contributed services.

Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets, classified based on donor imposed restrictions as follows:

Unrestricted - Resources over which the Board of Directors has discretionary control. Designated amounts, if any, represent those net assets which the Board has set aside for a particular purpose.

Restricted - Temporarily - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Foundation or passage of time.

Restricted - Permanently - Those resources subject to a donor imposed restriction to be maintained permanently by the Foundation. The donors of these resources permit use of the income earned, including capital appreciation, for unrestricted or temporarily restricted purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions or other stipulations. Expenses are reported as decreases in unrestricted net assets. Expiration of temporary restrictions on net assets, by the Foundation fulfilling the donor stipulations or by the passage of a specified time period, are reported as net assets released from restrictions. Restricted contributions include in-kind donations and donations made to cover specific expenses of the Foundation.

Contributions received other than cash are recorded when received at their estimated fair value.

The Foundation's programs are aided by a substantial number of volunteers. The value of the volunteers' donated services was not recorded in the financial statements.

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from those estimates.

(continued)

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

1. Description of Organization and Summary of Significant Accounting Policies – (continued)

Functional Expenses

The paid staff positions include the Administrative Director, Program Manager, Program Coordinator, and Administrative and Marketing Associate. Salaries are prorated based on management's estimate of time spent on program services, general administration and fundraising. In addition, other expenses are allocated based on management's estimate of the activity performed.

Cash Equivalents and Credit Risk

All highly liquid investments, except those held for long-term investment, with an original maturity when purchased of three months or less are considered to be cash equivalents.

Cash balances are maintained in one brokerage firm utilizing the brokerage firm's money market fund for excess cash. The balances are insured by the Security Investors Protection Corporation (SIPC) and the brokerage firm's private insurance up to agreed-upon limits.

Valuation of Investments and Income Recognition

Investments are reported at fair value. Fair value is 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 Foundation's Board of Directors determines the Foundation's valuation policies utilizing information provided by investment advisers. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Income Taxes

The Foundation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and comparable state regulations. Therefore, the financial statements do not reflect a provision for income taxes. The Foundation has been classified as an organization that is not a private foundation under the Internal Revenue Code and contributions by donors are considered tax deductible.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Foundation is no longer subject to income tax examinations for years prior to 2012.

2. Certificates of Deposit –

Certificates of deposit at June 30, 2015 consisted of seventeen certificates with various financial institutions with a market value of \$1,708,126. The certificates of deposit are unrestricted and bear interest rates of .50% to 2.00%. Certificates of deposit at June 30, 2014 consisted of fifteen certificates with various financial institutions with a market value of \$1,505,255.

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

3. Endowment Fund Investments –

In November 1996, the Foundation’s Board of Directors established an endowment fund to provide income for the life of the Foundation. In the event of liquidation, the endowment fund may be utilized to wind up the Foundation’s affairs. The investments are reported at fair value.

The Foundation’s endowment fund invests in various securities. These securities are subject to various risks such as economic, interest rate, credit, market, economic, and political risks. Due to these risks the fund account value may fluctuate.

The assets held in the endowment fund at June 30, 2015 and 2014, consisted of the following:

	<u>2015</u>		<u>2014</u>	
	<u>Shares or Face Value</u>	<u>Market Value</u>	<u>Shares or Face Value</u>	<u>Market Value</u>
Money market fund		\$ <u>72,140</u>		\$ <u>151,463</u>
Mutual Funds:				
S&P 500 Index	3,668	759,997	4,207	828,825
Russell Midcap Index	2,643	450,187	2,605	423,473
EMU Index	7,796	292,651	6,909	292,386
Fidelity Value	197	22,980	197	22,300
Templeton Growth – A	621	14,925	604	15,892
MFS Growth – A	196	13,781	188	12,610
Invesco - A	304	7,385	304	7,778
		<u>1,561,906</u>		<u>1,603,264</u>
Certificates of Deposit:				
GE Cap Retail Bank	50,000	51,168	50,000	51,108
Goldman Sachs	50,000	51,098	50,000	52,898
GE Cap Retail Bank	50,000	51,076	50,000	51,385
GE Cap Retail Bank	50,000	50,823	50,000	50,476
Capital One	50,000	50,593	-	-
Goldman Sachs	50,000	50,414	50,000	50,259
Sallie Mae	50,000	50,274	-	-
Goldman Sachs	50,000	50,218	50,000	49,789
BMU Bank	50,000	50,216	-	-
Goldman Sachs	50,000	50,129	-	-
State Bank of India	50,000	49,866	50,000	49,429
		<u>555,875</u>		<u>355,344</u>
		<u>\$ 2,189,921</u>		<u>\$ 2,110,071</u>

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurements –

The framework for measuring fair value provided by accounting principles generally accepted in the United States of America (GAAP) provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the GAAP fair value hierarchy are described as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Certificates of deposit: Valued based on current yield of similar instruments with comparable durations considering the credit-worthiness of the issuer.

(continued)

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurements – (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value:

	Investment Assets at Fair Value as of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Mutual funds				
US equities	\$ 1,246,945	\$ -	\$ -	\$ 1,246,945
International equities	307,576	-	-	307,576
Fixed income	7,385	-	-	7,385
	<u>1,561,906</u>	<u>-</u>	<u>-</u>	<u>1,561,906</u>
Certificates of deposit	-	2,264,001	-	2,264,001
Total investment assets measured at fair value	<u>\$ 1,561,906</u>	<u>\$ 2,264,001</u>	<u>\$ -</u>	<u>3,825,907</u>
Money market fund				<u>72,140</u>
Total endowment fund and certificates of deposit				<u>\$ 3,898,047</u>

	Investment Assets at Fair Value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Mutual funds				
US equities	\$ 1,287,208	\$ -	\$ -	\$ 1,287,208
International equities	308,278	-	-	308,278
Fixed income	7,778	-	-	7,778
	<u>1,603,264</u>	<u>-</u>	<u>-</u>	<u>1,603,264</u>
Certificates of deposit	-	1,860,599	-	1,860,599
Total investment assets measured at fair value	<u>\$ 1,603,264</u>	<u>\$ 1,860,599</u>	<u>\$ -</u>	<u>3,463,863</u>
Money market fund				<u>151,463</u>
Total endowment fund and certificates of deposit				<u>\$ 3,615,326</u>

Certain certificates of deposit in the above tables are included in endowment fund investments in the statements of financial position.

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

5. Cash Value of Life Insurance –

The Foundation is the beneficiary of life insurance on the lives of two of the members of its Board of Directors. The face value of the life insurance policies is \$200,000.

6. Net Assets – Temporarily and Permanently Restricted –

Temporarily restricted net assets were restricted for future scholarship and program activities.

Temporarily and permanently restricted net assets consisted of the following:

	June 30,	
	<u>2015</u>	<u>2014</u>
Temporarily Restricted:		
Unappropriated endowment net assets	\$ 1,167,544	\$ 1,093,694
The Travelers Companies, Inc.	50,000	50,000
National Distillers	4,150	4,150
	<u>1,221,694</u>	<u>1,147,844</u>
Permanently Restricted:		
J. Morgan	487,497	487,497
Ruth D. Drake Family Trust	250,250	250,250
Foundation transfer	82,000	82,000
Warren F. Weck Jr. Charitable Trust	76,000	70,000
Winter Fund	40,645	40,645
Jones Fund	23,025	23,025
Lockhardt Popham Fund	21,205	21,205
Janet Meyer	20,528	20,528
Koumo Fund	10,312	10,312
Page Fund	6,000	6,000
Farni Fund	3,914	3,914
Nicholson Family Foundation	1,000	1,000
	<u>1,022,376</u>	<u>1,016,376</u>
	<u>\$ 2,244,070</u>	<u>\$ 2,164,220</u>

7. Endowment –

The Foundation's endowment consisted of donor-restricted funds established primarily for the purpose of providing scholarships. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(continued)

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

7. Endowment – (continued)

Interpretation of Relevant Law

The Board of Directors of Page Education Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Foundation classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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 Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation.

The Foundation has no Board designated endowment funds. Donor-restricted endowment net assets and changes in endowment net assets consisted of the following:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at July 1, 2013	\$ 728,048	\$ 989,848	\$ 1,717,896
Investment income	40,153	-	40,153
Net appreciation	325,494	-	325,494
Contributions	-	26,528	26,528
Endowment net assets at June 30, 2014	1,093,695	1,016,376	2,110,071
Investment income	41,782	-	41,782
Net appreciation	32,068	-	32,068
Contributions	-	6,000	6,000
Endowment net assets at June 30, 2015	<u>\$ 1,167,545</u>	<u>\$ 1,022,376</u>	<u>\$ 2,189,921</u>

(continued)

PAGE EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

7. Endowment – (continued)

Return Objectives, Strategies, and Spending Policy

The Foundation has adopted investment objectives for endowment assets to preserve capital, maintain liquidity, and maximize yield. The Foundation's policy is to have the endowments professionally managed and invested conservatively.

It is the Foundation's policy that before a draw from endowment funds can be taken, in order to provide for unexpected market downturns, that annual draws are not required and are made at the discretion of the Foundation's Board of Directors. Endowment draws are restricted to scholarship funding and cannot be made for any other purpose.

8. Scholarship Commitments –

The Foundation awarded scholarships to 484 and 501 students during the 2014-2015 and 2013-2014 school years, respectively. During the 2014-2015 school year, 484 of the 531 students accepted all or part of their scholarship funds, ranging from \$1,000 to \$2,500. During the 2013-2014 school year, 471 of the 501 students accepted all or part of their scholarship funds, ranging from \$1,000 to \$5,000. The average scholarship was \$1,748 and \$1,713 in 2015 and 2014, respectively. All recipients attended colleges or universities located in Minnesota. Some students awarded scholarships decided for various reasons not to attend school or not to fulfill their community service requirement and, therefore, their scholarship money was not paid.

For the 2015-2016 school year, the Foundation estimates its maximum potential commitment of scholarship funds is approximately \$900,000.

9. Operating Lease Commitment –

The Foundation leases its facilities under an operating lease expiring February 2016. Rent expense, including real estate taxes and operating costs, was \$29,865 and \$23,747 for 2015 and 2014, respectively. Future minimum lease payments are approximately \$9,700 for 2016.

10. Employee Benefit Plan –

The Foundation sponsors a simple IRA plan covering eligible employees. The annual 3% matching contribution was \$5,878 and \$5,443 for 2015 and 2014, respectively.

11. Related Parties –

Members of the Board of Directors contributed cash and investments to the Foundation during 2015 and 2014.

12. Subsequent Events –

Management has evaluated subsequent events through December 24, 2015, the date the financial statements were available to be issued.