



Financial Statements

December 31, 2015

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Accountable

Independent Auditors' Report

To the Board of Directors
Acadia Center
Rockport, Maine

We have audited the accompanying financial statements of Acadia Center (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 Acadia Center as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Acadia Center as of December 31, 2014, were audited by other auditors whose report, dated February 26, 2016, expressed an unmodified opinion on those statements.

South Portland, Maine
March 23, 2017

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Statements of Financial Position

December 31,

| ASSETS | 2015 | 2014 |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 2,147,790 | \$ 1,902,450 |
| Accounts and grants receivable | 176,146 | 36,854 |
| Prepaid expenses | 9,269 | 14,909 |
| Total Current Assets | <u>2,333,205</u> | <u>1,954,213</u> |
| Furniture and Equipment | | |
| Furniture, equipment and software | 57,838 | 50,653 |
| Accumulated depreciation | (43,781) | (38,026) |
| | <u>14,057</u> | <u>12,627</u> |
| Other Assets | | |
| Deposits | 14,782 | 17,165 |
| Investments | 464,455 | 463,546 |
| Total Other Assets | <u>479,237</u> | <u>480,711</u> |
| Total Assets | <u>\$ 2,826,499</u> | <u>\$ 2,447,551</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | 10,471 | 18,176 |
| Total Current Liabilities | <u>10,471</u> | <u>18,176</u> |
| Total Liabilities | <u>10,471</u> | <u>18,176</u> |
| Net Assets | | |
| Unrestricted | | |
| Undesignated | 908,971 | 1,382,448 |
| Net investment in property and equipment | 14,057 | 12,627 |
| Total unrestricted | <u>923,028</u> | <u>1,395,075</u> |
| Temporarily restricted | 1,893,000 | 1,034,300 |
| | <u>2,816,028</u> | <u>2,429,375</u> |
| Total Liabilities and Net Assets | <u>\$ 2,826,499</u> | <u>\$ 2,447,551</u> |

See independent auditors' report.

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

Statements of Activities

Year Ended December 31, 2015

| | Unrestricted | Temporarily Restricted | Totals |
|--|-------------------|---------------------------|---------------------|
| Revenue and Other Support | | | |
| Contributions | \$ 93,682 | | \$ 93,682 |
| Foundations and grants | 56,750 | 1,893,000 | 1,949,750 |
| Interest income | 1,838 | | 1,838 |
| Unrealized loss on investments | (909) | | (909) |
| Gain on currency translation | 1,225 | | 1,225 |
| Other revenue | 6,043 | | 6,043 |
| Total Revenue and Other Support - Before Net Assets Released From Restriction | <u>158,629</u> | <u>1,893,000</u> | <u>2,051,629</u> |
| Net Assets Released from Restrictions | | | |
| Satisfaction of time and purpose restrictions | <u>1,034,300</u> | <u>(1,034,300)</u> | <u></u> |
| Total Revenue and Other Support | <u>1,192,929</u> | <u>858,700</u> | <u>2,051,629</u> |
| Expenses | | | |
| Program services | 1,500,483 | | 1,500,483 |
| Management and general | 91,985 | | 91,985 |
| Fundraising and development | 72,508 | | 72,508 |
| Total Expenses | <u>1,664,976</u> | | <u>1,664,976</u> |
| Change in Net Assets | (472,047) | 858,700 | 386,653 |
| Net Assets, Beginning of Year | <u>1,395,075</u> | <u>1,034,300</u> | <u>2,429,375</u> |
| Net Assets, End of Year | <u>\$ 923,028</u> | <u>\$ 1,893,000</u> | <u>\$ 2,816,028</u> |

See independent auditors' report.

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

Statements of Activities - Continued

Year Ended December 31, 2014

| | Unrestricted | Temporarily Restricted | Totals |
|--|---------------------|---------------------------|---------------------|
| Revenue and Other Support | | | |
| Contributions | \$ 25,360 | | \$ 25,360 |
| Foundations and grants | 163,618 | \$ 1,507,500 | 1,671,118 |
| Interest income | 1,552 | | 1,552 |
| Gain on currency translation | 5,472 | | 5,472 |
| Unrealized gain on investments | 1,374 | | 1,374 |
| Other revenue | 5,085 | | 5,085 |
| Total Revenue and Other Support - Before Net Assets Released From Restriction | <u>202,461</u> | <u>1,507,500</u> | <u>1,709,961</u> |
| Net Assets Released from Restrictions | | | |
| Satisfaction of time and purpose restrictions | <u>1,410,700</u> | <u>(1,410,700)</u> | |
| Total Revenue and Other Support | <u>1,613,161</u> | <u>96,800</u> | <u>1,709,961</u> |
| Expenses | | | |
| Program services | 1,368,276 | | 1,368,276 |
| Management and general | 87,909 | | 87,909 |
| Fundraising and development | 72,761 | | 72,761 |
| Total Expenses | <u>1,528,946</u> | | <u>1,528,946</u> |
| Change in Net Assets | 84,215 | 96,800 | 181,015 |
| Net Assets, Beginning of Year | <u>1,310,860</u> | <u>937,500</u> | <u>2,248,360</u> |
| Net Assets, End of Year | <u>\$ 1,395,075</u> | <u>\$ 1,034,300</u> | <u>\$ 2,429,375</u> |

See independent auditors' report.

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

Statements of Functional Expenses

Year Ended December 31, 2015

| | Program Services | Management and General | Fundraising and Development | Total Expenses |
|-----------------------------------|---------------------|------------------------------|-----------------------------------|---------------------|
| Salaries and wages | \$ 1,024,863 | \$ 55,550 | \$ 49,467 | \$ 1,129,880 |
| Payroll taxes and fringe benefits | 191,161 | 10,922 | 11,757 | 213,840 |
| Consultants | 80,114 | 914 | 289 | 81,317 |
| Accounting | 9,646 | 1,481 | 477 | 11,604 |
| Professional fees | 2,235 | 83 | 82 | 2,400 |
| Office supplies | 4,798 | 2,092 | 172 | 7,062 |
| Communications | 18,471 | 1,142 | 621 | 20,234 |
| Postage | 719 | 275 | 144 | 1,138 |
| Occupancy | 81,476 | 4,121 | 3,713 | 89,310 |
| Printing | 11,981 | 79 | 57 | 12,117 |
| Travel | 41,828 | 1,429 | 1,841 | 45,098 |
| Meeting and conferences | 15,099 | 311 | 1,071 | 16,481 |
| Insurance | 2,260 | 3,251 | 74 | 5,585 |
| Books and subscriptions | 1,807 | 86 | 86 | 1,979 |
| Bank fees | 239 | 594 | 1,930 | 2,763 |
| Website | 946 | 6,280 | 47 | 7,273 |
| Technology | 5,535 | 748 | 283 | 6,566 |
| Lobbying fees | 327 | 1,065 | | 1,392 |
| Other taxes | | 14 | | 14 |
| Depreciation | 5,640 | 279 | 279 | 6,198 |
| Miscellaneous | 1,338 | 1,269 | 118 | 2,725 |
| Total Expenses | \$ 1,500,483 | \$ 91,985 | \$ 72,508 | \$ 1,664,976 |

See independent auditors' report.

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

Statements of Functional Expenses - Continued

Year Ended December 31, 2014

| | Program Services | Management and General | Fundraising and Development | Total Expenses |
|-----------------------------------|---------------------|------------------------------|-----------------------------------|---------------------|
| Salaries and wages | \$ 905,249 | \$ 36,387 | \$ 54,826 | \$ 996,462 |
| Payroll taxes and fringe benefits | 178,457 | 9,211 | 10,051 | 197,719 |
| Consultants | 107,130 | 18,527 | 1,524 | 127,181 |
| Accounting | 9,793 | 1,990 | 319 | 12,102 |
| Professional fees | 4,973 | 60 | 60 | 5,093 |
| Office supplies | 1,722 | 373 | 52 | 2,147 |
| Communications | 19,865 | 1,365 | 1,266 | 22,496 |
| Postage | 496 | 146 | 31 | 673 |
| Occupancy | 70,340 | 4,054 | 2,433 | 76,827 |
| Printing | 3,223 | 167 | 101 | 3,491 |
| Travel | 34,927 | 1,179 | 882 | 36,988 |
| Meeting and conferences | 9,765 | 850 | 152 | 10,767 |
| Insurance | 2,383 | 3,211 | 78 | 5,672 |
| Books and subscriptions | 1,209 | 702 | 30 | 1,941 |
| Bank fees | 71 | 773 | 144 | 988 |
| Website | | 172 | | 172 |
| Technology | 5,058 | 1,458 | 179 | 6,695 |
| Lobbying fees | 441 | 415 | | 856 |
| Other taxes | 9,261 | 41 | 11 | 9,313 |
| Depreciation | 3,913 | 168 | 126 | 4,207 |
| Miscellaneous | | 6,660 | 496 | 7,156 |
| Total Expenses | \$ 1,368,276 | \$ 87,909 | \$ 72,761 | \$ 1,528,946 |

See independent auditors' report.

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

Statements of Cash Flows

Years Ended December 31,

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Cash flows used in operating activities: | | |
| Change in net assets | <u>\$ 386,653</u> | <u>\$ 181,015</u> |
| Adjustments to reconcile change in net assets to net cash flows used in operating activities: | | |
| Depreciation | 6,198 | 4,207 |
| Net realized and unrealized loss on investments | 909 | (1,374) |
| Loss on disposal of furniture and equipment | 316 | |
| Gain on foreign currency translation | (1,225) | (5,472) |
| (Increase) decrease in operating assets: | | |
| Accounts and grants receivable | (138,067) | (27,492) |
| Prepaid expenses | 5,640 | (4,715) |
| Other assets | 2,383 | (11,867) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable and accrued expenses | (7,705) | (24,220) |
| Total adjustments | <u>(131,551)</u> | <u>(70,933)</u> |
| Net cash flows used in operating activities | <u>255,102</u> | <u>110,082</u> |
| Cash flows used in investing activities: | | |
| Furniture and equipment purchases | (7,944) | (10,998) |
| (Purchases of) proceeds from investments | (1,818) | 5,364 |
| Net cash used in investing activities | <u>(9,762)</u> | <u>(5,634)</u> |
| Net increase in cash and cash equivalents | 245,340 | 104,448 |
| Cash and cash equivalents, beginning of year | <u>1,902,450</u> | <u>1,798,002</u> |
| Cash and cash equivalents, end of year | <u>\$ 2,147,790</u> | <u>\$ 1,902,450</u> |

See independent auditors' report.

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

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Acadia Center (the “Organization”) is a non-profit, research and advocacy organization committed to advancing the clean energy future. Acadia Center is at the forefront of efforts to build clean, low carbon and consumer friendly economies. Acadia Center’s approach is characterized by reliable information, comprehensive advocacy and problem solving through innovation and collaboration.

Basis of Presentation

The financial statement presentation follows the provisions of FASB ASC 958-605 *Revenue Recognition-Contributions* and FASB ASC 958-205 *Presentation of Financial Statements*. Under these provisions, the Organization is required to report 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. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified, as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Expenditures of these assets in satisfaction of such restrictions (including the purchase of long-lived assets) are presented as net assets released from restrictions within the statements of activities, thereby reducing temporarily restricted net assets and increasing unrestricted net assets.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

For the years ended December 31, 2015 and 2014, the Organization had no permanently restricted net assets.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all depository accounts with financial institutions, including certificates of deposit with original maturities of less than 90 days and money market funds, to be cash and cash equivalents.

Accounts and Grants Receivable

Accounts and grants receivable consist of grants awarded but not yet received and other amounts owed to the Organization, that are collectible within one year of year end. Management has deemed all accounts and grants receivable to be fully collectible; therefore, no allowance for uncollectible accounts has been recorded.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Concentration of Revenue

Of the revenues received by the Organization for the years ended December 31, 2015 and 2014, approximately 64% and 46%, respectively, were from its four largest revenue sources. Changes in or elimination of these revenue sources could adversely affect operations of the Organization if other revenue sources are not readily available.

Revenue

The Organization's principal funding sources are contributions, gifts, and grants from the general public and private foundations. All contributions are considered available for the Organization's general programs, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets.

Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on direct labor incurred.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Management has evaluated the Organization's tax position and concluded that the Organization has taken no uncertain tax position that required adjustment to the financial statements. The Organization is currently subject to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for the years ended December 31, 2012 through 2015.

Use of Estimates

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

Reclassification

Certain reclassifications have been made to the December 31, 2014 financial statement presentations to correspond to the current year's format. These reclassifications had no effect on the change net assets for the year ended December 31, 2014.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recently Adopted Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standard (IFRS). The core principle of the guidance requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for all nonpublic entities' annual periods beginning after December 15, 2018, but management presently does not expect a significant change in revenue recognition.

Leasing

In February 2016, FASB issued ASU 2016 – 2, *Leases*. This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of companies that lease. The proposal is for a dual-model approach; a lessee would account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both would be reported on the balance sheet of the company. Lessors will see some changes too, largely made to align with the revised lease model. For nonpublic companies, the new leasing standard would apply for fiscal years beginning after December 15, 2019. The standard requires retroactive application to previously issued financial statements for 2019 and 2018, if presented. Management is currently evaluating the impact of adoption on its financial statements.

Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*, to amend current reporting requirements to make several improvements including reducing complexities of information presented within Not-for-Profit financial statements. A main provision of this update is that a Not-for-Profit entity will report two classes of net assets (amounts for net assets with donor restrictions and net assets without donor restrictions), rather than the currently required three classes. The guidance is effective for annual periods beginning after December 15, 2017, with early application permitted. This standard requires retroactive application to previously issued financial statements for 2018 and 2017, if presented. Management is currently evaluating the impact of adoption on its financial statements.

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances at various financial institutions in the United States (U.S.) and Canada. As of December 31, 2015 and 2014, deposits in the U.S. were insured by FDIC up to a maximum amount of \$250,000 per institution, and deposits in Canada were insured by CDIC up to a maximum amount of \$100,000 per institution. Additionally, the Organization holds a repurchase agreement with a local bank (U.S.) providing federally-backed collateralization for certain cash balances. At December 31, 2015 and 2014, the Organization's uninsured and uncollateralized cash balances totaled \$1,016 and \$464,261, respectively.

NOTE 3 – PROPERTY AND EQUIPMENT

Significant items of equipment with estimated useful lives of more than one year and with a cost of \$500 or more are capitalized at cost if purchased, or at fair market value if donated. The Organization depreciates equipment using the straight-line method. Estimated useful lives of the respective assets range from three to five years.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

NOTE 4 – INVESTMENTS

In accordance with FASB ASC 820-10 *Fair Value Measurement*, the Organization reports its investments at fair value.

Investments at December 31, 2015 and 2014 consisted of the following:

| | 2015 | 2014 |
|-----------------------------|-------------------|-------------------|
| Cash and money market funds | \$ 203,919 | \$ 453,886 |
| Fixed Income - CDs | 250,703 | |
| Equities: corporate stock | 9,833 | 9,660 |
| | <u>\$ 464,455</u> | <u>\$ 463,546</u> |

The Organization considers certificates of deposit with original maturities of greater than 90 days to be long-term investments and is shown as such on the statements of financial position. All others are considered to be cash and cash equivalents and are shown as current assets on the statements of financial position.

The Organization invests in various investment securities and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

NOTE 5 – FAIR VALUE

In accordance with FASB ASC 820-10 *Fair Value Measurement and Disclosure*, the Organization is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements. *Level 1*: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date. *Level 2*: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly. *Level 3*: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

The reported values of assets measured at fair value on a recurring basis are classified as follows at December 31, 2015:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|-----------------------------|-------------------|-------------------|-------------------|---------|
| Cash and money market funds | \$ 203,919 | \$ 203,919 | | |
| Fixed Income - CDs | 250,703 | | \$ 250,703 | |
| Equities: corporate stock | 9,833 | 9,833 | | |
| | <u>\$ 464,455</u> | <u>\$ 213,752</u> | <u>\$ 250,703</u> | |

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

NOTE 5 – FAIR VALUE - CONTINUED

The reported values of assets measured at fair value on a recurring basis are classified as follows at December 31, 2014:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|-----------------------------|-------------------|-------------------|---------|---------|
| Cash and money market funds | \$ 453,886 | \$ 453,886 | | |
| Equities: corporate stock | 9,660 | 9,660 | | |
| | <u>\$ 463,546</u> | <u>\$ 463,546</u> | | |

Transfers between levels of assets are recognized on the actual date of the event or change in circumstance that caused the transfer; there were no transfers between levels of assets during the years ended December 31, 2015 and 2014.

NOTE 6 – NET ASSETS

Temporarily restricted net assets are comprised of the following at December 31:

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Clean Energy and Carbon Markets | \$ 511,750 | \$ 147,250 |
| Energy Efficiency and Demand Side | 407,500 | 789,050 |
| Grid Modernization and Electrification | 643,750 | |
| Acadia Climate and Energy Analysis (CLEAN) Center, Reports, and Rapid Response | 189,375 | |
| Public Engagement | 140,625 | |
| Transportation | | 98,000 |
| | <u>\$ 1,893,000</u> | <u>\$ 1,034,300</u> |

NOTE 7 – OPERATING LEASE

During the year ended December 31, 2008, the Organization entered into an operating lease for office space located in Hartford, Connecticut under the terms of a non-cancelable lease. The original term of this lease agreement was three years, with an additional three-year renewal option available thereafter, which was exercised in 2011. In 2013, the lease terms were amended to extend until 2019. The lease calls for monthly payments of rent ranging from \$1,470 to \$1,821 per month during the term of the lease. During the year ended December 31, 2013, the Organization entered into an operating lease in Providence, Rhode Island under the terms of a non-cancelable lease. The original term of this lease is three years. The lease calls for monthly payments of rent of \$740. During the year ended December 31, 2014, the Organization entered into an operating lease for office space located in Boston, Massachusetts under the terms of a non-cancelable lease. The original term of this lease is five years and four months. The lease calls for monthly payments of rent ranging from \$5,608 to \$6,278 per month during the term of the lease.

During the years ended December 31, 2015 and 2014 the Organization incurred rental costs in relation to these leases amounting to \$83,456 and \$32,144, respectively.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

NOTE 7 – OPERATING LEASE - CONTINUED

Estimated future minimum payments under these leases are as follows:

Year Ending December 31,

| | | |
|------------|----|----------------|
| 2016 | \$ | 98,470 |
| 2017 | | 100,954 |
| 2018 | | 103,437 |
| 2019 | | 89,178 |
| 2020 | | 52,827 |
| Thereafter | \$ | <u>444,866</u> |

NOTE 8 – DEFINED CONTRIBUTION PLAN

The Organization has a 401(k) plan through which eligible employees may make pre-tax elective deferrals up to limits set by law. The plan provides for an employer match of 100% of employee contributions up to a deferral of 6% of pay, as well as non-elective employer contributions which may be made at the discretion of the Organization. Total expenses relating to pension plan contributions for the years ended December 31, 2015 and 2014 amounted to \$39,792 and \$42,377, respectively.

NOTE 9 – CONDITIONAL PROMISES TO GIVE

Through December 31, 2015, the Organization has received commitments for future funding in the amount of \$125,000, receipt of which is contingent on certain conditions being fulfilled. Accordingly, no receivable or revenue has been recognized within the accompanying financial statements at December 31, 2015 relating to these unpaid balances, as management views these commitments as conditional promises to give not qualifying for recognition under FASB ASC 958-605 *Revenue Recognition-Contributions*. Revenue arising from these unpaid amounts is expected to be recognized upon the satisfaction of the associated conditions in future years.

NOTE 10 – SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including March 23, 2017, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.