

**COMMUNITY SHARES OF MINNESOTA
(A NONPROFIT CORPORATION)**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

**COMMUNITY SHARES OF MINNESOTA
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Shares of Minnesota
Saint Paul, Minnesota

We have audited the accompanying financial statements of Community Shares of Minnesota, which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, 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.

Auditors' 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 audits 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 auditors' 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.

Board of Directors
Community Shares of Minnesota

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Shares of Minnesota as of December 31, 2014 and 2013, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Cloud, Minnesota
July 17, 2015

**COMMUNITY SHARES OF MINNESOTA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013**

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash Available for Operations	\$ 231,286	\$ 160,272
Cash - Funds Held in Trust	628,057	446,538
Accounts Receivable	7,315	11,006
Pledges Receivable - Net Allowance of \$55,727 and \$62,430, Respectively	492,988	522,881
Management Fee Receivable	195,426	190,675
Prepaid Expenses	13,079	12,509
Total Current Assets	1,568,151	1,343,881
EQUIPMENT		
Office Equipment and Software	51,320	50,174
Less: Accumulated Depreciation	32,161	24,024
Net Equipment	19,159	26,150
Total Assets	\$ 1,587,310	\$ 1,370,031
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	\$ 176,794	\$ 162,851
Accounts Payable	14,390	6,253
Accrued Liabilities	15,183	15,520
Distributions Payable	55,465	71,462
Funds Held in Trust	582,062	403,124
Capital Lease Payable, Current	1,746	1,637
Total Current Liabilities	845,640	660,847
LONG-TERM LIABILITIES		
Capital Lease Payable, Less Current Portion	3,602	5,348
Total Liabilities	849,242	666,195
NET ASSETS		
Unrestricted - Designated	156,159	49,690

See accompanying Notes to Financial Statements.

**COMMUNITY SHARES OF MINNESOTA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE						
Campaign Contributions	\$ -	\$ 581,909	\$ 581,909	\$ -	\$ 569,263	\$ 569,263
Grants and Contributions	33,815	-	33,815	54,028	2,000	56,028
Dues	289,315	-	289,315	263,419	-	263,419
Management Fees	279,777	-	279,777	233,611	-	233,611
Interest Income	245	-	245	271	-	271
Miscellaneous	17,000	-	17,000	21,209	-	21,209
Net Assets Released from Restrictions	654,146	(654,146)	-	590,738	(590,738)	-
Total Public Support and Revenue	<u>1,274,298</u>	<u>(72,237)</u>	<u>1,202,061</u>	<u>1,163,276</u>	<u>(19,475)</u>	<u>1,143,801</u>
EXPENSES						
Program Services:						
Grants to Agencies	579,158	-	579,158	622,717	-	622,717
Community Services	523,648	-	523,648	524,763	-	524,763
Total Program Services	<u>1,102,806</u>	<u>-</u>	<u>1,102,806</u>	<u>1,147,480</u>	<u>-</u>	<u>1,147,480</u>
Supporting Activities:						
Management and General	37,644	-	37,644	42,612	-	42,612
Fundraising	27,379	-	27,379	30,987	-	30,987
Total Supporting Activities	<u>65,023</u>	<u>-</u>	<u>65,023</u>	<u>73,599</u>	<u>-</u>	<u>73,599</u>
Total Expenses	<u>1,167,829</u>	<u>-</u>	<u>1,167,829</u>	<u>1,221,079</u>	<u>-</u>	<u>1,221,079</u>
CHANGE IN NET ASSETS	106,469	(72,237)	34,232	(57,803)	(19,475)	(77,278)
Net Assets - Beginning of Year	<u>49,690</u>	<u>654,146</u>	<u>703,836</u>	<u>107,493</u>	<u>673,621</u>	<u>781,114</u>
NET ASSETS - END OF YEAR	<u>\$ 156,159</u>	<u>\$ 581,909</u>	<u>\$ 738,068</u>	<u>\$ 49,690</u>	<u>\$ 654,146</u>	<u>\$ 703,836</u>

See accompanying Notes to Financial Statements.

**COMMUNITY SHARES OF MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014**

	Program Service			Totals	Management and General	Fundraising	Total 2014
	Workplace Giving	Combined Federal Campaign	Fiscal Management				
Salaries	\$ 124,121	\$ 147,497	\$ 28,209	\$ 299,827	\$ 20,687	\$ 15,045	\$ 335,559
Taxes and Benefits	36,383	32,583	8,269	77,235	6,064	4,410	87,709
Total Expenses	<u>160,504</u>	<u>180,080</u>	<u>36,478</u>	<u>377,062</u>	<u>26,751</u>	<u>19,455</u>	<u>423,268</u>
Distributions to Agencies	579,158	-	-	579,158	-	-	579,158
Contractual Services	11,178	806	2,540	14,524	1,863	1,355	17,742
Printing and Reproduction	8,571	12,426	1,948	22,945	1,429	1,039	25,413
Rent and Utilities	9,937	6,748	2,258	18,943	1,656	1,205	21,804
Legal and Professional	9,121	20,104	2,073	31,298	1,520	1,105	33,923
Miscellaneous	907	-	206	1,113	151	110	1,374
Office Supplies and Postage	3,477	2,177	791	6,445	580	422	7,447
Advertising Expense	6,537	1,524	1,485	9,546	1,089	792	11,427
Campaign and Recruitment	2,009	-	457	2,466	335	244	3,045
Local Transportation	1,394	7,184	317	8,895	232	169	9,296
Telephone	156	2,032	36	2,224	26	19	2,269
Interest	824	9,834	187	10,845	137	100	11,082
Dues and Subscriptions	2,181	-	495	2,676	363	264	3,303
Conferences and Meetings	1,741	2,699	396	4,836	290	211	5,337
Insurance	1,965	828	446	3,239	327	238	3,804
Total Expenses	<u>799,660</u>	<u>246,442</u>	<u>50,113</u>	<u>1,096,215</u>	<u>36,749</u>	<u>26,728</u>	<u>1,159,692</u>
Depreciation	5,370	-	1,221	6,591	895	651	8,137
Total Functional Expenses	<u>\$ 805,030</u>	<u>\$ 246,442</u>	<u>\$ 51,334</u>	<u>\$ 1,102,806</u>	<u>\$ 37,644</u>	<u>\$ 27,379</u>	<u>\$ 1,167,829</u>
Functional Expense Percentages				95%	3%	2%	

See accompanying Notes to Financial Statements.

**COMMUNITY SHARES OF MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013**

	Program Service			Totals	Management and General	Fundraising	Total 2013
	Workplace Giving	Combined Federal Campaign	Fiscal Management				
Salaries	\$ 145,110	\$ 133,797	\$ 32,979	\$ 311,886	\$ 24,185	\$ 17,589	\$ 353,660
Taxes and Benefits	42,193	28,061	9,589	79,843	7,032	5,114	91,989
Total Expenses	187,303	161,858	42,568	391,729	31,217	22,703	445,649
Distributions to Agencies	622,717	-	-	622,717	-	-	622,717
Contractual Services	9,268	405	2,106	11,779	1,545	1,123	14,447
Printing and Reproduction	11,123	11,300	2,528	24,951	1,854	1,348	28,153
Rent and Utilities	10,524	5,211	2,392	18,127	1,754	1,276	21,157
Legal and Professional	13,084	12,168	2,974	28,226	2,181	1,586	31,993
Miscellaneous	584	-	133	717	97	71	885
Office Supplies and Postage	3,768	1,733	856	6,357	630	457	7,444
Advertising Expense	2,732	1,206	621	4,559	455	331	5,345
Campaign and Recruitment	761	-	173	934	127	92	1,153
Local Transportation	1,662	5,931	378	7,971	277	201	8,449
Telephone	81	2,401	18	2,500	13	10	2,523
Interest	2,279	6,715	518	9,512	381	276	10,169
Dues and Subscriptions	2,071	-	471	2,542	345	251	3,138
Conferences and Meetings	2,697	1,106	613	4,416	450	327	5,193
Insurance	1,881	974	428	3,283	313	228	3,824
Total Expenses	872,535	211,008	56,777	1,140,320	41,639	30,280	1,212,239
Depreciation	5,834	-	1,326	7,160	973	707	8,840
Total Functional Expenses	\$ 878,369	\$ 211,008	\$ 58,103	\$ 1,147,480	\$ 42,612	\$ 30,987	\$ 1,221,079
Functional Expense Percentages				94%	3%	3%	

See accompanying Notes to Financial Statements.

**COMMUNITY SHARES OF MINNESOTA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 34,232	\$ (77,278)
Adjustments to Reconcile Increase (Decrease) in Net Asset to Net Cash Provided (Used) by Operating Activities:		
Depreciation	8,137	8,840
(Increase) Decrease in Current Assets:		
Prepaid Expenses	(570)	(3,780)
Accounts Receivable	3,691	(10,484)
Pledges Receivable	29,893	60,179
Management Fee Receivable	(4,751)	(97,228)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	8,137	(229)
Accrued Expenses	(337)	2,386
Other Liabilities	(15,997)	(9,447)
Funds Held in Trust	178,938	(224,780)
Net Cash Provided (Used) by Operating Activities	241,373	(351,821)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(1,146)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	258,464	192,227
Payments on Line of Credit	(244,521)	(106,648)
Payments on Capital Lease	(1,637)	(1,535)
Net Cash Provided by Financing Activities	12,306	84,044
NET INCREASE (DECREASE) IN CASH	252,533	(267,777)
Cash - Beginning of Year	606,810	874,587
CASH - END OF YEAR	\$ 859,343	\$ 606,810
SUPPLEMENTAL DISCLOSURES		
Cash:		
Cash Available for Operations	\$ 231,286	\$ 160,272
Cash - Funds Held in Trust	628,057	446,538
Total Cash	\$ 859,343	\$ 606,810

See accompanying Notes to Financial Statements.

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Shares of Minnesota (the Organization) is incorporated under the laws of the State of Minnesota as a nonprofit organization. The purpose of the Organization is to develop, through public awareness and cooperative fundraising and other nonprofit capacity building strategies, sustained support for organizations engaged in social action and community improvement in the Twin Cities area.

The activities of the Organization include the following:

Workplace Giving Campaigns

Community Shares of Minnesota conducts an annual workplace giving campaign to create sustained financial support for organizations engaged in social justice in the State of Minnesota. Employees at the work sites have the option of designating their contributions to any or all of the member groups or to any registered non-profit organization.

Community Shares of Minnesota supports collective action to eliminate root causes of inequality and injustice, connects donors with a meaningful opportunity to invest in social justice and empowers nonprofit organizations in the creation of a fair, just and equitable society.

Community Shares of Minnesota provides full service campaign management including online donor registration, pledge tracking and collection, campaign accounting and reporting, grantee evaluation and grant distribution.

Community Shares of Minnesota partners with member organizations and serves by providing leadership development opportunities, training and technical assistance, recruitment of new members, member-to-member collaboration and member organization review, which all serve to build members' capacity and growth. Community Shares of Minnesota promotes volunteer outreach by corporate relationship building and procurement, coordination, training and management of volunteers performing community services for the organizations and communities served by member organizations.

Community Shares of Minnesota's campaign efforts provide community education by promoting public awareness of social justice issues, increasing visibility of member organization's activities, issues, concerns and program services, and providing information and education about philanthropy. Community Shares of Minnesota provides training and education to work place partners and their employees regarding member organizations, workplace campaigns and campaign structure.

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Combined Federal Campaign

Community Shares of Minnesota is the Principal Combined Fund Organization (PCFO) for the Northern Lights Combined Federal Campaign serving Minnesota, North Dakota, South Dakota, Iowa, and Wisconsin (the CFC). As a member of the CFC, Community Shares of Minnesota provides campaign operations in accordance with federal regulations including pledge support, campaign management support, campaign marketing, applications processing, reporting and financial accounting.

Fiscal Management Campaigns

Community Shares of Minnesota contracts with employers to manage individual, segregated workplace giving campaigns. Services provided include campaign management, online donor registration, customer service to donors and recipient agencies, campaign accounting and reporting, and grant distribution. Campaigns are open campaigns, facilitating donor choice and creating a stronger community.

Basis of Presentation

The financial statements of Community Shares of Minnesota have been prepared on the accrual basis of accounting. Receipts are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor imposed restrictions. Accordingly, net assets of the Organization and changes therein, are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. The board of directors has designated all unrestricted net assets up to \$342,000 for operating reserves and equipment purchases.

Temporarily Restricted – Those resources subject to a donor-imposed restriction which will be satisfied by actions of the Organization or the passage of time.

Permanently Restricted – Those resources subject to a donor-imposed restriction that they be maintained permanently. At this time the Organization has no such permanently restricted resources.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Management Fee Receivable

The Organization provides for uncollectible accounts based on the allowance method using management's judgment. Receivable balances are unsecured. An allowance is estimated based on the historical experience of the Organization. Accounts that are determined to be uncollectible are written off at that time.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Promises to give (pledges receivable) increase unrestricted or temporarily restricted contributions. Promises to give represent amounts committed by donors that have not been received by the Organization. The Organization uses the allowance method to determine uncollectible promises to give. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Distributions Payable

Distributions payable are campaign contributions received by the Organization from the annual campaign that will be distributed to member agencies.

Funds Held in Trust

Funds held in trust are monies received by the Organization as a result of managing the Northern Lights Combined Federal Campaign and other workplace campaigns. When funds are received they are held in cash and recorded as a liability. Substantially all monies received from these campaigns are distributed to agencies, which reduces the liability. The Organization retains a specified percentage of all campaign funds received as management fee revenue.

Equipment and Depreciation

The Organization capitalizes all expenditures of property and equipment with a useful life of greater than one year, and a cost in excess of \$1,000. Office equipment is recorded at cost, or in the case of contributed property at the fair value at the date of contribution. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of office equipment are recorded as unrestricted support.

Expenditures for renewals and improvements are capitalized while the cost of maintenance and repairs is charged to expense as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is determined using the straight-line method over the estimated useful lives. For the years ended December 31, 2014 and 2013, depreciation expense was \$8,137 and \$8,840, respectively.

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. 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 and changes in net assets as Net Assets Released from Restrictions.

Campaign Contributions

Annual campaigns are conducted in the fall of the year to raise support for allocations to agencies in the subsequent calendar year. Pledges are recorded when made and allowances are provided for amounts estimated to be uncollectible. The Organization retains a specified percentage of all campaign funds received as a management fee to defray operating and fundraising expenses.

Dues are recorded as revenue as pledges are collected and withheld from member agency distributions.

Donated Materials and Services

Donated materials and equipment are reflected as in-kind contributions at their estimated value at the date of receipt. Donated services are recognized to the extent that such services meet specific criteria with respect to creating or enhancing nonfinancial assets or services which require specialized skills. A substantial number of volunteers have donated significant amounts of time to the Organization's programs and fundraising campaigns which did not meet the criteria for recognition in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various services and other activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as incurred. The amount charged to operations was \$11,427 and \$5,345 for the years ended December 31, 2014 and 2013, respectively.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Organization is not a private foundation and contributions to the Organization qualify as a charitable tax deduction by the contributor.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements.

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of Economic Conditions on Contributions

The Organization depends on contributions and grants for a significant portion of its revenue. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon future economic conditions and continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's Board of Directors and management believe the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Subsequent Events Policy

Subsequent events have been evaluated through July 17, 2015, which is the date the financial were available to be issued.

NOTE 2 CONCENTRATIONS

Cash includes FDIC insured amounts on deposit at a financial institution which may at times exceed the federally insured amount. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate.

NOTE 3 CASH RESTRICTIONS

The Organization has maintained separate bank accounts for administration of the Northern Lights Combined Federal Campaign and Suncoast Combined Federal Campaign. At December 31, 2014 and 2013, the balance of these accounts was \$398,378 and \$341,513, respectively.

The Organization has maintained separate bank accounts for separately run campaigns which are held as a trust fund liability. As of December 31, 2014 and 2013, cash included \$229,679 and \$105,025, respectively, of funds held on behalf of various organizations.

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 4 PLEDGES RECEIVABLE

Promises to give at December 31, 2014 and 2013 result from the workplace giving campaign. Pledges receivable at December 31, 2014 and 2013 are as follows:

	2014	2013
Receivable in:		
Less than One Year	\$ 548,715	\$ 585,311
Allowance for Doubtful Collections	(55,727)	(62,430)
Total Promises to Give Receivable	492,988	522,881
Less: Current Portion	(492,988)	(522,881)
Total Noncurrent Portion	\$ -	\$ -

NOTE 5 LINE OF CREDIT

The Organization established a \$150,000 line of credit with a local bank. The note is secured by the Organization's equipment, membership dues, receivables and all other rights to receipts. Any outstanding principal is due by September 25, 2015 and accrues interest at a variable rate. The interest rate at December 31, 2014 and 2013 was 3.25% and 3.25%, respectively. The outstanding balance on the line of credit at December 31, 2014 and 2013 was \$176,794 and \$162,851, respectively.

On September 25, 2014, the Organization renewed their line of credit with the same bank noted above, for \$297,000. Any outstanding principal is due September 25, 2015.

NOTE 6 RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following periods:

Periods after December 31, 2014	\$ 581,909
Periods after December 31, 2013	\$ 654,146

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or by the passage of time:

	2014	2013
Time Restriction Expired on Campaign Contributions	\$ 654,146	\$ 588,738
Specific Grant Programs	-	2,000
Total Net Assets Released	\$ 654,146	\$ 590,738

**COMMUNITY SHARES OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 7 DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan subject to the Employee Requirement Income Security Act of 1974. The Employer contribution for the years ended December 31, 2014 and 2013 was \$7,768 and \$5,576, respectively.

NOTE 8 COMMITMENTS

The Organization has a lease for office space under a five-year operating lease which expires on December 31, 2016. The lease provides that the base rent shall increase each year. The rental expense was \$21,804 and \$21,156 for the years ended December 31, 2014 and 2013, respectively. The following is a schedule of future minimum rental payments required under the lease:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 22,452
2016	23,124
Total	<u>\$ 45,576</u>

During 2011, the Organization entered into a capital lease for office equipment. At December 31, 2014 and 2013, the cost of equipment under the capital lease is \$10,075 and the corresponding accumulated depreciation was \$5,041 and \$3,406, respectively. Depreciation on the office equipment under capital lease is included in depreciation expense.

	<u>2014</u>	<u>2013</u>
Capital Lease Payable - Office Equipment		
Monthly Installments through December 2016	\$ 5,348	\$ 6,985
Less: Current Maturities of Capital Lease Payable	<u>(1,746)</u>	<u>(1,637)</u>
Capital Lease Payable Net of Current Maturities	<u>\$ 3,602</u>	<u>\$ 5,348</u>

Future capital lease payments, including interest, are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 2,040
2016	<u>3,770</u>
Total Minimum Lease Payments	5,810
Less: Amount Representing Interest on Capital Lease Payable	<u>(462)</u>
Net Minimum Capital Lease Payable	<u>\$ 5,348</u>