

# Financial Statements

**YouthCARE**

Minneapolis, Minnesota

For the Years Ended  
May 31, 2015 and 2014

YOUTHCARE  
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MAY 31, 2015 AND 2014

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
YouthCARE  
Minneapolis, Minnesota

We have audited the accompanying financial statements of YouthCARE (a Minnesota nonprofit corporation), which are comprised of the statement of financial position as of May 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.

### **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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YouthCARE as of May 31, 2015, and 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 the Organization as of May 31, 2014 were audited by other auditors whose report dated November 10, 2014, expressed an unmodified opinion on those statements with an emphasis-of-matter paragraph related to the recognition of in-kind land rental income and expense.

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
November 20, 2015

## FINANCIAL STATEMENTS

YOUTHCARE  
STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 356,318	\$ 428,415
Accounts receivable	277	3,053
Grants and contracts receivable	221,686	169,862
Prepaid expenses	23,830	13,011
TOTAL CURRENT ASSETS	602,111	614,341
PROPERTY AND EQUIPMENT		
Buildings	291,392	291,392
Building improvements	93,051	94,051
Camp equipment	64,447	61,527
Office equipment	80,131	78,686
Vehicles	104,950	108,925
TOTAL PROPERTY AND EQUIPMENT, COST	633,971	634,581
ACCUMULATED DEPRECIATION	(568,440)	(542,422)
TOTAL PROPERTY AND EQUIPMENT, NET	65,531	92,159
TOTAL ASSETS	\$ 667,642	\$ 706,500

See Independent Auditor's Report and Notes to Financial Statements.

YOUTHCARE  
STATEMENTS OF FINANCIAL POSITION - CONTINUED  
MAY 31, 2015 AND 2014

	2015	2014
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 7,692
Accrued expenses	113	5,065
Accrued salary and vacation	64,080	68,820
Deferred rent liability - current	955	955
TOTAL CURRENT LIABILITIES	65,148	82,532
NON-CURRENT LIABILITIES		
Deferred rent liability - non-current	1,911	2,866
TOTAL LIABILITIES	67,059	85,398
NET ASSETS		
Unrestricted	555,583	561,102
Temporarily restricted	45,000	60,000
TOTAL NET ASSETS	600,583	621,102
TOTAL LIABILITIES AND NET ASSETS	\$ 667,642	\$ 706,500

See Independent Auditor's Report and Notes to Financial Statements.

YOUTHCARE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2015  
(WITH COMPARATIVE INFORMATION FOR MAY 31, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>SUPPORT AND REVENUE</b>				
<b>SUPPORT</b>				
Governmental grants	\$ 670,249	\$ -	\$ 670,249	\$ 560,519
Businesses, corporations, and foundations	282,350	45,000	327,350	517,400
Individuals	143,605	-	143,605	95,083
Special events, net of expenses of \$39,018 and \$23,198	50,060	-	50,060	64,068
Donated goods and services	109,055	-	109,055	135,606
<b>TOTAL SUPPORT</b>	<b>1,255,319</b>	<b>45,000</b>	<b>1,300,319</b>	<b>1,372,676</b>
<b>REVENUE</b>				
Interest income	302	-	302	90
Gain on sale of asset	648	-	648	10,294
Miscellaneous	2,725	-	2,725	816
<b>TOTAL REVENUE</b>	<b>3,675</b>	<b>-</b>	<b>3,675</b>	<b>11,200</b>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,258,994</b>	<b>45,000</b>	<b>1,303,994</b>	<b>1,383,876</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Satisfaction of program restrictions	60,000	(60,000)	-	-
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTION</b>	<b>60,000</b>	<b>(60,000)</b>	<b>-</b>	<b>-</b>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,318,994</b>	<b>(15,000)</b>	<b>1,303,994</b>	<b>1,383,876</b>
<b>EXPENSES</b>				
<b>PROGRAM SERVICES</b>				
Camp Sunrise	344,256	-	344,256	297,432
Young Women's Mentoring Program	250,699	-	250,699	233,721
YouthLEAD	480,011	-	480,011	378,688
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,074,966</b>	<b>-</b>	<b>1,074,966</b>	<b>909,841</b>
<b>SUPPORTING SERVICES</b>				
Management and general	168,195	-	168,195	211,221
Fundraising	81,352	-	81,352	62,876
<b>TOTAL SUPPORTING SERVICES</b>	<b>249,547</b>	<b>-</b>	<b>249,547</b>	<b>274,097</b>
<b>TOTAL EXPENSES</b>	<b>1,324,513</b>	<b>-</b>	<b>1,324,513</b>	<b>1,183,938</b>
<b>CHANGE IN NET ASSETS</b>	<b>(5,519)</b>	<b>(15,000)</b>	<b>(20,519)</b>	<b>199,938</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>561,102</b>	<b>60,000</b>	<b>621,102</b>	<b>421,164</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 555,583</b>	<b>\$ 45,000</b>	<b>\$ 600,583</b>	<b>\$ 621,102</b>

See Independent Auditor's Report and Notes to Financial Statements.

YOUTHCARE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2014

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
<b>SUPPORT</b>			
Governmental grants	\$ 560,519	\$ -	\$ 560,519
Businesses, corporations, and foundations	457,400	60,000	517,400
Individuals	95,083	-	95,083
Special events, net of expenses of \$23,198	64,068	-	64,068
Donated goods and services	135,606	-	135,606
<b>TOTAL SUPPORT</b>	<b>1,312,676</b>	<b>60,000</b>	<b>1,372,676</b>
<b>REVENUE</b>			
Interest income	90	-	90
Gain(loss) on sale of asset	10,294	-	10,294
Miscellaneous	816	-	816
<b>TOTAL REVENUE</b>	<b>11,200</b>	<b>-</b>	<b>11,200</b>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,323,876</b>	<b>60,000</b>	<b>1,383,876</b>
<b>EXPENSES</b>			
<b>PROGRAM SERVICES</b>			
Camp Sunrise	297,432	-	297,432
Young Women's Mentoring Program	233,721	-	233,721
YouthLEAD	378,688	-	378,688
<b>TOTAL PROGRAM EXPENSES</b>	<b>909,841</b>	<b>-</b>	<b>909,841</b>
<b>SUPPORTING SERVICES</b>			
Management and general	211,221	-	211,221
Fundraising	62,876	-	62,876
<b>TOTAL SUPPORTING SERVICES</b>	<b>274,097</b>	<b>-</b>	<b>274,097</b>
<b>TOTAL EXPENSES</b>	<b>1,183,938</b>	<b>-</b>	<b>1,183,938</b>
<b>CHANGE IN NET ASSETS</b>	<b>139,938</b>	<b>60,000</b>	<b>199,938</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>421,164</b>	<b>-</b>	<b>421,164</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 561,102</b>	<b>\$ 60,000</b>	<b>\$ 621,102</b>

See Independent Auditor's Report and Notes to Financial Statements.



YOUTHCARE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2015  
(WITH COMPARATIVE INFORMATION FOR MAY 31, 2014)

	Program Services				Supporting Services			2015 Total	2014 Total
	Camp Sunrise	Young Women's Mentoring Program	YouthLEAD	Total Program Services	Management and General	Fundraising	Total Supporting Services		
<b>PERSONNEL COSTS</b>									
Salaries and wages	\$ 154,830	\$ 117,460	\$ 222,352	\$ 494,642	\$ 104,254	\$ 55,017	\$ 159,271	\$ 653,913	\$ 622,813
Payroll taxes	14,966	12,729	22,205	49,900	11,296	5,939	17,235	67,135	59,455
Employee benefits	13,117	9,954	18,833	41,904	8,829	4,658	13,487	55,391	51,072
<b>TOTAL PERSONNEL COSTS</b>	<b>182,913</b>	<b>140,143</b>	<b>263,390</b>	<b>586,446</b>	<b>124,379</b>	<b>65,614</b>	<b>189,993</b>	<b>776,439</b>	<b>733,340</b>
<b>EXPENSES</b>									
Food	22,884	-	-	22,884	-	-	-	22,884	26,578
Program activities	18,733	22,322	32,000	73,055	4,348	-	4,348	77,403	69,417
Transportation	19,005	10,405	19,692	49,102	1,933	1,020	2,953	52,055	41,450
Insurance	5,295	4,016	7,603	16,914	3,564	1,880	5,444	22,358	16,831
Occupancy	33,213	9,970	18,864	62,047	7,889	4,666	12,555	74,602	59,015
Telephone	4,316	2,322	4,751	11,389	2,215	869	3,084	14,473	7,481
Utilities	7,281	-	-	7,281	-	-	-	7,281	6,332
Professional services	13,151	9,979	18,882	42,012	8,852	4,670	13,522	55,534	52,392
Office	3,022	2,294	4,340	9,656	2,035	1,073	3,108	12,764	13,007
Training and education	1,883	1,429	2,704	6,016	1,267	668	1,935	7,951	5,415
Repairs and maintenance	4,613	-	-	4,613	531	-	531	5,144	8,585
Youth wages and stipends	15,793	37,587	90,175	143,555	-	-	-	143,555	113,662
Miscellaneous expense	2,511	1,906	3,605	8,022	1,690	892	2,582	10,604	4,376
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>334,613</b>	<b>242,373</b>	<b>466,006</b>	<b>1,042,992</b>	<b>158,703</b>	<b>81,352</b>	<b>240,055</b>	<b>1,283,047</b>	<b>1,157,881</b>
Depreciation	9,643	8,326	14,005	31,974	9,492	-	9,492	41,466	26,057
<b>TOTAL EXPENSES</b>	<b>\$ 344,256</b>	<b>\$ 250,699</b>	<b>\$ 480,011</b>	<b>\$ 1,074,966</b>	<b>\$ 168,195</b>	<b>\$ 81,352</b>	<b>\$ 249,547</b>	<b>\$ 1,324,513</b>	<b>\$ 1,183,938</b>

See Independent Auditor's Report and Notes to Financial Statements.

YOUTHCARE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2014

	Program Services			Supporting Services				Total
	Camp Sunrise	Young Women's Mentoring Program	YouthLEAD	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>PERSONNEL COSTS</b>								
Salaries and wages	\$ 132,453	\$ 114,327	\$ 192,338	\$ 439,118	\$ 130,291	\$ 53,404	\$ 183,695	\$ 622,813
Payroll taxes	12,646	10,916	18,360	41,922	12,438	5,095	17,533	59,455
Employee benefits	10,863	9,377	15,771	36,011	10,684	4,377	15,061	51,072
<b>TOTAL PERSONNEL COSTS</b>	<b>155,962</b>	<b>134,620</b>	<b>226,469</b>	<b>517,051</b>	<b>153,413</b>	<b>62,876</b>	<b>216,289</b>	<b>733,340</b>
<b>EXPENSES</b>								
Food	26,578	-	-	26,578	-	-	-	26,578
Program activities	24,232	22,453	18,535	65,220	4,197	-	4,197	69,417
Transportation	9,641	8,323	14,002	31,966	9,484	-	9,484	41,450
Insurance	3,915	3,380	5,685	12,980	3,851	-	3,851	16,831
Occupancy	13,727	11,850	19,935	45,512	13,503	-	13,503	59,015
Telephone	1,740	1,502	2,527	5,769	1,712	-	1,712	7,481
Utilities	6,332	-	-	6,332	-	-	-	6,332
Professional services	12,187	10,520	17,698	40,405	11,987	-	11,987	52,392
Office	3,026	2,611	4,394	10,031	2,976	-	2,976	13,007
Training and education	1,260	1,087	1,829	4,176	1,239	-	1,239	5,415
Repairs and maintenance	8,585	-	-	8,585	-	-	-	8,585
Youth wages and stipends	23,169	31,264	57,335	111,768	1,894	-	1,894	113,662
Miscellaneous expense	1,018	879	1,478	3,375	1,001	-	1,001	4,376
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>291,372</b>	<b>228,489</b>	<b>369,887</b>	<b>889,748</b>	<b>205,257</b>	<b>62,876</b>	<b>268,133</b>	<b>1,157,881</b>
Depreciation	6,060	5,232	8,801	20,093	5,964	-	5,964	26,057
<b>TOTAL EXPENSES</b>	<b>\$ 297,432</b>	<b>\$ 233,721</b>	<b>\$ 378,688</b>	<b>\$ 909,841</b>	<b>\$ 211,221</b>	<b>\$ 62,876</b>	<b>\$ 274,097</b>	<b>\$ 1,183,938</b>

See Independent Auditor's Report and Notes to Financial Statements.

YOUTHCARE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MAY 31, 2015 AND 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (20,519)	\$ 199,938
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	41,466	26,057
(Gain) loss on sale of property	(648)	-
(Increase) decrease in operating assets		
Accounts receivable	2,776	-
Grants receivable	(51,824)	(48,305)
Prepaid expenses	(10,819)	2,763
Increase (decrease) in liabilities:		
Accounts payable	(7,692)	642
Accrued expenses	(4,952)	-
Accrued salary and vacation	(4,740)	15,724
Deferred rent liability	(955)	3,821
	<u>(57,907)</u>	<u>200,640</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for the purchases of property and equipment	(14,838)	(98,065)
Cash received from the sale of property and equipment	648	-
	<u>(14,190)</u>	<u>(98,065)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(72,097)	102,575
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>428,415</u>	<u>325,840</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 356,318</u>	<u>\$ 428,415</u>

See Independent Auditor's Report and Notes to Financial Statements.

YOUTHCARE  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2015 AND 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Activities**

YouthCARE (the Organization) is a nonprofit, tax-exempt organization whose purpose is to provide year-round youth programs that promote respect for self and others; develop future leaders; and provide youth with positive, multicultural activities and relationships with caring adults. Through the cooperative efforts of community and neighborhood organizations, youth employment programs, local businesses, foundations, and community volunteers, the Organization provides employment, leadership development, multicultural interaction, and outdoor education for Twin Cities youth, ages 7 through 18. The Organization's services have been classified into the following programs:

*Camp Sunrise (the "Camp")* – Offers a week-long work and camp program that provides leadership training and a multicultural experience for urban youth, ages 13 through 18.

*Young Women's Mentoring Program* – Provides support, employment, and leadership opportunities to girls, ages 7 through 18, through weekly group activities and individual meetings with mentors.

*YouthLEAD* – Provides outreach, counseling, employment, and leadership development and social activities for urban youth, ages 13 through 18.

**B. Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Unrestricted net assets - Those resources over which the Board of Directors has discretionary control.

Temporarily restricted net assets - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Permanently restricted net assets - Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization.

**C. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 these estimates.

**D. Cash and Cash Equivalents**

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

**E. Grants and Other Receivables**

Grant revenue is recognized when the program service is performed. Grants receivable consists primarily of amounts due from grantors for program services rendered.

YOUTHCARE  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2015 AND 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**F. Property and Equipment**

Property and equipment are presented at cost or donated (appraised) value. Depreciation is computed on the straight-line basis over the estimated useful lives, currently 3 to 20 years. Leasehold improvements are amortized over the shorter of the term of the related lease or the estimated useful life of the asset. All recorded leasehold improvements are measured at the useful life. The Organization generally capitalizes items or a group of items for a project with a cost or donated value of \$500 or more.

**G. Deferred Rent Liability**

As part of renewal of the Organization's lease agreement for their office space, the Organization received a reduction in rent. The amount of this reduction has been accrued and shall reduce rent expense over the life of the renewed lease agreement. The balance of the deferred rent liability as of May 31, 2015 and 2014 is \$2,866 and \$3,821, respectively.

**H. Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any restrictions. Contributions, including unconditional promises to give, are recorded as made. Unconditional promises to give due in subsequent years are recorded at their net realizable value.

**I. Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals have donated time and services to advance the Organization's programs and objectives. The value of a number of these services has not been recorded in the financial statements because they do not meet the definition of recognition under generally accepted accounting principles. Donated services that were recognized for the period ended May 31, 2015 and 2014 were \$30,000 and \$30,200 for audit services, \$56,306 and \$80,977 from the City of Minneapolis and City of St. Paul in relation to the Organization's summer youth employment programs, \$2,674 and \$5,096 for services donated by Macalester College, respectively.

**J. Expense Allocation**

Salaries and related expenses are allocated based on job descriptions and management estimates. Expenses, other than salaries and related payroll expenses, that are not directly identifiable by program or support service, are allocated based on management estimates.

**K. Credit Risk**

The Organization maintains cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC.

YOUTHCARE  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2015 AND 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**L. Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for tax purposes.

Management believes that it is not reasonably possible for any tax position benefits to increase or decrease significantly over the next 12 months.

As of May 31, 2015 and 2014, there were no income tax related accrued interest or penalties recognized in either the statement of financial position or the statement of activities.

The Organization files informational returns in the U.S. federal jurisdiction, and in the Minnesota state jurisdiction. U.S. federal returns and Minnesota returns for the prior three fiscal years are closed. No returns are currently under examination in any tax jurisdiction.

**M. Reclassifications**

Certain amounts in the prior year financial statements have been reclassified to conform to the current year financial statement's presentation. These reclassifications had no effect on the change in net assets for the prior year.

**N. Subsequent Events**

Subsequent events were evaluated through November 20, 2015, which is the date the financial statements were available to be issued.

**Note 2: CONTRIBUTIONS**

In August 2012, the Organization received a grant in the amount of \$1,355,747 from the State of Minnesota Department of Education. The purpose of the grant is for the Organization to expand its out of school time activities for urban youth 7 to 18 years old. The grant will be received over a three year period, and YouthCARE must spend the money within the allotted budget and submit reimbursement requests on a quarterly basis. Revenue associated with this grant is recognized as expenses are incurred. During the year ended May 31 2015 and 2014, the Organization recognized \$497,323 and \$459,819, respectively, of revenue related to this grant.

**Note 3: CAMPGROUND LEASE**

On July 8, 1999, the Organization signed a lease for camp grounds to be used for the operation of Camp Sunrise. This lease was renewed in March of 2009, which extends the lease of the camp ground through February 29, 2024. Either party may terminate the lease upon 24 months prior written notice. The camp grounds are leased to the Organization free of lease payments. For the period ending May 31, 2015 and 2014, the Organization recognized \$20,075 and \$- in donated in-kind lease income and expenses.

YOUTH CARE  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2015 AND 2014

**Note 4: OFFICE LEASE**

The Organization leases office space at 2701 University Ave. South East, Suite 205 under an operation lease. The original lease was set to expire on May 31, 2013; however, an agreement was reached extending the lease to May 31, 2018. The future minimum lease payments under this operating lease as of May 31, 2015, are as follows:

For the Year Ended May 31,	Amount
2016	\$ 29,159
2017	29,720
2018	30,281
Total	\$ 89,160

Rent expense for the year ending May 31, 2015 and 2014 was \$54,527 and \$59,016, respectively.

**Note 5: RETIREMENT PLAN**

The Organization offers full-time employees a retirement plan created in accordance with IRC Section 403(b). The plan permits employees of the Organization to defer a portion of their salary until future years. The compensation is not available to employees until termination, retirement, death, or unforeseen emergency. Employee contributions to the plan are made through employee payroll deductions, which are remitted by the Organization to the plan's custodian, Mutual of America. There were no employer contributions to the plan during the years ended May 31, 2015 and 2014.

**Note 6: LINE OF CREDIT**

On October 17, 2013, the Board of Directors approved a \$50,000 line of credit with Bremer Bank, expiring October 17, 2015, which carries an interest rate of 6.25 percent. Prior to any advance on the line, the Organization must provide written verification that there are sufficient grants and accounts receivable to repay the line. The Organization may draw on the line of credit for an amount up to 70% of the grants and accounts receivable balance on the date of the draw. The line of credit is in place for emergency purposes. The Organization has not drawn on this line of credit, nor does it have any current plans or needs to draw on the line of credit at the time the report was issued.

**Note 7: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at May 31, 2015 and 2014 were restricted for the following purposes:

	2015	2014
Camp Sunrise	\$ 10,000	\$ -
Multicultural Youth Employment Program	10,000	60,000
Young Women's Mentoring Program	25,000	-
Total	\$ 45,000	\$ 60,000