Hosaka, Rotherham & Company
Certified Public Accountants

hrccpa.com

James A. Rotherham, CPA
CEO & Managing Partner

Roy T. Hosaka, CPA
Retired

James C. Nagel, CPA
Retired

BURN INSTITUTE

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2013)

1011 Camino Del Rio South, Suite 410, San Diego, CA 92108 / T: 619.543.9702 / F: 619.543.0116

BURN INSTITUTE
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DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Burn Institute
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Burn Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from December 31, 2013 financial statements from our report dated March 5, 2014, on which we expressed an unqualified opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation 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 representation 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 overall presentation of the financial statements.

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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 the Burn Institute as of December 31, 2014, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Hosaka, Rotherham & Company

San Diego, California
February 24, 2015

BURN INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014
(*WITH FINANCIAL INFORMATION*
FOR THE YEAR ENDED DECEMBER 31, 2013)

	2014	2013
ASSETS:		
Cash and cash equivalents (Note 4)	$ 213,107	$ 124,655
Grants and contracts receivable	18,875	13,868
Prepaid expenses and deposits	13,533	13,571
Fixed assets, net of depreciation (Note 5)	35,024	43,524
Investment in Rancho Santa Fe Foundation (Note 6)	502,459	550,895
Beneficial interest in San Diego Foundation (Note 7)	58,162	58,942
TOTAL ASSETS	$ 841,160	$ 805,455
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	$ 32,973	$ 52,273
Short-term note payable	-	43,081
Total current liabilities	32,973	95,354
Total liabilities	32,973	95,354
Net assets:		
Temporarily restricted (Note 9)	589,410	673,561
Permanently restricted	58,162	58,942
Unrestricted (deficit)	160,615	(22,402)
Total net assets	808,187	710,101
TOTAL LIABILITIES AND NET ASSETS	$ 841,160	$ 805,455

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

BURN INSTITUTE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(*WITH SUMMARIZED FINANCIAL INFORMATION*
FOR THE YEAR ENDED DECEMBER 31, 2013)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2014	Totals 2013
REVENUES AND OTHER SUPPORT:					
Contributions and donations	$ 756,913	$ 209,654	$ -	$ 966,567	$ 908,262
Grants and contracts	35,398	-	-	35,398	52,409
Special events	66,134	-	-	66,134	71,894
Support for campaigns	48,063	-	-	48,063	45,607
Gain on disposition of fixed asset	-	-	-	-	1,500
Net investment income (loss)	15,837	-	(780)	15,057	65,746
Total revenues	922,345	209,654	(780)	1,131,219	1,145,418
Net assets released from temporary restrictions	293,805	(293,805)	-	-	-
TOTAL REVENUES AND OTHER SUPPORT	1,216,150	(84,151)	(780)	1,131,219	1,145,418
EXPENSES:					
Program services	955,074	-	-	955,074	982,165
Management and general	43,356	-	-	43,356	111,607
Special events	22,312	-	-	22,312	33,936
Fundraising	12,391	-	-	12,391	22,323
TOTAL EXPENSES	1,033,133	-	-	1,033,133	1,150,031
CHANGE IN NET ASSETS	183,017	(84,151)	(780)	98,086	(4,613)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(22,402)	673,561	58,942	710,101	714,714
NET ASSETS (DEFICIT), END OF YEAR	$ 160,615	$ 589,410	$ 58,162	$ 808,187	$ 710,101

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

BURN INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(*WITH SUMMARIZED FINANCIAL INFORMATION*
FOR THE YEAR ENDED DECEMBER 31, 2013)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 98,086	$ (4,613)
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	11,296	7,476
Gain (loss) on sale of asset	-	(20,136)
(Increase) decrease in operating assets:		
Grants and contracts receivable	(5,007)	(12,387)
Prepaid expenses and deposits	38	723
(Increase) decrease in operating liabilities:		
Accounts payable and accrued expenses	(19,300)	34,914
Net cash flows provided by (used in) operating activities	85,113	5,977
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment and automobiles	(2,796)	(28,077)
Proceeds from sale of fixed assets	-	20,136
Decrease (increase) in investment in Rancho Santa Fe Foundation	48,436	(63,754)
Decrease (increase) in beneficial interest in San Diego Foundation	780	(3,588)
Net cash flows provided by (used in) investing activities	46,420	(75,283)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on short-term loan	(43,081)	-
Proceeds from short-term loan	-	43,081
Net cash flows provided by (used in) financing activities	(43,081)	43,081
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	88,452	(26,225)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	124,655	150,880
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 213,107	$ 124,655

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

BURN INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – ORGANIZATION AND MISSION

The Burn Institute (Organization) was incorporated in the State of California under the Non Profit Public Benefit Corporation Law on January 16, 1973. The Organization was originally incorporated under the name of Institute for Burn Medicine and amended its articles of incorporation on June 14, 1983, changing its name to the Burn Institute.

The mission of the Organization is to reduce the number of burn injuries and deaths in San Diego and Imperial Counties through burn prevention education, the funding of burn research and specialized equipment for the treatment of burn patients, and providing patient support services.

The following is a brief description of the Organization's programs:

- **Public Education**

  The Organization provides school-based and community-based fire and burn prevention education programs (in both English and Spanish) and distributes fire and burn prevention literature to child care centers, preschools, grade schools K-3, community health centers, community resource centers, libraries, at health fairs and senior centers in an effort to prevent fire and burn injuries and deaths. The Organization's juvenile firesetter intervention program, wildfire prevention and preparation, and senior fire and burn prevention programs all provide the public with services that save lives and property through education.

- **Burn Care, Research and Patient Support**

  The Organization grants funds for burn care and research projects to further advancements in burn care treatment. Patient support (burn survivor support) services include Camp Beyond the Scars for burn injured children, a retreat for adult burn survivors, emergency housing and transportation for burn survivors and their families for burn care treatment and follow-up clinical visits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial statement presentation

The financial statements are presented in conformity with Accounting Standards Codification (ASC) 958-205, *Non-For-Profit Entities – Presentation of Financial Statements*. Under ASC 958-205, the Organization reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets: Unrestricted net assets are available to support all activities of the Organization and are not subject to donor-imposed stipulations. These generally result from revenues generated by providing services, receiving unrestricted contributions, and receiving interest from investments, less expenses incurred in providing program-related services, securing contributions, and performing administrative functions.

Temporarily restricted net assets: Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a donor 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 are reported in the statement of activities as net assets released from restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There were temporarily restricted net assets of $589,410 and $673,561 as of December 31, 2014 and 2013, respectively.

Permanently restricted net assets: Net assets that are subject to donor-imposed stipulations that the restrictions be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on the related investments for general or specific purposes. There were permanently restricted net assets of $58,162 and $58,942 as of December 31, 2014 and 2013, respectively.

The Organization is required to present a Statement of Cash Flows.

B. Accounting method - basis of accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. The Organization uses the accrual basis of accounting. Revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

C. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Fair value of financial instruments

Accounting Standards Codification (ASC) 820 provides a definition of fair value, establishes a hierarchy for measuring fair value under generally accepted accounting principles, and requires certain disclosures about fair values used in financial statements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 aim to maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable, and the last unobservable, that may be used to measure fair value as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization's statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investment in Rancho Santa Fe Foundation is considered a Level 1 asset and is reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Rancho Santa Fe Foundation, since these funds are valued by the fund manager and are not traded in an active market.

- Beneficial interest in San Diego Foundation is considered a Level 2 asset that represents an approximation of the discounted future cash flow based on the fair value of the underlying assets.

E. Income taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Organization uses the same accounting methods for tax and financial reporting.

Generally accepted accounting principles (GAAP) provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

F. Cash and cash equivalents

Cash and cash equivalents are from time to time variously composed of cash on hand, cash in banks, and liquid investments with original maturities of three months or less.

G. Investments

The Organization presents its investments in accordance with ASC 958-320, *Not-For-Profit Entities - Investments Debt & Equity Securities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. The fair values of these investments are subject to change based on the fluctuations of market values. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor or by the Organization are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

H. Fixed assets

Fixed assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives of 5 to 7 years. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets, sold or retired, and related amounts of accumulated depreciation are eliminated from the respective accounts, and any resulting gain or loss is included in earnings in the year of disposal. Management has elected to capitalize and depreciate all assets costing $5,000 or more; all other assets are charged to expense in the year incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Donated services and support

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended December 31, 2014 and 2013, did not meet the requirements above, therefore no amounts were recognized in the financial statements.

J. Functional allocation of expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

NOTE 3 - FAIR VALUE MEASUREMENTS

The following table summarizes assets measured at fair value by classification within the fair value hierarchy as of December 31, 2014 and 2013:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31,
Investment in Rancho Santa Fe Foundation	$ 502,459	$ -	$ -	$ 502,459
Beneficial Interest in San Diego Foundation	-	58,162	-	58,162
	$ 502,459	$ 58,162	$ -	$ 560,621

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31,
Investment in Rancho Santa Fe Foundation	$ 550,895	$ -	$ -	$ 550,895
Beneficial Interest in San Diego Foundation	-	58,942	-	58,942
	$ 550,895	$ 58,942	$ -	$ 609,837

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2014 and 2013, consisted of the following:

	2014	2013
Cash in banks:		
Checking	#VALUE!	#VALUE!
Money market	#VALUE!	#VALUE!
Cash on hand:		
Petty cash	400	#VALUE!
Total cash and cash equivalents	#VALUE!	#VALUE!

Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At December 31, 2014 and 2013, the Organization did not have any funds in excess of FDIC insured limits.

NOTE 5 - FIXED ASSETS

Fixed assets at December 31, 2014, and 2013, consisted of the following:

		#VALUE!
Equipment	$ 81,138	$ 78,342
Automobiles	129,537	129,537
Less: accumulated depreciation	(175,651)	(164,355)
Total fixed assets, net of depreciation	$ 35,024	$ 43,524

Depreciation expense for the years ended December 31, 2014, and 2013, was $11,296 and $7,476, respectively.

NOTE 6 - INVESTMENT IN RANCHO SANTA FE FOUNDATION

The Organization has an investment in the Rancho Santa Fe Foundation, which is held in an investment pool structured for long-term total return consisting of index funds, fixed income funds, money market funds, emerging market funds and REITS. The investment is carried at fair value and at December 31, 2014 and 2013, totaled $502,459 and $550,895, respectively.

NOTE 7 - BENEFICIAL INTEREST IN SAN DIEGO FOUNDATION

The Organization has a beneficial interest in endowment funds held in San Diego Foundation, which are classified as permanently restricted as these investments must be maintained in perpetuity. The beneficial interest in San Diego Foundation is invested in a portfolio of equity and debt securities, which is structured for long-term total return, consisting of 28% domestic equities, 27% international equities, 17% alternative investments, 21% fixed income and 7% real estate investments. The Organization receives distributions of earnings on an annual basis. The distributions are used to further the Organization's mission in the San Diego and Imperial Counties. The Organization received $2,701 and $2,607 in distributions for the years ended December 31, 2014, and 2013, respectively.

NOTE 7 - BENEFICIAL INTEREST IN SAN DIEGO FOUNDATION (CONTINUED)

The activity in the beneficial interest in San Diego Foundation consisted of the following for the year ended December 31:

	2014	2013
Balance, beginning of year	$ 58,942	$ 55,354
Investment gain (loss)	1,921	6,195
Distributions to the Organization	(2,701)	(2,607)
Balance, end of year	$ 58,162	$ 58,942

NOTE 8 - OPERATING LEASES

The Organization leases office space under lease agreements expiring in 2015 and 2018. The future lease payments are as follows:

Year Ending December 31,	Lease Payments
2015	$ 100,799
2016	92,060
2017	94,492
2018	16,166
Total future lease payments	$ 303,517

The Organization will receive no sublease rental revenues nor pay any contingent rentals associated with these leases. Operating lease expense for the years ended December 31, 2014, and 2013, was $59,154 and $86,564, respectively. The total future lease payments for the year ended December 31, 2018 only include the first two months of the year.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of entitlements received but not expended as of December 31, 2014 and 2013.

Temporarily restricted net assets consist of the following at December 31:

		#VALUE!
Varshock Fund	$ 57,988	$ 81,039
Investment in Rancho Santa Fe Foundation - Jerry and Carolyn Davee Fund	496,875	489,091
Wildfires 2007	-	32,456
Marius Fund	3,625	3,969
Boshard Fund	775	775
Derek Thomas Fund	23,147	32,034
SDGE Grant	5,000	12,753
Emergency Needs/Special Assistance	-	6,444
It's Your Choice	2,000	5,000
CERT Grants	-	10,000
Total temporarily restricted net assets	$ 589,410	$ 673,561

Net assets were released from donor restrictions due to the satisfaction of purpose or time restrictions as follows for the year ended December 31, 2014:

Varshock Fund	$ 23,109
Wildfires 2007	35,927
Marius Fund	948
Derek Thomas Fund	9,003
SDGE Grant	83,753
Emergency Needs/Special Assistance	60,565
It's Your Choice	3,000
CERT Grants	77,500
Total net assets released from restrictions	$ 293,805

NOTE 10 - ENDOWMENT NET ASSETS

The endowment fund investments of the Organization are held by the San Diego Foundation (SDF) and the Rancho Santa Fe Foundation (RSFF). The SDF and RSFF funds are managed in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The investment objectives are to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require the Organization to retain as a fund of perpetual duration.

Permanently restricted net assets held by the SDF and RSFF are comprised of:

1. The original value of gifts donated to the fund.
2. The original value of Organization funds transferred to the fund.
3. The original value of subsequent gifts donated to the fund.
4. Investment income and realized and unrealized gains and losses on investments.
5. Less: distributions from the fund in accordance with spending policy.

NOTE 10 - ENDOWMENT NET ASSETS (CONTINUED)

SDF endowment funds are invested in a portfolio of equity and debt securities which is structured for long-term total return. To provide diversification and to moderate risk, the investments are divided into carefully defined asset classes. Funding available for each asset classification is invested by professional money managers hired by SDF through a competitive process. The investment performance of each money manager is monitored by an independent consultant hired by SDF.

SDF's spending policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. These calculations are made on a monthly basis. If the market value of the endowment principal of any fund, at the end of each month, is less than the initial value of all contributions made to the endowment principal, then distributions will be limited to interest and dividends received. Given the recent market declines, many of the Foundation's endowment funds distributions will be limited to income received, which is approximately 2.5% of the endowment principal.

RSFF endowment funds are invested in permanent funds with long-term investment objectives and strategies that will accommodate relevant, reasonable or probable events. Management of the assets is designed to preserve the principal of the funds and provide a source of funds for current operations and programs. RSFF invests in a portfolio of index funds, fixed income funds, money market funds, emerging market funds and REITs.

The Organization's spending policy allows for annual distributions equal to 5% of the current value, which includes contributions to the fund, income earned on such contributions and all gains and losses on such funds.

NOTE 10 - ENDOWMENT NET ASSETS (CONTINUED)

Changes in endowment net assets for the years ended December 31:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at December 31, 2012	$ 487,141	$ 55,354	$ 542,495
Contributions	1,950	-	1,950
Investment (loss)	70,056	6,195	76,251
Distributions	(5,000)	(2,327)	(7,327)
Appropriation of endowment assets for expenditure	(3,252)	(280)	(3,532)
Endowment net assets at December 31, 2013	550,895	58,942	609,837
Contributions	6,697	-	6,697
Investment income	-	1,920	1,920
Dividend and interest income	-	-	-
Distributions	(45,000)	(2,401)	(47,401)
Appropriation of endowment assets for expenditure	(10,133)	(299)	(10,432)
Endowment net assets at December 31, 2014	$ 502,459	$ 58,162	$ 560,621

NOTE 11 - COMBINED HEALTH AGENCIES

The Organization has an agreement with the Combined Health Agencies whereby the Organization receives a portion of the benefits derived from the United Way - CHAD campaign. The agreement provides that the Organization must conform to the Combined Health Agencies' bylaws, participate in the United Way - CHAD activities and promote the Combined Health Agencies' interest in the community. The agreement is a year-to-year agreement and can be terminated by either party. Contributions totaling $31,524 and $26,378 were recognized from the Combined Health Agencies and are included with support from campaigns in the accompanying statement of activities for the years ended December 31, 2014 and 2013, respectively.

NOTE 12 - PENSION PLAN

The Organization maintains a SEP-IRA (Simplified Employee Pension Individual Retirement Account) for all employees with three or more years of service. The plan provides for a contribution for each employee eligible of up to 15% of the employee's annual compensation. Contributions totaled $2,756 and $12,444 for the year ended December 31, 2014 and 2013, respectively.

NOTE 13 - SUBSEQUENT EVENT

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through February 24, 2015, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.