

FAMILY PATHWAYS
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

**FAMILY PATHWAYS
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YEAR ENDED JUNE 30, 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Pathways
North Branch, Minnesota

We have audited the accompanying financial statements of Family Pathways, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, 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 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
Family Pathways

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Pathways as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 18, 2015

**FAMILY PATHWAYS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 587,049
Certificates of Deposit	36,165
Accounts Receivable	95,971
Pledges Receivable	25,000
Inventories	1,082,317
Prepaid Expenses	34,916
Total Current Assets	<u>1,861,418</u>

PROPERTY AND EQUIPMENT

Land	1,253,969
Building and Improvements	7,583,059
Equipment, Fixtures, and Vehicles	396,925
Construction in Progress	33,266
Total Fixed Assets	<u>9,267,219</u>
Less: Accumulated Depreciation	<u>(1,655,438)</u>
Net Property and Equipment	7,611,781

OTHER ASSETS

Security Deposits	12,525
Loan Costs (Net of Accumulated Amortization of \$41,158)	106,381
Cash Held for Restricted Purposes	50,000
Total Other Assets	<u>168,906</u>

Total Assets	<u><u>\$ 9,642,105</u></u>
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See accompanying Notes to Financial Statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 128,716
Accrued Salaries and Vacation	170,681
Accrued Payroll Taxes	34,471
Accrued Interest	6,519
Other Accrued Expenses	19,533
Current Portion of Long-Term Debt	302,719
Total Current Liabilities	<u>662,639</u>

LONG-TERM DEBT

Long-Term Debt	4,964,079
Swap Liability	8,314
Total Long-Term Debt	<u>4,972,393</u>

OTHER LIABILITIES

Tenant Security Deposits	<u>1,934</u>
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Total Liabilities 5,636,966

NET ASSETS

Unrestricted	3,930,139
Temporarily Restricted	25,000
Permanently Restricted	50,000
Total Net Assets	<u>4,005,139</u>

Total Liabilities and Net Assets \$ 9,642,105

FAMILY PATHWAYS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Revenue:				
Thrift Store Sales	\$ 4,596,198	\$ -	\$ -	\$ 4,596,198
Recycling Revenue	201,459	-	-	201,459
Service Revenue	17,022	-	-	17,022
Rental Income	89,080	-	-	89,080
Rental Expenses	(89,191)	-	-	(89,191)
Interest Income	693	-	-	693
Change in Value of Swap	(8,314)	-	-	(8,314)
Other Income	353	-	-	353
Total Revenue	<u>4,807,300</u>	<u>-</u>	<u>-</u>	<u>4,807,300</u>
Support:				
Grants	576,479	-	-	576,479
Contributions - Monetary	1,085,414	75,000	-	1,160,414
Contributions - Food	1,651,942	-	-	1,651,942
Special Events (Net of Direct Benefit Expenses of \$25,511)	106,591	-	-	106,591
Releases from Restriction	145,000	(145,000)	-	-
Total Support	<u>3,565,426</u>	<u>(70,000)</u>	<u>-</u>	<u>3,495,426</u>
Total Revenue and Support	8,372,726	(70,000)	-	8,302,726
EXPENSES				
Program Services:				
Thrift Store Expenses	3,076,200	-	-	3,076,200
Basic Life Services	2,215,013	-	-	2,215,013
Refuge Network	753,851	-	-	753,851
Senior Services	189,584	-	-	189,584
Youth Services	447,084	-	-	447,084
Total Program Services	<u>6,681,732</u>	<u>-</u>	<u>-</u>	<u>6,681,732</u>
Support Services:				
General and Administrative	545,835	-	-	545,835
Fundraising	212,619	-	-	212,619
Total Support Services	<u>758,454</u>	<u>-</u>	<u>-</u>	<u>758,454</u>
Total Expenses	<u>7,440,186</u>	<u>-</u>	<u>-</u>	<u>7,440,186</u>
CHANGE IN NET ASSETS	932,540	(70,000)	-	862,540
Net Assets - Beginning of Year	<u>2,997,599</u>	<u>95,000</u>	<u>50,000</u>	<u>3,142,599</u>
NET ASSETS - END OF YEAR	<u>\$ 3,930,139</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 4,005,139</u>

See accompanying Notes to Financial Statements.

FAMILY PATHWAYS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	Program Services					Support Services			Total Functional Expenses	
	Thrift Store Expenses	Basic Life Services	Refuge Network	Senior Services	Youth Services	Total Program Services	General and Admin- istrative	Fund Raising		Total Support Services
Salaries	\$ 1,717,841	\$ 420,149	\$ 493,283	\$ 115,978	\$ 258,685	\$ 3,005,936	\$ 320,562	\$ 118,414	\$ 438,976	\$ 3,444,912
Payroll Taxes	125,340	29,620	36,013	8,510	18,801	218,284	23,235	8,330	31,565	249,849
Employee Benefits	165,752	47,818	33,806	7,042	20,813	275,231	35,092	8,763	43,855	319,086
Food Distributed	-	1,445,572	-	-	-	1,445,572	-	-	-	1,445,572
Insurance	97,245	39,625	57,254	4,928	16,558	215,610	12,860	3,638	16,498	232,108
Interest Expense	101,020	18,792	6,185	885	18,245	145,127	7,038	-	7,038	152,165
Maintenance/Repairs	68,571	15,188	8,492	1,974	6,981	101,206	11,176	-	11,176	112,382
Marketing/Public Awareness	115,202	3,879	2,688	1,895	942	124,606	2,679	36,162	38,841	163,447
Mileage	20,469	30,068	17,662	11,845	15,048	95,092	677	4,638	5,315	100,407
Office	4,211	2,907	3,466	665	553	11,802	37,953	1,845	39,798	51,600
Postage	383	405	150	223	149	1,310	8,079	15,369	23,448	24,758
Processing Fees	66,186	-	3	-	-	66,189	-	4,422	4,422	70,611
Professional Services	16,535	15,584	22,731	12,764	11,051	78,665	35,439	4,752	40,191	118,856
Program Supplies	57,823	7,995	14,688	7,319	25,458	113,283	985	1,670	2,655	115,938
Rent	18,607	15,600	-	-	-	34,207	-	-	-	34,207
Small Equipment	7,472	5,271	9,895	947	3,700	27,285	8,497	3,875	12,372	39,657
Staff Development	6,506	1,503	2,830	762	3,637	15,238	6,444	254	6,698	21,936
Storage/Transport	77,926	-	-	-	54	77,980	-	-	-	77,980
Telephone/Communications/IT	20,869	11,910	19,444	5,864	5,072	63,159	12,267	-	12,267	75,426
Trash	83,038	4,020	1,609	286	1,724	90,677	80	-	80	90,757
Utilities	129,400	34,711	11,512	2,784	15,071	193,478	7,991	-	7,991	201,469
Volunteer Expense	1,542	2,758	409	2,415	304	7,428	553	487	1,040	8,468
Total Expenses Before Depreciation	2,901,938	2,153,375	742,120	187,086	422,846	6,407,365	531,607	212,619	744,226	7,151,591
Depreciation and Amortization	174,262	61,638	11,731	2,498	24,238	274,367	14,228	-	14,228	288,595
Total Expenses	\$ 3,076,200	\$ 2,215,013	\$ 753,851	\$ 189,584	\$ 447,084	\$ 6,681,732	\$ 545,835	\$ 212,619	\$ 758,454	\$ 7,440,186

See accompanying Notes to Financial Statements.

**FAMILY PATHWAYS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 862,540
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	312,093
Gain on Certificates of Deposit	(108)
Change in Value of Swap	8,314
Increase in Operating Assets:	
Accounts Receivable	(78,133)
Pledges Receivable	(25,000)
Inventories	(720,896)
Prepaid Expenses	(10,477)
Security Deposits	(10,500)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	58,069
Accrued Salaries and Vacation	54,548
Accrued Payroll Taxes	2,486
Accrued Interest	111
Other Accrued Expenses	(4,836)
Net Cash Provided by Operating Activities	448,211

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(294,598)
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CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Long-Term Debt	(294,413)
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NET DECREASE IN CASH AND CASH EQUIVALENTS

(140,800)

Cash and Cash Equivalents - Beginning of Year

727,849

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 587,049

SUPPLEMENTAL DISCLOSURES

Interest Paid	\$ 179,930
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See accompanying Notes to Financial Statements.

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 NATURE OF THE ORGANIZATION

Family Pathways (the Organization) is a Minnesota nonprofit corporation whose mission is to work with communities to develop supportive, caring relationships to help people meet their basic needs. The four human service departments - Basic Life, Youth, Senior, and the Refuge Network - provide programs and services to approximately 184,000 residents of Chisago, Pine, Isanti, Kanabec, and Mille Lacs Counties of East Central Minnesota (Region 7E) in addition to the School Districts of Forest Lake and Foley, Minnesota and Frederic and St. Croix Falls, Wisconsin. They have been assisting low-income individuals and their families find unique ways of achieving long-term sustainability since incorporation in 1978.

Basic Life Services – The Organization had ten food shelves at June 30, 2014 in Cambridge, Chisago Lakes, Forest Lake, Hinckley, Mora, North Branch, Onamia and Sandstone, Minnesota and Frederic and St. Croix Falls, Wisconsin and a mobile food shelf. The food shelves collect and distribute food and personal items to individuals and families experiencing crisis situations. The trained coordinators work with people to assess immediate needs and develop plans for long-range self-sufficiency while providing professional advocacy and resource referral services.

Youth Services – Youth Services provides multi programs and technology centers for the areas underserved youth populations. The Circle of Friends (COF) is a peer-mentoring program, designed for special needs children to be included in mainstream activities. Kids First, offers school age youth an adult mentoring relationship on a 1:1 basis. The Youth Enrichment & Technology Centers provide computer labs and homework tutors to assist students with their academic success.

Senior Services – Senior Services assists older adults to remain living independently in their own homes. They conduct in-home assessments, coordinate volunteer visits, and supply respite services to alleviate the strains placed upon caregivers. The volunteers are available to aid clients with routine necessities, such as grocery shopping assistance and transportation to medical appointments. The programs include social respite (adult day centers) for early to mid-stage memory loss clients and caregiver support groups.

Thrift Stores – The stores strengthen communities by providing livable wages for staff and valuable training for volunteers, while generating ongoing revenues that support Family Pathways programs and services. The stores build ecological awareness in the community by encouraging recycling efforts and promoting the reuse of clothing and household goods.

Refuge Network – The Refuge Network provides support services for people who are currently involved or have been involved in an abusive relationship. The Refuge Network believes that no one deserves to be abused and therefore seeks to bring an end to domestic violence.

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization's significant accounting policies are summarized below to assist the reader in reviewing the financial statements presented in this report.

Basis of Presentation

Income and expenses are recorded on the accrual basis of accounting whereby revenue and support are recognized when earned and expenses are recognized when incurred.

Net Assets

The Organization reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets of the Organization resulting from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time, or can be fulfilled and removed by action pursuant to those stipulations. The Organization had \$25,000 of temporarily restricted net assets at June 30, 2015 that was restricted for time.

Permanently Restricted Net Assets – Net assets of the Organization resulting from contributions whose use is limited by donor-imposed stipulations that the funds be maintained permanently by the Organization, generally with the related income to use in the Organization's activities. The Organization had \$50,000 of permanently restricted net assets at June 30, 2015.

Net assets that have no donor-stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as unrestricted support.

Cash and Cash Equivalents

The Organization includes all highly liquid debt instruments purchased with an initial maturity of three months or less as cash equivalents. The balances may, at times, exceed federally insured limits. The Organization has not experienced any loss on these accounts and believes it is not exposed to any significant credit risk.

Certificates of Deposit

The Organization invests in certificates of deposit at a financial institution that are short term in nature. The certificates of deposit are held and reported at cost.

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist of amounts due for program services rendered and grants awarded but not yet received. All amounts are expected to be collected within one year. No interest is accrued on accounts receivable. No allowance for uncollectible amounts is considered necessary.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at present value of the amounts to be collected. No allowance for uncollectible amounts is considered necessary.

Inventories

The Organization estimates the year-end thrift store inventories based on the average of the last three months' sales.

Food pantry inventory at year-end has been recorded at a combination of both published food bank rates and cost purchases based on yearly activity of both donated and purchased food. The Organization evaluates this for obsolescence monthly as that is the approximate timing for the inventory to turn over.

Property and Equipment

The Organization capitalizes all asset additions over \$3,000. Purchased property and equipment is recorded at cost. Contributed property and equipment is recorded at fair market value at the date of donation. Depreciation and amortization are computed on the straight-line method over the estimated useful life of the respective asset. Total depreciation was \$303,449 for the year ended June 30, 2015.

Estimated economic useful lives are as follows:

Building and Improvements	10–40 Years
Equipment and Fixtures	5 – 7 Years

Loan Costs

Loan costs consist of issuance costs related to tax-exempt bonds and notes payable. These costs are being amortized on the straight-line method over the term of the bond or note. Amortization expense was \$8,644 for the year ended June 30, 2015. Details are as follows:

Loan Costs	\$ 147,539
Less: Accumulated Amortization	(41,158)
Net	<u><u>\$ 106,381</u></u>

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Grants are recorded when awarded by the grantor and are considered to be available for unrestricted use unless specifically restricted by the donor. Government grants are earned when services are provided by the Organization. Contributions are recorded as revenue when received.

Donated materials sold in thrift stores are recorded as store sales when items are sold, as this value is determined to be equivalent to the fair value at the date of donation.

Donated food is recorded when received at \$1.70 per pound and expensed at \$1.70 per pound when distributed.

Donated property and equipment are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations or donor restrictions when the donated or acquired long-lived assets are placed in service.

Expense Allocation

The costs of providing various programs have been summarized on a functional basis. Expenses which are not directly identifiable by program or supporting services are allocated based on estimates by management.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, and is not considered a private foundation. The Organization is subject to income tax on any unrelated business, including net rental income.

The Organization has evaluated for uncertain tax positions, and management has determined there are no uncertain tax positions as of June 30, 2015.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses were \$163,447 for the year ended June 30, 2015.

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. Actual results could differ from these estimates.

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

The Organizations financial instruments are cash and cash equivalents, accounts receivable, pledges receivables, accounts payable, and long-term debt. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The carrying value of pledges receivable is based on discounted cash flows, which approximate fair value at June 30, 2015. The fair value of the Organization's long-term debt is estimated based on the current rates offered to the Organization for debt of similar terms and maturities. Under this method, the carrying value of the Organization's long-term debt approximates fair value at June 30, 2015.

Subsequent Events

Subsequent events have been evaluated by the Organization through REPORT DATE, which is the date the financial statements were available to be issued.

NOTE 3 LONG-TERM DEBT

Tax-Exempt Bond - Wells Fargo

A 17-year tax-exempt bond issued by the Minnesota Agricultural and Economic Development Board was entered into on June 1, 2012. The bond was issued to finance the purchase of property and refinance other property debts. The Organization has obtained a fixed payment interest rate swap agreement. The bond and related interest rate swap agreement require monthly payments of interest and principal. Principal payments are \$10,500 and increase annually by \$500 per month. Interest is being paid at 2.24% per month. The swap agreement has a termination date of July 1, 2022. The bond is secured by property located in Cambridge (central office), Forest Lake, Rush City, Hinckley, North Branch, Onamia, Pine City, and Princeton.

Tax-Exempt Bond - Woodlands National Bank

A 20-year tax-exempt bond issued by the City of Cambridge, Minnesota, was entered into on June 16, 2006. The bond was issued to finance the purchase of property and refinance other property debts. The bond specifies 240 monthly payments of \$7,492 including interest at 1.79%. The bond is secured by property located in Cambridge (thrift store), Isanti, Mora and Wyoming.

Special Assessments

In 2008, special assessments for the City of Cambridge were placed into service, with a total assessment of \$32,287, which is payable in semi-annual payments of \$2,085 at 4.94% over 10 years. Assessments are secured by related real estate.

Contract for Deed – Sandstone

In April 2007, the Organization purchased a property in Sandstone, Minnesota for \$5,000 down and \$90,000 payable on a 10-year contract for deed at 7%. Monthly payments of \$1,045 are required for the term of the contract.

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 LONG-TERM DEBT (CONTINUED)

Note Payable – SCFM

In December 2013, the Organization purchased a mall in St. Croix Falls, Wisconsin with a note payable to a bank. The note calls for monthly payments of \$9,385, including principal and interest at 3.99%. A balloon payment for the balance of the loan is due December 2018. The note is secured by related real estate.

Note Payable – Vehicle

A five-year note payable financed through a bank was entered into on June 27, 2012. The note was issued to finance the purchase of a vehicle. The note specifies monthly payments of \$734, including interest at 5.25%. The note is secured by the related vehicle.

Note Payable – Shelter

On February 18, 2014, the Organization obtained a bank note payable for \$127,500 used for the purchase of the Refuge Network shelter. The note requires monthly payments of \$770 at 3.9% interest, with a balloon payment for the balance of the note due March 2019. The note is secured by the related property.

Note Payable – Regional Office

On May 16, 2014, the Organization obtained a bank note payable for \$185,500 used for the purchase of a regional office building in North Branch, Minnesota. The note requires monthly payments of \$1,129 at 3.99% interest, with a balloon payment for the balance of the note due May 2019. The note is secured by the related property.

As of June 30, 2015, long-term debt consists of:

Tax-Exempt Bond - Wells Fargo	\$ 2,548,000
Tax-Exempt Bond - Woodlands	897,034
Special Assessments	9,432
Note Payable - SCFM	1,472,856
Contract for Deed - Sandstone	21,513
Note Payable - Vehicle	16,697
Note Payable - Shelter	122,433
Note Payable - Regional Office	178,833
Total Long-Term Debt	5,266,798
Less: Current Portion of Long-Term Debt	(302,719)
Net Long-Term Debt	\$ 4,964,079

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 LONG-TERM DEBT (CONTINUED)

As of June 30, 2015, principal maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 302,719
2017	318,798
2018	304,789
2019	1,811,429
2020	247,475
Thereafter	2,281,588
Total	<u>\$ 5,266,798</u>

NOTE 4 PERMANENTLY RESTRICTED NET ASSETS

The Organization has received \$50,000 from donors that are permanently restricted, to be kept in perpetuity for the advancement of the Organization's mission, vision and values. The earnings may be used for program operations.

The board of directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

The funds are being held at a bank until the board develops and approves resolutions regarding an investment policy and the minimum fund levels required before earnings may be distributed. These amounts are held for permanently restricted purposes and therefore, they are not considered current assets.

NOTE 5 PENSION PLAN

The Organization offers a 401(k) plan for its employees. Eligible employees are allowed to make salary reduction contributions and for 2015, the Organization matches those contributions up to 4% of compensation. The Organization contributed \$90,631 for the year ended June 30, 2015.

NOTE 6 RENTAL INCOME

The mall in St. Croix Falls, Wisconsin has four tenants with continuing leases. Future rental income from those leases is as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 50,891
2017	17,476
Total	<u>\$ 68,367</u>

**FAMILY PATHWAYS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 LEASED FACILITIES AND EQUIPMENT

The Organization has one space lease and numerous copier leases at various locations that expire at various times through 2020. Rental expense was \$60,786 for the year ended June 30, 2015. The future rental commitments are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 198,869
2017	177,869
2018	83,160
2019	81,454
2020	32,780
Total	<u>\$ 574,132</u>