

**APCO INTERNATIONAL, INC.**  
**DAYTONA BEACH, FLORIDA**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

APCO INTERNATIONAL, INC.

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# WESTON & GREGORY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Officers and Directors  
APCO International, Inc.  
Daytona Beach, Florida

We have audited the accompanying consolidated financial statements of the Association of Public-Safety Communications Officials-International, Inc. and Affiliate (APCO International, Inc.) (not-for-profit organizations), which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, respectively, and the related consolidated statements of activities 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 consolidated 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 consolidated 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 consolidated financial statements based on our audit. 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of APCO International, Inc. as of June 30, 2015 and 2014, respectively, and the consolidated 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.

*Neston & Gregory, LLC*

Daytona Beach, Florida  
October 23, 2015

CONSOLIDATED FINANCIAL STATEMENTS

APCO INTERNATIONAL, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 9,041,655	\$ 8,665,662
Accounts receivable	488,259	767,565
Prepaid expenses	<u>597,387</u>	<u>649,269</u>
Total Current Assets	<u>\$ 10,127,301</u>	<u>\$ 10,082,496</u>
Property and Equipment, Net	<u>\$ 2,831,215</u>	<u>\$ 2,730,416</u>
Other Assets:		
Restricted cash funds – John D. Lane Scholarship Fund	\$ 269,905	\$ 269,905
Other assets	<u>7,996</u>	<u>7,996</u>
Total Other Assets	<u>\$ 277,901</u>	<u>\$ 277,901</u>
TOTAL ASSETS	<u>\$ 13,236,417</u>	<u>\$ 13,090,813</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts and grants payable	\$ 292,423	\$ 260,556
Accrued liabilities	394,288	326,303
Current portion of capital lease obligation	3,472	7,840
Deferred revenue	<u>3,438,943</u>	<u>3,560,395</u>
Total Current Liabilities	<u>\$ 4,129,126</u>	<u>\$ 4,155,094</u>
Long-term portion of capital lease obligation	<u>\$ 0</u>	<u>\$ 3,472</u>
Net Assets:		
Unrestricted	\$ 8,480,729	\$ 8,314,495
Temporarily restricted	356,657	347,847
Permanently restricted	<u>269,905</u>	<u>269,905</u>
Total Net Assets	<u>\$ 9,107,291</u>	<u>\$ 8,932,247</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,236,417</u>	<u>\$ 13,090,813</u>

The Accompanying Notes Are an Integral Part of These Consolidated Financial Statements

APCO INTERNATIONAL, INC.  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>CHANGES IN UNRESTRICTED NET ASSETS:</u>		
Unrestricted Revenue and Support:		
Frequency coordination fees and services	\$ 1,861,889	\$ 2,051,440
Annual conference/symposiums	3,352,818	3,370,343
Educational training and publication sales	3,639,217	3,263,636
Membership dues	1,069,316	1,026,040
Projects	30,150	17,325
Communication	76,806	133,302
Bulletin and advertising	38,746	28,453
Interest income	3,920	763
Miscellaneous	13,148	27,610
Net assets released from restrictions	<u>56,192</u>	<u>42,161</u>
 Total Unrestricted Revenue and Support	 \$ 10,142,202	 \$ 9,961,073
Unrestricted Expenses:		
Frequency coordination	\$ 1,202,458	\$ 1,122,401
Annual conference/symposiums	2,508,794	2,484,534
Education and publications	1,756,411	1,527,146
Membership services	144,842	218,200
Information systems	694,018	626,086
Foundation	76,115	87,150
Projects, committees, legal and advisory	678,740	581,831
Communication	441,765	462,550
Government Relations	562,104	577,565
Knowledge Management	376,344	363,758
General and administrative	<u>1,534,377</u>	<u>1,535,309</u>
 Total Unrestricted Expenses	 \$ 9,975,968	 \$ 9,586,530
 Increase in unrestricted net assets	 \$ 166,234	 \$ 374,543
<u>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:</u>		
Grants, other contributions and interest	\$ 65,002	\$ 59,708
Net assets released from restrictions	<u>(56,192)</u>	<u>(42,161)</u>
 Increase in temporarily restricted net assets	 \$ 8,810	 \$ 17,547
<u>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:</u>		
Grants and other contributions – John D. Lane Scholarship	\$ 0	\$ 0
 INCREASE IN NET ASSETS	 \$ 175,044	 \$ 392,090
NET ASSETS – BEGINNING OF YEAR	<u>8,932,247</u>	<u>8,540,157</u>
NET ASSETS – END OF YEAR	<u>\$ 9,107,291</u>	<u>\$ 8,932,247</u>

The Accompanying Notes Are an Integral Part of These Consolidated Financial Statements

APCO INTERNATIONAL, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase in Net Assets	\$ 175,044	\$ 392,090
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	150,682	136,688
(Gain) Loss on disposal of property and equipment	403	1,374
(Increase) Decrease in:		
Accounts receivable	279,306	548
Prepaid expenses	51,882	(110,689)
Increase (Decrease) in:		
Accounts and grants payable	31,867	(76,624)
Accrued liabilities	67,985	13,647
Deferred revenue	(121,452)	216,218
	\$ 635,717	\$ 573,252
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash received from sale of property and equipment	\$ 0	\$ 305
Acquisition of property and equipment	(251,884)	(62,316)
	\$ (251,884)	\$ (62,011)
<u>NET CASH USED IN INVESTING ACTIVITIES</u>		
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on capital lease obligation	\$ (7,840)	\$ (7,192)
	\$ (7,840)	\$ (7,192)
<u>NET CASH USED IN FINANCING ACTIVITIES</u>		
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 375,993	\$ 504,049
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	8,665,662	8,161,613
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 9,041,655	\$ 8,665,662
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the years for:		
Interest	\$ 674	\$ 1,322

The Accompanying Notes Are an Integral Part of These Consolidated Financial Statements



APCO INTERNATIONAL, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and practices of APCO International, Inc. and Affiliate, which affect significant elements of the accompanying consolidated financial statements.

A. Organization

The Association of Public-Safety Communications Officials-International, Inc., (“Association”), is a tax-exempt, non-profit entity organized under the laws of the state of Indiana and operating its national headquarters in Daytona Beach, Florida, under the laws of the state of Florida. The Association is a worldwide association of chapters with members in 39 countries, including the United States and its territories. The Association was organized to (1) foster the development and progress of public safety communications by means of research, planning, coordination, training and education; (2) promote the rapid and accurate collection, exchange and dissemination of information relating to emergencies and other vital public safety communications among and between all levels of local, state and federal governments and those who work with them; (3) represent its members’ and public safety communications’ interest in general regulatory and policy-making bodies as may be appropriate; and (4) strive to protect the citizens and their property and provide for their welfare by these and other appropriate means. Its membership consists of individual and group memberships.

The Public Safety Foundation of America, Inc. (“Foundation”), is a Florida tax-exempt, non-profit corporation organized and operating under the laws of the State of Florida also headquartered in Daytona Beach, Florida. The Foundation’s objective is to provide critical funding and technical support to public safety answering points (PSAPs) and local emergency response officials. Funding is provided by donations from corporations, Association members and staff, and the Wireless E-911: PSAP Readiness Fund, a non-profit organization established by Nextel Communications and dedicated to supporting the timely implementation of wireless E-911. An advisory committee comprised of a cross section of public safety organizations, ensures broad-based input on the solicitation and use of grant funds.

These organizations (referred to in aggregate as “APCO International, Inc.”) are financially interrelated organizations and are included in the accompanying consolidated financial statements. The chapters are not considered financially interrelated organizations and, accordingly, are not included in the consolidated financial statements. Material inter-organization transactions and balances have been eliminated in the consolidation.

APCO INTERNATIONAL, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, APCO International, Inc. is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets:

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

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of APCO International, Inc. and/or passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations or by matter of law that they be maintained permanently by APCO International, Inc. Generally, the donors of these assets permit APCO International, Inc. to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

C. Method of Accounting

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the consolidated financial statements. APCO International, Inc. utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when incurred. Revenues are recognized when the earnings process is substantially complete and goods have been delivered or services performed. Revenues from membership dues are recognized in the period to which they relate and are recorded net of discounts, returns and chapter rebates. Conference registrations and other related revenues are deferred and certain related expenses are recorded as prepaid expenses until the conference is held after year-end in August each year. Frequency coordination fees are recorded net of discounts and returns.

APCO INTERNATIONAL, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Contributions, Contributed Services and Promises to Give

In accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958 *Not-for-Profit Entities*, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Many individuals volunteer their time and perform a variety of tasks that assist the Association's ongoing activities. However, during the years ended June 30, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was not material and has not been recorded.

Contributions are recognized when a donor makes a promise to give to APCO International, Inc. that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, savings accounts, and money-market funds. For purposes of the consolidated statements of cash flows, APCO International, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

F. Accounts Receivable

The Association routinely grants credit to members and customers who use the services of the Association. These and all other accounts receivable are stated at net realizable value. Management believes that all accounts receivable as of June 30, 2015 and 2014 were fully collectible.

The Association uses the direct write off method to determine the carrying value of accounts receivable and the resulting bad debt expense. The effect of this method on the consolidated financial statements is not materially different from the allowance method. Bad debt expense was \$0 and \$100 for the years ended June 30, 2015 and 2014, respectively.

G. Deferred Revenue

Deferred revenue consists of deferred conference revenue, education revenue, software revenue and frequency coordination revenue. These revenue sources are paid in advance and recorded as deferred revenues in the accompanying consolidated statements of financial position.

APCO INTERNATIONAL, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Property, Equipment and Depreciation

Property and equipment are stated at historical cost, net of accumulated depreciation. Assets are depreciated over their estimated useful lives ranging from three to forty years using the straight-line method. Retirements and other disposals of property and equipment are removed from the accounts at their carrying values. The Association capitalizes property and equipment that have a cost greater than \$1,000. Maintenance and repairs are charged to expenses as incurred.

I. Compensated Absences

Employees of the Association earn paid annual leave depending on length of service. Outstanding annual leave is payable up to a limit of 280 hours, is payable upon termination and is recorded in the period earned.

J. Grant Revenue and Receivables

The Association receives grants as a sub-recipient through a commercial arrangement for Computer Assisted Pre-Coordination Resource & Database System (CAPRAD). For 2015 and 2014, \$15,000 and \$23,500, was received under this arrangement respectively, and there were no grants receivable at either year end. The Association was awarded a grant from the U.S. Department of Homeland Security in the amount of \$249,359 for the grant period September 8, 2014 to March 7, 2015 for the implementation of Project 25 (P25) & Computer Assisted Pre-Coordination Resource & Database System (CAPRAD) Restructuring. The grant was awarded a continuation on April 28, 2015, with a revised grant period from September 8, 2014 to September 7, 2016 with additional funding in the amount of \$449,850. For 2015, \$146,223 was received under this arrangement and grants receivable were \$29,299 at year end. Grant revenues were recorded in frequency coordination fees and services on the statement of activities.

K. Advertising

The Association expenses non-direct response advertising as incurred. Total advertising expenses were \$69,832 and \$83,055 during the years ended June 30, 2015 and 2014, respectively.

L. Income Taxes

The Association and the Foundation are not-for-profit corporation's that are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Income tax paid for unrelated business income from advertising amounts to \$169 and \$0 during the years ended June 30, 2015 and 2014, respectively.

With few exceptions, the Association and the Foundation are no longer subject to U.S. federal income tax examinations by taxing authorities for years ending prior to June 30, 2012. The Association and the Foundation has concluded no material uncertain tax positions have been taken on any open tax returns. For the current year the Association and the Foundation believes all tax positions are fully supportable by existing Federal law and related interpretations and there are no uncertain tax positions to consider.

APCO INTERNATIONAL, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Concentration of Credit Risk

The Association's main source of revenue is derived from the services that it provides to its members. The Association grants credit to its members and customers through the services that it provides to them. The members and customers reside around the world.

Financial instruments, which potentially subject APCO International, Inc. to concentrations of credit risk, consist of cash deposits with a commercial bank and a brokerage firm. The accounts at the commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000. At June 30, 2015 and 2014, the amounts in excess of FDIC limits approximate \$6,711,000 and \$6,296,000 respectively. The deposits at the brokerage firm are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including a limit of \$250,000 for claims of un-invested cash balances. At June 30, 2015 and 2014, the amounts in excess of SIPC limits approximate \$1,396,000 and \$1,395,000, respectively. The risk is managed by maintaining all deposits in high quality financial institutions. APCO International, Inc. has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

N. Estimates

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

O. Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying value of such amounts.

P. Subsequent Events

Management has evaluated subsequent events through October 23, 2015, the date the financial statements were available to be issued. No subsequent events requiring disclosure occurred.

APCO INTERNATIONAL, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

2. CASH AND CASH EQUIVALENTS

APCO International, Inc.'s cash and cash equivalents are composed of the following:

	2015	2014
Petty cash funds	\$ 250	\$ 500
Operating cash	6,872,834	6,497,396
Money-market funds	2,168,571	2,167,766
 TOTAL CASH AND CASH EQUIVALENTS	 \$ 9,041,655	 \$ 8,665,662

3. PROPERTY AND EQUIPMENT

The major components of APCO International, Inc.'s property and equipment are comprised of the following at June 30, 2015 and 2014:

	2015	2014
Land	\$ 818,034	\$ 818,034
Building and building improvements	2,696,663	2,564,907
Furniture and fixtures	421,347	393,208
Office machinery and equipment	112,129	76,160
Computer hardware, software and patents	593,033	575,053
	\$ 4,641,206	\$ 4,427,362
Less: Accumulated depreciation	(1,809,991)	(1,696,946)
 NET PROPERTY AND EQUIPMENT	 \$ 2,831,215	 \$ 2,730,416

Depreciation expense was \$150,682 and \$136,688 for the years ended June 30, 2015 and 2014, respectively. The Association implemented a capital improvement program over a five year rolling cycle for future improvements and equipment needs. For the years ended June 30, 2015 and 2014, the amounts approved for this program were \$1,018,609 and \$995,024, respectively.

4. CAPITAL LEASE OBLIGATION

The Association is the lessee of office equipment under a capital lease expiring during the year ending June 30, 2016. The assets and liabilities under capital lease are recorded at the lower of present value of minimum lease payments or the fair value of the asset. The asset is depreciated over the lower of the related lease terms or the estimated productive life. Depreciation of assets under capital lease is included in depreciation expense, and totaled \$6,889 for the years ended June 30, 2015 and 2014, respectively.

The following is a summary of equipment held under capital lease:

	2015	2014
Telephone equipment	\$ 34,447	\$ 34,447
Less: Accumulated depreciation	(32,150)	(25,261)
NET BOOK VALUE	\$ 2,297	\$ 9,186

APCO INTERNATIONAL, INC.  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

4. CAPITAL LEASE OBLIGATION (Cont'd)

The future minimum lease payments required under the capital lease are as follows for the years ending June 30:

2016	3,547
Total	\$ 3,547
Less: Amount representing interest	(75)
<b>TOTAL</b>	<b>\$ 3,472</b>
Less: Current portion	<u>3,472</u>
 LONG-TERM PORTION OF CAPITAL LEASE OBLIGATION	 <u>\$ 0</u>

The interest rate on the capital lease is 8.67% and is imputed based on the lower of the Association's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

5. LEASE AND OTHER COMMITMENTS

The Association is obligated under certain non-cancellable operating leases for various office machinery and equipment with terms ranging from one to five years. The future minimum rental payments required under operating leases are as follows for the years ending June 30:

2016	\$ 191,542
2017	84,554
2018	70,118
2019	<u>63,100</u>
 TOTAL FUTURE MINIMUM LEASE PAYMENTS	 <u>\$ 409,314</u>

The Association has entered into agreements for consulting and other services with one to three year terms. The future minimum payments required are as follows for the years ending June 30:

2016	\$ <u>255,500</u>
 TOTAL FUTURE MINIMUM PAYMENTS	 <u>\$ 255,500</u>

Lease and other commitment expenses incurred were \$516,802 and \$545,650 for the years ended June 30, 2015 and 2014, respectively.

APCO INTERNATIONAL, INC.  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

6. RETIREMENT PLAN

Effective January 1, 1998, the Association adopted a 401(k) retirement plan. The plan covers all employees with twelve months of continuous service or more. Effective January 1, 2013, the Association amended the plan to include Safe Harbor contributions equal to 3% of employee non-elective salary with 100% immediate vesting. The Association's may elect a discretionary contribution (currently 5% of employee's salary) determined annually by the Association's Board of Directors which vests equally over five years. Contributions for the years ended June 30, 2015 and 2014 were \$239,023 and \$229,717, respectively. Forfeitures are used first to pay administrative expenses, then reduce employer contributions. The forfeiture balances were \$3,055 and \$5,622 at June 30, 2015 and 2014, respectively.

7. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2015 and 2014:

	2015	2014
Scholarships	\$ 161,477	\$ 140,016
Wireless E-911 Grants	166,448	166,448
Other program assistance	28,732	41,383
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b>\$ 356,657</b>	<b>\$ 347,847</b>

At June 30, 2015 and 2014, the Association had \$269,905 in permanently restricted net assets, of which the earnings will be used for scholarships.

8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	2015	2014
<b>Purpose Restrictions Satisfied:</b>		
Scholarships	\$ 36,192	\$ 27,386
Wireless E-911 Grants	0	2,775
Other program assistance	20,000	12,000
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>\$ 56,192</b>	<b>\$ 42,161</b>