

**NATIONAL DISASTER
SEARCH DOG FOUNDATION**

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
SEPTEMBER 30, 2016 AND 2015**

NATIONAL DISASTER SEARCH DOG FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
National Disaster Search Dog Foundation

We have audited the accompanying financial statements of National Disaster Search Dog Foundation (a nonprofit organization) as of September 30, 2016 and September 30, 2015 which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, cash flows, and functional expenses for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation of 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 National Disaster Search Dog Foundation as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

Kinicher, Douglas & Porter LLP

Thousand Oaks, California
January 31, 2017

NATIONAL DISASTER SEARCH DOG FOUNDATION
STATEMENTS OF FINANCIAL POSITION

ASSETS

	September 30,	
	2016	2015
Current assets:		
Cash and cash equivalents	\$ 2,635,606	\$ 4,590,572
Investments	3,499,460	2,831,106
Accounts receivable	1,762,896	3,805,601
Prepaid expenses	26,842	19,152
Inventory	16,038	13,634
Deposits	0	3,000
Total current assets	7,940,842	11,263,065
Fixed Assets		
Property and equipment, net of accumulated depreciation of \$668,468 and \$478,558	9,522,035	3,613,307
Construction in progress	9,683,755	10,643,306
Land	3,901,019	3,901,019
Total Fixed Assets	23,106,809	18,157,632
Intangible assets, net of accumulated amortization of \$56,674 and \$36,031	50,567	51,782
Total assets	\$ 31,098,218	\$ 29,472,479

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 1,439,319	\$ 1,015,188
Accrued salary and benefits	52,307	62,685
Agency funds	69,385	74,923
Total current liabilities	1,561,011	1,152,796
Long-term liabilities:		
Note payable	3,090,294	3,253,183
Total long-term liabilities	3,090,294	3,253,183
Total liabilities	4,651,305	4,405,979
Net assets:		
Unrestricted	13,800,658	7,191,158
Temporarily restricted	12,646,255	17,875,342
	26,446,913	25,066,500
Total liabilities and net assets	\$ 31,098,218	\$ 29,472,479

See accompanying independent auditors' report and notes to financial statements.

NATIONAL DISASTER SEARCH DOG FOUNDATION
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30,

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenue and reclassification						
Contributions	\$ 818,947	\$ 944,740	\$ 1,763,687	\$ 682,667	\$ 6,238,016	\$ 6,920,683
Grants	1,003,800	0	1,003,800	952,600	0	952,600
Bequest income	966,622	0	966,622	272,789	0	272,789
Year end appeals	159,656	0	159,656	128,553	0	128,553
In-kind donations	2,931,052	0	2,931,052	2,487,234	0	2,487,234
Investment income	204,004	0	204,004	(54,908)	0	(54,908)
Sponsorship income	209,249	0	209,249	218,582	0	218,582
Merchandising income	18,097	0	18,097	40,067	0	40,067
Other income	(77,134)	0	(77,134)	17,707	0	17,707
Sponsorship income - SDUSA	0	0	0	157,222	0	157,222
Releases of restricted net assets	6,173,827	(6,173,827)	0	0	0	0
Total public support	12,408,120	(5,229,087)	7,179,033	4,902,513	6,238,016	11,140,529
Operating expenses						
Program services	4,865,778	0	4,865,778	4,266,558	0	4,266,558
General and administrative	390,158	0	390,158	372,066	0	372,066
Fundraising	542,684	0	542,684	381,974	0	381,974
Operating expenses - SDUSA	0	0	0	175,713	0	175,713
Total expenses	5,798,620	0	5,798,620	5,196,311	0	5,196,311
Change in net assets	6,609,500	(5,229,087)	1,380,413	(293,798)	6,238,016	5,944,218
Net assets at beginning of year	7,191,158	17,875,342	25,066,500	7,484,956	11,637,326	19,122,282
Net assets at end of year	\$ 13,800,658	\$ 12,646,255	\$ 26,446,913	\$ 7,191,158	\$ 17,875,342	\$ 25,066,500

See accompanying independent auditors' report and notes to financial statements.

NATIONAL DISASTER SEARCH DOG FOUNDATION
STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED SEPTEMBER 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,380,413	\$ 5,944,218
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated stock	(13,543)	(4,970)
Depreciation and amortization	229,211	180,695
Loss on disposal	77,783	0
Realized (gains)/losses on investments	32,894	18,333
Unrealized (gains)/losses on investments	(172,471)	79,105
Accrued interest on notes payable	(162,889)	(156,178)
(Increase) decrease in:		
Accounts receivable	2,042,705	(687,476)
Prepaid expenses	(7,690)	(11,215)
Inventory	(2,404)	23,134
Deposits	3,000	15
Increase (decrease) in:		
Accounts payable and accrued expenses	424,131	689,047
Accrued salary and benefits	(10,378)	11,467
Agency funds	(5,538)	(21,135)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,815,224	6,065,040
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to construction in progress	(5,215,540)	(3,232,080)
Purchases of intangible assets	(19,429)	(15,402)
Purchases of property and equipment	(19,987)	(10,094)
Purchases of investments	(897,077)	(1,221,507)
Proceeds from sales of investments	381,843	1,078,959
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(5,770,190)	(3,400,124)
Total increase (decrease) in cash and cash equivalents	(1,954,966)	2,664,916
Cash and cash equivalents at beginning of year	4,590,572	1,925,656
Cash and cash equivalents at end of year	\$ 2,635,606	\$ 4,590,572
Supplemental information:		
Interest paid	\$ 300,000	\$ 300,000
Income taxes paid	\$ 0	\$ 0

See accompanying independent auditors' report and notes to financial statements.

NATIONAL DISASTER SEARCH DOG FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016				2015				
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	SDUSA	Total
Salaries and related	\$ 711,423	\$ 265,565	\$ 326,693	\$ 1,303,681	\$ 660,476	\$ 283,625	\$ 273,630	\$ 110,196	\$ 1,327,927
Accounting and legal	0	25,398	0	25,398	2,905	20,581	342	11,428	35,256
Auto and travel	10,125	1,100	1,422	12,647	10,026	1,676	1,511	101	13,314
Insurance	34,918	13,361	4,031	52,310	4,936	15,001	832	0	20,769
Rent	21,798	1,861	2,441	26,100	29,232	2,784	2,784	900	35,700
Repairs and maintenance	27,600	1,640	3,244	32,484	21,995	1,327	2,567	0	25,889
Supplies	282,665	793	1,203	284,661	317,190	7,157	1,192	9,297	334,836
Utilities	36,293	2,291	4,236	42,820	24,686	1,742	2,726	4,421	33,575
Telephone	15,760	1,313	1,772	18,845	12,807	1,167	1,252	0	15,226
Computer	53,400	4,414	5,512	63,326	53,586	(2,255)	5,067	0	56,398
Marketing	47,305	3,333	45,492	96,130	43,442	4,015	22,186	3,448	73,091
Office	25,931	3,634	6,526	36,091	8,121	2,187	3,508	15,442	29,258
Shipping and postage	9,877	801	1,319	11,997	13,565	1,184	1,423	0	16,172
Trainer fees	291,200	0	0	291,200	218,400	0	0	0	218,400
Training sites	2,407,000	0	0	2,407,000	1,989,000	0	0	0	1,989,000
Handler costs	139,294	0	0	139,294	176,667	0	0	0	176,667
Equipment rental	4,031	344	451	4,826	5,257	501	501	0	6,259
Taxes and license	139	171	16	326	352	463	41	(3,879)	(3,023)
Canine recruiting and training	77,182	0	0	77,182	126,079	0	0	0	126,079
Lifetime care program	8,891	0	0	8,891	4,930	0	0	0	4,930
Events	1,602	540	3,341	5,483	40	88	2,347	0	2,475
In-kind program expenses	171,203	10,049	20,099	201,351	86,511	5,089	10,178	0	101,778
Outside services	288,100	14,136	35,263	337,499	280,139	239	5,739	24,359	310,476
Professional fundraising	0	18,027	57,088	75,115	0	13,433	42,739	0	56,172
Merchant fees and discounts	0	14,752	0	14,752	0	8,992	0	0	8,992
Total operating expenses before depreciation & amortization	4,665,737	383,523	520,149	5,569,409	4,090,342	368,996	380,565	175,713	5,015,616
Depreciation & Amortization	200,041	6,635	22,535	229,211	176,216	3,070	1,409	0	180,695
Total expenses and Depreciation & amortization	\$ 4,865,778	\$ 390,158	\$ 542,684	\$ 5,798,620	\$ 4,266,558	\$ 372,066	\$ 381,974	\$ 175,713	\$ 5,196,311

See accompanying independent auditors' report and notes to financial statements.

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

National Disaster Search Dog Foundation (the "Foundation"), a non-profit corporation located in Ojai, California, was formed under the general non-profit corporation laws of the State of California to produce the most highly trained canine disaster search teams in the nation. The Foundation accomplishes its mission by providing education, training and guidance to their dogs and handlers. Funding comes from contributions, grants, and program revenue from community members, corporations and foundations. Funds are also raised through fundraisers and special events.

The Foundation also maintains a Search Endowment Fund which is included in Investments on the Statement of Financial Position (See note 4). This non-operating income Fund's goal is to provide at minimum 25% of current operating income needs. The Foundation has established seven months of capital reserves in order to provide uninterrupted services due to a temporary drop in gift income. Any reserves in excess of twelve months will be used to increase the Endowment Fund. There is no external restriction on the Endowment Fund balance. All restrictions related to this fund are set internally by the Foundation's management.

Financial Statement Presentation

The Foundation's financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. Under this guidance, the Foundation 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. The Foundation presently has no permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

Contributions

The Foundation records contributions in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Restricted contributions are required to be reported as either temporarily or permanently restricted support and are reclassified to unrestricted net assets upon the release of restriction. In addition, unconditional promises to give are recorded in the year made. Conditional promises to give are recognized when the conditions upon which they were given are substantially met.

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

The Foundation receives services from volunteers who perform various services for the Foundation. Contributions of goods and the use of facilities are also donated to the Foundation. The Foundation records the value of services and goods received at their estimated fair value at the date of donation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities (e.g. the fair value of financial instruments, potential impairments to fixed assets and accrued expenses) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents unless they are donor restricted or board designated for long term purposes.

Investments

The Foundation presents its investments in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance 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. Unrealized gains and losses are included in the change in net assets and are allocated among the three classifications of net assets on the market value method.

Accounts Receivable

Accounts receivables consist primarily of pledges receivable in the form of grants and promises to give. Pledges receivable are recorded at net realizable value which approximates fair value. The Foundation considers pledges, grants, and other accounts receivables to be fully collectible, accordingly, no allowance for doubtful accounts is required.

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory consists primarily of shirts and totes used by unrelated organizations that use the dog training facility. Inventory is valued at cost using the first-in, first-out method.

Property and Equipment

Purchased property and equipment are stated at cost. Donated property is stated at fair value at the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	39 years
Leasehold improvements	5 years to 15 years
Equipment and furnishings	2 to 10 years
Vehicles	3 and 5 years

Expenditures for maintenance and repairs are charged directly to the appropriate operating account at the time the expense is incurred. Expenditures determined to represent additions and betterments are capitalized.

Advertising

The Foundation expenses the costs of advertising in the period incurred.

Income Tax Status

The Foundation is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and California tax laws and therefore has made no provision for federal or state income taxes in the accompanying financial statements. In addition, the Internal Revenue Service has determined that the Foundation is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended September 30, 2016 and 2015. At September 30, 2016 the Foundation's returns generally remain open for examination by taxing authorities for the three preceding years.

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of unconditional promises to give from donors for the construction of the National Training Center. Promises to give are recorded at their net realizable value. Substantially all promises to give are due within 1-5 years. Included in accounts receivable at September 30, 2016 and 2015 are \$1,749,194 and \$3,623,036, respectively that are restricted pledges to be used for the construction of the National Training Center. At September 30, 2016 all pledges are due within three years.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Foundation maintains bank accounts at various financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2016 and 2015 the Foundation had \$1,987,284 and \$4,160,864, respectively, of uninsured cash.

Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investors Protection Corporation (SIPC). At September 30, 2016 and 2015 the Foundation had \$455,097 and \$390,500 respectively, of cash and cash equivalents held in brokerage accounts.

At September 30, 2016 there was one donor with an outstanding pledge of \$1,500,000 representing 85% of accounts receivable. At September 30, 2015 there were five major donors from whom promises to give represented 85% of accounts receivable.

NOTE 4 - INVESTMENTS

In accordance with authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Foundation has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than Level 1 prices 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.

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 4 - INVESTMENTS (Continued)

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. Level 3 assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following table presents information about the Foundation's investments measured at fair value as of September 30, 2016 and 2015:

	<u>Assets at Fair Value as of September 30, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$1,879,446	\$ 0	\$ 0	\$1,879,446
Fixed Income	195,889	0	0	195,889
U.S. Treasuries	188,028	0	0	188,028
U.S. Corporate Bonds	705,945	0	0	705,945
Mutual Funds	58,588	0	0	58,588
Exchanged Traded Funds (ETF)	471,564	0	0	471,564
	<u>\$3,499,460</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$3,499,460</u>

	<u>Assets at Fair Value as of September 30, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$1,498,992	\$ 0	\$ 0	\$1,498,992
Fixed Income	280,720	0	0	280,720
U.S. Treasuries	140,622	0	0	140,622
U.S. Corporate Bonds	403,896	0	0	403,896
Mutual Funds	87,884	0	0	87,884
Exchange Traded Funds (ETF's)	418,992	0	0	418,992
	<u>\$2,831,106</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$2,831,106</u>

The following schedule summarizes the investment income in the statement of activities for the nine months ended September 30, 2016 and 2015 :

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 88,475	\$ 79,655
Realized gains/(losses)	(32,894)	(18,333)
Unrealized gains/(losses)	172,471	(79,105)
Investment expenses	(24,048)	(37,125)
Total investment income	<u>\$ 204,004</u>	<u>\$ (54,908)</u>

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Buildings	\$ 5,719,685	\$ 98,981
Land	3,901,019	3,901,019
Land improvements	3,521,275	3,521,275
Automobiles	185,427	185,427
Office equipment	527,980	127,182
Equipment	138,310	0
Furniture and fixtures	97,826	63,872
Leasehold improvements	<u>0</u>	<u>95,128</u>
	14,091,522	7,992,884
Less: accumulated depreciation	<u>(668,468)</u>	<u>(478,558)</u>
	13,423,054	7,514,326
Construction in progress	<u>9,683,755</u>	<u>10,643,306</u>
	<u>\$ 23,106,809</u>	<u>\$ 18,157,632</u>

Depreciation and amortization expense for the years ended September 30, 2016 and 2015 were \$229,211 and \$180,695, respectively.

NOTE 6 - NOTE PAYABLE

In February 2008, the Foundation acquired vacant land to be the future site of its National Training Center. The purchase was financed with a note payable to the seller of the property in the amount of \$3,000,000. The note is secured by the property acquired and accrues simple interest at 6% per annum through February 2011. The note accrues compounded interest at 6% per annum beginning March 1, 2011. Beginning on April 1, 2013 the note was renegotiated; the annual interest rate was reduced to 4.50% and annual payments of \$300,000 are due on December 14 starting in 2014. The principal and any unpaid accrued interest are due when the note matures in February 2019. The balance, including unpaid accrued interest, of the loan at September 30, 2016 and 2015 was \$3,090,294, and \$3,253,183, respectively. Accrued unpaid interest on the note payable at September 30, 2016 and 2015 was \$90,294 and \$253,183, respectively. Capitalized interest at September 30, 2016 and 2015 on this note for construction in progress was \$1,460,294 and \$1,323,183, respectively.

In April 2014 the Foundation secured a revolving construction line of credit with Montecito Bank and Trust. The loan was modified on March 1, 2016. The loan term is for a period of four years, from the date of modification, in the amount of \$5,500,000 and bears interest of 4.5% per annum. The purpose of the loan is to finance the construction in progress of the National Training Center which serves as collateral for the loan. At September 30, 2016 and 2015 the outstanding balance was \$0.

NATIONAL DISASTER SEARCH DOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Foundation leases a postage machine under an operating lease. The lease expires November 2018. The future minimum lease payments are as follows:

For the year ended	
September 30,	
2017	\$1,764
2018	1,617

The lease expense for the postage machine for each of the the years ended September 30, 2016 and 2015 was \$1,764.

The Foundation leases its administrative offices on a month-to-month basis. During the year ended September 30, 2016 the Foundation terminated its lease and moved its administrative offices to the National Training Center. Rent expense for the administrative office for the years ended September 30, 2016 and 2015 was \$26,100 and \$34,800, respectively.

NOTE 8 - RETIREMENT PLAN

The Foundation maintains a 401(k) plan for employees and will match the employee's contributions up to 3.5% of their monthly salary.

NOTE 9 - RESTRICTIONS OF NET ASSETS

Temporarily restricted net assets at September 30, 2016 and 2015 are available for the following purposes:

	<u>2016</u>	<u>2015</u>
National Training Center	\$ 12,646,255	\$ 17,875,342

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 31, 2017, the date the financial statements were available to be issued; management has determined there are no events subsequent to the date of the financial statements that require accrual or disclosure in these financial statements.