

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

WARRIOR CANINE CONNECTION, INC.

DECEMBER 31, 2015

WARRIOR CANINE CONNECTION, INC.

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Warrior Canine Connection, Inc.

We have audited the accompanying financial statements of Warrior Canine Connection, Inc., which comprises the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating 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 Warrior Canine Connection, Inc., as of December 31, 2015, and the changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

David J. Ackerly, P.C.

Germantown, Maryland

June 20, 2016, except for Note A, Note G, Note H and Note I as to which is July 7, 2017

DAVID J. ARDOIN, P.C.
 CERTIFIED PUBLIC ACCOUNTANT
WARRIOR CANINE CONNECTION, INC.
 STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,629,475
Certificate of deposit	10,169
Accounts receivable	442,687
Prepaid expenses	9,823
Inventory	6,681
TOTAL CURRENT ASSETS	2,098,835

FIXED ASSETS

Land improvements	5,820
Furniture, fixtures, and equipment	70,301
	76,121
Accumulated depreciation	(18,092)
TOTAL FIXED ASSETS	58,029

OTHER ASSETS

Deposits	9,190
Amortizable assets, net of amortization	15,573
Construction in progress	658,719
TOTAL OTHER ASSETS	683,482

TOTAL ASSETS	\$ 2,840,346
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 60,091
TOTAL CURRENT LIABILITIES	60,091

NET ASSETS

Unrestricted	2,278,752
Temporarily restricted	501,503
TOTAL NET ASSETS	2,780,255

TOTAL LIABILITIES AND NET ASSETS	\$ 2,840,346
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The Accompanying Notes are an Integral Part of These Statements

WARRIOR CANINE CONNECTION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
General contributions	\$ 425,631	\$ -	\$ 425,631
Fundraising event contributions	200,003	-	200,003
In-kind contributions	96,107	-	96,107
Foundation and trust grants	696,217	100,000	796,217
Nonprofit organization grants	5,378	-	5,378
United Way CFC	52,836	-	52,836
Fundraising agency contributions	60,330	-	60,330
Contract income	369,502	-	369,502
Special events (net of expenses)	30,246	-	30,246
Miscellaneous revenue	1,627	-	1,627
Investment income	46	-	46
TOTAL PUBLIC SUPPORT AND REVENUE	<u>1,937,923</u>	<u>100,000</u>	<u>2,037,923</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>766,203</u>	<u>(766,203)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>2,704,126</u>	<u>(666,203)</u>	<u>2,037,923</u>
EXPENSES			
PROGRAM SERVICES	<u>1,355,131</u>	<u>-</u>	<u>1,355,131</u>
SUPPORTING EXPENSES			
Management and General	162,810	-	162,810
Fundraising	73,854	-	73,854
TOTAL SUPPORTING EXPENSES	<u>236,664</u>	<u>-</u>	<u>236,664</u>
TOTAL EXPENSES	<u>1,591,795</u>	<u>-</u>	<u>1,591,795</u>
CHANGE IN NET ASSETS	1,112,331	(666,203)	446,128
NET ASSETS, BEGINNING OF YEAR	<u>1,166,421</u>	<u>1,167,706</u>	<u>2,334,127</u>
NET ASSETS, END OF YEAR	<u>\$ 2,278,752</u>	<u>\$ 501,503</u>	<u>\$ 2,780,255</u>

The Accompanying Notes are an Integral Part of These Statements

WARRIOR CANINE CONNECTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	SUPPORTING SERVICES			TOTAL
	PROGRAM SERVICES	MANAGE. & GENL.	FUND- RAISING	
Salaries	\$ 931,689	\$ 101,151	\$ 23,330	\$ 1,056,170
Payroll taxes	72,542	9,578	1,101	83,221
Fringe benefits	45,695	3,197	327	49,219
Total	1,049,926	113,926	24,758	1,188,610
Bank, payroll and paypal fees	-	2,911	12,888	15,799
Marketing and advertising	4,960	4,600	8,840	18,400
Depreciation	-	12,225	-	12,225
Vehicle fuel, maintenance	1,256	-	85	1,341
Vet care	49,337	-	-	49,337
Dog food and supplies	48,927	1,239	1,239	51,405
Dog care, breeding, acquisition	1,878	-	-	1,878
Miscellaneous	4,639	433	327	5,399
Insurance	5,591	1,238	659	7,488
Occupancy	30,336	3,792	3,792	37,920
Registration and filing fees	2,161	-	4,014	6,175
Postage, fax, office, delivery	6,510	1,085	3,255	10,850
Stationery, cards, printing	2,280	285	285	2,850
Professional services				
Legal	12,400	-	-	12,400
Consulting	57,515	7,189	7,189	71,893
Research	10,857	-	-	10,857
Accounting & audit	-	6,500	-	6,500
Computer expense	8,695	979	115	9,789
Special events-other	2,068	-	-	2,068
Website management	1,886	105	105	2,096
Telephone & internet	7,818	977	977	9,772
Graduation expenses	3,484	-	-	3,484
Travel, meals & lodging	32,315	4,039	4,039	40,393
Building repair and maintenance	10,292	1,287	1,287	12,866
Total	305,205	48,884	49,096	403,185
Total expenses	\$ 1,355,131	\$ 162,810	\$ 73,854	\$ 1,591,795
	<u>85%</u>	<u>10%</u>	<u>5%</u>	<u>100%</u>

The Accompanying Notes are an Integral Part of These Statements

WARRIOR CANINE CONNECTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$	446,128
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense		12,225
In-kind contributions		(59,865)
Earnings from certificate of deposit		(46)
Increase in accounts receivable		(311,374)
Increase in prepaid expenses		9,067
Increase in inventory		(4,556)
Increase in account payable and accrued expenses		11,831

NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>103,410</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Refund of deposits		250
Purchase of fixed assets		(46,300)
Purchase of amortizable assets		(9,963)
Purchase of construction in progress		(442,809)

NET CASH USED IN INVESTING ACTIVITIES		<u>(498,822)</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS		(395,412)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		<u>2,024,887</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$	<u><u>1,629,475</u></u>
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NON-CASH INVESTING ACTIVITY:

Acquisition of construction in progress donated to organization	\$	<u><u>59,865</u></u>
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The Accompanying Notes are an Integral Part of These Statements

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Warrior Canine Connection, Inc. has been organized exclusively as a charitable and educational organization to provide service members and veterans with post-traumatic stress (PTS) and traumatic brain injuries (TBI) with a continuing mission to support their fellow warriors through the training of mobility services dogs. WCC's training method offers a safe, effective and inexpensive therapeutic intervention that remediates the core-symptoms of PTS and TBI and produces well trained services dogs that will be partnered at no cost with disabled combat veterans. The Organization was incorporated July 27, 2011 as a non-stock corporation under the Maryland General Corporation Law and is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986 pursuant to a determination letter issued on October 13, 2011.

Basis of presentation – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

The Organization presents information regarding its financial position and activities according to three classes of net assets described as follows:

Unrestricted – All resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Temporarily restricted net assets – Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.

Permanently restricted net assets – Resources accumulated through donations or grants that are subject to a restriction. These net assets include the original value of the gift, plus any subsequent additions.

There were no permanently restricted net assets as of December 31, 2015. Temporarily restricted net assets were \$501,503 at December 31, 2015.

Fair value – For cash, short-term investments and payables, the carrying amount is a reasonable estimate of fair value. Investments are carried at market value, which approximates fair value. See Note A for additional information regarding the valuation of the Organization's investments.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents – For the purpose of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fixed assets – Land improvements, and furniture and fixtures are recorded at cost. Depreciation is provided on the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Life</u>
Land improvements	20 years
Furniture and fixtures	7-10 years

Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Contributions may include actual gifts or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their fair value on the date of the gift. Restricted gifts or promises to give are required to be reported as restricted support in the period received and are then reclassified to unrestricted net assets upon satisfaction of the donor restriction. In addition, contributed services using specialized skills that would have been required to be purchased if not provided by donation are also recognized.

Fair value measurements – ASC 820, Fair Value Measurements and Disclosures, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continuation) - Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit are valued at cost plus accrued interest, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Income taxes – The Organization is exempt from income taxes under Section 501(c)(3) and is a publicly supported organization under Section 509(a)(2) of the Internal Revenue Code. Therefore, no provision has been made for income taxes in the financial statements.

Accounting for Uncertainty in Income Taxes – The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. It is management’s belief that the Organization does not hold any uncertain tax positions. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s Federal tax returns are generally open for examination for three years following the date filed.

Subsequent events – The Organization has evaluated subsequent events through June 20, 2016, which is the date the financial statements were available to be issued.

Contributed services, goods and facilities – the Organization also received various gifts of dog related goods and supplies which are used in its canine program. Management estimates the value of these items to be \$24,773 and is reported as an in-kind contribution and canine supply expense. The Organization also received gifts of equipment and furniture which are being used at the new headquarters facility in Germantown, Maryland. Management estimates the values of these items to be \$11,469 and have been capitalized as furniture, fixtures and equipment. The Organization also received donated architectural and crane services for the new facility in Germantown, Maryland which it estimates the value to be \$59,865 and is reported as construction in progress. The total in-kind contributions reported on the statement of activities for the year ended December 31, 2015 was \$96,107.

Management believes that these estimates of such expenditures provide a reasonable basis for recording off-setting in-kind contributions and expenses. The recording of in-kind contributions and donations has no net impact on the reported change in net assets.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE B - FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Organization to concentration of credit risk consist of temporary cash investments. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2015, cash balances of the Organization were fully insured. The Organization's temporary cash investments are held with high credit quality financial institutions and management believes there is no significant concentration of credit risk.

NOTE C – PROGRAM DESCRIPTIONS

In 2015, Warrior Canine Connections (WCC) provided its service dog training therapy program for Post Traumatic Stress (PTS) and Traumatic Brain Injuries (TBI) to wounded Warriors in treatment at the National Intrepid Center of Excellence (NICOE) at Walter Reed National Military Medical Center (WRNMMC) in Bethesda, MD. WCC also served patients in the Behavioral Health and Brain Injury Treatment Programs at WRNMMC. WCC staff provided patients and staff members with information on the use of service dogs for physical and psychological disabilities and the care and training of service dogs. Additionally, WCC dogs worked with Soldiers in the Warrior Transition Units at WRNMMC and Fort Belvoir, VA. Field trips were also arranged for NICOE and WRNMMC patients to WCC's Healing Quarters in Brookeville, MD. During 2015, WCC staff presented service dog training as a therapeutic intervention for PTS and TBI to several hundred military and civilian leaders in meetings and in conjunction with tours of the NICoE and WRNMMC. WCC staff and Warrior Trainers also presented the WCC Mission Based Trauma Recovery (MBTR) Program to Navy Reservists at returning Warrior workshops around the country.

The WCC West Coast program operates out of the "Welcome Center" on the campus of the VA Medical Center in Menlo Park, CA. In 2015, WCC staff provided service dog training therapy services to numerous programs at the Menlo Park VA and the nearby Palo Alto VA ranging from acute in-patient Poly-trauma to out-patient mental health.

The WCC therapeutic service dog training program relies on the availability of Golden and Labrador Retriever puppies, purpose bred for health and temperament for service dog work. Two litters of puppies were bred by the WCC Dog Program Director and raised at the WCC Puppy Enrichment Center until they were ready to be placed in the homes of volunteer Puppy Foster Parents. Sixteen puppies were also donated by breeders known to produce dogs suitable for the WCC program. Recovering Warriors from NICoE and WRNMMC and civilian volunteers were involved in the early socialization of these future service dogs for disabled combat Veterans in the medical facilities and at the WCC Brookeville HQ. WCC puppies were featured on a puppy cam that was viewed by millions of people around the world, providing WCC with an outstanding educational opportunity to share information about the breeding, care, therapeutic training, and benefits of service dogs to wounded Warriors. A WCC dog must be approximately two years old and meet industry training standards to be eligible to be placed with a disabled combat Veteran. The third graduation of WCC dogs took place in October 2015. Fourteen dogs were placed in support of combat Veterans with disabilities and their families.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE C – PROGRAM DESCRIPTIONS (CONTINUED)

WCC is collaborating with WRNMMC, the Uniformed Services University of the Health Sciences (USUHS) and civilian academic experts on research associated with the neurobiology of the human-animal bond and the treatment of PTSD. The protocol for the study was approved and subject recruitment began in late 2014. A larger research study to evaluate the efficacy of service dog training as an adjunctive treatment for PTSD and TBI and to maximize the therapeutic benefits to recovering Warriors who participate in the program was initiated with these collaborative partners in 2014, and is in the Institutional Review Board process.

NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing program and supporting services has been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among programs and the supporting services benefited. The allocation was made on the basis of an analysis made by management.

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of the following:

Donation from the Bob and Renee Parsons Foundation for 850,000, received in 2014, of which \$448,497 was released during the year ended December 31, 2015. The restricted balance of the Parson donation as of December 31, 2015 is \$401,503. The Bob and Renee Parsons Foundation contribution is restricted for the new headquarters facility in Germanton, Maryland.

Donation from The Bob Woodruff Foundation for \$200,000, received in 2014, of which \$14,794 was released in 2014 and \$185,206 was released in 2015. The restricted balance of the Woodruff donation as of December 31, 2015 is \$-0-. The Bob Woodruff Foundation contribution is restricted for the salaries of a Service Dog Training Instructors at the VA Medical center-Menlo Park and the Brookeville, MD headquarters and the WCC Medical Director.

Donation from the Schultz Family Foundation for \$150,000 received in 2014, of which \$17,500 was released in 2014 and \$132,500 was released in 2015. The restricted balance of the Schultz donation as of December 31, 2015 is \$-0-. The Schultz Family Foundation contribution was restricted for the support of capacity building, strategic advisement and training framework development.

Donation from the Disabled American Veterans for \$100,000 received in 2015. The Disabled American Veterans contribution is restricted for the sponsorship of six dogs in training. There were no releases in 2015.

The balance of the restricted contributions and grants as of December 31, 2015 is \$501,503.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

<u>Description</u>	<u>Net Assets at 1/01/15</u>	<u>Public Support and Revenue</u>	<u>Net Assets Released</u>	<u>Net Assets at 12/31/15</u>
Bob and Renee Parsons Foundation	\$ 850,000	\$ -	\$ (448,497)	\$ 401,503
Bob Woodruff Foundation	185,206	-	(185,206)	-
Schultz Family Foundation	132,500	-	(132,500)	-
Disabled American Veterans	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Totals	<u>\$ 1,167,706</u>	<u>\$ 100,000</u>	<u>\$ (766,203)</u>	<u>\$ 501,503</u>

NOTE F – CONCENTRATION OF CONTRIBUTIONS

Contributions from seven donors represented \$702,712 or 42% of contributions and grants for the year ended December 31, 2015.

NOTE G- NEW HEADQUARTERS FACILITY

The Organization reached an agreement with the State of Maryland and entered into a lease of state parkland for therapeutic service dog training for Veterans. The lease is for a location at the Schaeffer Farm area of Seneca Creek State Park in Germantown Maryland. This location will house the new headquarters of the Organization and help expand its mission and enable it to continue to operate in a Maryland State Park that offers a peaceful environment to support the healing process for Veterans. The new location will enable the Organization to add an "apprentice service dog training" program and offer art and music therapy, as well as acupuncture and eventually add equine therapy and therapeutic farming and gardening. The area within Schaeffer Farm offers a tranquil restorative setting close to Walter Reed National Military Medical Center, providing the ideal location for Veterans to prepare to transition back into civilian and family life. The lease is for twenty five years and the fixed annual rent payable is \$1 per year for years 1 through 10 (\$10 was paid at the signing if the lease to pay the rent for the first 10 years); \$18,000 per year for years 11 through 15; \$24,000 per year for years 16 through 20 and \$30,000 per year for years 21 through 25. The Organization estimates the cost of the improvements to be \$3,000,000 which will be funded through contributions. Total costs incurred through the year ended December 31, 2015 were \$658,719 which includes in-kind contribution of services of \$78,975. Occupancy is anticipated during 2016 after initial property improvements are completed, at which time the Organization will transfer its entire operations from the Old Headquarters Facility.

The Organization also entered into a five year lease effective April 15, 2015 with DNR for additional acreage to provide an environmental buffer between the Organization and adjacent farming operations. The rent is fixed at \$3,660 per year payable annually on April 1st.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE G- NEW HEADQUARTERS FACILITY (CONTINUED)

The minimum lease commitments are as follows:

Year ending	2016	\$ 3,661
	2017	3,661
	2018	3,661
	2019	3,661
	2020	3,661

NOTE H – OLD HEADQUARTERS FACILITY

The Organization headquarters are located at a residential facility in Brookeville, Maryland, which is a historic property owned by the Maryland Department of Natural Resources (DNR). The DNR had entered into a lease dated from 1992 with an independent caretaker who was responsible for maintaining the property while he resided there. The caretaker subleased the property to the executive director, personally, beginning December, 2010 and the current monthly rate is \$3,101 plus utilities. Since WCC had been formed in July 2011, with Board approval, the Organization had used this facility for program headquarters and training. In June 2014, with Board approval, the Organization had begun to reimburse the executive director for the rental expenses and utilities associated with the facility. For the year ended December 31, 2015, the Organization reimbursed the executive director \$37,214 for facility rent and reimbursed \$711 to the executive director for utility costs.

During a 2013 review, the DNR extended the term of the sublease to the director, but, based on maintenance and repair expenses for the property, determined that the caretaker had overcharged the rent under the overriding 1992 lease and required him to make refunds for these overcharges. The executive director received refunds of \$24,259 and \$3,258 for the years 2012 and 2013, respectively. During February 2015, the Organization received \$14,959, which was the refund determined for the twelve months of 2014. This refund event reduced the Organization's net rental expense for the year ended December 31, 2015, to \$22,255 (\$37,214 less \$14,959).

NOTE I – RETIREMENT PLAN

Effective January 1, 2015 the Organization participates in a contributory defined contribution retirement plan. All full time employees are eligible to participate in the plan. Employees who elect to participate may contribute any amount of their annual salary. The Organization matches employee contributions up to 5% of the participant's annual salary. The Organization made matching contributions of \$7,451 to the plan for the year ended December 31, 2015.