

**C5 Youth Foundation of
Southern California, Inc.**

**FINANCIAL STATEMENTS
As of December 31, 2013 and 2012
And For the Years Then Ended**

**Together with Independent
Auditor's Report**

C5 Youth Foundation of Southern California, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
C5 Youth Foundation of Southern California, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of C5 Youth Foundation of Southern California, Inc. ("C5LA"), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the C5LA as of December 31, 2013 and 2012, and the changes in net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

STANISLAWSKI & HARRISON

August 18, 2014

Member of:
American Institute of Certified Public Accountants
Division of CPA Firms/Private Companies Practice Section
California Society of Certified Public Accountants

C5 Youth Foundation of Southern California, Inc.
Statements of Financial Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS:		
Cash and cash equivalents (Note 3)	\$ 865,015	\$ 759,472
Pledge receivable	82,935	50,000
Investments (Note 4)	-	100,606
Property and equipment, net (Note 5)	<u>160,374</u>	<u>192,785</u>
Total assets	<u>\$ 1,108,324</u>	<u>\$ 1,102,863</u>
LIABILITIES AND NET ASSETS:		
Accounts payable and accrued expenses	<u>\$ 67,365</u>	<u>\$ 44,422</u>
Commitments (Note 8)		
Unrestricted net assets	958,024	1,008,441
Temporarily restricted net assets (Note 10)	<u>82,935</u>	<u>50,000</u>
Total net assets	<u>1,040,959</u>	<u>1,058,441</u>
Total liabilities and net assets	<u>\$ 1,108,324</u>	<u>\$ 1,102,863</u>

C5 Youth Foundation of Southern California, Inc.
Statement of Activities
For the Year Ended December 31, 2013
(With comparative totals for the year ended December 31, 2012)

	Unrestricted	Temporarily Restricted	Total	
			2013	2012
SUPPORT AND REVENUE:				
Contribution revenue	\$ 642,140	\$ 82,935	\$ 725,075	\$ 437,882
Fundraising revenue, net of fundraising expenses of \$42,573 (2013) and \$60,427 (2012)	60,139	-	60,139	121,209
In-kind contributions (Note 6)	118,000	-	118,000	118,000
Investment income	1,604	-	1,604	1,839
Other income	1,669	-	1,669	14
Net assets released from restrictions	50,000	(50,000)	-	-
Total support and revenue	873,552	32,935	906,487	678,944
EXPENSES:				
Program	621,105	-	621,105	782,713
Management and general	158,837	-	158,837	145,650
Fundraising	144,027	-	144,027	233,321
Total expenses	923,969	-	923,969	1,161,684
Increase (decrease) in net assets	(50,417)	32,935	(17,482)	(482,740)
NET ASSETS - Beginning of year	1,008,441	50,000	1,058,441	1,541,181
NET ASSETS - End of year	\$ 958,024	\$ 82,935	\$ 1,040,959	\$ 1,058,441

C5 Youth Foundation of Southern California, Inc.
Statement of Activities
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contribution revenue	\$ 387,882	\$ 50,000	\$ 437,882
Fundraising revenue, net of fundraising expenses of \$60,427	121,209	-	121,209
In-kind contributions (Note 6)	118,000	-	118,000
Investment income	1,839	-	1,839
Other income	14	-	14
	<u>628,944</u>	<u>50,000</u>	<u>678,944</u>
EXPENSES:			
Program	782,713	-	782,713
Management and general	145,650	-	145,650
Fundraising	233,321	-	233,321
	<u>1,161,684</u>	<u>-</u>	<u>1,161,684</u>
Increase (decrease) in net assets	<u>(532,740)</u>	<u>50,000</u>	<u>(482,740)</u>
NET ASSETS - Beginning of year	<u>1,541,181</u>	<u>-</u>	<u>1,541,181</u>
NET ASSETS - End of year	<u>\$ 1,008,441</u>	<u>\$ 50,000</u>	<u>\$ 1,058,441</u>

C5 Youth Foundation of Southern California, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2013
(With Comparative Totals for the Year Ended December 31, 2012)

	Program	Management and General	Fundraising	Totals	
				2013	2012
Accounting fees	\$ -	\$ 9,605	\$ -	\$ 9,605	\$ 5,385
Arts and crafts supplies	-	-	-	-	275
Assessment/ membership Fees	-	-	-	-	4,234
Bank service charges	-	2,010	-	2,010	1,386
Clothing expense	3,635	-	-	3,635	5,897
Conferences and memberships	-	498	-	498	1,039
Depreciation	-	32,411	-	32,411	32,411
Dues and subscriptions	-	732	-	732	2,676
Equipment and fixtures expense	21,488	-	-	21,488	2,724
Equipment maintenance and repairs	1,424	-	-	1,424	2,497
Field trip expense	9,014	-	-	9,014	12,367
Honorariums	750	-	-	750	4,250
Horse lease	-	-	-	-	11,021
Liability insurance	-	15,941	-	15,941	18,527
Loss on assets disposed	-	-	-	-	770
Marketing and Public Relations	2,350	-	-	2,350	12,870
Meals and entertainment	1,352	2,073	1,604	5,029	13,439
Medical expense	702	-	-	702	521
Miscellaneous	9,209	-	-	9,209	2,812
Payroll expense and benefits	333,628	92,380	40,511	466,519	526,588
Postage and delivery	326	-	-	326	253
Printing and reproduction	96	51	161	308	1,132
Professional services	-	-	96,700	96,700	124,300
Program recruiting	717	-	-	717	3,966
Promotional items and gifts	11	53	2,280	2,344	126
Summer food expense	21,846	-	-	21,846	59,461
Supplies	4,916	157	2,004	7,077	11,267
Telephone and internet	733	-	-	733	2,594
Travel expense	88,516	2,522	767	91,805	147,278
Utilities	574	-	-	574	9,346
Vehicle and equipment rental	1,031	-	-	1,031	20,804
Vehicle maintenance and repairs	787	-	-	787	952
Website	-	404	-	404	516
	<u>503,105</u>	<u>158,837</u>	<u>144,027</u>	<u>805,969</u>	<u>1,043,684</u>
In-kind camp facility expense (Note)	75,000	-	-	75,000	75,000
In-kind office rent and expenses (Note 6)	43,000	-	-	43,000	43,000
	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>118,000</u>	<u>118,000</u>
Total expenses	<u>\$ 621,105</u>	<u>\$ 158,837</u>	<u>\$ 144,027</u>	<u>\$ 923,969</u>	<u>\$ 1,161,684</u>

C5 Youth Foundation of Southern California, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program	Management and General	Fundraising	Total
Accounting fees	\$ -	\$ 5,385	\$ -	\$ 5,385
Arts and crafts supplies	275	-	-	275
Assessment/ membership Fees	4,234	-	-	4,234
Bank service charges	-	1,386	-	1,386
Clothing expense	5,897	-	-	5,897
Conferences and memberships	-	1,039	-	1,039
Depreciation	-	32,411	-	32,411
Dues and subscriptions	-	2,676	-	2,676
Equipment and fixtures expense	2,724	-	-	2,724
Equipment maintenance and repairs	2,497	-	-	2,497
Field trip expense	12,367	-	-	12,367
Honorariums	4,250	-	-	4,250
Horse lease	11,021	-	-	11,021
Liability insurance	-	18,527	-	18,527
Loss on assets disposed	770	-	-	770
Marketing and Public Relations	10,296	-	2,574	12,870
Meals and entertainment	4,025	807	8,607	13,439
Medical expense	521	-	-	521
Miscellaneous	2,812	-	-	2,812
Payroll expense and benefits	353,556	80,028	93,004	526,588
Postage and delivery	144	109	-	253
Printing and reproduction	119	100	913	1,132
Professional services	100	-	124,200	124,300
Program recruiting	3,966	-	-	3,966
Promotional items and gifts	36	42	48	126
Summer food expense	59,461	-	-	59,461
Supplies	8,563	906	1,798	11,267
Telephone and internet	2,594	-	-	2,594
Travel expense	143,383	1,718	2,177	147,278
Utilities	9,346	-	-	9,346
Vehicle and equipment rental	20,804	-	-	20,804
Vehicle maintenance and repairs	952	-	-	952
Website	-	516	-	516
	<u>664,713</u>	<u>145,650</u>	<u>233,321</u>	<u>1,043,684</u>
In-kind camp facility expense (Note 6)	75,000	-	-	75,000
In-kind office rent and expenses (Note 6)	43,000	-	-	43,000
	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>118,000</u>
Total expenses	<u>\$ 782,713</u>	<u>\$ 145,650</u>	<u>\$ 233,321</u>	<u>\$ 1,161,684</u>

C5 Youth Foundation of Southern California, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	<u>\$ (17,482)</u>	<u>\$ (482,740)</u>
Adjustment to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,411	32,411
Loss on assets disposed	-	770
Unrealized loss on investments	336	3,054
Changes in operating assets and liabilities:		
Pledge receivable	(32,935)	(50,000)
Accounts payable and accrued expenses	<u>22,943</u>	<u>8,018</u>
Total adjustments	<u>22,755</u>	<u>(5,747)</u>
Net cash provided by (used in) operating activities	<u>5,273</u>	<u>(488,487)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	<u>100,270</u>	<u>200,000</u>
Net cash provided by investing activities	<u>100,270</u>	<u>200,000</u>
Increase (decrease) in cash and cash equivalents	105,543	(288,487)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>759,472</u>	<u>1,047,959</u>
CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 865,015</u></u>	<u><u>\$ 759,472</u></u>

C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

(1) ORGANIZATION

For C5 Youth Foundation of Southern California, Inc. ("C5LA"), a California nonprofit corporation located in Los Angeles, California, was formed in February 2008, when the C5 Youth Foundation (national organization) transferred its assets and programs to the local level. The first year of program operations for C5LA was 2009.

C5LA is a five-year youth leadership development program that targets high-potential, under-resourced eighth graders to graduate high school, attend college and become productive, happy and successful leaders in their communities. We encourage C5LA teens to be Character-driven, Community-focused, Challenge-ready, College-bound and Committed to a better future.

The mission of the C5LA is to change the odds for high-potential teens from risk-filled environments, inspiring them to pursue personal success, and preparing them for leadership roles in college, work and their communities.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation – The financial statements of C5LA have been prepared in conformity to accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of C5LA and changes therein have been classified and are reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations; donor-restricted contributions whose restrictions are met in the same reporting period.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of C5LA and/or by the expiration of stipulated time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by C5LA. Generally, the donors of these assets permit C5LA to use all or part of the income earned on related investments for general or specific purposes. C5LA had no permanently restricted net assets as of December 31, 2013 and 2012.

Revenue and Expense Recognition – 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 investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions – Promises to give (pledges) are recorded as contribution income and as receivables. Contributions are classified as unrestricted and temporarily restricted based on donor-imposed stipulations. Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are initially recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible pledges is estimated by management based on such factors as prior collections history, type of contribution and the nature of the fund-raising activity.

Cash and Cash Equivalents – Cash and cash equivalents include cash and cash sweep account in the investment brokerage account.

Investments – Investments are stated at fair value. The estimated fair value of investments is based on quoted market prices and net asset value. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statement of activities

Fair Value Measurements – Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Topic 820, Fair Value Measurements and Disclosures (ASC 820), establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 – Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

The asset 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.

C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk – C5LA's cash and money market accounts are held by recognized financial institutions insured by Federal Deposit Insurance Corporation and Securities Investor Protection Corporation up to their statutory limits. As of December 31, 2013 and 2012, three donors and one donor accounted for 72% and 100% of the pledge receivable balances, which were subsequently collected in 2014 and 2013, respectively. For the years ended December 31, 2013 and 2012, two donors and one donor accounted for 33% and 24% of the total contribution revenue, respectively.

Property and Depreciation – Property and equipment are recorded at cost, or if acquired by gift, at the estimated fair value at the date of the gift. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Leasehold Improvements – Camp Buildings	10 Years
Camp Equipment	3-10 Years

In-Kind Contributions – In-kind contributions are recognized as contributions in accordance with ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by C5LA.

Income Taxes – C5LA is a nonprofit public benefit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. C5LA has received favorable determination letters indicating it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California franchise taxes under Section 23701 of the California Revenue Taxation Code.

Under ASC 740-10-25, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of ASC 740-10-25 had no impact on the C5LA's financial statements. C5LA does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2013 and 2012, there were no interest or penalties recorded or included in its financial statements. Generally, C5LA's income tax returns are subject to examination by federal and state tax authorities for 3 years and 4 years, respectively, after the date of filing.

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 amount 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.

C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events – Subsequent events have been evaluated through August 18, 2014, the date that these financial statements were available to be issued. There were no subsequent events that would require adjustments or disclosures in these financial statements.

(3) CASH AND CASH EQUIVALENTS

At December 31, 2013 and 2012, C5LA had cash accounts as follows:

	<u>2013</u>	<u>2012</u>
Wells Fargo		
- Checking Account	\$ 93,591	\$ 10,926
- Savings Account	506,821	385,916
- Bank Deposit Sweep Account	<u>264,603</u>	<u>362,630</u>
	<u>\$ 865,015</u>	<u>\$ 759,472</u>

(4) INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the C5LA's investments at fair value as of December 31, 2012:

<u>12/31/2012</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Wells Fargo Brokerage Investment Account:				
- U.S. Corporate Bonds	<u>\$ 100,606</u>	<u>\$ -</u>	<u>\$ 100,606</u>	<u>\$ -</u>

The U.S. corporate bonds held at December 31, 2012 matured in January and April 2013 and were not reinvested.

C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

(4) INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The composition of investment return for the years ended December 31, 2013 and 2012, is as follows:

	<u>2013</u>	<u>2012</u>
Dividends and interest	\$ 1,940	\$ 4,893
Unrealized Loss	<u>(336)</u>	<u>(3,054)</u>
	<u>\$ 1,604</u>	<u>\$ 1,839</u>

(5) PROPERTY AND EQUIPMENT

At December 31, 2013 and 2012, property and equipment are as follows:

	<u>2013</u>	<u>2012</u>
Leasehold Improvements - Camp Buildings	\$ 300,000	\$ 300,000
Camp Equipment	<u>28,896</u>	<u>28,896</u>
Less: Accumulated Depreciation	<u>(168,522)</u>	<u>(136,111)</u>
	<u>\$ 160,374</u>	<u>\$ 192,785</u>

(6) IN-KIND CONTRIBUTIONS

During the years ended December 31, 2013 and 2012, C5LA received in-kind contributions from board members who received no economic benefit in return. The camp facility is used approximately two months during summer. The agreement to use the camp facility at no cost expires on December 31, 2018 (See Note 8). The office space is on a month-to-month understanding with the owner of the building. During each of the years ended December 31, 2013 and 2012, the estimated fair market value of the in-kind donated use of camp facility was \$75,000 and office rent was \$43,000, totaling \$118,000.

C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

(7) LEASE OF CAMP PREMISES

C5LA leases its camp premises, Camp Paintrock, located in Hyattville, Wyoming, subject to the terms of a Lease and Operating Agreement (the "Agreement"), dated January 1, 2009, entered into between C5LA and the John and Carolyn Alm Family Foundation (J&CAFF). The trustee of J&CAFF is a member of the C5LA's Board of Directors. Among other terms of the Agreement, the parties have agreed that:

- The term of the Agreement is effective from January 1, 2009 through December 31, 2018. The initial term may be extended for four additional terms of five years each, unless either party elects not to extend the Agreement.
- The Agreement may be terminated prior to expiration by either party upon certain circumstances, as defined.
- The camp premises are rented to C5LA at no cost, subject to the terms of the Agreement (recorded at estimated fair value of \$75,000).
- All capital improvements and facilities on the premises become the property of J&CAFF upon termination or expiration of the Agreement.
- While in operation, all improvements, including buildings, pools, wells, septic systems, fences, water tanks and other facilities on the camp premises will be kept safe and in operable condition, at the expense of C5LA.
- For the purpose of the Agreement, the capital leasehold improvements have been valued at \$300,000 in the aggregate and are amortized on a straight-line basis over a period of ten years from the date such improvements are placed in service. In the event of any breach of the Agreement by J&CAFF that causes C5LA to lose access to the camp premises, J&CAFF shall reimburse C5LA for the unamortized balance of any such capital improvements as of the date of the breach of the Agreement.

(8) INTENTION TO GIVE AND PLEDGES RECEIVABLE

On April 6, 2009, C5LA received a letter of intent from J&CAFF expressing an intention to give \$1,550,000. During the years ended December 31, 2013 and 2012, C5LA received \$100,000 annually from J&CAFF. Future payments anticipated from the donor as of December 31, 2013, are as follows:

Year Ending December 31	
2014	\$ 100,000
2015	100,000
2016	100,000
2017	100,000
2018	100,000
Thereafter	<u>600,000</u>
Total	<u><u>\$ 1,100,000</u></u>

**C5 Youth Foundation of Southern California, Inc.
Notes to Financial Statements
December 31, 2013 and 2012**

(8) INTENTION TO GIVE AND PLEDGES RECEIVABLE (Continued)

The intended contributions are to be used for general operating expenses. A portion of the intended contributions after 2015 are to be designated to endowment. The designated amount to endowment has not been disclosed in the letter of intent.

The gift has not been recorded in the accounting records of C5LA, as the terms of the gift do not meet the requirements of generally accepted accounting principles in the United States of America for recognition as contribution revenue.

All amounts recorded as pledges receivable at December 31, 2013, were collected in 2014.

(9) RETIREMENT PLAN

Through its human resources provider, Insperty, C5LA sponsors a defined contribution 401(k) retirement plan for eligible employees. Eligibility begins after age 21 and completion of 3 months of service. Under the plan, employees may make tax-deferred contributions up to statutory limits. C5LA matches 100% of the first 6% of deferred salary with immediate vesting for qualified employees. For the years ended December 31, 2013 and 2012, employer contributions to the plan were \$14,589 and \$11,975, respectively.

(10) TEMPORARILY RESTRICTED

At December 31, 2013 and 2012, temporarily restricted net assets of \$82,935 and \$50,000, respectively, were subject to time restriction by donors.