REPORT OF

VITAE FOUNDATION

DECEMBER 31, 2014 AND 2013

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Vitae Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the Vitae Foundation ("the Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related 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 financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 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 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 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 Vitae Foundation as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matter

Our audits were made for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Williams-Keepers LLC

June 2, 2015

VITAE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	$ 879,118	$ 766,229
Short-term investments	22,703	41,927
Current unconditional promises to give, net of allowance of $75,774 and $70,654	275,905	211,462
Other current assets	58,914	127,230
Total current assets	1,236,640	1,146,848
NONCURRENT ASSETS		
Long-term unconditional promises to give, net of discount of of $2,339 and $7,076	30,401	104,728
Equipment and leasehold improvements, net of accumulated depreciation of $301,818 and $298,385	7,464	8,310
Other noncurrent assets	3,425	3,425
Total noncurrent assets	41,290	116,463
Total assets	$ 1,277,930	$ 1,263,311
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 56,780	$ 55,569
Accrued leave and salaries payable	175,516	186,633
Deferred revenue	-	48,055
Notes payable	39,998	38,019
Total current liabilities	272,294	328,276
NONCURRENT LIABILITIES		
Long-term portion of notes payable	88,748	128,756
Total liabilities	361,042	457,032
NET ASSETS		
Unrestricted	332,820	171,387
Temporarily restricted	584,068	634,892
Total net assets	916,888	806,279
Total liabilities and net assets	$ 1,277,930	$ 1,263,311

The notes to financial statements are an integral part of these statements.

VITAE FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
REVENUE				
Media campaign	$ 2,831,929	$ 612,386	$ 3,444,315	3,468,362
Investment return, net	2,953	-	2,953	3,291
Miscellaneous	4,754	-	4,754	8,484
	2,839,636	612,386	3,452,022	3,480,137
Net assets released from restrictions	663,210	(663,210)	-	-
Total revenue	3,502,846	(50,824)	3,452,022	3,480,137
EXPENSES				
Education of the public	2,492,797	-	2,492,797	2,012,697
Fund-raising	419,654	-	419,654	431,882
Management and general	392,813	-	392,813	415,891
	3,305,264	-	3,305,264	2,860,470
Other expenses-loss on doubtful pledges	36,149	-	36,149	105,792
Total expenses	3,341,413	-	3,341,413	2,966,262
Change in net assets	161,433	(50,824)	110,609	513,875
Net assets, beginning of year	171,387	634,892	806,279	292,404
Net assets, end of year	$ 332,820	$ 584,068	$ 916,888	$ 806,279

The notes to financial statements are an integral part of these statements.

VITAE FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Media campaign	$ 2,794,893	$ 673,469	$ 3,468,362
Investment return, net	3,291	-	3,291
Miscellaneous	8,484	-	8,484
	2,806,668	673,469	3,480,137
Net assets released from restrictions	422,374	(422,374)	-
Total revenue	3,229,042	251,095	3,480,137
EXPENSES			
Education of the public	2,012,697	-	2,012,697
Fund-raising	431,882	-	431,882
Management and general	415,891	-	415,891
	2,860,470	-	2,860,470
Other expenses-loss on doubtful pledges	105,792	-	105,792
Total expenses	2,966,262	-	2,966,262
Change in net assets	262,780	251,095	513,875
Net assets (deficit), beginning of year	(91,393)	383,797	292,404
Net assets, end of year	$ 171,387	$ 634,892	$ 806,279

The notes to financial statements are an integral part of these statements.

VITAE FOUNDATION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 110,609	$ 513,875
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
Non-cash contributions of short-term investments	(89,043)	(62,326)
Net realized and unrealized (gains) on investments	(1,520)	(2,352)
Depreciation	3,433	4,137
Changes in operating assets and liabilities:		
Unconditional promises to give	9,884	(160,008)
Accounts payable	1,211	(22,108)
Accrued leave and salaries payable	(11,117)	10,271
Deferred revenue	(48,055)	48,055
Other assets	68,316	(94,495)
Cash provided by operating activities	43,718	235,049
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of short-term investments	(109,786)	(49,712)
Maturities and sales of short-term investments	219,573	203,578
Acquisitions of equipment	(2,587)	-
Cash provided by investing activities	107,200	153,866
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in note payable	(38,029)	(133,141)
Cash used by financing activities	(38,029)	(133,141)
Net change in cash	112,889	255,774
Cash, beginning of year	766,229	510,455
Cash, end of year	$ 879,118	$ 766,229
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	$ 7,802	$ 13,848
Non-cash investing activities:		
Receipt of contributions of short-term investments	$ 89,043	$ 62,326

The notes to financial statements are an integral part of these statements.

VITAE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Vitae Foundation (the Organization) is a not-for-profit organization whose mission is to promote respect for human life by reaching the hearts and minds of the public through use of the various media. Significant accounting policies are as follows:

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

Management Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Financial Statement Presentation: The Organization reports information regarding its assets, liabilities, net assets, and changes in net assets according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets - resources whose use is not limited by donor-imposed stipulations.

Temporarily Restricted Net Assets - resources whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled or otherwise removed by actions of the Organization. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Permanently Restricted Net Assets - resources whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Functional Allocation of Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Short-Term Investments: Cash includes certain interest bearing and non-interest bearing bank accounts. Periodically, the Organization maintains cash on deposit at financial institutions in excess of amounts insured by the U.S. Federal Deposit Insurance Corporation (FDIC). Short-term investments include both debt and equity securities, certificates of deposit, and federal agency bonds and notes. Short-term investments are stated at fair value and are not considered to be cash equivalents for purposes of the statement of cash flows.

Promises to Give: Pledges of contributions by donors, which represent unconditional promises to give, are recognized as revenues in the period in which the pledges are made, at their fair values. Pledges which are conditional promises to give are recognized as revenues at their estimated fair value in the period in which the conditions are met. The allowance for doubtful pledges is estimated by regularly evaluating individual donor pledges, past collection experience, and current economic conditions.

Equipment and Leasehold Improvements: Equipment and leasehold improvements are recorded at cost. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 12 years.

Taxable Status: The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization's Form 990 and taxable status are subject to examination by the Internal Revenue Service for open tax years 2011 through 2014. Interest and penalties incurred, if any, related to income tax filings are reported within management and general expenses in the statement of activities.

Subsequent Events: Events that have occurred subsequent to December 31, 2014, have been evaluated by management through June 2, 2015, which represents the date the Organization's financial statements were approved by management and, therefore, were available to be issued.

2. SHORT-TERM INVESTMENTS

At December 31, 2014 and 2013, the Organization's short-term investments consisted of the following, at fair value:

	2014	2013
Common stock	$ 22,703	$ 41,927

Under U.S. generally accepted accounting principles, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The inputs used to measure fair value are classified into the following hierarchy:

Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Organization's assets measured and reported at fair value as of December 31, 2014 and 2013, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

	Total	Level 1	Level 2	Level 3
2014				
Common stock	$ 22,703	$ -	$ -	$ 22,703
Total	$ 22,703	$ -	$ -	$ 22,703

	Total	Level 1	Level 2	Level 3
2013				
Common stock	$ 41,927	$ 20,149	$ -	$ 21,778
Total	$ 41,927	$ 20,149	$ -	$ 21,778

The change in the reported amount of common stock classified as Level 3 resulted from the change in fair value as there were no purchases or sales of such common stock during 2014 and 2013.

The Organization's net investment return for 2014 and 2013 consisted of the following:

	2014	2013
Investment income	$ 1,433	$ 939
Net realized gain on short-term investments	595	2,398
Net unrealized gain (loss) on short-term investments	925	(46)
	$ 2,953	$ 3,291

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2014 and 2013 were as follows:

	2014	2013
Unrestricted	$ 215,179	$ 184,746
Temporarily restricted - time restricted	169,240	209,174
Total	$ 384,419	$ 393,920

	2014	2013
Receivable in less than one year	$ 351,679	$ 282,116
Receivable in one to five years	32,740	111,804
Total unconditional promises to give	384,419	393,920
Less allowance for uncollectible pledges	(75,774)	(70,654)
Less discounts to net present value	(2,339)	(7,076)
Net unconditional promises to give	$ 306,306	$ 316,190
Current unconditional promises to give, net	$ 275,905	$ 211,462
Long-term unconditional promises to give, net	30,401	104,728
	$ 306,306	$ 316,190

A discount rate of 3.25% was used in the calculation of the net present value as of both December 31, 2014 and 2013.

4. NOTES PAYABLE

The Organization has an unsecured note which bears an interest rate of 0.75% over prime (floating rate to be no less than 5%) and matured January 15, 2013. The note was renewed and modified with a new maturity date of January 15, 2014, bearing the same interest rate terms, converting the note from a revolving note to a term note. Beginning February 15, 2013, principal and interest payments of $3,800 were payable monthly. The interest rate at December 31, 2014 was 5%. The balance outstanding totaled $128,746 and $166,775 as of December 31, 2014 and 2013, respectively. The note has subsequently been extended to January 15, 2016, with the same interest rate and monthly payments.

Maturities of long-term debt as of December 31, 2014 are as follows:

2015	$ 39,998
2016	88,748
	$ 128,746

5. IN-KIND INCOME

The Organization received in-kind income during 2014 and 2013 as follows:

	2014	2013
Professional services	$ 5,530	$ 10,182
Other goods and services	24,593	22,711
	$ 30,123	$ 32,893

The Organization also received unvalued volunteer hours totaling approximately 3,336 and 3,379 during 2014 and 2013, respectively.

6. EMPLOYEE BENEFITS

The Organization sponsors a deferred compensation plan under Section 403(b) of the Internal Revenue Code. Contributions to the plan are at the election of participating employees and are used to purchase allowable investments as directed by the plan participants. All employees of the Organization are eligible to participate in the plan. The Organization makes no contributions to the plan.

The Organization also sponsors a cafeteria plan, employee assistance program, an employee contributory health insurance plan, and other benefits.

7. ALLOCATION OF JOINT COSTS

The Organization conducted activities that included requests for contributions, special events, direct mailings, as well as program and management and general components. These activities included direct one-on-one solicitation. The costs of conducting those activities included joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

	2014	2013
Program (education of the public)	$ 1,299,146	$ 1,160,761
Fund-raising	358,510	488,334
Management and general	334,685	354,782
	$ 1,992,341	$ 2,003,877

8. COMMITMENTS

The Organization rents office space and equipment under long term noncancelable leases. Rent expense under such leases totaled approximately $48,615 and $53,600 during the years ended December 31, 2014 and 2013, respectively.

Future minimum rental payments required under the leases as of December 31, 2014, are as follows:

2015	$ 30,369
2016	29,624
2017	11,796
2018	11,796
2019	4,728
	$ 88,313

The Organization has entered into various contracts and agreements for future advertising, website design, and event venues totaling approximately $290,000 in 2015 and $45,000 in 2016.

During 2010, the Organization entered into an agreement with a donor to create a term endowment by setting aside a total of $300,000 over a period of ten years, beginning in 2011. The Organization has set aside a total of $120,000 for this endowment as of December 31, 2014.

VITAE FOUNDATION

SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION
Year Ended December 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Education of the Public	Fundraising	Management and General	2014 Total	2013 Total
Salaries and benefits	$ 887,775	$ 250,216	$ 224,887	$ 1,362,878	$ 1,333,897
Media expense	679,590	-	-	679,590	440,818
Events	459,835	58,107	57,742	575,684	478,723
Professional fees	62,017	14,371	16,616	93,004	106,137
Donated services	5,530	-	-	5,530	8,262
Travel	90,879	11,606	7,119	109,604	99,265
Occupancy	35,252	16,978	14,903	67,133	64,826
Postage and shipping	35,531	10,169	10,265	55,965	42,607
Printing and copying	55,030	13,926	12,494	81,450	56,217
Depreciation	1,741	934	757	3,432	4,137
Equipment maintenance and rental	31,107	11,774	11,020	53,901	48,125
Supplies	48,444	10,452	7,877	66,773	47,590
Telephone	12,915	3,249	3,248	19,412	24,334
Insurance	15,338	3,986	4,584	23,908	19,219
Donated products	7,920	2,572	-	10,492	12,888
Publications	4,472	405	405	5,282	3,760
Grants to other organizations	36,305	-	-	36,305	17,952
Property taxes	925	283	283	1,491	559
Other	22,191	10,626	20,613	53,430	51,154
	$ 2,492,797	$ 419,654	$ 392,813	$ 3,305,264	$ 2,860,470