



Financial Statements
August 31, 2014 and 2013
College Possible, Inc.

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Independent Auditor's Report

The Board of Directors
College Possible, Inc.
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of College Possible, Inc. (the Organization), which comprise the statement of financial position as of August 31, 2014, and the related statements of activities, cash flows, and functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 College Possible, Inc. as of August 31, 2014, and the changes in its net assets, its cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 18, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 2015, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal controls over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota
January 5, 2015

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,705,330	\$ 4,338,615
Accounts receivable	245,885	180,599
Promises to give	2,196,357	2,674,813
Prepaid expenses	144,213	155,363
Total current assets	<u>7,291,785</u>	<u>7,349,390</u>
Other Assets		
Investments	972,556	887,573
Promises to give	1,505,663	169,450
	<u>2,478,219</u>	<u>1,057,023</u>
Equipment and Leasehold Improvements		
Computer software and equipment	422,538	235,323
Furniture and equipment	377,140	314,401
Leasehold improvements	83,314	18,661
	<u>882,992</u>	<u>568,385</u>
Less accumulated depreciation	266,257	110,944
	<u>616,735</u>	<u>457,441</u>
Total assets	<u>\$ 10,386,739</u>	<u>\$ 8,863,854</u>

See Notes to Financial Statements

College Possible, Inc.
Statements of Financial Position
August 31, 2014 and 2013

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 79,430	\$ 265,600
Accrued expenses	470,170	427,274
Deferred revenue	-	10,000
Capital lease obligation (current portion)	34,600	3,965
Total current liabilities	584,200	706,839
Long-Term Liabilities		
Accrued expenses - deferred compensation	15,000	15,000
Deferred rent	93,510	13,765
Capital lease obligation	48,573	32,546
	741,283	768,150
Net Assets		
Unrestricted		
Undesignated	2,147,495	1,048,241
Board designated - program continuation funds	2,087,750	3,510,973
Total unrestricted	4,235,245	4,559,214
Temporarily restricted	5,410,211	3,536,490
Total net assets	9,645,456	8,095,704
Total liabilities and net assets	\$ 10,386,739	\$ 8,863,854

College Possible, Inc.

Statements of Activities

Year Ended August 31, 2014 (With Comparative Totals for 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	
Support and Revenue				
Fee revenue				
Consortium fees	\$ 10,000	\$ -	\$ 10,000	\$ 12,500
Service fees	82,521	-	82,521	65,746
Total fee revenue	<u>92,521</u>	<u>-</u>	<u>92,521</u>	<u>78,246</u>
Support				
Contributions and grants	2,843,490	5,889,321	8,732,811	5,757,171
Government grants	995,199	-	995,199	1,073,142
Other contributions	1,196,727	-	1,196,727	1,114,055
Total support	<u>5,035,416</u>	<u>5,889,321</u>	<u>10,924,737</u>	<u>7,944,368</u>
Investment income	93,303	-	93,303	49,630
Net assets released from restrictions	<u>4,015,601</u>	<u>(4,015,601)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>9,236,841</u>	<u>1,873,720</u>	<u>11,110,561</u>	<u>8,072,244</u>
Expenses				
Program services	7,038,216	-	7,038,216	6,027,334
General and administrative	1,559,705	-	1,559,705	1,138,596
Fundraising	962,887	-	962,887	820,416
Total expenses	<u>9,560,808</u>	<u>-</u>	<u>9,560,808</u>	<u>7,986,346</u>
Change in Net Assets	(323,967)	1,873,720	1,549,753	85,898
Net Assets, Beginning of Year	<u>4,559,214</u>	<u>3,536,490</u>	<u>8,095,704</u>	<u>8,009,806</u>
Net Assets, End of Year	<u>\$ 4,235,245</u>	<u>\$ 5,410,211</u>	<u>\$ 9,645,456</u>	<u>\$ 8,095,704</u>

College Possible, Inc.
Statements of Cash Flows
Years Ended August 31, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	\$ 1,549,752	\$ 85,898
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	155,312	57,946
Loss on disposal of equipment	-	3,163
Net realized gains on investments	(16,987)	(11,101)
Net unrealized gains on investments	(45,836)	(637)
Changes in operating assets and liabilities		
Accounts receivable	(65,286)	(113,303)
Grants receivable	(857,757)	(816,674)
Prepaid expenses	11,150	(14,246)
Accounts payable	(186,170)	95,095
Accrued expenses	42,896	121,678
Deferred revenue	(10,000)	10,000
Deferred rent	79,745	13,765
Net Cash from (used for) Operating Activities	656,819	(568,416)
Investing Activities		
Proceeds from sale of investments	226,596	393,785
Purchase of investments	(248,756)	(415,664)
Purchase of equipment	(267,944)	(378,228)
Net Cash used for Investing Activities	(290,104)	(400,107)
Net Change in Cash and Cash Equivalents	366,715	(968,523)
Cash and Cash Equivalents, Beginning of Year	4,338,615	5,307,138
Cash and Cash Equivalents, End of Year	\$ 4,705,330	\$ 4,338,615
Supplemental Disclosure of Noncash Activities		
Equipment purchased through capital lease	\$ 46,662	\$ 36,511

College Possible, Inc.
Statements of Functional Expenses
Year Ended August 31, 2014 (With Comparative Totals for 2013)

	2014				2013
	Program Services	Fundraising	General and Administrative	Total	
Personnel Costs					
Salaries and stipends	\$ 3,423,978	\$ 458,666	\$ 786,285	\$ 4,668,929	\$ 3,969,278
Payroll taxes	252,366	34,804	59,664	346,834	306,512
Employee benefits	282,754	82,413	72,928	438,095	456,028
Total personnel costs	3,959,098	575,883	918,877	5,453,858	4,731,818
Consulting	109,888	76,265	378,806	564,959	505,231
Professional fees	57,002	15,142	99,120	171,264	125,579
Postage & supplies	70,650	7,437	4,183	82,270	85,544
Occupancy	1,663,056	52,051	29,279	1,744,386	1,332,682
Technology	356,892	36,873	20,741	414,506	322,426
Transportation and meetings	283,032	67,365	17,929	368,326	252,106
Staff acquisition, training and recognition	195,528	6,535	82,312	284,375	305,187
Student support costs	171,057	-	-	171,057	162,842
Marketing and communication	28,590	110,283	-	138,873	87,869
Depreciation expense	133,375	14,040	7,897	155,312	57,946
Insurance and other	10,048	1,013	561	11,622	17,116
Total expenses	\$ 7,038,216	\$ 962,887	\$ 1,559,705	\$ 9,560,808	\$ 7,986,346
	<u>74%</u>	<u>10%</u>	<u>16%</u>	<u>100%</u>	

Note 1 - Nature of Organization and Summary of Significant Accounting Policies

Organization

College Possible, Inc. (the Organization) is a national nonprofit organization dedicated to making college admission and success possible for low-income students through an intensive curriculum of coaching and support. Their mission is to identify low-income young people with the potential and the motivation for college and then provide them with five critical services: (1) academic support through ACT/SAT test preparation; (2) college application assistance; (3) financial aid consulting; (4) guidance in transition to college; and, (5) support through college degree completion. The program served approximately 16,418 students in the 2013-14 academic year including 3,420 in its core high school program, 4,448 in its college program, and 8,550 through college planning workshops. The Organization is currently serving students in Minneapolis and St. Paul, Minnesota; Milwaukee, Wisconsin; Omaha, Nebraska; and Portland, Oregon. The Organization began serving students in Philadelphia, Pennsylvania, in the fall of 2014.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities in accordance with accounting principles generally accepted in the United States of America.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2013, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial investments with an original maturity of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

Receivables and Credit Policies

The Organization uses the allowance method to account for uncollectible contributions, grants and accounts receivable. The allowance is based on prior years' experience and management's analysis of the outstanding receivables. This method provides allowances for doubtful receivables equal to the estimated losses that will be incurred in the collection of receivables. At August 31, 2014 and 2013, the Organization believes all balances are collectible; therefore, no allowance is necessary.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in the future years are initially recorded at fair value using the present value of their estimated cash flows. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Equipment and Leasehold Improvements

Expenditures for the acquisition of equipment and leasehold improvements equal to or greater than \$1,500 and a life greater than one year are recorded at cost. Contributed equipment and leasehold improvements are recorded at fair value at the date of donation. Depreciation of equipment is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities within general and administrative expenses. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gain (loss) is reported in the statement of activities as a component of investment income and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted Board designated net assets consist of net assets designated by the Board of Directors for program continuation funds.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Organization. The Organization has no permanently restricted net assets at August 31, 2014 and 2013.

Support Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished); temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Donated Materials and Services

Donated materials, facilities, and services are reflected as support in the financial statements at their estimated fair value on the date of donation. Donated services are recognized as contributions 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 the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the criteria were not met.

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is organized as a Minnesota not-for-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on any net income that is derived from business activities that are unrelated to its exempt purpose.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities, if such interest and penalties were incurred.

Estimates

The preparation of the 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 and those differences could be material.

Concentration of Credit Risk

The Organization maintains cash in bank deposit accounts which at times may exceed FDIC limits. The Organization has not experienced any losses on such accounts and the Organization believes they are not exposed to any significant credit risk on cash and cash equivalents.

Note 2 - Promises to Give

Grants receivable, which are unconditional promises to give, are summarized as follows:

	2014	2013
Receivable in less than one year	\$ 2,196,357	\$ 2,674,813
Receivable greater than one year	1,529,990	175,000
Total grants receivable	3,726,347	2,849,813
Less discount to net present value at 1.59% in 2014 and and 2% in 2013	(24,327)	(5,550)
Grants receivable, net	\$ 3,702,020	\$ 2,844,263

Note 3 - Capital Lease Obligation

The Organization leases certain telecommunication systems which are classified as capital leases. The leases expire over the next six fiscal years. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of August 31, 2014:

Years Ending August 31,	Amount
2015	\$ 47,853
2016	25,085
2017	17,496
2018	17,496
2019	8,456
Total minimum lease payments required	116,386
Less amount representing interest	(33,212)
Net present value of minimum lease payments	\$ 83,174

At August 31, 2014 and 2013, assets recorded under the capital lease agreement totaled \$67,934 and \$52,583, less \$14,979 and \$1,198 of accumulated amortization, respectively.

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31, 2014 and 2013, consist of:

	2014	2013
Time restrictions	\$ 3,475,031	\$ 1,601,324
Purpose restrictions	1,935,180	1,935,166
Total	\$ 5,410,211	\$ 3,536,490

Note 5 - Net Assets Released from Restrictions

Net assets were released from restrictions as follows during the years ended August 31, 2014 and 2013:

	2014	2013
Time restrictions	\$ 2,286,730	\$ 577,826
Purpose restrictions	1,728,871	2,942,986
Total	\$ 4,015,601	\$ 3,520,812

Note 6 - Board Designated Net Assets

At August 31, 2014 and 2013, Board designated net assets are available for the following purposes:

	2014	2013
Program continuation funds	\$ 2,087,750	\$ 3,510,973

During the year ended August 31, 2014, the Board revised its policy with respect to how it provides a reserve to fund ongoing operations. To protect its commitment with enrolled students, it is the policy of the Organization to build a significant operating reserve which, with additional grants, will continue to fund the students program for the full term of their education. The annual operating plans will ensure that this reserve does not exceed two times its annual expense budget. For purposes of this policy, the annual expenses will be calculated based upon the prior 12 months. The amount of this reserve is subject to annual review by the Board. As of August 31, 2014, the Board designated three months of operating expenses to remain in reserve. As of August 31, 2013, the Board designated six months of operating expenses to remain in reserve.

Note 7 - Other Contributions

The value of services and other in-kind contributions at estimated fair value at the date of donation for the years ended August 31, 2014 and 2013 is as follows:

	2014	2013
Special events	\$ 10,995	\$ 63,073
Rent	1,166,039	1,004,901
Consulting services	11,400	12,300
Dues and subscriptions	-	990
Program expenses	8,293	32,791
Total	\$ 1,196,727	\$ 1,114,055

Note 8 - Operating Lease

The Organization leases its St. Paul, Minnesota, operating facilities under a five-year operating lease expiring July 2018. The lease allows for cancellation with six months advance notice.

The Organization leases its Milwaukee, Wisconsin, space under a 48 month operating lease expiring July, 2018.

The Organization leases its Omaha, Nebraska, space under a 45 month operating lease expiring July 2015.

The Organization leases its Portland, Oregon, space under a 30 month operating lease expiring June 2015.

The Organization leases its Philadelphia, Pennsylvania, space under a 30 month operating lease expiring June 2015.

The future minimum rental payments required under the leases are as follows:

Years Ending August 31,	Amount
2015	\$ 558,840
2016	458,744
2017	460,638
2018	436,846
	\$ 1,915,068

Total rent expense was \$440,191 and \$259,235 for the years ended August 31, 2014 and 2013, respectively.

Note 9 - Contingencies

The continuation of funding from federal and other sources is contingent upon availability of funds and project performance. The funds are awarded annually based either upon receipt and approval of a program application or upon completion of a performance review. In addition, expenditures made under federal grants are subject to review and audit by the grantor agencies. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material to the Organization's financial statements.

Note 10 - Related Party Transactions

The Organization entered into an agreement with a company owned by a Board member for executive search services in 2013. The agreement is for \$50,000 plus expenses and payable in three equal installments over the execution of the agreement. During August 31, 2014 and 2013, the amounts paid were \$17,879 and \$33,333, respectively.

During 2013, the Organization entered into an agreement for website design services with a Company where a board member is employed as a member of management. The agreement is for \$59,765 and calls for monthly payments through January 2014 plus monthly maintenance fees through the end of 2014. The total amount paid in 2014 and 2013 was \$42,291 and \$29,882, respectively. Amounts are payable as the project and services are being completed. Accordingly, as of August 31, 2014, no liability was recorded for the remaining amount of the agreement.

Note 11 - Retirement Plan

A Safe Harbor 401(k) plan was implemented on September 1, 2007. Employees are eligible to participate in the plan on the first of the month following 30 days of service, have attained age 18 and are expected to work 1,000 hours in 12 consecutive months. The Organization will make matching contributions in two different ways. The Safe Harbor match is equal to the sum of 100% of the amount of the salary reductions that are not in excess of 3% of compensation, plus 50% of the amount of the salary reductions that exceed 3% of compensation but not in excess of 5% of compensation. The Discretionary Match is subject to delayed entry (entry after one year of service) and a step-vesting schedule. The Discretionary Match is 50% of the salary reduction amounts that exceed 5% of compensation but not in excess of 9% of compensation. Employees can opt out of the plan or change their contribution at any time. Employer contributions and expense for the 401(k) plan were \$126,762 and \$108,079 for the years ended August 31, 2014 and 2013, respectively.

Note 12 - Conditional Grants

The Organization received a conditional grant of \$1,000,000 in 2012. The grant is conditional upon several financial and non-financial performance factors including the Organization meeting specified growth targets, and adherence to mutually agreed-upon performance metrics established on an ongoing basis. Since the grant represents a conditional promise to give, it is not recognized as support until the conditions are met. \$750,000 and \$500,000 of the grant was received and conditions were met as of August 31, 2014 and 2013, respectively. As a result, contribution revenue of \$250,000 and \$250,000 was recognized in the years ended August 31, 2014 and 2013, respectively.

College Possible Omaha received a conditional grant of \$750,000 in 2014. This grant is conditional on the Organization securing matching funds for each installment of \$250,000. Since the grant represents a conditional promise to give, it is not recognized as support until the conditions are met.

Note 13 - Fair Value Measurement

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of the Organization's investment assets are classified within Level 1 because they are comprised of mutual funds and residential mortgage-backed securities with readily determinable fair values based on daily redemption values. The Organization also invests in debt securities. Those investments are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of August 31, 2014 and 2013:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
August 31, 2014			
Mutual funds			
Domestic equity	\$ 251,844	\$ -	\$ -
International equity	85,125	-	-
Asset allocation	16,172	-	-
Bonds	-	-	-
Money market mutual funds	-	-	-
Equity securities			
U.S. corporate equity securities	-	-	-
Debt securities			
U.S. Treasury	115,470	-	-
U.S. agency	-	254,139	-
Municipal	-	77,541	-
Residential mortgage-backed securities	172,265	-	-
	<u>\$ 640,876</u>	<u>\$ 331,680</u>	<u>\$ -</u>
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
August 31, 2013			
Mutual funds			
Domestic equity	\$ 97,975	\$ -	\$ -
International equity	75,276	-	-
Asset allocation	11,960	-	-
Bonds	150,535	-	-
Money market mutual funds	13,959	-	-
Equity securities			
U.S. corporate equity securities	125,755	-	-
Debt securities			
U.S. Treasury	107,292	-	-
U.S. agency	-	112,280	-
Municipal	-	76,587	-
Residential mortgage-backed securities	115,954	-	-
	<u>\$ 698,706</u>	<u>\$ 188,867</u>	<u>\$ -</u>

Note 14 - Subsequent Events

The Organization has evaluated subsequent events through January 5, 2015, the date the financial statements were available to be issued.