TEXAS PUBLIC RADIO

COMBINED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2015

TEXAS PUBLIC RADIO

FINANCIAL STATEMENTS

Year Ended September 30, 2015

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SAGEBIEL
RAVENBURG
& SCHUH, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
Texas Public Radio
San Antonio, Texas

We have audited the accompanying combined financial statements of Texas Public Radio (a nonprofit corporation), which comprise the combined statements of financial position as of September 30, 2015 and 2014, the related combined statements of activities and functional expenses for the year ended September 30, 2015, the combined statements of cash flows for the years ended September 30, 2015 and 2014, 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 the combined 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 combined 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 combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Texas Public Radio as of September 30, 2015 and 2014, and the changes in its net assets for the year ended September 30, 2015, and its cash flows for the years ended September 30, 2015 and 2014 in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Texas Public Radio's 2014 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 9, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sagebiel, Ravenburg & Schuh, P.C.

San Antonio, TX
January 6, 2016

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TEXAS PUBLIC RADIO

COMBINED STATEMENT OF FINANCIAL POSITION

September 30, 2015 and 2014

ASSETS	2015	2014
Current assets:		
Cash	$ 926,992	$ 819,419
Receivables:		
Accounts receivable	1,230	-
Promises to give (net of allowance for uncollectible pledges of $53,188 in 2015 and $20,076 in 2014)	159,563	198,560
Underwriting	384,372	310,704
Total receivables	545,165	509,264
Prepaid expenses	467,761	444,290
Total current assets	1,939,918	1,772,973
Property and equipment:		
Broadcasting and other equipment	1,890,396	1,910,747
Leasehold improvements	72,836	72,836
	1,963,232	1,983,583
Less accumulated depreciation	(1,155,514)	(1,100,576)
Net property and equipment	807,718	883,007
Other assets:		
Cash designated for capital campaign	-	10,457
Permanently restricted cash and investments	271,834	281,989
	271,834	292,446
	$ 3,019,470	$ 2,948,426
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 29,533	$ 95,531
Accrued liabilities	108,232	80,027
Deferred revenues	271,938	235,142
Total current liabilities	409,703	410,700
Net assets:		
Unrestricted	1,225,950	1,049,270
Unrestricted - fixed assets	807,718	883,007
	2,033,668	1,932,277
Temporarily restricted	304,265	323,460
Permanently restricted	271,834	281,989
	2,609,767	2,537,726
	$ 3,019,470	$ 2,948,426

The accompanying notes are an integral part
of the financial statements.

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

(With Comparative Totals For Year Ended September 30, 2014)

	Unrestricted				Total	
	Operations	Fixed Assets	Temporarily Restricted	Permanently Restricted	2015	2014
Support and revenues:						
Special events:						
Gross revenue	$ 152,754	$ -	$ -	$ -	$ 152,754	$ 117,566
Less direct expenses	(29,609)	-	-	-	(29,609)	(15,997)
Net special events support	123,145	-	-	-	123,145	101,569
Program underwriting contracts	1,549,601	-	-	-	1,549,601	1,234,604
Grants	466,231	-	-	-	466,231	520,538
Contributions:						
Cash	136,880	-	-	-	136,880	214,082
Non-cash services	41,718	-	-	-	41,718	43,617
Memberships	1,706,492	-	204,265	-	1,910,757	1,696,781
Investment income	363	-	-	27,409	27,772	39,970
Miscellaneous	2,537	-	-	-	2,537	711
	4,026,967	-	204,265	27,409	4,258,641	3,851,872
Net assets released from restrictions	226,785	-	(223,460)	(3,325)	-	-
Total support and revenue	4,253,752	-	(19,195)	24,084	4,258,641	3,851,872
Expenses:						
Program services:						
Broadcasting	2,272,373	104,428	-	-	2,376,801	2,060,701
Marketing	829,582	8,668	-	-	838,250	746,301
Total program services	3,101,955	113,096	-	-	3,215,051	2,807,002
Supporting services:						
Administrative	286,521	2,989	-	-	289,510	247,380
Development	643,318	4,482	-	-	647,800	558,245
Total supporting services	929,839	7,471	-	-	937,310	805,625
Total expenses	4,031,794	120,567	-	-	4,152,361	3,612,627
Change in net assets before unrealized losses	221,958	(120,567)	(19,195)	24,084	106,280	239,245
Unrealized loss on investments	-	-	-	(34,239)	(34,239)	(18,572)
Change in net assets	221,958	(120,567)	(19,195)	(10,155)	72,041	220,673
Net assets at beginning of year	1,049,270	883,007	323,460	281,989	2,537,726	2,317,053
Net interfund transfers	(45,278)	45,278	-	-	-	-
Net assets at end of year	$ 1,225,950	$ 807,718	$ 304,265	$ 271,834	$ 2,609,767	$ 2,537,726

The accompanying notes are an integral part of the financial statements.

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2015

(With Comparative Totals For Year Ended September 30, 2014)

	Program Services			Management and General			Total Expenses	
	Broadcasting	Marketing	Total	Administrative	Development	Total	2015	2014
Salaries	$ 915,305	$ 577,040	$ 1,492,345	$ 199,938	$ 297,504	$ 497,442	$ 1,989,787	$ 1,565,590
Payroll taxes	78,358	48,641	126,999	15,945	23,295	39,240	166,239	123,388
Payroll benefits	82,540	52,043	134,583	17,726	27,132	44,858	179,441	169,534
Total salaries and related expenses	1,076,203	677,724	1,753,927	233,609	347,931	581,540	2,335,467	1,858,512
Advertising	-	15,458	15,458	-	5,415	5,415	20,873	34,641
Affiliation fees	100,308	-	100,308	-	-	-	100,308	97,016
Associated Press fees	4,700	-	4,700	-	-	-	4,700	3,300
Audience research	13,882	-	13,882	-	13,882	13,882	27,764	43,377
Bad debt expense	-	-	-	-	-	-	-	2,682
Bank charges	-	-	-	518	66,740	67,258	67,258	51,612
Contract labor	60,979	1,252	62,231	334	880	1,214	63,445	56,001
Equipment rental and maintenance	8,329	2,874	11,203	3,457	11,243	14,700	25,903	19,035
Facilities	-	2,896	2,896	-	590	590	3,486	-
Food expense	2,602	9,744	12,346	479	14,438	14,917	27,263	3,045
Investment fees	-	-	-	3,005	-	3,005	3,005	3,005
Insurance - liability	12,444	7,845	20,289	2,705	4,058	6,763	27,052	24,628
Internet expense	18,230	119	18,349	33	2,217	2,250	20,599	10,554
Mailing acquisition/renewal	-	-	-	-	11,473	11,473	11,473	13,518
Membership premiums	-	13,359	13,359	-	59,891	59,891	73,250	38,765
Memberships	-	-	-	-	4,149	4,149	4,149	27,939
Miscellaneous	11,923	12,644	24,567	932	3,578	4,510	29,077	15,538
Moving expense	-	-	-	-	-	-	-	20,777
Noncash contributed services	41,718	-	41,718	-	-	-	41,718	43,617
Office expenses	6,858	3,704	10,562	1,392	7,861	9,253	19,815	19,936
Postage and shipping	511	2,458	2,969	1,174	16,418	17,592	20,561	15,767
Printing	37	1,949	1,986	221	3,657	3,878	5,864	1,213
Production costs	19,014	-	19,014	-	-	-	19,014	5,395
Professional fees	29,197	8,925	38,122	11,517	11,266	22,783	60,905	103,030
Program fees	552,278	-	552,278	-	-	-	552,278	546,538
Program guide	-	-	-	-	-	-	-	2,116
Promotional	-	1,100	1,100	-	-	-	1,100	88
Recruiting	5,500	-	5,500	1,893	-	1,893	7,393	-
Rent	90,917	57,318	148,235	19,604	29,807	49,411	197,646	192,009
Replacement parts and supplies	5,801	119	5,920	9	578	587	6,507	2,505
Satellite interconnect fee	8,683	-	8,683	-	-	-	8,683	8,380
Staff development	2,496	1,051	3,547	2,640	13,438	16,078	19,625	29,699
Telephone	10,464	1,760	12,224	607	1,049	1,656	13,880	14,912
Tower lease	120,185	-	120,185	-	-	-	120,185	115,775
Trade affiliation fees	541	1,524	2,065	1,267	7,577	8,844	10,909	11,187
Travel	8,698	5,759	14,457	1,089	5,182	6,271	20,728	8,615
Utilities	59,875	-	59,875	36	-	36	59,911	67,461
Total expenses before depreciation	2,272,373	829,582	3,101,955	286,521	643,318	929,839	4,031,794	3,512,188
Depreciation	104,428	8,668	113,096	2,989	4,482	7,471	120,567	100,439
Total expenses	$ 2,376,801	$ 838,250	$ 3,215,051	$ 289,510	$ 647,800	$ 937,310	$ 4,152,361	$ 3,612,627

The accompanying notes are an integral part of the financial statements.

TEXAS PUBLIC RADIO

COMBINED STATEMENT OF CASH FLOWS

Years Ended September 30, 2015 and 2014

	2015	2014
Cash flow from operating activities:		
Change in net assets	$ 72,041	$ 220,673
Noncash items included in operations:		
Depreciation expense	120,567	100,439
Unrealized loss on investments	34,239	18,572
Effect of changes in operating working capital:		
Receivables	(35,901)	39,188
Prepaid expenses	(23,471)	(397,354)
Accounts payable	(65,998)	32,188
Accrued liabilities	28,205	(4,194)
Deferred revenues	36,796	38,414
Net cash provided by operating activities	166,478	47,926
Cash flows from investing activities:		
Net change in permanently restricted cash and investments	(24,084)	(77,928)
Change in cash designated for capital campaign	10,457	181,585
Purchase of property and equipment	(45,278)	(224,117)
Net cash used by investing activities	(58,905)	(120,460)
Net increase (decrease) in cash	107,573	(72,534)
Cash at beginning of year	819,419	891,953
Cash at end of year	$ 926,992	$ 819,419

The accompanying notes are an integral part
of the financial statements.

1 NATURE OF ORGANIZATION

Texas Public Radio (TPR) is a not-for-profit corporation whose purpose is to broadcast programs for informational, educational and entertainment purposes. The corporation was formed by the merger of Classical Broadcasting Society of San Antonio (KPAC) and San Antonio Community Radio Corporation (KSTX). In 1998 TPR expanded its services by activating a station (KTXI) to better serve listeners in the Texas Hill Country. In January 2013, TPR began broadcasting to Snyder, Big Spring and Sweetwater by adding station KTPR. KVHL was added in October 2013 to serve listeners in Llano and the Highland Lakes region. The majority of underwriters and members who substantially support Texas Public Radio are located in the San Antonio and Texas Hill Country area.

Texas Public Radio Foundation (Foundation) was incorporated in September 2001. Its purpose is to receive, invest and distribute the charitable gifts that constitute the endowment of TPR and shall support educational public broadcasting and other educational activities of TPR for South Texas.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of TPR have been prepared on the accrual basis of accounting. The financial statements accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board for the format of financial statements of not-for-profit organizations. TPR is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The combined financial statements include the accounts of Texas Public Radio and its affiliate Texas Public Radio Foundation. TPR and the Foundation operate with the same officers and directors, and office facilities and staff are mutually shared. Accordingly, the financial statements have been combined. All intercompany accounts are eliminated in the combination.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with TPR's financial statements for the year ended September 30, 2014, from which the summarized information was derived.

Donated Services

Noncash donations of services are recorded as contributed at their estimated fair values at the date of donation.

Income Taxes

TPR is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors.

Restricted and Unrestricted Revenue and Support

TPR reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor 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.

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenues

Deferred revenues are amounts representing contracts for business support for future periods that are carried as deferred revenues until the period in which they are considered earned.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of monies on hand and on deposit in checking, savings and money market accounts. Cash that is restricted or designated in some manner is classified separately.

Investments

Investments are carried at market value for financial statement purposes. A provision for unrealized gains or losses is made each year to adjust to the appropriate value. Realized and unrealized gains and losses are determined by comparison of cost to proceeds or market value, respectively. Cost is determined by historical purchase price or, in the case of any donated investments, the fair market value of those investments at the date of the gift. Market risk could occur and is dependent on the future changes in market price of the various investments held.

Property and Equipment

TPR capitalizes all expenditures for property and equipment in excess of $500. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of the donation. Maintenance and repairs are charged to expenses as incurred; major renewals and betterments are capitalized. Depreciation is computed using the straight-line method over their estimated useful lives.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of TPR.

Subsequent Events

TPR's management has evaluated subsequent events through January 6, 2016, the date which the financial statements were available for issue.

3 RECEIVABLES AND CREDIT RISK CONCENTRATION

TPR maintains cash balances at seven financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At September 30, 2015, TPR's cash balances were fully insured with federal depository insurance.

Management analyzes the aging of accounts receivable on a quarterly basis. Accounts receivable are considered delinquent when they are over 90 days old. Payment trends by delinquent accounts are considered by management when estimating the allowance for doubtful accounts. At September 30, 2015 and 2014, management estimated the allowance for doubtful accounts to be $53,188 and $20,076 for those years, respectively. Accounts determined to be uncollectible by management are initially charged to the allowance for doubtful accounts.

4 INVESTMENTS

TPR owned the following investments at September 30, 2015 and 2014:

	2015		2014	
	Cost	Market	Cost	Market
Permanently Restricted:				
Cash and equivalents	$ 45,305	$ 45,305	$ 63,541	$ 63,541
Equities	5,205	4,293	39,596	44,366
Mutual funds	238,450	222,236	167,705	174,082
	$ 288,960	$ 271,834	$ 270,842	$ 281,989

Generally accepted accounting principles provide a framework for measuring fair value. That framework 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). At September 30, 2015 and 2014, TPR's investments were reported at fair value using a Level 1 measure.

5 PROGRAM UNDERWRITING CONTRACTS

Program underwriting contracts revenue consists of the following:

	2015	2014
Business memberships	$ 347,675	$ 264,037
Underwriting contracts	1,201,926	970,567
	$ 1,549,601	$ 1,234,604

6 PROPERTY AND EQUIPMENT

Property and equipment of TPR consisted of the following:

	2015	2014
Broadcast equipment	$ 1,617,500	$ 1,646,526
Library	30,241	30,241
Furniture, fixtures and equipment	242,655	233,980
Leasehold improvements	72,836	72,836
	1,963,232	1,983,583
Less accumulated depreciation	(1,155,514)	(1,100,576)
Net property and equipment	$ 807,718	$ 883,007

During the year 2005, equipment in the amount of $50,386 (digital studio to transmitter link equipment) was acquired under National Telecommunications and Information Administration Grant No. 48-01-N04061. The equipment is under a lien and the term of this priority lien extends for a period of ten years from September 30, 2005, during which time the Federal Government retains a priority reversionary interest in the equipment.

During the year 2007, equipment in the amount of $169,145 (digital studio equipment and furnishings) was acquired under National Telecommunications and Information Administration Grant No. 48-01-N06029. The equipment is under a lien and the term of this priority lien extends for a period of ten years from September 30, 2007, during which time the Federal Government retains a priority reversionary interest in the equipment.

7 REVOLVING LINE OF CREDIT

Texas Public Radio has a $100,000 revolving line of credit with a financial institution, which matures on August 1, 2016. Advances on the unsecured line of credit bear interest at the Bank's floating prime rate of 3.25%. At September 30, 2015, TPR had a $-0- balance, with an available amount on the line of credit of $100,000.

8 LEASES

TPR leases its facilities and offices under four operating leases expiring through April 30, 2018. The following are future minimum rental payments under these leases:

Year Ending September 30,	Amount
2016	305,349
2017	164,686
2018	87,016
	$ 557,051

TPR leases its office equipment under one operating lease and media data agreement expiring through September 30, 2018. The following are future minimum rental payments under these leases:

Year Ending September 30,	Amount
2016	5,467
2017	5,467
2018	911
	$ 11,845

9 RETIREMENT PLAN

TPR has established a Simple IRA retirement plan under which TPR will contribute to any eligible employee's IRA plan, a total of 2% of their annual salary. An eligible employee is an employee who earned at least $5,000 per year, including part-time employees. The total retirement contributions for the years ended September 30, 2015 and 2014 were $36,900 and $23,380, respectively.

10 TEMPORARILY RESTRICTED NET ASSETS

During 2015 TPR received contributions for various specific programs and activities. As of September 30, 2015 and 2014, temporarily restricted net assets consisted of the following:

	2015	2014
Challenge grants	$ 44,702	$ 24,900
Pledges	159,563	198,560
Capital campaign	100,000	100,000
	$ 304,265	$ 323,460

11 ENDOWMENT FUNDS

General Information

The Foundation maintains various endowment funds established for specific purposes. These endowments include both donor-restricted endowment contributions and funds designated by the Board of Directors to function as endowments. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) which was adopted by the State of Texas with an effective date of September 1, 2007. The Foundation formally adopted UPMIFA during the year ended September 30, 2012.

11 ENDOWMENT FUNDS (Continued)

Background

In July, 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA) which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require the Foundation to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although the Act does not require that a specified amount be set aside as principal, the Act assumes that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed and will spend "income" by making distributions using a reasonable spending rate.

Endowment Investment Objectives

Endowment investments are managed by professional money managers under the direction of the Finance Committee of the Board of Directors of the Foundation. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices while assuming a moderate level of investment risk.

To satisfy this performance objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment "Income" Appropriation (Spending Policy)

During 2011, the Finance Committee began developing and finalizing the Foundation's spending policy. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as provide additional real growth through new gifts and investment return.

The Foundation's goal is to distribute its income as "evenly" as practical on an annual basis in order to facilitate the planning and budgeting objectives, and the setting of the asset allocation and expected return targets of the portfolio. Knowing that the investment rate of return will vary from year to year, and to avoid distributing more investment income in the high return investment years so that adequate funds are available in the low or negative return investment years, a disciplined distribution policy is prudent.

The annual distribution amount will be set as of the end of the previous fiscal year (September 30), and will be calculated based on the average quarterly market value of the fund balances for the preceding three years. It is understood that successive low or negative return years may necessitate utilization of funds from the principal balance of the Endowment's fund in order to meet the annual budget, and that in years when returns exceed expectations the additional earnings will be used to restore principal and to generate "future savings" balances for years of low investment returns.

In accordance with the formal adoption of UPMIFA, the Investment Committee of the Foundation has reviewed its spending policy and takes into consideration the following factors in making a determination to appropriate (spend) or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic and investment market conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation and
7. The investment policies of the Foundation

(Continued)

11 ENDOWMENT FUNDS (Continued)

Endowment net asset composition by type of fund as of September 30, 2015 and 2014 is as follows:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment
Donor-restricted endowment funds	$ -	$ -	$ 271,834	$ 271,834

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment
Donor-restricted endowment funds	$ -	$ -	$ 281,989	$ 281,989

Changes in endowment net assets as of September 30, 2015 and 2014 are as follows:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment
Endowment net assets, beginning of year	$ -	$ -	$ 281,989	$ 281,989
Contributions	-	-	-	-
Investment income	-	-	27,409	27,409
Net appreciation (depreciation)	-	-	(34,239)	(34,239)
Amounts appropriated for expenditure	-	-	(3,325)	(3,325)
Endowment net assets, end of year	$ -	$ -	$ 271,834	$ 271,834

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment
Endowment net assets, beginning of year	$ -	$ -	$ 362,633	$ 362,633
Contributions	-	-	43,020	43,020
Investment income	-	-	37,913	37,913
Net appreciation (depreciation)	-	-	(18,572)	(18,572)
Amounts appropriated for expenditure	-	-	(143,005)	(143,005)
Endowment net assets, end of year	$ -	$ -	$ 281,989	$ 281,989

12 NONCASH COMMODITIES AND SERVICES

During the years ended September 30, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the financial statements was $41,718 and $43,617, respectively. Contributed services not meeting the requirements for recognition in the financial statements and used primarily in connection with fundraising efforts, are as follows:

	2015	2014
Commodities	$ 87,479	$ 114,770
Services	125,787	114,075
	$ 213,266	$ 228,845