Pulmonary Fibrosis Foundation

Financial Statements
Six Month Period Ended June 30, 2015

Pulmonary Fibrosis Foundation

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Pulmonary Fibrosis Foundation

Contents

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Independent Auditor's Report

Board of Directors
Pulmonary Fibrosis Foundation
Chicago, Illinois

We have audited the accompanying financial statements of Pulmonary Fibrosis Foundation, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and change in net assets, functional expenses, and cash flows for the six month period 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 Pulmonary Fibrosis Foundation as of June 30, 2015, and the changes in its net assets and its cash flows for the six month period then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

January 25, 2016

Financial Statements

Pulmonary Fibrosis Foundation

Statement of Financial Position

June 30, 2015

Assets		
Current Assets		
Cash and cash equivalents	$	1,400,844
Certificates of deposit		1,405,638
Contributions receivable		533
Pledges receivable		42,001
Sponsorships receivable		280,000
Other receivables		25,000
Prepaid expenses		121,439
Total Current Assets		3,275,455
Property and Equipment, net		32,692
Other Assets		
Certificates of deposit		857,678
Investments		141,073
Deposits		16,440
Website, net of amortization of $16,289		48,867
Total Other Assets		1,064,058
Total Assets	$	4,372,205

Pulmonary Fibrosis Foundation

Statement of Financial Position

June 30, 2015

Liabilities and Net Assets		
Current Liabilities		
Current portion of capital lease obligation	$	8,364
Accounts payable		98,654
Grants payable		215,000
Accrued liabilities		301,123
Deferred revenue		141,260
Deferred rent		4,964
Total Current Liabilities		769,365
Long-Term Liabilities		
Capital lease obligation		17,849
Less current portion		(8,364)
Total Long-Term Liabilities		9,485
Total Liabilities		778,850
Net Assets		
Unrestricted		2,526,452
Temporarily restricted		1,066,903
Total Net Assets		3,593,355
Total Liabilities and Net Assets	$	4,372,205

See accompanying notes to the financial statements

Pulmonary Fibrosis Foundation

Statement of Activities

Six month period ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues Gains and Other Support			
Public support:			
Contributions	$ 704,683	$ -	$ 704,683
Sponsorship	142,550	344,025	486,575
Special events revenue	99,291	-	99,291
Total public support	946,524	344,025	1,290,549
Other revenues:			
Sale of goods	9,594	-	9,594
Miscellaneous	401	-	401
Total other revenues	9,995	-	9,995
Investment income:			
Interest and dividends	6,852	-	6,852
Realized gain on investments	166	-	166
Unrealized gain on investments	4,036	-	4,036
Total investment income	11,054	-	11,054
Total Revenue Before Net Assets Released from Restriction	967,573	344,025	1,311,598
Net Assets Released from restriction	855,867	(855,867)	-
Total Revenues	1,823,440	(511,842)	1,311,598

Pulmonary Fibrosis Foundation

Statement of Activities

Six month period ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Expenses			
Program:			
Advocacy	$ 13,417	$ -	$ 13,417
Care center network	298,505	-	298,505
Outreach and awareness	121,482	-	121,482
Patient communication center	47,044	-	47,044
Patient registry	288,017	-	288,017
Physician and patient education	120,477	-	120,477
PFF Summit	142,560	-	142,560
Program support	275,778	-	275,778
Research	64,263	-	64,263
Support groups	139,316	-	139,316
Total program	1,510,859	-	1,510,859
Management and general	334,458	-	334,458
Fundraising	471,486	-	471,486
Total Expenses	2,316,803	-	2,316,803
Change in Net Assets	(493,363)	(511,842)	(1,005,205)
Net Assets, beginning of year	3,019,815	1,578,745	4,598,560
Net Assets, end of year	$ 2,526,452	$ 1,066,903	$ 3,593,355

See accompanying notes to the financial statements

Pulmonary Fibrosis Foundation

Statement of Functional Expenses

For the six month period ended June 30, 2015

	PROGRAM											SUPPORT			
	Advocacy	Care Center Network	Outreach and Awareness	Patient Communication Center	Patient Registry	Physician and Patient Education	PFF Summit	Program Support	Research	Support Groups	Program Total	Management and General	Fundraising	Support Total	Organizational Total
Salaries and wages	$ 9,124	$ 63,848	$ 22,087	$ 34,046	$ 120,838	$ 75,401	$ 86,195	$ 36,810	$ 44,405	$ 29,857	$ 522,611	$ 135,129	$ 229,743	$ 364,872	$ 887,483
Employee benefits	270	8,424	2,089	2,291	11,727	6,268	5,122	2,291	2,898	1,954	43,334	8,388	16,512	24,900	68,234
Payroll taxes	255	7,959	1,974	2,165	11,079	5,921	4,839	2,165	2,738	1,846	40,941	8,784	15,599	24,383	65,324
Accounting	52	3,125	403	442	3,762	1,209	988	442	559	377	11,359	9,456	3,185	12,641	24,000
Advertising	-	1,340	-	-	-	-	9,460	2,437	-	-	13,237	19	886	905	14,142
Bank fees	-	-	-	-	-	-	-	-	-	-	-	750	-	750	750
Consulting	-	78,828	24,995	4,556	99,283	7,860	10,069	184,864	-	14,595	425,050	81,964	58,111	140,075	565,125
Depreciation and amortization	-	-	-	-	-	-	-	460	-	-	460	14,303	159	14,462	14,922
Dues and subscriptions	900	125	1,180	-	125	-	-	1,579	-	-	3,909	2,754	554	3,308	7,217
Grants	-	65,000	7,600	-	-	-	-	-	5,000	33,000	110,600	-	-	-	110,600
Insurance	46	1,429	354	389	1,989	1,063	869	389	492	332	7,352	2,513	2,801	5,314	12,666
Interest expense	-	-	-	-	-	-	-	-	-	-	-	789	-	789	789
Internet service	11	334	83	91	465	249	203	91	115	78	1,720	300	655	955	2,675
Legal	-	6,143	-	-	5,625	1,035	3,330	3,038	450	-	19,621	17,007	2,273	19,280	38,901
Meetings and conferences	26	453	137	154	1,300	353	279	149	176	91	3,118	6,550	1,050	7,600	10,718
Miscellaneous	-	-	250	-	10	525	-	1,800	4,500	-	7,085	3,048	8,860	11,908	18,993
Office supplies	29	925	227	286	1,274	992	566	1,397	315	221	6,232	36	3,372	3,408	9,640
Organization fees	-	-	-	-	-	-	-	-	-	-	-	645	4,750	5,395	5,395
Outside services	-	-	-	559	-	-	-	-	-	-	559	668	3,150	3,818	4,377
Postage	-	26	9,711	-	37	-	-	61	-	-	9,835	8,147	8,072	16,219	26,054
Printing	-	45	26,932	-	-	-	91	2,206	-	3,690	32,964	-	13,391	13,391	46,355
Processing fees	15	466	115	127	648	346	283	127	160	108	2,395	1,574	15,205	16,779	19,174
Rent	194	6,068	1,505	1,650	8,446	4,514	3,689	1,650	2,087	1,408	31,211	5,437	11,893	17,330	48,541
Shop PFF merchandise	-	-	-	-	-	6,285	-	-	-	-	6,285	-	320	320	6,605
Special events	-	40,375	6,643	-	-	-	1,819	8,635	-	50,911	108,383	480	54,502	54,982	163,365
Telephone	32	1,002	249	273	1,395	746	609	273	345	233	5,157	1,498	1,965	3,463	8,620
Travel	2,463	12,512	14,933	-	19,908	7,655	14,102	24,898	-	594	97,065	24,152	14,322	38,474	135,539
Utilities	-	78	15	15	106	55	47	16	23	21	376	67	156	223	599
Total Functional Expenses	$ 13,417	$ 298,505	$ 121,482	$ 47,044	$ 288,017	$ 120,477	$ 142,560	$ 275,778	$ 64,263	$ 139,316	$ 1,510,859	$ 334,458	$ 471,486	$ 805,944	$ 2,316,803

See accompanying notes to the financial statements

Pulmonary Fibrosis Foundation

Statement of Cash Flows

Six month period ended June 30, 2015

Operating Activities		
Change in net assets	$	(1,014,741)
Adjustments to reconcile change in net assets to net cash for operating activities:		
Depreciation and amortization		14,922
Realized gain on investments		(166)
Unrealized gain on investments		(4,036)
Changes in operating assets and liabilities		
Contributions receivable		398,757
Pledges receivable		314,764
Sponsorships receivable		(280,000)
Other receivables		(25,000)
Prepaid expenses		(20,348)
Accounts payable		163,419
Grants payable		(107,500)
Deferred revenue		134,659
Net cash for operating activities		(425,270)
Investing Activities		
Proceeds from sale or maturity of certificates of deposit		1,302,945
Purchases of certificates of deposit		(1,308,662)
Purchases of property and equipment		(3,791)
Net cash for investing activities		(9,508)
Financing Activities		
Repayment of capital lease obligation		(3,939)
Net cash for financing activities		(3,939)
Net decrease in cash		(438,717)
Cash and cash equivalents, beginning of year		1,839,561
Cash and cash equivalents, end of year	$	1,400,844
Cash Paid During the Year for Interest	$	789

See accompanying notes to the financial statements

1. Summary of Significant Accounting Policies

Nature of Activities

The mission of Pulmonary Fibrosis Foundation (the Organization) is to serve as the trusted resource for the pulmonary fibrosis (PF) community by raising awareness, providing disease education and funding research. The Organization works diligently to foster conversations between everyone affected by pulmonary fibrosis, including those living with the disease, the medical and research community, and the pharmaceutical industry.

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as recommended in the American Institute of Certified Public Accountant's Audit and Accounting Guide for Not-for-Profit Organizations. The Organization changed its fiscal year end from December 31st to June 30th effective January 1, 2015. The financial statements represent 6 months of activity for the period ended June 30, 2015.

Cash and Cash Equivalents

The Organization considers highly liquid investments with maturities of three months or less as cash equivalents. Cash and cash equivalents also includes $7,947 as of June 30, 2015, of amounts due from commercial credit card companies, such as Visa, MasterCard, and American Express, which are generally received within a few days of the related transaction and related to contributions.

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

Investments

Investments in marketable securities, mutual funds and bonds are reported at fair value based upon market quotations. Investments in certificates of deposit are reported at cost plus interest accrued which approximates market value. Donated investments are reflected as contributions at their fair values at date of receipt. There were no donated investments during the six month period ended June 30, 2015. Realized and unrealized gains and losses are included in the accompanying statement of activities. Money market accounts that are held in a portfolio at the same institution as other investments are classified as investments. Investment fees for the six month period ended June 30, 2015 were $563.

Contributions Receivable

Contributions that are mailed by the donor before year end, but not received until after year end are included as contributions receivable.

Pledges Receivable

Unconditional promises to give are recognized as revenues or gains in the period received and as assets depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges receivable are amounts committed by donors that have not been received by the Organization. These amounts are classified as temporarily restricted until received. The total amount of these pledges receivable was $25,000 as of June 30, 2015 and are receivables due in less than one year.

Sponsorships Receivable

Sponsorships for the 2015 PFF Summit are recognized as temporarily restricted revenue for the portion considered contribution and deferred revenue for the fair market portion of services provided by the Organization. All sponsorship registrations completed before year end, but not received until after year end, are included in sponsorships receivable.

Allowance for Doubtful Accounts

The Organization recognizes an allowance for losses on contributions, pledges, and sponsorships receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as program expense. As of June 30, 2015, management has determined that no allowance for doubtful accounts is deemed necessary.

Property and Equipment

Property and equipment are recorded at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over 3-5 years for computer hardware and software. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of $500. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations. Maintenance and repairs are expensed as incurred.

Website

The Organization incurred $65,156 of website development costs during the year ended December 31, 2014. Under ASC 350, these costs are able to be recognized as an intangible asset, and are being amortized using the straight-line method over 5 years. Amortization expense was $6,516 for the six month period ended June 30, 2015.

Amortization expense for the next four years is expected to be as follows:

Year ending June 30,		
2016	$	**13,031**
2017		**13,031**
2018		**13,031**
2019		**9,774**
	$	**48,867**

Grants Payable

Grants payable consists of awards to universities and hospitals for research purposes which are recognized as expenses when they are awarded.

Accrued Liabilities

Accrued liabilities are made up of various expenses including meeting and contractor fees that relate to the six month period ended June 30, 2015.

Deferred Revenue

Deferred revenue consists of sponsorships, donations, and ticket sales related to the PFF Summit held in November 2015.

Deferred Rent

Rent expense on non-cancelable leases containing known future scheduled rent increases or free rent periods is recorded on a straight-line basis over the respective lease term. The lease term begins when the Organization has right to control the use of the leased property and includes the initial non-cancelable lease term plus any periods covered by renewal options that the Organization is reasonably assured of exercising. The difference between rent expense and rent paid is accounted for as deferred rent and is amortized over the lease term. Deferred rent was $4,964 as of June 30, 2015.

Net Assets

The net assets of the Organization are classified as follows:

> Unrestricted, which represents the portion of expendable net assets that are available for operations.
>
> Temporarily restricted, which represents the portion of net assets restricted by the donors for program expenses such as research, education, outreach, and advocacy. Upon satisfaction of the restriction, a reclassification is made to unrestricted net assets.

Contributions

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.

Advertising

Advertising costs are expensed as incurred. Advertising expense was $14,142 for the six month period ended June 30, 2015.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for net income derived from unrelated business activities. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under IRC Section 509(a).

The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2012 through the current period. In evaluating the Organization's activities, management believes its position of tax-exempt status is based on current facts and circumstances and there have been no uncertain positions taken related to recording income taxes. In the opinion of management there are no activities unrelated to the purpose of the Organization and therefore no tax is to be recognized for the six month period ended June 30, 2015.

It is the policy of the Organization to include in management and general expenses penalties and interest assessed by income taxing authorities. There are no penalties or interest from taxing authorities included in management and general expenses for the six month period ended June 30, 2015.

Functional Allocation of Expenses

In the statement of functional expenses, the costs which are directly associated with a particular program or supporting service are charged to that functional category. Additionally, certain costs have been allocated among the programs and supporting services benefited based on staff time devoted to the functional areas or other appropriate allocation methods determined by management.

Subsequent Events

Subsequent events were evaluated through January 25, 2016, which is the date the financial statements were available to be issued.

The Organization executed contracts from multiple sponsors in October and November of 2015 for multi-year funding of the PFF Patient Registry and related Care Center Network projects. The total of these agreements is over $20 million and will be received over the period of five years. This funding will allow the Organization to increase the Care Center Network to 40 sites, perform various educational programming within the network and enroll 2,000 patients in the Patient Registry.

2. Fair value measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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. There are no changes in valuation methodologies during the six month period ended June 30, 2015.

Fair values of assets measured on a recurring basis were as follows:

June 30, 2015

	Level 1	Level 2	Level 3	Total
Assets				
Money market	**$ 4,945**	**$ -**	**$ -**	**$ 4,945**
Certificates of deposit	**-**	**2,263,316**	**-**	**2,263,316**
Mutual funds:				
DFA emerging markets fund	**4,274**	**-**	**-**	**4,274**
T Rowe Price Equity Income	**2,453**	**-**	**-**	**2,453**
Total mutual funds	**6,727**	**-**	**-**	**6,727**
Bonds	**5,038**	**-**	**-**	**5,038**
Equities:				
U.S. Common Stocks				
Consumer goods (donated gift)	**25,737**	**-**	**-**	**25,737**
Healthcare (donated gift)	**59,739**	**-**	**-**	**59,739**
Investments (donated gift)	**4,764**	**-**	**-**	**4,764**
Services (donated gift)	**2,815**	**-**	**-**	**2,815**
Technology (donated gift)	**30,284**	**-**	**-**	**30,284**
Utilities (donated gift)	**1,024**	**-**	**-**	**1,024**
Total equities	**124,363**	**-**	**-**	**124,363**
	$ 141,073	**$ 2,263,316**	**$ -**	**$ 2,404,389**

3. Concentration of Credit Risk

The Organization maintains the majority of its cash at a several financial institutions. All deposit accounts at Federal Deposit Insurance Corporation (FDIC) insured institutions are insured up to $250,000. At times during the six month period, the Organization's bank balances may have exceeded the federally insured limits; however, it has not experienced any losses with respect to its bank balances in excess of government provided insurance.

Investments in certificates of deposit at FDIC-insured institutions are insured up to $250,000 per institution.

The Organization maintains reserve cash at a brokerage firm. This account is insured by the Securities Investor Protection Corporation up to $500,000 including a maximum of $250,000 for claims for cash and additional coverage is provided by the brokerage firm. At June 30, 2015, the Organization has no uninsured cash investment balances at brokerage firms.

As of June 30, 2015, 38% of total revenue was from two donors. As of June 30, 2015, 95% of total pledges receivable and 89% of sponsorships receivable was from one of the above donors.

4. Conditional Pledge Receivable

The Organization is the recipient of a conditional pledge receivable over the next four years. The pledge is a $0.10 to $1 matching grant up to $700,000 for funds raised by the Organization from other contributors to support the Care Center Network and Patient Registry programs. The Organization has up to four years, beginning October 30th, 2013, to raise funds to meet the pledged amount of $700,000. During the six month period ended June 30, 2015, no matching pledges were made.

5. Property and Equipment

The Organization's property and equipment as of June 30, 2015 was as follows:

Computer hardware and software	$	**89,680**
Less accumulated depreciation		**(56,988)**
	$	**32,692**

Depreciation expense for the six month period ended June 30, 2015 was $8,406.

6. Capital Lease Obligation

The Organization entered into a capital lease to purchase two copiers with Proven Business Systems commencing on April 30, 2014 and expiring on June 30, 2017. The fair market value of the copiers is $26,480 with accumulated depreciation of $10,185 as of June 30, 2015. There are monthly installments of $788 due monthly with an imputed annual interest rate of 13.1%.

Maturities of long-term debt are as follows at June 30, 2015:

2016	$ 9,456
2017	11,293
	20,749
Less: Imputed interest on capital leases	(2,900)
	$ 17,849

7. Temporarily Restricted Net Assets

The following items were temporarily restricted as of June 30, 2015 due to either use or time restrictions:

Digital Program Development	$ 48,867
Newsletter	40,000
Patient Registry	405,507
Research	32,648
Sponsorships, 2015 Summit	304,045
Support Groups	235,836
	$ 1,066,903

The following items were released from temporarily restricted net assets during the six month period ended June 30, 2015 due to meeting either use or time restrictions:

Broadway Belts	$ 44,929
Digital Program Development	6,516
Patient Registry	583,555
Pledges	98,465
Research	5,000
Support Groups	117,402
	$ 855,867

8. Contributions In-Kind

Donated software and materials are included in contribution in-kind expenses on the statement of functional expense. Such donations are recorded at their estimated fair value at the date of donation. These donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. During the six month period ended June 30, 2015, the Organization did not receive any donated software, donated services, or donated materials.

9. Lease Obligation and Rental Expense

The Organization entered into a lease for office space at 230 East Ohio Street, Chicago, IL, effective November 9, 2012 that expired October 31, 2015. This lease was extended through July 31, 2016. The Organization also entered into a storage lease effective January 10, 2014 that expired October 31, 2015. This lease was extended through July 31, 2016. Rental expense on all leases for the six month period ended June 30, 2015 was $48,541. The Organization is also liable for its proportionate share of property taxes, increased expenses, insurance, utilities, and repairs.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases for the year ending June 30, 2016 is $36,902.

10. Commitments

The Organization has entered into an agreement with a hotel to hold the future PFF Summit. The agreement includes penalties if the Organization breaks the contract. No provision has been made in the financial statements for any contingency relating to the commitment. The Organization made the following commitment for hotel space (includes hotel room cancellation fees):

November 2015 PFF Summit in Washington, DC	$ 231,935

11. Special Events

Revenues and expenses from special events are shown at the gross amounts in the statements of activities. Gross revenue and expense for each event was as follows for the six month period ended June 30, 2015:

	Revenue	Expense	Net
Broadway Belts! 2015	**$ 99,291**	**$ 50,245**	**$ 49,046**

During the six month period ended June 30, 2015, the Organization had third parties hold special events in honor of the Organization. The net proceeds of each event are remitted by the third parties to the Organization after the event has been completed. These proceeds are recorded as contributions as the events are not held by the Organization.

12. Retirement Plan

On January 1, 2014, the Organization introduced a 401(k) salary reduction plan that covers all full-time employees. Contributions are made by the employees at an amount or percentage of their salary not to exceed applicable IRS limits. The Organization contributes 3% of the employee's base salary into the Plan, irrespective of the employee's level of deferral. During the six month period ended June 30, 2015, the Organization made employer contributions to the plan of $24,112.