

Unbound

Independent Auditor's Report and Financial Statements

December 31, 2015 and 2014



Unbound
December 31, 2015 and 2014

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Independent Auditor's Report

Board of Directors
Unbound
Kansas City, Kansas

We have audited the accompanying financial statements of Unbound, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Unbound as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Kansas City, Missouri
May 3, 2016

Unbound
Statements of Financial Position
December 31, 2015 and 2014

Assets

	2015	2014
Cash and cash equivalents	\$ 10,927,328	\$ 10,584,287
Accounts receivable	568,318	249,277
Prepaid expenses and other assets	914,427	901,995
Investments	25,061,245	24,305,199
Property and equipment, net of accumulated depreciation; 2015 - \$5,169,062, 2014 - \$4,963,266	4,234,209	4,429,509
Total assets	\$ 41,705,527	\$ 40,470,267

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 164,103	\$ 180,936
Accrued expenses and deferred revenue	1,130,061	927,300
Annuity obligations	501,084	498,917
Total liabilities	1,795,248	1,607,153

Net Assets

Unrestricted		
Operating reserve	1,957,731	2,001,063
Planned giving	100,000	100,000
Headquarters building	200,000	300,000
Capital equipment	200,000	200,000
CASA and other software upgrades	200,000	200,000
Program	4,078,412	3,464,160
Property and equipment - net (not currently available for expenditure due to amounts already invested in property and equipment)	4,234,209	4,429,509
Total unrestricted net assets	10,970,352	10,694,732
Temporarily restricted net assets	28,939,927	28,168,382
Total net assets	39,910,279	38,863,114
Total liabilities and net assets	\$ 41,705,527	\$ 40,470,267

Unbound
Statement of Activities
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Public Support, Gains and Other Revenues			
Public support			
Sponsorships	\$ 84,415,111	\$ 26,361,508	\$ 110,776,619
Contributions	5,026,150	6,565,302	11,591,452
Total public support	<u>89,441,261</u>	<u>32,926,810</u>	<u>122,368,071</u>
Other revenue	<u>1,158,092</u>	<u>6,102</u>	<u>1,164,194</u>
Unrealized losses on investments	<u>(505,212)</u>	<u>(5,472)</u>	<u>(510,684)</u>
Net assets released from restrictions			
Satisfaction of program restrictions	6,206,933	(6,206,933)	-
Expiration of time restrictions	<u>25,948,962</u>	<u>(25,948,962)</u>	<u>-</u>
Total net assets released from restrictions	<u>32,155,895</u>	<u>(32,155,895)</u>	<u>-</u>
Total public support, gains and other revenues	<u>122,250,036</u>	<u>771,545</u>	<u>123,021,581</u>
Expenses			
Program services	112,978,583	-	112,978,583
Fundraising	5,029,681	-	5,029,681
General and administrative	<u>3,966,152</u>	<u>-</u>	<u>3,966,152</u>
Total expenses	<u>121,974,416</u>	<u>-</u>	<u>121,974,416</u>
Increase in Net Assets	275,620	771,545	1,047,165
Net Assets, Beginning of Year	<u>10,694,732</u>	<u>28,168,382</u>	<u>38,863,114</u>
Net Assets, End of Year	<u>\$ 10,970,352</u>	<u>\$ 28,939,927</u>	<u>\$ 39,910,279</u>

Unbound
Statement of Activities
Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Public Support, Gains and Other Revenues			
Public support			
Sponsorships	\$ 82,289,260	\$ 25,948,963	\$ 108,238,223
Contributions	3,866,947	6,765,476	10,632,423
Total public support	<u>86,156,207</u>	<u>32,714,439</u>	<u>118,870,646</u>
Other revenue	<u>2,052,346</u>	<u>6,348</u>	<u>2,058,694</u>
Unrealized gains (losses) on investments	<u>(462,617)</u>	<u>4,951</u>	<u>(457,666)</u>
Net assets released from restrictions			
Satisfaction of program restrictions	6,813,631	(6,813,631)	-
Expiration of time restrictions	25,659,234	(25,659,234)	-
Total net assets released from restrictions	<u>32,472,865</u>	<u>(32,472,865)</u>	<u>-</u>
Total public support, gains and other revenues	<u>120,218,801</u>	<u>252,873</u>	<u>120,471,674</u>
Expenses			
Program services	113,984,898	-	113,984,898
Fundraising	5,348,456	-	5,348,456
General and administrative	3,959,209	-	3,959,209
Total expenses	<u>123,292,563</u>	<u>-</u>	<u>123,292,563</u>
Increase (Decrease) in Net Assets	<u>(3,073,762)</u>	<u>252,873</u>	<u>(2,820,889)</u>
Net Assets, Beginning of Year	<u>13,768,494</u>	<u>27,915,509</u>	<u>41,684,003</u>
Net Assets, End of Year	<u><u>\$ 10,694,732</u></u>	<u><u>\$ 28,168,382</u></u>	<u><u>\$ 38,863,114</u></u>

Unbound
Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Fund Raising	General and Administrative	Total
Child, aging and local outreach support	\$ 103,819,585	\$ -	\$ -	\$ 103,819,585
Staff salaries and benefits	6,059,482	2,820,515	1,653,259	10,533,256
Appeal stipends	-	467,894	-	467,894
Awareness and education	522,196	3,630	1,805	527,631
Travel	132,295	280,323	16,041	428,659
Postage	855,365	134,514	541,682	1,531,561
Printing and duplicating	469,889	195,124	190,393	855,406
Bank service fees	-	-	1,132,332	1,132,332
Professional services	26,129	14,209	135,754	176,092
Advertising	692	767,005	8,758	776,455
Equipment maintenance and purchases	104,213	26,222	23,456	153,891
Supplies	196,529	69,210	41,711	307,450
Field audits	182,826	-	-	182,826
Telephone	59,490	35,035	14,367	108,892
Insurance	70,048	26,317	14,868	111,233
Utilities	62,733	16,159	19,002	97,894
Facility maintenance	76,385	15,167	15,039	106,591
Seminars, conferences and educational materials	7,036	32,846	4,533	44,415
Rent	2,400	15,089	449	17,938
Publications	2,453	2,243	5,937	10,633
Depreciation	321,973	93,991	74,191	490,155
Miscellaneous	6,864	14,188	72,575	93,627
	<u>\$ 112,978,583</u>	<u>\$ 5,029,681</u>	<u>\$ 3,966,152</u>	<u>\$ 121,974,416</u>
Total expenses				

Unbound
Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services	Fund Raising	General and Administrative	Total
Child, aging and local outreach support	\$ 105,023,148	\$ -	\$ -	\$ 105,023,148
Staff salaries and benefits	5,827,639	2,491,992	1,672,670	9,992,301
Appeal stipends	-	580,674	-	580,674
Awareness and education	547,616	17,064	2,516	567,196
Travel	133,647	341,557	24,082	499,286
Postage	790,943	156,451	565,531	1,512,925
Printing and duplicating	569,272	241,287	223,586	1,034,145
Bank service fees	48	2	1,030,526	1,030,576
Professional services	24,906	945,870	106,664	1,077,440
Advertising	3,822	224,725	12,637	241,184
Equipment maintenance and purchases	111,240	25,893	25,800	162,933
Supplies	166,770	56,662	49,048	272,480
Field audits	155,162	-	-	155,162
Telephone	62,589	32,350	15,015	109,954
Insurance	70,769	25,868	16,053	112,690
Utilities	66,157	17,039	20,923	104,119
Facility maintenance	77,461	15,522	15,316	108,299
Seminars, conferences and educational materials	5,060	33,984	5,902	44,946
Rent	2,116	16,237	293	18,646
Publications	2,285	3,551	1,538	7,374
Depreciation	326,842	103,816	74,116	504,774
Miscellaneous	17,406	17,912	96,993	132,311
	<u>\$ 113,984,898</u>	<u>\$ 5,348,456</u>	<u>\$ 3,959,209</u>	<u>\$ 123,292,563</u>
Total expenses	<u>\$ 113,984,898</u>	<u>\$ 5,348,456</u>	<u>\$ 3,959,209</u>	<u>\$ 123,292,563</u>

Unbound
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Activities		
Increase (decrease) in net assets	\$ 1,047,165	\$ (2,820,889)
Items not requiring (providing) operating activities cash flows		
Net realized and unrealized gains (losses) on investments	491,032	(245,657)
Change in cash surrender value of life insurance	(5,150)	(5,285)
Contributions of investment securities	(141,363)	(69,884)
Depreciation	490,155	504,774
Changes in		
Accounts receivable	(319,041)	(134,221)
Prepaid expenses and other assets	(74,529)	(128,473)
Accounts payable and accrued expenses	185,928	(257,897)
	<u>1,674,197</u>	<u>(3,157,532)</u>
Net cash provided by (used in) operating activities		
Investing Activities		
Purchase of property and equipment	(294,855)	(183,932)
Purchase of investments	(7,692,412)	(17,125,169)
Proceeds from disposition of investments	6,591,847	20,347,201
Maturity of reinsurance agreements	41,245	41,091
	<u>(1,354,175)</u>	<u>3,079,191</u>
Net cash provided by (used in) investing activities		
Financing Activities		
Proceeds from issuance of annuity obligations	68,953	48,686
Payments on annuity obligations	(45,934)	(43,256)
	<u>23,019</u>	<u>5,430</u>
Net cash provided by financing activities		
Increase (Decrease) in Cash and Cash Equivalents	343,041	(72,911)
Cash and Cash Equivalents, Beginning of Year	<u>10,584,287</u>	<u>10,657,198</u>
Cash and Cash Equivalents, End of Year	<u>\$ 10,927,328</u>	<u>\$ 10,584,287</u>

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Notes to Financial Statements

December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Unbound is a not-for-profit organization whose mission is to walk with the poor and marginalized of the world. Unbound's revenues and other support are derived primarily from sponsorships and contributions. Unbound's principle activities are to build personal connections with people in developing countries and work side by side with them to break the bonds of poverty. To do this, dynamic, one-to-one relationships are created. Individuals select a specific child, youth or elderly person to sponsor and offer them support and encouragement on their path to self-sufficiency.

Unbound and its sponsors instill confidence in those who need it most. Unbound partners with families served through the program to challenge poverty by empowering them to choose the benefits they most need to address their unique situations. Not only does Unbound help families provide basic needs such as education, food, medical care and clothing, but it also helps them create long-term solutions through skills training, livelihood initiatives and self-help groups. The support network Unbound and sponsorship offers aids individuals on their journey to transcend poverty and create more resilient families and communities.

On August 20, 2013, the organization changed its legal name from Christian Foundation for Children and Aging (CFCA) to Unbound in order to better communicate the work it does and make its name more memorable. The new name was officially launched to the public on January 2, 2014.

Unbound partners with 43 project offices in 20 countries to administer the various organization programs. Because Unbound does not exercise control over the project offices, the operations of the project offices are not consolidated in Unbound's financial statements. Funding provided to the project offices are titled "child, aging and local outreach support" within the Statements of Functional Expenses and are categorized as program services.

Foreign Affiliation

Unbound has an affiliation agreement with Delegación de la Fundación Cristiana para Niños y Ancianos (DFCNA), a similar organization in Spain. Because Unbound does not exercise control over DFCNA, the operations of this entity are not consolidated in Unbound's financial statements. DFCNA sends sponsorship contributions to the organization for distribution to the various Unbound programs. These funds are included in sponsorship support. Total sponsorship contributions received from DFCNA amounted to \$292,833 and \$372,890 during the years ended December 31, 2015 and 2014, respectively.

Use of Estimates

The preparation of 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, expenses

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Notes to Financial Statements

December 31, 2015 and 2014

gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Unbound considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2015 and 2014, cash equivalents consisted of money market funds.

At December 31, 2015, approximately \$3,775,000 of Unbound's cash was held in a financial institution in excess of federally insured limits. However, management has evaluated the financial stability of the institution and believes the risk of loss is minimal.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and investments in all debt securities are carried at fair value. Annuities are recorded at contract value, plus accrued interest. Life insurance contracts are carried at the cash surrender value of the policy. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments net of investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated lives of forty years for the buildings and three to fifteen years for furniture, equipment and software.

Unbound capitalizes costs associated with software development when the preliminary application stage is completed. Capitalization of such costs ceases no later than the point at which the application is substantially complete and ready for its intended purposes. Research and other preliminary costs related to software development, as well as computer software maintenance costs, are expensed as incurred.

Unbound evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying

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Notes to Financial Statements

December 31, 2015 and 2014

amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2015 and 2014.

Annuity Obligations

Annuity obligations consist of contributed amounts subject to obligations to make fixed periodic payments to beneficiaries over their lifetimes or a specified length of time. The annuity liability is recorded at the actuarial present value of the aggregate liability determined by the applicable federal rate and life expectancy tables. Unbound values the fair value of annuity assets and liabilities on an annual basis.

To reduce the risk that the payments to the beneficiaries will not exceed the amount originally contributed, Unbound purchased annuities to cover the beneficiary payments over the life of the beneficiaries for annuities sold prior to 2014. The annuity investments are included within other assets in the statements of financial position.

For annuities sold beginning in 2014, Unbound set aside a reserve of \$100,000 as of December 31, 2014 to fund these liabilities. Any actuarial gain or loss resulting from the computation of the liability for the present value of future payments is recorded as a change in unrestricted revenue.

Unrestricted and Temporarily Restricted Net Assets

Unrestricted net assets represent sponsorship and support services associated with funding Unbound's operating needs and for which all donor-imposed restrictions, if any, have been satisfied.

Temporarily restricted net assets represent sponsorship payments and other contributions which are restricted due to donor imposed time restrictions or donor imposed special purpose restrictions such as support for birthday celebrations, Christmas celebrations or urgent needs. Sponsorship is provided to children, their families and the aging living in poverty in developing countries on a recurring monthly basis; however, some donors elect to pay on a yearly or other basis. For those contributions received where the benefit has not been provided to the children or their families, Unbound includes those contributions as temporarily restricted net assets until such time that the benefits are provided for donor imposed time or special purpose restrictions. Such restrictions generally expire or are otherwise satisfied within the twelve months following receipt.

Sponsorships and Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor 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. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

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Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Contributed Services

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the financial statements for contributed services. However, time and resources have been contributed by volunteers in furtherance of Unbound's objectives, where the volunteers were not experts in the field they were providing services. Management has estimated the value of the approximately 20,000 hours of services donated in 2015 at \$385,000 and 23,000 hours of services donated in 2014 at \$377,000.

Income Taxes

Unbound is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, Unbound is subject to federal income tax on any unrelated business taxable income. Unbound has evaluated and determined there are no uncertain tax positions that would need to be analyzed for any of the periods presented. Unbound files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program services, fundraising and general and administrative categories based on allocation of salaries and other methods.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

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Notes to Financial Statements
December 31, 2015 and 2014

Note 2: Investments and Investment Return

Investments

Investments at December 31 consisted of the following:

	2015	2014
Investments carried at fair value		
U.S. treasury and agency securities	\$ 11,664,285	\$ 11,359,860
Common stock	5,749,681	4,625,561
Corporate bonds	343,150	352,142
Foreign obligations	-	491,680
Municipal bonds	70,504	257,105
Mutual funds	211,817	254,551
	<hr/>	<hr/>
Total investments carried at fair value	18,039,437	17,340,899
Annuities carried at contract value	6,908,096	6,855,738
Life insurance carried at cash surrender value	113,712	108,562
	<hr/>	<hr/>
	<u>\$ 25,061,245</u>	<u>\$ 24,305,199</u>

Investment Return

Total investment return is comprised of the following:

	2015	2014
Interest and dividend income	\$ 548,121	\$ 675,899
Realized gains	19,652	703,323
Unrealized losses	(510,684)	(457,666)
	<hr/>	<hr/>
Return on investments carried at fair value	57,089	921,556
Return on investments carried at contract value	205,228	203,508
	<hr/>	<hr/>
	<u>\$ 262,317</u>	<u>\$ 1,125,064</u>

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December 31, 2015 and 2014

Total investment return is reflected in the statements of activities as follows:

	2015	2014
Investment return included in other revenue	\$ 773,001	\$ 1,582,730
Unrealized losses on investments	(510,684)	(457,666)
	\$ 262,317	\$ 1,125,064

Fair Value Disclosures

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2015.

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The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2015 and 2014:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2015				
Cash equivalents - money market funds	\$ 6,853,704	\$ 6,853,704	\$ -	\$ -
Investments				
U.S. treasury and agency securities	11,664,285	-	11,664,285	-
Common stock	5,749,681	5,749,681	-	-
Corporate bonds	343,150	-	343,150	-
Municipal bonds	70,504	-	70,504	-
Mutual funds	211,817	211,817	-	-
Total	\$ 24,893,141	\$ 12,815,202	\$ 12,077,939	\$ -

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2014				
Cash equivalents - money market funds	\$ 6,154,760	\$ 6,154,760	\$ -	\$ -
Investments				
U.S. treasury and agency securities	11,359,860	-	11,359,860	-
Common stock	4,625,561	4,625,561	-	-
Corporate bonds	352,142	-	352,142	-
Foreign obligations	491,680	-	491,680	-
Municipal bonds	257,105	-	257,105	-
Mutual funds	254,551	254,551	-	-
Total	\$ 23,495,659	\$ 11,034,872	\$ 12,460,787	\$ -

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Notes to Financial Statements
December 31, 2015 and 2014

Note 3: Property and Equipment

Property and equipment at December 31 consisted of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 273,053	\$ 243,128
Buildings	4,715,506	4,793,296
Furniture and equipment	1,659,089	1,596,481
CASA software	2,755,623	2,755,623
Construction in progress	-	4,247
	<u>9,403,271</u>	<u>9,392,775</u>
Less accumulated depreciation	<u>(5,169,062)</u>	<u>(4,963,266)</u>
	<u>\$ 4,234,209</u>	<u>\$ 4,429,509</u>

Note 4: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31 are available for the following purposes or periods:

	<u>2015</u>	<u>2014</u>
Child sponsorships	\$ 23,891,235	\$ 23,586,445
Aging sponsorships	2,383,223	2,250,275
Project/urgent needs	1,305,089	1,307,462
Project grants	691,311	478,577
Birthday fund	346,461	192,638
Vocation sponsorships	87,051	112,242
Other	235,557	240,743
	<u>\$ 28,939,927</u>	<u>\$ 28,168,382</u>

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Notes to Financial Statements
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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2015	2014
Child sponsorships	\$ 23,586,445	\$ 23,392,918
Aging sponsorships	2,250,275	2,135,892
Project/urgent needs	2,229,617	2,233,742
Project grants	30,536	368,257
Birthday fund	1,729,815	1,909,830
Christmas fund	2,216,965	2,301,802
Vocation sponsorships	112,242	130,424
	<u>\$ 32,155,895</u>	<u>\$ 32,472,865</u>

Note 5: Retirement Plan

Unbound has a defined contribution pension plan covering all eligible employees 18 years of age and older. Under the Plan, Unbound contributes an amount equal to 6% of each participant's compensation. Participants are fully vested upon entry into the Plan. Pension expense was \$498,471 and \$463,327 for 2015 and 2014, respectively.