Financial Statements
August 31, 2015 and 2014

College Possible, Inc.

CPAs & BUSINESS ADVISORS

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, 2015, 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 the Organization. as of August 31, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 5, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2014, 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 December 7, 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.

Eide Bailly LLP

Minneapolis, Minnesota
December 7, 2015

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	$ 3,874,266	$ 4,705,330
Accounts receivable	6,963	245,885
Promises to give	2,883,316	2,196,357
Prepaid expenses	355,837	144,213
Total current assets	7,120,382	7,291,785
Other Assets		
Investments	961,572	972,556
Promises to give, net	1,312,826	1,505,663
	2,274,398	2,478,219
Equipment and Leasehold Improvements		
Computer software and equipment	589,320	422,538
Furniture and equipment	472,515	377,140
Leasehold improvements	77,810	83,314
	1,139,645	882,992
Less accumulated depreciation	401,438	266,257
	738,207	616,735
Total assets	$ 10,132,987	$ 10,386,739

See Notes to Financial Statements

	2015	2014
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 337,723	$ 79,430
Accrued expenses	457,872	470,170
Deferred revenue	540,963	-
Capital lease obligation	16,100	34,600
Total current liabilities	1,352,658	584,200
Long-Term Liabilities		
Accrued expenses - deferred compensation	30,000	15,000
Deferred rent	94,593	93,510
Capital lease obligation	32,485	48,573
	1,509,736	741,283
Net Assets		
Unrestricted		
Undesignated	1,638,876	2,147,495
Board designated - program continuation funds	2,682,753	2,087,750
Total unrestricted	4,321,629	4,235,245
Temporarily restricted	4,301,622	5,410,211
Total net assets	8,623,251	9,645,456
Total liabilities and net assets	$ 10,132,987	$ 10,386,739

	2015			
	Unrestricted	Temporarily Restricted	Total	2014
Revenue, Support, and Gains				
Fee revenue				
Consortium fees	$ 56,667	$ -	$ 56,667	$ 10,000
Service fees	67,427	-	67,427	82,521
Total fee revenue	124,094	-	124,094	92,521
Support				
Contributions and grants	4,749,321	2,744,036	7,493,357	8,732,811
Government grants	2,095,848	-	2,095,848	995,199
Other contributions	1,503,173	-	1,503,173	1,196,727
Total support	8,348,342	2,744,036	11,092,378	10,924,737
Investment income (loss)	(4,280)	-	(4,280)	93,303
Net assets released from restrictions	3,852,625	(3,852,625)	-	-
Total support and revenue	12,320,781	(1,108,589)	11,212,192	11,110,561
Expenses				
Program services	9,747,646	-	9,747,646	7,038,216
General and administrative	1,391,582	-	1,391,582	1,559,705
Fundraising	1,095,169	-	1,095,169	962,887
Total expenses	12,234,397	-	12,234,397	9,560,808
Change in Net Assets	86,384	(1,108,589)	(1,022,205)	1,549,753
Net Assets, Beginning of Year	4,235,245	5,410,211	9,645,456	8,095,704
Net Assets, End of Year	$ 4,321,629	$ 4,301,622	$ 8,623,251	$ 9,645,456

	2015	2014
Operating Activities		
Change in net assets	$ (1,022,205)	$ 1,549,753
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	212,000	155,312
Net realized gains on investments	(41,805)	(16,987)
Net unrealized gains on investments	75,269	(45,836)
Changes in operating assets and liabilities		
Promises to give	(255,200)	(923,043)
Prepaid expenses	(211,624)	11,150
Accounts payable	258,293	(186,170)
Accrued expenses	2,702	42,896
Deferred revenue	540,963	(10,000)
Deferred rent	1,083	79,745
Net Cash (used for) from Operating Activities	(440,524)	656,820
Investing Activities		
Proceeds from sale of investments	458,079	226,595
Purchase of investments	(480,560)	(248,756)
Purchase of equipment	(333,472)	(267,944)
Net Cash used for Investing Activities	(355,953)	(290,105)
Cash used for Financing Activities		
Payments on capital lease obligation	(34,587)	-
Net Change in Cash and Cash Equivalents	(831,064)	366,715
Cash and Cash Equivalents, Beginning of Year	4,705,330	4,338,615
Cash and Cash Equivalents, End of Year	$ 3,874,266	$ 4,705,330
Supplemental Disclosure of Noncash Activities		
Equipment purchased through capital lease	$ -	$ 46,662

	2015				
	Program Services	Fundraising	General and Administrative	Total	2014
Personnel Costs					
Salaries and stipends	$ 4,800,033	$ 560,791	$ 881,590	$ 6,242,414	$ 4,668,929
Payroll taxes	380,231	43,939	67,599	491,769	346,834
Employee benefits	656,276	31,468	44,825	732,569	438,095
Total personnel costs	5,836,540	636,198	994,014	7,466,752	5,453,858
Consulting	71,563	108,872	82,036	262,471	564,959
Professional fees	56,126	15,135	122,027	193,288	171,264
Postage and supplies	64,956	19,024	11,904	95,884	82,270
Occupancy	2,140,235	33,679	50,519	2,224,433	1,744,386
Technology	460,837	22,814	34,221	517,872	414,506
Transportation and meetings	345,664	63,939	33,722	443,325	368,326
Staff acquisition, training and recognition	278,499	14,472	12,970	305,941	284,375
Student support costs	251,179	-	-	251,179	171,057
Marketing and communication	37,645	170,917	18,991	227,553	138,873
Depreciation expense	188,652	9,339	14,009	212,000	155,312
Insurance and other	15,750	780	17,169	33,699	11,622
Total expenses	$ 9,747,646	$ 1,095,169	$ 1,391,582	$ 12,234,397	$ 9,560,808
	80%	9%	11%	100%	

Note 1 - Notes Principal Activity and 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) coaching throughout college to support the academic confidence, financial literacy and resilience needed to graduate.

The program served approximately 18,992 students in the 2014-15 academic year including 3,482 in its core high school program, 5,139 in its college program, and 10,371 through college planning workshops and through CollegePoint, a technology-driven coaching approach. The Organization is currently serving students across Minnesota and in Omaha, Nebraska; Portland, Oregon; Philadelphia, Pennsylvania and Milwaukee, Wisconsin. The Organization began serving students in Chicago, Illinois in the fall of 2015.

Comparative Financial Information

The accompanying 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, 2014, 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, 2015 and 2014, the Organization believes all balances are collectible; therefore, no allowance is necessary.

Promises to Give

We record unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. 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 $5,000 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.

We review the carrying value equipment and leasehold improvements for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended August 31, 2015 and 2014.

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:

<u>Unrestricted Net Assets</u> – 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.

<u>Temporarily Restricted Net Assets</u> – 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.

Contributions restricted by donors are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

<u>Permanently Restricted Net Assets</u> – 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, 2015 and 2014.

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. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Materials and Services

Donated materials and facilities 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 is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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. The Organization's Form 990 and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2011.

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.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and investment accounts with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Budget and Oversight Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the Budget and Oversight Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Subsequent Events

The Organization has evaluated subsequent events through December 7, 2015, the date the financial statements were available to be issued.

Note 2 - 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 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 table presents assets measured at fair value on a recurring basis at August 31, 2015:

	Fair Value Measurements at Report Date Using		
Investments	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds			
Domestic equity	$ 243,987	$ -	$ -
International equity	21,001	-	-
Asset allocation	12,893	-	-
Debt securities			
U.S. Treasury	144,069	-	-
U.S. agency	-	296,985	-
Municipal	-	26,975	-
Residential mortgage-backed securities	215,662	-	-
Total investments	$ 637,612	$ 323,960	$ -

The following table presents assets measured at fair value on a recurring basis at August 31, 2014:

Investments	Fair Value Measurements at Report Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds			
Domestic equity	$ 251,844	$ -	$ -
International equity	85,125	-	-
Asset allocation	16,172	-	-
Debt securities			
U.S. Treasury	115,470	-	-
U.S. agency	-	254,139	-
Municipal	-	77,541	-
Residential mortgage-backed securities	172,265	-	-
Total investments	$ 640,876	$ 331,680	$ -

Note 3 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at August 31, 2015 and 2014:

	2015	2014
Within one year	$ 2,883,316	$ 2,196,357
In one to five years	1,331,613	1,529,990
	4,214,929	3,726,347
Less discount to net present value at 1.59% in 2015 and 2014	(18,787)	(24,327)
Promises to give, net	$ 4,196,142	$ 3,702,020

At August 31, 2015 and 2014, three donors accounted for 46% and 53% of total promises to give, respectively.

Note 4 - Capital Lease Obligation

The Organization leases certain telecommunication systems which are classified as capital leases. The leases expire over the next five fiscal years.

Future minimum lease payments are as follows:

Years Ending August 31,	Amount
2016	$ 29,468
2017	21,879
2018	21,879
2019	12,840
2020	4,383
Total minimum lease payments required	90,450
Less amount representing interest	(41,865)
Capital lease obligation	$ 48,585

At August 31, 2015 and 2014, assets recorded under the capital lease agreement totaled $67,934, less $29,958 and $14,979 of accumulated amortization, respectively.

Note 5 - Operating Lease

The Organization leases its St. Paul, Minnesota, operating facilities under two separate five-year operating leases, one expiring July 2018 and the other expiring September 2018. The lease allows for cancellation with six months advance notice.

The Organization leases space in in Omaha, Nebraska; Portland, Oregon; Philadelphia, Pennsylvania and Milwaukee, Wisconsin, under various operating leases with terms of 36 to 62 months.

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

Years Ending August 31,	Amount
2016	$ 684,995
2017	692,366
2018	652,202
2019	78,098
2020	80,092
Thereafter	13,626
	$ 2,201,379

Total rent expense was $623,752 and $483,990 for the years ended August 31, 2015 and 2014, respectively. See also Note 8.

Note 6 - Restricted Net Assets

Temporarily restricted net assets at August 31, 2015 and 2014, consist of:

	2015	2014
Time restrictions	$ 1,893,730	$ 3,475,031
Purpose restrictions	2,407,892	1,935,180
Total	$ 4,301,622	$ 5,410,211

Net assets were released from restrictions as follows during the years ended August 31, 2015 and 2014:

	2015	2014
Time restrictions	$ 2,481,595	$ 2,286,730
Purpose restrictions	1,371,030	1,728,871
Total	$ 3,852,625	$ 4,015,601

Note 7 - Board Designated Net Assets

At August 31, 2015 and 2014, Board designated net assets are available for the following purposes:

	2015	2014
Program continuation funds	$ 2,682,753	$ 2,087,750

To maintain 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.

Note 8 - Other Contributions

The value of services and other in-kind contributions for program related services at estimated fair value at the date of donation for the years ended August 31, 2015 and 2014, is as follows:

	2015	2014
Rent	$ 1,459,704	$ 1,166,039
Other	305	22,395
Program expenses	43,164	8,293
Total	$ 1,503,173	$ 1,196,727

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, 2015 and 2014, the amounts paid were $0 and $17,879, respectively.

During 2013, the Organization entered into a two year agreement for website design services with a Company where a Board member is employed as a member of management. In January 2015, the Organization entered into a new one-year agreement for continued website design and supportive services. The total amount paid in fiscal 2015 and 2014 was $34,440 and $42,291, respectively. Amounts are payable as services are being completed. Accordingly, as of August 31, 2015 and 2014, $6,398 and $0 was recorded as a liability for services provided.

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, having attained age 18 and which 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 $175,555 and $126,762 for the years ended August 31, 2015 and 2014, respectively.

Note 12 - Conditional Grants

College Possible Omaha received a conditional grant of $750,000 in 2014 from a private organization. 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. $250,000 was received and conditions met as of August 31, 2015. As a result, contribution revenue of $250,000 was recognized for this grant in the year ended August 31, 2015. No contribution revenue was recorded for this grant in the year ended August 31, 2014.

College Possible Portland received a conditional grant of $150,000 in 2015 from a private organization. This grant is conditional on the Organization securing matching funds for each annual installment of $50,000. Since the grant represents a conditional promise to give, it is not recognized as support until the conditions are met. $50,000 was received and conditions met as of August 31, 2015. As a result, contribution revenue of $50,000 was recognized for this grant in the year ended August 31, 2015.