

**STUDENT PRESS LAW CENTER, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2016 AND 2015**

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statement of Activities - Year Ended December 31, 2016	4
Statement of Activities - Year Ended December 31, 2015	5
Statement of Functional Expenses - Year Ended December 31, 2016	6
Statement of Functional Expenses - Year Ended December 31, 2015	7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 16



## Independent Auditor's Report

To the Board of Directors of  
Student Press Law Center, Inc.  
Washington, DC

We have audited the accompanying financial statements of Student Press Law Center, Inc. a nonprofit organization, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows 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 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Student Press Law Center, Inc. as of December 31, 2016 and 2015, 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.

*James Maurice & McQuade PA*

Washington, DC  
June 20, 2017

**STUDENT PRESS LAW CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015**

	2016	2015
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 257,450	\$ 213,244
Accounts receivable	4,520	2,561
Contribution receivable	75,000	-
Prepaid expenses	8,246	8,165
Inventory	2,856	3,801
Total Current Assets	348,072	227,771
<b>OTHER ASSETS</b>		
Property and equipment, net	6,913	8,534
Investments	3,142,850	3,026,024
Total Other Assets	3,149,763	3,034,558
<b>TOTAL ASSETS</b>	<b>\$ 3,497,835</b>	<b>\$ 3,262,329</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,914	\$ 6,507
Accrued expenses	1,540	11,632
Total Liabilities	8,454	18,139
<b>NET ASSETS</b>		
Unrestricted	268,531	218,166
Temporarily restricted	475,262	280,436
Permanently restricted	2,745,588	2,745,588
Total Net Assets	3,489,381	3,244,190
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,497,835</b>	<b>\$ 3,262,329</b>

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

**STUDENT PRESS LAW CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 234,761	\$ 252,000	\$ -	\$ 486,761
Publications	35,256	-	-	35,256
Membership revenue	5,965	-	-	5,965
Interest and dividends	-	89,832	-	89,832
Other income	1,783	-	-	1,783
Net assets released from restrictions	306,355	(306,355)	-	-
Total Revenue and Support	<u>584,120</u>	<u>35,477</u>	<u>-</u>	<u>619,597</u>
<b>EXPENSES</b>				
Program Services:				
Education and advocacy	427,828	-	-	427,828
Support Services:				
General and administrative	79,838	-	-	79,838
Fundraising	26,089	-	-	26,089
Total Support Services	<u>105,927</u>	<u>-</u>	<u>-</u>	<u>105,927</u>
Total Expenses	<u>533,755</u>	<u>-</u>	<u>-</u>	<u>533,755</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	50,365	35,477	-	85,842
<b>OTHER CHANGES</b>				
Net appreciation in fair value of investments	<u>-</u>	<u>159,349</u>	<u>-</u>	<u>159,349</u>
<b>CHANGE IN NET ASSETS</b>	50,365	194,826	-	245,191
<b>NET ASSETS, beginning of year</b>	<u>218,166</u>	<u>280,436</u>	<u>2,745,588</u>	<u>3,244,190</u>
<b>NET ASSETS, end of year</b>	<u>\$ 268,531</u>	<u>\$ 475,262</u>	<u>\$ 2,745,588</u>	<u>\$ 3,489,381</u>

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

**STUDENT PRESS LAW CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 215,609	\$ 27,510	\$ -	\$ 243,119
Publications	37,575	-	-	37,575
Membership revenue	6,105	-	-	6,105
Interest and dividends	-	85,062	-	85,062
Other income	4,010	-	-	4,010
Net assets released from restrictions	354,000	(354,000)	-	-
Total Revenue and Support	<u>617,299</u>	<u>(241,428)</u>	<u>-</u>	<u>375,871</u>
<b>EXPENSES</b>				
Program Services:				
Education and advocacy	471,203	-	-	471,203
Support Services:				
General and administrative	87,741	-	-	87,741
Fundraising	27,494	-	-	27,494
Total Support Services	<u>115,235</u>	<u>-</u>	<u>-</u>	<u>115,235</u>
Total Expenses	<u>586,438</u>	<u>-</u>	<u>-</u>	<u>586,438</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	30,861	(241,428)	-	(210,567)
<b>OTHER CHANGES</b>				
Net depreciation in fair value of investments	<u>-</u>	<u>(126,686)</u>	<u>-</u>	<u>(126,686)</u>
<b>CHANGE IN NET ASSETS</b>	30,861	(368,114)	-	(337,253)
<b>NET ASSETS, beginning of year</b>	<u>187,305</u>	<u>648,550</u>	<u>2,745,588</u>	<u>3,581,443</u>
<b>NET ASSETS, end of year</b>	<u>\$ 218,166</u>	<u>\$ 280,436</u>	<u>\$ 2,745,588</u>	<u>\$ 3,244,190</u>

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

**STUDENT PRESS LAW CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**

	Program Services		Support Services		Total
	Education and Advocacy	General and Administrative	Fundraising	Total Support Services	
Salaries	\$ 250,958	\$ 47,054	\$ 15,685	\$ 62,739	\$ 313,697
Payroll taxes	19,162	3,593	1,198	4,791	23,953
Employee benefits	25,912	4,858	1,620	6,478	32,390
Subtotal Personnel Costs	296,032	55,505	18,503	74,008	370,040
Accounting and audit	-	8,659	-	8,659	8,659
Awards	2,640	-	-	-	2,640
Bank fees	-	1,179	-	1,179	1,179
Depreciation	1,297	243	81	324	1,621
Dues and subscriptions	-	1,635	-	1,635	1,635
Educational materials	29,953	-	-	-	29,953
Facilities, food and beverages	12,645	-	2,502	2,502	15,147
Insurance	4,578	859	286	1,145	5,723
Postage	4,764	893	298	1,191	5,955
Printing	11,817	2,215	739	2,954	14,771
Professional development	1,136	201	-	201	1,337
Professional fees	17,357	-	914	914	18,271
Rent	37,718	7,073	2,357	9,430	47,148
Repairs and maintenance	1,358	151	-	151	1,509
Supplies and office expense	2,938	551	184	735	3,673
Website and information technology	3,595	674	225	899	4,494
Total Expenses	\$ 427,828	\$ 79,838	\$ 26,089	\$ 105,927	\$ 533,755

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

**STUDENT PRESS LAW CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

	Program Services		Support Services		Total
	Education and Advocacy	General and Administrative	Fundraising	Total Support Services	
Salaries	\$ 241,886	\$ 45,354	\$ 15,118	\$ 60,472	\$ 302,358
Payroll taxes	18,371	3,445	1,148	4,593	22,964
Employee benefits	26,897	5,043	1,681	6,724	33,621
Subtotal Personnel Costs	287,154	53,842	17,947	71,789	358,943
Accounting and audit	-	18,767	-	18,767	18,767
Awards	4,469	-	-	-	4,469
Bank fees	-	1,545	-	1,545	1,545
Depreciation	685	128	43	171	856
Dues and subscriptions	-	1,099	-	1,099	1,099
Educational materials	6,394	-	-	-	6,394
Facilities, food and beverages	60,146	-	3,166	3,166	63,312
Insurance	3,467	650	217	867	4,334
Postage	5,995	1,124	375	1,499	7,494
Printing	8,539	1,601	534	2,135	10,674
Professional development	1,387	245	-	245	1,632
Professional fees	45,383	-	2,389	2,389	47,772
Rent	37,718	7,073	2,357	9,430	47,148
Repairs and maintenance	2,398	266	-	266	2,664
Supplies and office expense	4,071	764	254	1,018	5,089
Website and information technology	3,397	637	212	849	4,246
Total Expenses	\$ 471,203	\$ 87,741	\$ 27,494	\$ 115,235	\$ 586,438

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

**STUDENT PRESS LAW CENTER  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 245,191	\$ (337,253)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,621	856
Net (appreciation) depreciation in fair value of investments	(159,349)	126,686
Decrease (increase) in assets:		
Accounts receivable	(1,959)	3,385
Contributions receivable	(75,000)	202,500
Prepaid expenses	(81)	11,810
Inventory	945	1,348
Increase (decrease) in liabilities:		
Accounts payable	407	2,258
Accrued expenses	(10,092)	2,467
Net Cash Provided by Operating Activities	1,683	14,057
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(9,390)
Proceeds from sale of investments	131,092	128,451
Purchases of investments	(88,569)	(85,062)
Net Cash Provided by Investing Activities	42,523	33,999
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	44,206	48,056
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	213,244	165,188
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 257,450	\$ 213,244

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

**STUDENT PRESS LAW CENTER, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**NOTE A – NATURE OF THE ORGANIZATION AND PROGRAM DESCRIPTION**

Established in 1974 as a nonprofit organization, Student Press Law Center, Inc. (“SPLC”) is an advocate for student free-press rights and provides educational materials, training, advice and legal assistance to students and educators at no charge. SPLC is the nation’s only legal assistance agency devoted exclusively to educating high school and college journalists about the rights and responsibilities embodied in the First Amendment, and supporting the student news media in their struggle to cover important issues free from censorship.

In addition, SPLC operates a formal attorney referral network of approximately 215 lawyers across the country that are available to provide free legal representation to local students when necessary. Approximately 2,500 student journalists, teachers and others from around the country contact the SPLC for assistance and support annually.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

SPLC prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Basis of Presentation

Financial statement presentation follows Financial Standards Accounting Board (“FASB”) Accounting Standards Codification (“ASC”) Topic *Not-for-Profit-Entities*. In accordance with the topic, SPLC is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, the net assets of SPLC and changes therein, are classified and reported as follows:

*Unrestricted Net Assets* - Net assets not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed restrictions that may or will be met by either actions of the and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by SPLC.

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Cash and Cash Equivalents

SPLC considers demand deposits, money market funds and investments purchased with an original maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents in non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the accounts may exceed this limit; however, SPLC believes it is not exposed to any significant credit risk on cash or cash equivalents.

Accounts and Contributions Receivable

Accounts and contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection of information and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all receivables are fully collectible and no provision for allowance for doubtful accounts is deemed necessary.

Inventory

Inventory consists of books and educational materials and is stated at the lower of cost or market value. Inventory is valued based on the first-in, first-out method.

Property and Equipment

Property and equipment are recorded at cost. Major additions, replacements, and betterments with costs of at least \$1,000 and lives greater than one year are capitalized, while repairs and maintenance are expensed. Depreciation expense for property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which ranges from three to seven years.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Interest is recorded when earned. Dividends are recognized at the ex-dividend date. Net appreciation or depreciation in fair value of investments includes gains and losses on investments bought and sold as well as held during the year. Donated investments are recorded at fair value on the date of donation.

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Revenue Recognition

The activities of SPLC are funded by private contributions, membership dues, and publication sales. Membership dues are recognized when received, and publication revenue is recognized when the books or journals are sold.

Grants and contributions, including unconditional promises to give, are recognized as revenue in the period in which the promise is received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions received with donor restrictions are recorded as temporarily or permanently restricted revenue based on the donor's intent.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and support services that benefited from such costs.

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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

Reclassifications

Certain amounts in the 2015 financial statements have been reclassified to conform to present year presentation. Such reclassification had no effect on previously reported net assets or the changes in net assets.

**NOTE C – INCOME TAXES**

SPLC is a 501(c)(3) entity exempt from federal income tax under Section 501(a) of the Internal Revenue Code. SPLC is, however, subject to tax on business income unrelated to its exempt purpose.

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE C – INCOME TAXES – continued**

SPLC believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

SPLC’s information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. SPLC’s information returns for the years ended 2013 through 2015, are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31, 2016 and 2015:

	2016	2015
Furniture and equipment	\$ 4,515	\$ 4,515
Computer equipment	4,875	4,875
	9,390	9,390
Less: accumulated depreciation	(2,477)	(856)
Property and Equipment, Net	\$ 6,913	\$ 8,534

Depreciation expense for the years ended December 31, 2016 and 2015, totaled \$1,621 and \$856, respectively.

**NOTE E – FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). Level 1 of the fair value hierarchy under FASB ASC 820 is described as inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that SPLC has the ability to access.

*Level 1* Inputs are based on unadjusted quoted prices for identical assets traded in active markets that SPLC has the ability to access.

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE E – FAIR VALUE MEASUREMENTS - continued**

*Level 2* Inputs are based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

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

The following valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Mutual funds and exchange traded funds are valued at the observable closing price reported in the active market in which the individual securities are traded. The following table presents SPLC's fair value hierarchy for investments measured at fair value on a recurring basis as of December 31, 2016 and 2015:

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income	\$ 1,044,831	\$ -	\$ -	\$ 1,044,831
Equity	1,823,013	-	-	1,823,013
Exchange traded funds	275,006	-	-	275,006
Total Investments	\$ 3,142,850	\$ -	\$ -	\$ 3,142,850

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 452	\$ -	\$ -	\$ 452
Mutual funds:				
Fixed income	1,012,293	-	-	1,012,293
Equity	1,750,988	-	-	1,750,988
Exchange traded funds	262,291	-	-	262,291
Total Investments	\$ 3,026,024	\$ -	\$ -	\$ 3,026,024

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE F – OPERATING LEASE**

Effective January 1, 2015, SPLC entered into a lease agreement with the Regents of the University of California. The annual rent is \$47,148, and expires on December 31, 2019.

The future minimum payments of the operating lease under the lease agreement are as follows for the year ending December 31:

2017	\$	47,148
2018		47,148
2019		47,148
Total	\$	<u>141,444</u>

Rent expense for the years ended December 31, 2016, totaled \$47,148 and \$47,148, respectively.

**NOTE G - ENDOWMENTS**

Effective January 23, 2008, the District of Columbia enacted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), the provisions of which apply to endowment funds existing on or established after that date. SPLC is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and, in doing so, to consider a number of factors including the duration and preservation of its donor restricted endowment funds. As a result of this interpretation, SPLC classified as permanently restricted net assets the original value of gifts donated to be held in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by SPLC in a manner consistent with the standard of prudence prescribed by UPMIFA. SPLC has adopted, and the Board of Directors has approved, the Statement of Investment Policies for each endowment fund. These policies have identified an appropriate risk posture for the funds, stated expectations and objectives for the fund, provided asset allocation guidelines, and established criteria to monitor and evaluate the performance results of the fund’s managers.

In accordance with UPMIFA, SPLC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic 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 SPLC, and (7) SPLC’s investment policies. All of the investment earnings related to the endowment fund are available to support SPLC’s operations. It is the policy of SPLC to spend no more than five percent of the year-end endowment balance to support business operations in the following year. The amount utilized is approved by the Board of Directors during the budgeting process.

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE G – ENDOWMENTS – continued**

The fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA require SPLC to retain as a fund of perpetual duration. As of December 31, 2016 and 2015, there were no deficiencies in the endowment funds.

SPLC's endowment net assets consist of the following as of December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 397,262	\$ 2,745,588	\$ 3,142,850

SPLC's endowment net assets consist of the following as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 280,436	\$ 2,745,588	\$ 3,026,024

Changes in the endowment net assets for the year ended December 31, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance as of December 31, 2015	\$ -	\$ 280,436	\$2,745,588	\$3,026,024
Interest and dividends	-	89,832	-	89,832
Net appreciation in fair value	-	159,349	-	159,349
Appropriation of endowment assets for expenditure	-	(132,355)	-	(132,355)
Balance as of December 31, 2016	\$ -	\$ 397,262	\$2,745,588	\$3,142,850

**STUDENT PRESS LAW CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**  
(continued)

**NOTE G – ENDOWMENTS – continued**

Changes in the endowment net assets for the year ended December 31, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance as of December 31, 2014	\$ -	\$ 450,511	\$2,745,588	\$3,196,099
Interest and dividends	-	85,062	-	85,062
Net depreciation in fair value	-	(126,686)	-	(126,686)
Appropriation of endowment assets for expenditure	-	(128,451)	-	(128,451)
Balance as of December 31, 2015	<u>\$ -</u>	<u>\$ 280,436</u>	<u>\$2,745,588</u>	<u>\$3,026,024</u>

**NOTE H – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Education and advocacy	\$ 78,000	\$ -
Donor restricted endowment funds	397,262	280,436
Total	<u>\$ 475,262</u>	<u>\$ 280,436</u>

**NOTE I – RETIREMENT PLAN**

SPLC established a qualified 403(b) retirement plan covering eligible employees. Employer matching contributions are based on the amount of the employee elective deferral contributions. SPLC's contributions for the years ended December 31, 2016 and 2015, totaled \$2,692 and \$2,900, respectively.

**NOTE J – SUBSEQUENT EVENTS**

In preparing these financial statements, SPLC has evaluated events and transactions for potential recognition or disclosure through June 20, 2017, the date the financial statements were available to be issued. There were no additional events or transactions discovered during the evaluation that require additional recognition or disclosure.