MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

EASTER SEALS MASSACHUSETTS, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

Proactive CPA and Consulting Firm

To the Audit Committee
Easter Seals Massachusetts, Inc.
Worcester, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the Easter Seals Massachusetts, Inc., (the "Organization") which comprise the statements of financial position as of August 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.

Auditors' 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 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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 Easter Seals Massachusetts, Inc. as of August 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.

Moody, Famigliette & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
November 23, 2015

August 31	**2015**	2014
Assets		
Current Assets:		
Cash	**$ -**	$ 51,936
Program Fees Receivable, Net of Allowance for Doubtful Accounts of Approximately $88,200 and $63,800, Respectively	**1,850,325**	1,705,458
Current Portion of Contributions Receivable	**36,818**	100,674
Prepaid Expenses	**23,143**	121,318
Total Current Assets	**1,910,286**	1,979,386
Contributions Receivable, Net of Current Portion	**22,000**	30,667
Investments and Endowment	**4,181,389**	4,597,171
Assets Held for Others	**958,044**	1,185,588
Property and Equipment, Net of Accumulated Depreciation and Amortization	**81,930**	136,167
Total Assets	**$ 7,153,649**	$ 7,928,979
Liabilities and Net Assets		
Current Liabilities:		
Line of Credit	**$ 159,786**	$ 1,005,042
Accounts Payable and Accrued Expenses	**698,807**	619,690
Current Portion of Pension Benefit Obligation	**300,000**	433,000
Deferred Revenue	**263,016**	329,244
Total Current Liabilities	**1,421,609**	2,386,976
Note Payable	**750,000**	750,000
Assets Held for Others	**958,044**	1,185,588
Pension Benefits Obligation, Net of Current Obligation	**2,438,409**	306,621
Total Liabilities	**5,568,062**	4,629,185
Net Assets:		
Unrestricted:		
Available for Operations	**97,438**	1,765,633
Invested in Property and Equipment	**81,930**	136,167
Board Designated	**260,000**	260,000
Total Unrestricted	**439,368**	2,161,800
Temporarily Restricted	**401,434**	395,647
Permanently Restricted	**744,785**	742,347
Total Net Assets	**1,585,587**	3,299,794
Total Liabilities and Net Assets	**$ 7,153,649**	$ 7,928,979

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

For the Years Ended August 31				**2015**				2014
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:								
Program Fees	**$ 10,881,494**	**$ -**	**$ -**	**$ 10,881,494**	$ 10,402,812	$ -	$ -	$ 10,402,812
Grants and Contributions	**750,802**	**-**	**-**	**750,802**	817,597	-	-	817,597
Special Events, Net of Direct Costs and Cost of Benefits to Donors of $60,700 and $76,937, Respectively	**472,178**	**-**	**-**	**472,178**	416,566	-	-	416,566
In-Kind Contributions	**163,000**	**-**	**-**	**163,000**	159,525	-	-	159,525
Legacies and Bequests	**191,606**	**-**	**-**	**191,606**	64,369	-	-	64,369
Net Assets Released from Restrictions	**6,554**	**(6,554)**	**-**	**-**	25,041	(25,041)	-	-
Total Revenue and Other Support	**12,465,634**	**(6,554)**	**-**	**12,459,080**	11,885,910	(25,041)	-	11,860,869
Expenses:								
Program Services	**10,088,585**	**-**	**-**	**10,088,585**	9,776,354	-	-	9,776,354
General and Administrative	**1,558,305**	**-**	**-**	**1,558,305**	1,245,180	-	-	1,245,180
Fundraising	**486,363**	**-**	**-**	**486,363**	455,100	-	-	455,100
Total Expenses	**12,133,253**	**-**	**-**	**12,133,253**	11,476,634	-	-	11,476,634
Increase (Decrease) in Net Assets from Operations	**332,381**	**(6,554)**	**-**	**325,827**	409,276	(25,041)	-	384,235
Non-Operating Revenue (Expenses):								
Change in Pension Benefits Obligation	**(2,118,788)**	**-**	**-**	**(2,118,788)**	(159,964)	-	-	(159,964)
Net Realized Gains on Investments and Endowment	**162,417**	**24,040**	**3,695**	**190,152**	87,028	23,205	1,377	111,610
Net Unrealized (Losses)/Gains on Investments and Endowment	**(157,657)**	**(28,260)**	**(2,509)**	**(188,426)**	217,982	86,693	1,764	306,439
Investment Income, Net of Investment Advisory Fees	**65,628**	**16,561**	**1,252**	**83,441**	58,009	16,790	4,412	79,211
Loss on Disposal of Property and Equipment	**(6,413)**	**-**	**-**	**(6,413)**	-	-	-	-
Total Non-Operating Revenues (Expenses)	**(2,054,813)**	**12,341**	**2,438**	**(2,040,034)**	203,055	126,688	7,553	337,296
(Decrease) Increase in Net Assets	**(1,722,432)**	**5,787**	**2,438**	**(1,714,207)**	612,331	101,647	7,553	721,531
Net Assets at Beginning of Year	**2,161,800**	**395,647**	**742,347**	**3,299,794**	1,549,469	294,000	734,794	2,578,263
Net Assets at End of Year	**$ 439,368**	**$ 401,434**	**$ 744,785**	**$ 1,585,587**	$ 2,161,800	$ 395,647	$ 742,347	$ 3,299,794

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

For the Year Ended August 31 **2015**

	Program Services				Support Services			
	Rehabilitation Services	Assistive Technology Services	Other Community Services	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses
Personnel and Related Costs:								
Salaries and Contracted Services	$ 3,620,011	$ 1,162,893	$ 2,191,454	$ 6,974,358	$ 755,246	$ 318,918	$ 1,074,164	$ 8,048,522
Benefits	316,288	121,676	236,699	674,663	117,286	35,853	153,139	827,802
Payroll Taxes	241,152	90,792	153,376	485,320	54,283	26,087	80,370	565,690
Total Payroll and Related Costs	4,177,451	1,375,361	2,581,529	8,134,341	926,815	380,858	1,307,673	9,442,014
Other Operating Costs:								
Assistance to Individuals	-	863,084	98,744	961,828	-	-	-	961,828
Occupancy	24,316	131,486	114,028	269,830	43,445	35,417	78,862	348,692
Professional Fees	2,258	1,161	86,189	89,608	165,921	14,706	180,627	270,235
Travel and Transportation	58,439	51,012	34,549	144,000	7,021	14,306	21,327	165,327
Equipment, Software and Repairs	10,258	33,151	45,536	88,945	42,107	17,784	59,891	148,836
Advertising and Marketing Materials	225	1,717	108,903	110,845	-	8,112	8,112	118,957
Telecommunications	29,927	3,317	4,727	37,971	70,778	797	71,575	109,546
Insurance	-	-	-	-	93,040	-	93,040	93,040
Meetings and Conferences	12,879	7,160	64,501	84,540	4,436	3,152	7,588	92,128
Depreciation and Amortization	733	14,054	42,283	57,070	21,202	987	22,189	79,259
Membership Fees	-	-	67,809	67,809	-	-	-	67,809
Bad Debt Expense	-	-	-	-	50,000	-	50,000	50,000
Interest	-	-	-	-	42,346	-	42,346	42,346
Postage and Printing	1,263	4,656	9,748	15,667	16,066	8,478	24,544	40,211
Other Expenses	6,443	4,227	14,201	24,871	13,239	1,766	15,005	39,876
Bank and Other Service Fees	-	-	-	-	36,906	-	36,906	36,906
Recruitment	35	-	1,225	1,260	24,983	-	24,983	26,243
Total Other Operating Costs	146,776	1,115,025	692,443	1,954,244	631,490	105,505	736,995	2,691,239
Total Expenses	$ 4,324,227	$ 2,490,386	$ 3,273,972	$ 10,088,585	$ 1,558,305	$ 486,363	$ 2,044,668	$ 12,133,253

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

For the Year Ended August 31 **2014**

	Program Services				Support Services			
	Rehabilitation Services	Assistive Technology Services	Other Community Services	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses
Personnel and Related Costs:								
Salaries and Contracted Services	$ 3,216,529	$ 1,140,455	$ 2,383,537	$ 6,740,521	$ 731,189	$ 301,408	$ 1,032,597	$ 7,773,118
Benefits	273,349	121,993	201,720	597,062	67,022	32,685	99,707	696,769
Payroll Taxes	209,936	81,724	176,059	467,719	52,037	21,295	73,332	541,051
Total Payroll and Related Costs	3,699,814	1,344,172	2,761,316	7,805,302	850,248	355,388	1,205,636	9,010,938
Other Operating Costs:								
Assistance to Individuals	-	703,094	255,406	958,500	-	-	-	958,500
Occupancy	19,234	121,009	124,211	264,454	31,773	32,666	64,439	328,893
Professional Fees	2,180	960	32,101	35,241	65,888	5,048	70,936	106,177
Travel and Transportation	53,410	55,949	45,969	155,328	8,546	13,138	21,684	177,012
Equipment, Software and Repairs	121	32,417	26,221	58,759	24,374	14,451	38,825	97,584
Advertising and Marketing Materials	765	2,114	141,930	144,809	150	-	150	144,959
Telecommunications	30,583	22,146	20,036	72,765	27,419	5,273	32,692	105,457
Insurance	-	-	-	-	51,603	-	51,603	51,603
Meetings and Conferences	4,440	13,459	53,055	70,954	6,294	2,886	9,180	80,134
Depreciation and Amortization	1,082	15,165	80,679	96,926	29,235	1,229	30,464	127,390
Membership Fees	-	-	66,213	66,213	-	-	-	66,213
Bad Debt Expense	-	-	-	-	25,483	-	25,483	25,483
Interest	-	-	-	-	50,028	-	50,028	50,028
Postage and Printing	910	2,542	21,792	25,244	17,034	15,717	32,751	57,995
Other Expenses	7,779	5,031	5,004	17,814	7,448	9,062	16,510	34,324
Bank and Other Service Fees	-	-	-	-	28,621	242	28,863	28,863
Recruitment	3,780	-	265	4,045	21,036	-	21,036	25,081
Total Other Operating Costs	124,284	973,886	872,882	1,971,052	394,932	99,712	494,644	2,465,696
Total Expenses	$ 3,824,098	$ 2,318,058	$ 3,634,198	$ 9,776,354	$ 1,245,180	$ 455,100	$ 1,700,280	$ 11,476,634

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

For the Years Ended August 31	**2015**	2014
Cash Flows from Operating Activities:		
(Decrease) Increase in Net Assets	**$ (1,714,207)**	$ 721,531
Adjustments to Reconcile Increase in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization Expense	**79,259**	127,390
Bad Debt Expense	**50,000**	25,483
Loss on Disposal of Property and Equipment	**6,413**	-
Investments and Endowment Income, Non-Cash Portion	**(82,492)**	(79,177)
Net Realized Gains on Investments and Endowment	**(190,152)**	(111,610)
Net Unrealized Losses (Gains) on Investments and Endowment	**188,426**	(306,439)
Change in Pension Benefit Obligation	**2,118,788**	119,563
Pension Benefit Contribution	**(120,000)**	(359,787)
Increase in Program Fees Receivable	**(194,867)**	(611,848)
Decrease (Increase) in Contributions Receivable	**72,523**	(17,544)
Decrease (Increase) in Prepaid Expenses	**98,175**	(77,486)
Increase in Accounts Payable		
and Accrued Expenses	**79,117**	27,312
(Decrease) Increase in Deferred Revenue	**(66,228)**	128,190
Net Cash Provided by (Used In) Operating Activities	**324,755**	(414,422)
Cash Flows from Investing Activities:		
Proceeds from Sales of Investments and Endowment	**1,127,991**	834,756
Purchase of Investments and Endowment	**(627,991)**	(809,718)
Purchase of Property and Equipment	**(31,435)**	(21,570)
Net Cash Provided by Investing Activities	**468,565**	3,468
Cash Flows from Financing Activities:		
Net (Repayments) Borrowings on Line of Credit	**(845,256)**	412,665
Repayment of Capital Lease Obligation	**-**	(2,853)
Net Cash (Used in) Provided by Financing Activities	**(845,256)**	409,812
Net Decrease in Cash	**(51,936)**	(1,142)
Cash, Beginning of Year	**51,936**	53,078
Cash, End of Year	**$ -**	$ 51,936

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Years for Interest	**$ 42,346**	$ 50,028

Supplemental Disclosure of Non-Cash Investing Activities:

During the year ended August 31, 2015, the Organization disposed of property and equipment with an original cost of $6,413 and accumulated depreciation of $0.

1. **Organization and Summary of Significant Accounting Policies:**

Reporting Entity: Easter Seals Massachusetts, Inc. (the "Organization") is a Massachusetts not-for-profit organization that provides services to ensure that children and adults with disabilities have equal opportunities to live, learn, work and play. These services include rehabilitation services, recreational activities, employment and training services, technological assistance, advocacy and public education programs that are provided in communities throughout Massachusetts. In addition, the Organization is the administrator of the Massachusetts Assistive Technology Loan Program (MATLP) as disclosed in Note 8. The Organization maintains its headquarters in Worcester, Massachusetts, and has technology and training centers in Boston, Massachusetts and New Bedford, Massachusetts.

Method of Accounting: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Revenue Recognition: Revenues are reported as increases in unrestricted net assets unless the use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Program fees include revenue from government contracts and are recorded as the related services are rendered and the associated costs are incurred. Government contracts are subject to audit by the appropriate governmental agency. It is the position of management that the results of such audits, if any, will not have a material effect on the results of operations or the financial position of the Organization as of August 31, 2015 and 2014.

Revenue related to special events is generally recorded when the event takes place and is shown net of direct costs of benefits to donors.

Deferred Revenue: Deferred revenue consists of revenues relating to special events and collected in advance of the special event which is recorded when the event takes place and is shown net of direct costs of the event and the cost of benefits to donors.

Contributions: Contributions, including unconditional promises to give, are recognized as revenues at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the statements of activities.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted restricted net asset class. Contributions received with donor-imposed restrictions that are met subsequent to the year in which they are received are reported as revenues of the temporarily restricted net asset class. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met. Permanently restricted contributions are recorded as permanently restricted revenue at fair value at the date the promise is received.

Revenue from legacies and bequests is recognized upon receipt, unless advance notice of the Organization's unconditional right to receive the legacy or bequest is received and the fair value of the contribution is determinable, in which case the revenue is recognized upon notice.

Donated services are recognized as revenue when the services received create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided by donation.

Donated assets are recognized as revenue when the asset is unconditionally pledged and the fair value of the asset received is determinable.

Substantial numbers of volunteers have donated significant amounts of their time to the Organization. However, the financial statements do not include amounts for these donated services as there is no objective basis to measure the value of such services and these services are not specialized as defined accordance with GAAP.

1. Organization and Summary of Significant Accounting Policies (Continued):

Allocation of Expenses: Expenses related directly to a specific program are charged to that program while other general program expenses are allocated to individual programs based upon management's estimate of the percentage attributable to each program. Fundraising costs are not allocated.

Fair Value: The framework for measuring fair value 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 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; and

- 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's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

Classification and Reporting of Net Assets: The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the three net asset classes follows:

- Unrestricted net assets represent the portion of the Organization's net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization, as well as funds invested in property and equipment. The Organization further subdivides this classification into Board-designated net assets, which have been designated by Board action for specific purposes.

- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Cash: The Organization maintains its bank account with the same institution with which it has a line of credit. Accordingly, all available cash balances are automatically applied against the outstanding balance on the line of credit at the end of each business day. As such, any cash balance in the Organization's bank account has been offset against the line of credit balance as of August 31, 2015 and 2014. Cash in the accompanying statements of financial position consists of cash on hand and cash relating to specific programs that, in accordance with the programs restrictions, is maintained in segregated accounts.

1. Organization and Summary of Significant Accounting Policies (Continued):

Investments, Endowment and Investment Income: The Organization's realized gains and losses are recorded on the trade date based on the average cost method for mutual funds and the specific cost method for all other securities. Unrealized gains and losses are recorded based on the fair market value of investments.

The Organization's investments are reported at fair value at the statements of financial position date. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in unrestricted net assets unless the income or loss is restricted by donor or law.

The Organization allocates investment income in accordance with donor restrictions and Massachusetts law including the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Organization.

The assets of the General Endowment Fund, the Easter Seals Assistive Technology Endowment Fund, the Elmer C. Bartels/Easter Seals Massachusetts Camp Scholarship Fund and the Matthew V. Joslin Fund for Unmet Needs are maintained in separate investment portfolios. Unrestricted investments and the assets of the Richard A. LaPierre Pioneer Fund are maintained in pooled investment accounts.

Investment income consists of interest and dividends and is presented net of investment advisory fees of $23,703 and $26,438 for the years ended August 31, 2015 and 2014, respectively. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

Endowment: The endowments include those net assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. The Organization's endowment consists of the General Endowment Fund, the Richard A. LaPierre Pioneer Fund (Pioneer Fund) and the Easter Seals Assistive Technology Endowment Fund which supports the Organization's assistive technology program. The endowment funds include only donor-restricted funds, as no funds have been designated by the Board of Directors to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to credit risk consist primarily of cash, investments and endowment, and program fees and contributions receivable. The Organization maintains its cash and investments and endowment with a high-credit quality financial institution. From time to time, the bank balance of the Organization's cash may exceed Federal deposit insurance limits. However the Organization has not experienced any losses in this area and management believes its cash deposit is not subject to significant credit risk.

Program fees and contributions receivable are carried at the outstanding principal balance, less an estimate made for doubtful receivables, if any. Management determines the allowance for doubtful accounts by identifying troubled receivables and by using historical experience and assessment of credit worthiness. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

The Organization derives significant revenue from the Commonwealth of Massachusetts. During the years ended August 31, 2015 and 2014, this revenue represented approximately 26% of the Organization's total program fees. The Commonwealth of Massachusetts also represented approximately 30% and 39% of program fees receivable as of August 31, 2015 and 2014, respectively.

1. Organization and Summary of Significant Accounting Policies (Continued):

Property and Equipment: Property and equipment acquisitions are recorded at cost, if purchased, or at fair market value at the time of donation, if donated. Other assets, consisting of a work of art and software in development which is not yet placed in service are not being depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives of the related assets as follows:

Furniture and Equipment	3-10 Years
Buildings and Improvements	10-25 Years

Pension Plan: The Organization sponsors a noncontributory defined benefit pension plan. The Organization's policy is to fund the required contribution necessary to meet the present and future obligations of the plan.

Income Taxes: The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. As a result, no provision for income taxes is presented in these financial statements. However, in certain circumstances, the Organization may be subject to federal and state income taxes for profits generated from unrelated trade or business income. As of August 31, 2015 and 2014, management has determined that the Organization does not have any liabilities associated with unrelated trade or business income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements.

The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of August 31, 2015 and 2014. The Organization does not expect any material change in uncertain tax benefits within the next twelve months. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities.

As of August 31, 2015 and 2014, the Organization is not currently under examination by any taxing authorities and is generally open to examination for three years from the date of filing.

Operating Measure: The Organization has defined the change in net assets from operations to include all support, revenue and expenses, except for investment income, related realized and unrealized gains and losses, changes in pension benefits obligation and any gains or losses resulting from unusual or infrequent transactions.

Advertising and Promotional Costs: The Organization expenses advertising and promotional costs as incurred. During the years ended August 31, 2015 and 2014, the Organization incurred advertising expense in the amounts of $21,957 and $13,970, respectively. During the years ended August 31, 2015 and 2014, the Organization also received donated advertising in the amount of $97,000 and $130,989, respectively.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from August 31, 2015 through November 23, 2015, the date the financial statements were available to be issued.

2. Investments and Endowment:

Investments and endowment as of August 31, 2015 and 2014 are stated at fair value and consist of the following:

	2015	2014
Equity Securities	$ 2,063,611	$ 2,397,961
Fixed Income	1,044,897	1,128,672
Mutual Funds	859,214	859,904
Alternative Investments	125,542	107,995
Brokerage Cash	88,125	102,639
	$ 4,181,389	$ 4,597,171

2. Investments and Endowment (Continued):

The change in the endowment balance by net asset classification for the years ended August 31, 2015 and 2014 consists of the following:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment, Beginning of Year	$ 40,428	$ 310,491	$ 742,347	$ 1,093,266
Investment Returns:				
Interest and Dividend Income, Net of Fees	4,664	15,004	1,252	20,920
Net Realized and Unrealized (Losses) Gains	-	(3,327)	1,186	(2,141)
Total Investment Returns	4,664	11,677	2,438	18,779
Appropriation of Endowment for Expenditure	-	(2,916)	-	(2,916)
Endowment, End of Year	$ 45,092	$ 319,252	$ 744,785	$ 1,109,129

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment, Beginning of Year	$ 22,484	$ 218,092	$ 734,794	$ 975,370
Investment Returns:				
Interest and Dividend Income, Net of Fees	17,944	36,666	3,141	57,751
Net Realized and Unrealized Gains	-	77,733	4,412	82,145
Total Investment Returns	17,944	114,399	7,553	139,896
Appropriation of Endowment for Expenditure	-	(22,000)	-	(22,000)
Endowment, End of Year	$ 40,428	$ 310,491	$ 742,347	$ 1,093,266

2. Investments and Endowment (Continued):

Interpretation of Relevant Law: Management of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift, as of the gift date, of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation permanently restricted net assets include: (a) the original value of gifts donated to establish a permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- Possible effects of inflation and deflation
- Expected total return from income and the appreciation of investments
- Organization's other resources
- Organization's investment policies

Funds with Deficiencies: From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires in order to maintain the perpetual duration of the fund. Deficiencies of this nature are reported in unrestricted net assets and generally result from unfavorable market fluctuations. There were no deficiencies of this type as of August 31, 2015 and 2014.

Return Objectives and Risk Parameters: The Organization has adopted an investment policy for its endowment investments that attempts to provide a predictable stream of funding to programs supported by its endowment. This investment policy is continuously monitored by the Organization’s Investment Committee. To satisfy its long-term rate-of-return objectives, the investment policy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The investment policy targets a diversified asset allocation that places a greater emphasis on equity-based investments, including mutual funds, to achieve its long-term return objectives within prudent risk constraints.

Spending Policy: The donors have specified that up to fifty percent of the income and appreciation on the Easter Seals Assistive Technology Endowment Fund may be used for operations. The donors to the Pioneer Fund have specified that income and appreciation may be spent to the extent that the Organization preserves the value of the original donations in constant dollars. In accordance with management’s goal of building the value of the General Endowment Fund, none of the Fund’s accumulated appreciation or earnings have been appropriated for expenditure.

3. Fair Value Measurements:

Investments and endowment and pension liabilities which are measured at fair value as of August 31, 2015 and 2014 are as follows:

	2015			
	Fair Value Measurements at Reporting Date Using			
	Totals	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Brokerage Cash	$ 88,125	$ 88,125	$ -	$ -
Equity Securities:				
Consumer Sector	615,766	615,766	-	-
Information Technology Sector	421,935	421,935	-	-
Health Care Sector	364,337	364,337	-	-
Industrials Sector	273,024	273,024	-	-
Financial Sector	218,552	218,552	-	-
Energy Sector	108,344	108,344	-	-
Telecommunications Sector	36,072	36,072	-	-
Materials Sector	25,581	25,581	-	-
Total Equity Securities	2,063,611	2,063,611	-	-
Fixed Income:				
Domestic Corporate Bonds	842,643	-	842,643	-
U.S. Government Bonds	111,189	-	111,189	-
U.S. Government Agency Bonds	91,065	-	91,065	-
Total Fixed Income	1,044,897	-	1,044,897	-
Mutual Funds:				
Moderate Allocation Funds	293,741	293,741	-	-
Balanced Index Funds	292,178	292,178	-	-
Large Value Funds	156,325	156,325	-	-
Fixed Income Funds	63,262	63,262	-	-
Large Blend Funds	39,679	39,679	-	-
Alternative Funds	9,140	9,140	-	-
Mid Growth Funds	4,889	4,889	-	-
Total Mutual Funds	859,214	859,214	-	-
Alternative Investments	125,542	-	-	125,542
Total Investments and Endowments	$ 4,181,389	$ 3,010,950	$ 1,044,897	$ 125,542
Total Pension Liabilities	$ 2,738,409	$ -	$ 2,738,409	$ -

3. Fair Value Measurements (Continued):

	2014			
	Fair Value Measurements at Reporting Date Using			
	Totals	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Brokerage Cash	$ 102,639	$ 102,639	$ -	$ -
Equity Securities:				
Consumer Sector	607,786	607,786	-	-
Information Technology Sector	471,402	471,402	-	-
Industrials Sector	315,461	315,461	-	-
Health Care Sector	370,904	370,904	-	-
Energy Sector	256,069	256,069	-	-
Financial Sector	248,532	248,532	-	-
Materials Sector	83,335	83,335	-	-
Telecommunications Sector	44,472	44,472	-	-
Total Equity Securities	2,397,961	2,397,961	-	-
Fixed Income:				
Domestic Corporate Bonds	811,626	-	811,626	-
U.S. Government Agency Bonds	181,371	-	181,371	-
U.S. Government Bonds	135,675	-	135,675	-
Total Fixed Income	1,128,672	-	1,128,672	-
Mutual Funds:				
Moderate Allocation	291,093	291,093	-	-
Balanced Index Funds	289,555	289,555	-	-
Large Blend Funds	103,648	103,648	-	-
Large Value Funds	103,453	103,453	-	-
Fixed Income Funds	65,529	65,529	-	-
Alternative Funds	6,626	6,626	-	-
Total Mutual Funds	859,904	859,904	-	-
Alternative Investments	107,995	-	-	107,995
Total Investments and Endowments	$ 4,597,171	$ 3,360,504	$ 1,128,672	$ 107,995
Total Pension Liabilities	$ 739,621	$ -	$ 739,621	$ -

3. Fair Value Measurements (Continued):

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended August 31, 2015 and 2014.

Equity securities are valued at the daily closing price as reported by the fund from an active market.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Corporate and government bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available. Corporate and municipal bonds seek to preserve capital while also providing a competitive level of income over time.

Alternative investments are valued at the fair value of those financial assets based on the Net Asset Value (NAV) of those assets. Absent the development of quantitative unobservable inputs by the Organization, the pricing for these assets is based on third-party pricing information, without adjustment by the Organization.

Realized and unrealized gains (losses) based on fair value measurements using significant unobservable (Level 3) inputs for the years ended August 31, 2015 and 2014 were related to alternative investments. The Organization's fair value measurement activity using significant unobservable inputs, and associated realized and unrealized gains on assets held as of August 31, 2015 and 2014 were as follows:

	2015
Beginning Balance	$ 107,995
Total Unrealized Gains Included in Earnings	17,547
Ending Balance	$ 125,542

	2014
Beginning Balance	$ 104,811
Total Unrealized Gains Included in Earnings	3,184
Ending Balance	$ 107,995

Investments are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term. These changes could materially affect the amounts reported in the statements of financial position and activities and the Organization's changes in net assets.

The Alternative investment strategy relating to the Organization's investment in the Advantage Advisers Xanthus Fund, LLC (the "Fund") utilizing Level 3 inputs is to achieve maximum capital appreciation. To do this, the Fund invests in a portfolio consisting generally of U.S. and foreign companies that its investment advisors believe are well positioned to benefit from demand for their products or services, particularly companies that can innovate or grow rapidly relative to their peers in the market.

4. Contributions Receivable:

Contributions receivable as of August 31, 2015 and 2014 are expected to be collected as follows:

	2015	2014
In One Year or Less	$ 36,818	$ 100,674
Between One and Five Years	22,000	32,321
	58,818	132,995
Less Discount	-	1,654
Total Contributions Receivable	$ 58,818	$ 131,341

4. Contributions Receivable (Continued):

As of August 31, 2015, the contributions receivable are not presented net of discount, as the discount is immaterial to the financial statements, taken as a whole. As of August 31, 2014, the contributions receivable are discounted using an interest rate of 2.98%.

5. Property and Equipment:

Property and equipment as of August 31, 2015 and 2014 consists of the following:

	2015	2014
Furniture and Fixtures	$ 816,334	$ 812,800
Building and Improvements	636,355	636,355
Other Assets	39,616	18,128
	1,492,305	1,467,283
Less: Accumulated Depreciation and Amortization	1,410,375	1,331,116
	$ 81,930	$ 136,167

Depreciation and amortization expense for the years ended August 31, 2015 and 2014 amounted to $79,259 and $127,390, respectively.

6. Line of Credit:

The Organization maintains a $1,750,000 secured revolving line of credit with a bank, which is in effect until terminated by the bank or the Organization. Interest on borrowings is payable monthly and is based at the bank's corporate base lending rate (3.25% at August 31, 2015). Principal is due on demand and the line is secured by the unrestricted investments of the Organization which amounted to $3,047,396 and $3,470,530 as of August 31, 2015 and 2014, respectively. As of August 31, 2015 and 2014, the line of credit secures a letter of credit issued for the Commonwealth of Massachusetts Division of Professional Licensure in the amount of $5,000.

7. Note Payable:

The Organization is party to an original $1,000,000 note payable agreement maturing in April 2017. Through April 2014, interest on this note was payable monthly at the bank's corporate base rate less 0.50% or the Federal Home Loan Bank's 12 Month Regular Classic Advance Rate plus 2.00% as determined annually by the Organization. As of April 2014, interest on this note is payable at the bank's corporate rate less 0.50%. The interest rate on the note was 2.75% as of August 31, 2015 and 2014. The principal is due at maturity or may be paid early without penalty. The note is secured by the unrestricted investments of the Organization which amounted to $3,047,396 and $3,470,530 as of August 31, 2015 and 2014, respectively. In prior years, the Organization repaid $250,000 resulting in an outstanding balance in the amount of $750,000 as of August 31, 2015 and 2014, respectively.

8. Assets Held for Others:

The (MATLP) Massachusetts Assistive Technology Loan Program helps people with disabilities apply for and obtain low interest bank loans for assistive technology devices and services. The MATLP was established in 2004 with a combination of federal and state funding and is governed by the Massachusetts Assistive Technology Loan Program Committee (the Committee"), a group comprised of fifteen (15) members who were initially appointed jointly by the Organization and the Massachusetts Rehabilitation Commission. Remaining members of the Committee now appoint individuals to fill any vacancies on the Committee. As of August 31, 2015 and 2014, one (1) members of the Committee is a current member of the Organization's Board of Directors.

The Committee has contracted with the Organization to provide daily program management and operation under the guidance of the Committee and to serve as custodian of the assets that support the MATLP. The Organization's responsibilities under the contract include staffing, budget preparation and maintenance as directed by the Committee, direct services to clients and bank liaisons, preparation of monthly and annual

8. Assets Held for Others (Continued):

reports for the Committee and various other agencies and committees and oversight of the assets which support the MATLP. The contract remains in effect until otherwise modified and may be terminated by either the Organization or the Committee upon ninety (90) days written notice.

The MATLP assets are maintained in an investment portfolio that is separate from the Organization's investments. Since these assets are not the property of the Organization, they do not serve as collateral for the Organization's debt. They are shown as assets held for others with a corresponding liability of an equal amount in the amounts of $958,044 and $1,185,588 in the accompanying statements of financial position as of August 31, 2015 and 2014, respectively.

The Organization is reimbursed for expenses incurred on behalf of the MATLP and receives a management fee based on a percentage of actual operating expenses incurred in the administration of the MATLP as compensation. The amount earned by the Organization was $223,622 and $228,313 for the years ended August 31, 2015 and 2014, respectively. These revenues are included in program fees in the accompanying statements of activities.

9. Temporarily Restricted Net Assets:

Temporarily restricted net assets as of August 31, 2015 and 2014 consist of the following:

	2015	2014
Accumulated Unspent Appreciation:		
Richard A. LaPierre Pioneer Fund	$ 145,370	$ 133,639
Assistive Technology Endowment Fund	109,264	109,555
General Endowment Fund	64,618	67,297
Total Accumulated Unspent Appreciation	319,252	310,491
Elmer C. Bartles/ Camp Scholarship Fund	36,397	41,059
Matthew V. Joslin Fund for Unmet Needs	33,558	41,848
Other Purpose Restrictions	12,227	2,249
	$ 401,434	$ 395,647

The donors have specified that five percent of the average value of both the Elmer C. Bartels/Camp Scholarship Fund and the Matthew V. Joslin Fund for Unmet Needs at the end of each month of the preceding fiscal year shall be made available for distribution. During the years ended August 31, 2015 and 2014, $1,880 and $1,577, respectively, was distributed from the Elmer C. Bartels/Camp Scholarship Fund and $1,758 and $1,464, respectively, was distributed from the Matthew V. Joslin Fund for Unmet Needs.

10. Permanently Restricted Net Assets:

Permanently restricted net assets as of August 31, 2015 and 2014 consist of the following:

	2015	2014
Richard A. LaPierre Pioneer Fund	$ 454,347	$ 451,909
Easter Seals Assistive Technology Endowment Fund	180,000	180,000
General Endowment Fund	110,438	110,438
	$ 744,785	$ 742,347

The donors have specified that income and appreciation on the Pioneer Fund may be spent to the extent that the Organization preserves the value of the original donations in constant dollars. Management estimates the constant dollar value based on changes in the United States Department of Labor Bureau of Statistics Consumer Price Index-All Urban Consumers (CPI-U). The entire constant dollar value of the Pioneer Fund has been classified as permanently restricted. Any additional amounts have been classified as temporarily restricted.

The donors have specified that up to fifty percent of the income and appreciation on the Easter Seals Assistive Technology Endowment Fund may be used for operations during the year. The Organization used $2,916 and $22,000 to fund operations during the years ended August 31, 2015 and 2014, respectively.

11. In-Kind Contributions:

In-kind contributions for the years ended August 31, 2015 and 2014 consist of the following:

	2015	2014
Radio and Television Advertising	$ 97,000	$ 130,989
Professional Services	60,000	5,000
Hardware and Software	6,000	9,546
Materials	-	13,990
	$ 163,000	$ 159,525

12. Lease Agreements:

Operating Lease Obligations: The Organization leases its Technology and Training Centers in Boston and New Bedford and certain equipment under operating lease agreements that expire at various dates through 2018.

The Technology and Training Center in Boston is leased under an operating lease expiring on August 31, 2018. This lease requires the Organization to maintain certain insurance coverage, and pay its proportionate share of operating expenses.

The Technology Center in New Bedford is leased under an operating lease expiring on August 31, 2018. This lease requires the Organization to maintain certain insurance coverage.

Rent expense for facilities for the years ended August 31, 2015 and 2014, was $203,854 and $200,390, respectively, and is included in occupancy in the accompanying statements of functional expenses. Rent expense for equipment was $444 and $3,981 for the years ended August 31, 2015 and 2014, respectively, and is included in equipment, software and repairs in the accompanying statements of functional expenses.

Future minimum lease payments due under these noncancelable operating lease obligations as of August 31, 2015 are as follows:

Year Ending August 31,	
2016	$ 189,094
2017	189,020
2018	189,020
	$ 567,134

13. Retirement Plans:

The Organization offers a defined benefit pension plan (the "Plan"). Benefits under the Plan are based on certain service requirements and were frozen as of October 1, 2002. Benefits earned up until October 1, 2002 were based on years of service and amount of compensation.

The Organization's Plan has fewer than 500 participants and, therefore, the Plan is not subject to the "at risk" funding requirements under the Pension Protection Act (PPA). The Organization's Plan is 71% and 91% funded as of August 31, 2015 and 2014, respectively.

Benefit Obligation and Funded Status: A summary of changes in the benefit obligation, Plan assets and funded status for the years ended August 31, 2015 and 2014 is as follows:

	2015	2014
Change in Benefit Obligation:		
Projected Benefit Obligation, Beginning of Year	$ 8,000,590	$ 7,517,461
Interest Cost	334,142	348,790
Benefits Disbursed	(454,638)	(441,148)
Actuarial (Gains) Losses	1,545,797	575,487
Projected Benefit Obligation, End of Year	9,425,891	8,000,590
Change in Plan Assets:		
Fair Value of Plan Assets, Beginning of Year	7,260,969	6,537,616
Actual Return on Plan Assets	(238,849)	804,714
Employer Contributions	120,000	359,787
Benefits Disbursed Plus Actual Expenses	(454,638)	(441,148)
Fair Value of Plan Assets, End of Year	6,687,482	7,260,969
Unfunded Status, End of Year	$ 2,738,409	$ 739,621

The following tables summarize the Plan's funded status and amounts recognized in the Organization statements of financial position as of August 31, 2015 and 2014:

	2015	2014
Projected Benefit Obligation	$ 9,425,891	$ 8,000,590
Fair Value of Plan Assets	6,687,482	7,260,969
Unfunded Status	$ 2,738,409	$ 739,621
Accrued Benefit Obligation Recognized in the Statements of Financial Position	$ 2,738,409	$ 739,621
Net Periodic Benefit Costs	$ (61,394)	$ (15,859)
Employer Contributions	120,000	359,787
Benefits Paid	(454,638)	(441,148)
Projected Benefit Obligation	9,425,891	8,000,590

Weighted-average assumptions used in determining the benefit obligation and the net period benefit cost as of August 31, 2015 and 2014 were as follows:

Discount Rate	4.25%	4.75%
Expected Long-Term Return on Plan Assets	7.00%	7.00%
Rate of Compensation Increase	N/A	N/A

The expected long-term rate of return on Plan assets was determined based on the average rate of earnings expected to be earned on the current and target asset allocations.

The Organization expects to contribute $300,000 to the pension plan for the year ending August 31, 2016.

13. Retirement Plans (Continued):

The following benefit payments, as appropriate, are expected to be paid over the next ten years:

Year Ending August 31,	
2016	$ 476,000
2017	487,000
2018	500,000
2019	570,000
2020	570,000
2021 - 2025	2,872,000
	$ 5,475,000

Plan funding is actuarially determined and is subject to certain tax law limitations. Substantially all Plan assets are actively managed. Target allocation percentages and the weighted-average asset allocations for each major category of Plan assets as of August 31, 2015 and 2014 are as follows:

	2015	
	Allocation Target	Weighted Average Asset Allocation
Equity Investments	60.00%	57.00%
Fixed Income	40.00%	43.00%
Total	100.00%	100.00%

	2014	
	Allocation Target	Weighted Average Asset Allocation
Equity Investments	60.00%	48.00%
Fixed Income	40.00%	52.00%
Total	100.00%	100.00%

The investment strategy for Plan assets is to utilize a diversified mix of equity and fixed income investments, to earn a long-term investment return that meets the Organization’s pension plan obligations. Active management strategies are utilized within the Plan in an effort to realize investment returns in excess of market indices.

To arrive at the targeted asset allocation, the Organization and its investment adviser reviewed market opportunities using historic and statistical data, as well as the actuarial valuation report for the Plan, to ensure that the levels of acceptable return and risk are well-defined and monitored. Currently, the Organization's management believes that there are no significant concentrations of risk associated with the Plan assets.

The Organization's pension cost is affected by the discount rate used to measure pension obligations, the level of Plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on Plan assets. The Organization reviews the assumptions used to measure pension costs, including the discount rate and the expected long-term rate of return on pension assets, on an annual basis. Economic and market conditions at the measurement date impact these assumptions from year to year and it is reasonably possible that material changes in pension cost may be experienced in the future.

Establishing the expected future rate of investment return on the Plan's pension assets is a judgmental matter. The Organization considers the following factors in determining this assumption:

- the duration of the pension plan liabilities, which drives the investment strategy employed with respect to Plan assets;
- the types of investment classes in which Plan assets are invested, and the expected compound return that can reasonably be expected of those investment classes to earn over the next 10 to 15-year time period (or such other time period that may be appropriate);
- the investment returns the Plan can reasonably expect its active investment management program to achieve in excess of the return that could be expected if investments were made strictly in indexed funds.

13. Retirement Plans (Continued):

The Organization reviews the expected long-term rate of return on an annual basis and revises it as appropriate. Also, the Organization relies on detailed asset/liability studies performed by third-party professional investment advisors and actuaries. These studies project the Organization's estimated future pension payments and evaluate the efficiency of the allocation of the Organization's Plan assets into various investment categories. The study performed for 2014 supported the reasonableness of the Organization's 7.00% return assumption used for 2015 based on its liability duration and market conditions at the time this assumption was set. The Organization believes that these assumptions are appropriate based upon the mix of the investments and the long-term nature of the Plan's investments.

Net periodic pension benefit cost includes the following components for the years ended August 31:

	2015	2014
Interest Cost	$ 334,142	$ 348,790
Amortization of Deferred Asset Gain	95,355	81,582
Expected Return on Plan Assets	(490,891)	(446,231)
Net Periodic Benefit (Income) Cost	$ (61,394)	$ (15,859)

13. Retirement Plans (Continued):

The following table presents information about the Plan assets and liabilities measured at fair value as of August 31, 2015 and 2014, aggregated by the level in the fair value hierarchy within which those measurements fall:

	2015			
	Fair Value Measurements at Reporting Date Using			
	Totals	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 154,858	$ 154,858	$ -	$ -
Equity Securities:				
U.S. Large Cap	2,627,597	2,627,597	-	-
Mutual Funds:				
Fixed Income Investment Grade	2,825,806	2,825,806	-	-
Non-U.S. Large Cap	879,607	879,607	-	-
U.S. Small Cap	199,614	199,614	-	-
Total Plan Assets	$ 6,687,482	$ 6,687,482	$ -	$ -

	2014			
	Fair Value Measurements at Reporting Date Using			
	Totals	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 217,469	$ 217,469	$ -	$ -
Equity Securities:				
U.S. Large Cap	3,099,316	3,099,316	-	-
Mutual Funds:				
Fixed Income Investment Grade	2,874,223	2,874,223	-	-
Non-U.S. Large Cap	825,428	825,428	-	-
U.S. Small Cap	244,533	244,533	-	-
Total Plan Assets	$ 7,260,969	$ 7,260,969	$ -	$ -

13. Retirement Plans (Continued):

The fair value of equity securities is based on publicly-quoted final stock and bond values on the last business day of the year.

Investments in mutual funds are based on the publicly-quoted final net asset values on the last business day of the year.

The fair value of cash accounts approximates the carrying value as of the date of the statements of financial position, due to the short-term maturities of these assets.

The fair value of the pension liability was determined by a third-party professional investment advisor and actuary. The Company relies on detailed asset/liability studies performed by theses parties. These studies project the Company's estimated future pension payments and evaluate the efficiency of the allocation of the Company's Plan assets into various investments categories. The valuation methodology uses observable inputs in calculating fair value.

Defined Contribution Plan: The Organization sponsors a defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The Organization may make contributions to the plan as periodically determined. During the years ended August 31, 2015 and 2014, the Organization made a discretionary matching contributions to the plan in the amount of $18,455 and $17,517, respectively.

14. Related Party Transactions:

The Organization is an affiliate of and pays membership fees to Easter Seals, Inc. (National) in return for the exclusive rights to the Easter Seals name in Massachusetts. These fees amounted to $65,000 for each of the years ended August 31, 2015 and 2014. In addition, the Organization paid National $2,809 and $1,213 for other materials and services for each of the years ended August 31, 2015 and 2014, respectively. The Organization had no amounts due to National as of August 31, 2015 and 2014.

15. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of August 31, 2015 and 2014, no amounts have been accrued related to such indemnification provisions.

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