OPEN UNIVERSITY FOUNDATION, INC.

FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

DECEMBER 31, 2012
Open University Foundation, Inc.

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Board of Directors
Open University Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Open University Foundation, Inc., which comprise the balance sheet as of December 31, 2012, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.
Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open University Foundation, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Open University Foundation, Inc.’s December 31, 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

March 14, 2013
OPEN UNIVERSITY FOUNDATION, INC.

BALANCE SHEET

DECEMBER 31, 2012
(With Summarized Financial Information for December 31, 2011)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$761,116</td>
<td>$872,760</td>
</tr>
<tr>
<td>Investments (Note 3)</td>
<td>358,425</td>
<td>327,672</td>
</tr>
<tr>
<td>Contributions receivable - net (Note 4)</td>
<td>126,250</td>
<td>224,375</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>3,042</td>
<td>3,498</td>
</tr>
<tr>
<td>Security deposits</td>
<td>13,000</td>
<td>17,135</td>
</tr>
<tr>
<td>Deferred rent receivable (Note 7)</td>
<td>20,964</td>
<td></td>
</tr>
<tr>
<td>Fixed assets - net (Note 5)</td>
<td>910</td>
<td>1,450</td>
</tr>
<tr>
<td>Total assets</td>
<td>$1,283,707</td>
<td>$1,446,890</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$36,556</td>
<td>$15,978</td>
</tr>
<tr>
<td>Net assets (Exhibit B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>991,429</td>
<td>1,050,716</td>
</tr>
<tr>
<td>Temporarily restricted (Note 6)</td>
<td>105,722</td>
<td>230,196</td>
</tr>
<tr>
<td>Permanently restricted (Note 6)</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Total net assets</td>
<td>1,247,151</td>
<td>1,430,912</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$1,283,707</td>
<td>$1,446,890</td>
</tr>
</tbody>
</table>

See independent auditor's report.

The accompanying notes are an integral part of these statements.
## STATEMENT OF ACTIVITIES

**YEAR ENDED DECEMBER 31, 2012**  
(With Summarized Financial Information for the Year Ended December 31, 2011)

<table>
<thead>
<tr>
<th>Revenues, gains (losses) and other support</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and special events</td>
<td>$954,496</td>
<td></td>
</tr>
<tr>
<td>Less direct cost of special events</td>
<td>(121,144)</td>
<td></td>
</tr>
<tr>
<td>Investment income (loss) (Note 3)</td>
<td>30,798</td>
<td>30,616</td>
</tr>
<tr>
<td>Net assets released from restrictions (Note 6)</td>
<td>322,111</td>
<td>(22,191)</td>
</tr>
<tr>
<td>Total revenues, gains (losses) and other support</td>
<td>988,642</td>
<td>(903,344)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses (Exhibit C)</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program - grants</td>
<td>702,111</td>
<td>397,303</td>
</tr>
<tr>
<td>Management and general</td>
<td>167,212</td>
<td>188,288</td>
</tr>
<tr>
<td>Fund raising</td>
<td>178,606</td>
<td>180,178</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,047,929</td>
<td>765,769</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in net assets (Exhibit D)</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(59,287)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets - beginning of year</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,050,716</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$230,196</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,430,912</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets - end of year (Exhibit A)</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$991,429</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$105,722</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,247,151</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See independent auditor's report.

The accompanying notes are an integral part of these statements.
OPEN UNIVERSITY FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012
(With Summarized Financial Information for the Year Ended December 31, 2011)

<table>
<thead>
<tr>
<th></th>
<th>Program - Grants</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Special Events</th>
<th>2012</th>
<th>Total</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants paid</td>
<td>$702,111</td>
<td></td>
<td></td>
<td></td>
<td>$702,111</td>
<td>$397,303</td>
<td></td>
</tr>
<tr>
<td>Salaries, benefits and taxes</td>
<td>$76,774</td>
<td>$96,184</td>
<td></td>
<td></td>
<td>$172,958</td>
<td>$185,541</td>
<td></td>
</tr>
<tr>
<td>Professional fees</td>
<td>$36,233</td>
<td></td>
<td></td>
<td></td>
<td>$36,233</td>
<td>$21,582</td>
<td></td>
</tr>
<tr>
<td>Public relations</td>
<td></td>
<td>990</td>
<td></td>
<td></td>
<td>990</td>
<td>1,412</td>
<td></td>
</tr>
<tr>
<td>Office and computer expenses</td>
<td>4,811</td>
<td>4,811</td>
<td></td>
<td></td>
<td>9,622</td>
<td>10,101</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>4,014</td>
<td>4,014</td>
<td></td>
<td></td>
<td>8,028</td>
<td>7,994</td>
<td></td>
</tr>
<tr>
<td>Postage and mailing</td>
<td>1,065</td>
<td>3,196</td>
<td></td>
<td></td>
<td>4,261</td>
<td>3,272</td>
<td></td>
</tr>
<tr>
<td>Occupancy (Note 7)</td>
<td>35,328</td>
<td>35,327</td>
<td></td>
<td></td>
<td>70,655</td>
<td>88,630</td>
<td></td>
</tr>
<tr>
<td>Printing, photos and videos</td>
<td>16,164 (1)</td>
<td>$9,735 (1)</td>
<td></td>
<td></td>
<td>25,899</td>
<td>16,393</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>794</td>
<td></td>
<td></td>
<td></td>
<td>794</td>
<td>322</td>
<td></td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>906</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>2,896</td>
<td>2,896</td>
<td></td>
<td></td>
<td>5,792</td>
<td>5,324</td>
<td></td>
</tr>
<tr>
<td>Gifts and awards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>601</td>
<td>601</td>
<td></td>
</tr>
<tr>
<td>Meetings and receptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>821</td>
<td>1,269</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>821</td>
<td></td>
<td></td>
<td></td>
<td>261</td>
<td>152</td>
<td></td>
</tr>
<tr>
<td>Catering and event planner</td>
<td></td>
<td>13,699</td>
<td>109,361</td>
<td></td>
<td>123,060</td>
<td>126,222</td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
<td></td>
<td>2,048</td>
<td></td>
<td>2,048</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>270</td>
<td>270</td>
<td></td>
<td></td>
<td>540</td>
<td>713</td>
<td></td>
</tr>
<tr>
<td>Bad debt</td>
<td>5,000</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment fees</td>
<td>1,123</td>
<td></td>
<td></td>
<td></td>
<td>1,123</td>
<td>2,140</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>702,111</strong></td>
<td><strong>168,335</strong></td>
<td><strong>178,606</strong></td>
<td><strong>121,144</strong></td>
<td><strong>1,170,196</strong></td>
<td><strong>871,377</strong></td>
<td></td>
</tr>
</tbody>
</table>

Less expenses deducted directly from revenues on the statement of activities

<table>
<thead>
<tr>
<th></th>
<th>Direct cost of special events</th>
<th>Investment fees</th>
<th>Total expenses reported by function on the statement of activities (Exhibit B)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(1,123)</td>
<td>$702,111 $167,212 $178,606 $1,047,929 $765,769</td>
</tr>
</tbody>
</table>

See independent auditor's report.

The accompanying notes are an integral part of these statements.
OPEN UNIVERSITY FOUNDATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012

Cash flows from operating activities
Change in net assets (Exhibit B) $ (183,761)

Adjustments to reconcile change in net assets to net cash used by operating activities
Depreciation 540
Net gain on investments (27,929)
Decrease (increase) in assets
Contributions receivable 98,125
Prepaid expenses 456
Security deposits 4,135
Deferred rent receivable (20,964)
Increase in liabilities
Accounts payable 20,578

Net cash used by operating activities (108,820)

Cash flows from investing activities
Purchase of investments (3,973)
Proceeds from sales of investments 1,149

Net cash used by investing activities (2,824)

Net change in cash and cash equivalents (111,644)

Cash and cash equivalents - beginning of year 872,760

Cash and cash equivalents - end of year $ 761,116

See independent auditor’s report.

The accompanying notes are an integral part of these statements.
NOTE 1 - NATURE OF ORGANIZATION

Open University Foundation, Inc. (the “Foundation”) was incorporated as a not-for-profit corporation in New York on June 2, 1981 to build awareness of the Open University of Israel in the United States and raise funds to support the students, faculty, and growth initiatives of the Open University of Israel. The organization’s primary sources of funds are contributions and special events.

The Open University of Israel (OUI), a pioneer and cutting-edge leader in distance learning, is dedicated to educating all those who would otherwise be denied a university education and to perpetuating the academic and intellectual traditions of the Jewish people. With more than 50,000 students, OUI is Israel’s largest university.

The Internal Revenue Service has determined that the organization is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of accounting* - The financial statements are prepared on the accrual basis of accounting. The financial statements reflect only those financial transactions applicable to the Foundation, and do not include the financial transactions or accounts maintained by the Open University of Israel.

*Use of estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and cash equivalents* - Cash and cash equivalents consist of cash and highly liquid investments with maturity dates when acquired of three months or less.

*Investments* - Investments are recorded at fair value. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term, based on the markets’ fluctuations, and that such changes could materially affect the amounts reported in the Foundation’s financial statements.

-continued-
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions receivable and allowance for doubtful accounts - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which promises are received. Amortization of the discounts is included in contribution revenue. The Foundation determines whether an allowance for uncollectibles should be provided. Such estimates are based upon management’s assessment of the aging of its receivables, current economic conditions, subsequent receipts and historical information. Conditional promises to give are not included as support until the conditions are substantially met.

Fixed assets - Fixed assets are recorded at cost. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets. Items with a cost of $500 and an estimated useful life of greater than one year are capitalized.

Unrestricted net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

Temporarily restricted net assets - Temporarily restricted net assets are those funds whose use has been limited by donors to a specific time period or purpose.

Permanently restricted net assets - Permanently restricted net assets are those funds whose principal may not be expended.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily restricted or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Operating leases - Operating leases are straight-lined over the term of the lease. Deferred rent is recorded when there are material differences between the fixed payment and the rent expense.

Advertising - Advertising fees are expensed as incurred.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of functional expenses - The costs of providing services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services for which the costs have been incurred.

Summarized financial information - The financial statements include certain prior-year comparative information. Such information does not include sufficient disclosures or detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2011, from which the summarized information was derived.

Fair Value Measurements and Disclosures

Accounting Standards Codification (ASC) Section 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access. Level 2 inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2012 as compared to those used at December 31, 2011.

-continued-
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements and Disclosures (continued)

Mutual funds - Valued at the net asset value ("NAV") of shares held at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation method is 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.

See Note 3 for the table which sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2012.

Uncertainty in income taxes - The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2009 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through March 14, 2013, which is the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the assets at fair value:

<table>
<thead>
<tr>
<th>Quoted Market Price (Level 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds - domestic</td>
</tr>
<tr>
<td>Investment income consists of:</td>
</tr>
<tr>
<td>Interest and dividend income</td>
</tr>
<tr>
<td>Net gain on investments</td>
</tr>
<tr>
<td>Investment fees</td>
</tr>
<tr>
<td>Net investment income</td>
</tr>
</tbody>
</table>

-continued-
NOTE 4 - CONTRIBUTIONS RECEIVABLE

All unconditional contributions receivable have been recorded at fair value. The receivables are due to be collected as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$502,750</td>
</tr>
<tr>
<td>2014</td>
<td>50,000</td>
</tr>
<tr>
<td>2015</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td><strong>602,750</strong></td>
</tr>
</tbody>
</table>

Less allowance for uncollectibles   **(476,500)**

Net contributions receivable       **$126,250**

NOTE 5 - FIXED ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>$29,722 5 years</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(28,812)</td>
</tr>
<tr>
<td></td>
<td><strong>$910</strong></td>
</tr>
</tbody>
</table>

NOTE 6 - RESTRICTED NET ASSETS

General

The Foundation's permanently restricted net assets consist of endowment fund assets to be held in perpetuity. The income from the assets can be used for scholarships. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

-continued-
NOTE 6 - RESTRICTED NET ASSETS (continued)

Interpretation of Relevant Law

The Board of Directors of the Foundation has adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the “historic dollar value” standard, and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Foundation is now governed by the NYPMIFA spending policy, which establishes a maximum spending limit of 7% of the average of its previous five years’ balance. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the 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 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 the Foundation in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed and Spending Policy

The objective of the Foundation is to maintain the principal endowment funds at the original amount designated by the donor and to generate investment income for the specified purpose. The investment policy to achieve this objective is to invest in low-risk securities. Interest earned in relation to the endowment funds is recorded as temporarily restricted income and released from restriction upon expenditure for the program for which the endowment fund was established.

Funds with Deficiencies

The Foundation does not have any funds with deficiencies.

Endowment Net Asset Composition by Type of Fund as of December 31, 2012

Investments to be held in perpetuity total $150,000. The income is expendable for scholarships.

-continued-
NOTE 6 - RESTRICTED NET ASSETS (continued)

Changes in Endowment Net Assets for the Year Ended December 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$</td>
<td>$ 150,000</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>$ 18</td>
<td></td>
</tr>
<tr>
<td>Appropriation of endowment assets for expenditure</td>
<td>(18)</td>
<td></td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$</td>
<td>$ 150,000</td>
</tr>
</tbody>
</table>

The policy of the governing board is to appropriate all investment income, thereby not increasing its historical dollar value.

Temporarily restricted net assets are available for the following:

- General scholarships: $105,722

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

- Facilities: $10,000
- General scholarships: $92,111
- Library services: $20,000
- Young faculty development: $200,000

Total: $322,111
NOTE 7 - LEASE COMMITMENTS

The lease was renewed in June 2012 effective January 1, 2013 and expires on December 31, 2017.

The organization’s future noncancelable minimum rental commitments as of December 31, 2012 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$49,000</td>
</tr>
<tr>
<td>2014</td>
<td>60,564</td>
</tr>
<tr>
<td>2015</td>
<td>62,381</td>
</tr>
<tr>
<td>2016</td>
<td>64,252</td>
</tr>
<tr>
<td>2017</td>
<td>66,180</td>
</tr>
</tbody>
</table>

$302,377

The rent expense for the year ended December 31, 2012 was $66,826. As of December 31, 2012, deferred rent receivable was $20,964.