

***INVESTOR PROTECTION TRUST***

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2015 AND 2014



**Halt Buzas &  
Powell, LTD**

CERTIFIED PUBLIC ACCOUNTANTS • MANAGEMENT CONSULTANTS

## TABLE OF CONTENTS

Independent auditors' report.....	1 - 2
<i>Audited financial statements</i>	
Statements of financial position.....	3
Statements of activities.....	4 - 5
Statements of cash flows.....	6
Notes to financial statements.....	7 - 18



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Investor Protection Trust  
Washington, D.C.

We have audited the accompanying financial statements of Investor Protection Trust (the Trust), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities 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. 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 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

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

*Halt, Buzas & Powell, Ltd.*

Alexandria, Virginia

June 20, 2016

**INVESTOR PROTECTION TRUST**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents:		
Cash - unrestricted operating account	\$ 1,217,674	\$ 1,146,846
Cash - IPT restricted	1,129,093	1,204,926
Cash - IEF restricted	107,605	130,698
Cash - IPT states, restricted	4,798,237	4,852,235
Total cash and cash equivalents	7,252,609	7,334,705
Accounts receivable	28,921	-
Investments - IEF restricted	6,383,444	7,600,397
Contributions receivable	-	124,580
Prepaid expenses	12,167	93,731
Property and equipment, net	31,511	26,528
Deposit	7,678	7,678
Total assets	\$ 13,716,330	\$ 15,187,619
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 60,394	\$ 160,686
Grants payable	277,012	287,012
Accrued compensated leave	37,545	14,000
Capital lease obligations	5,525	-
Deferred lease liability	33,654	-
Total liabilities	414,130	461,698
Net assets:		
Unrestricted	1,001,218	929,566
Temporarily restricted	12,300,982	13,796,355
Total net assets	13,302,200	14,725,921
Total liabilities and net assets	\$ 13,716,330	\$ 15,187,619

See accompanying notes to the financial statements.

**INVESTOR PROTECTION TRUST**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 87,829	\$ 306,667	\$ 394,496
Interest and dividends	2,453	152,570	155,023
Realized gains on investments	-	20,766	20,766
Other income	507	-	507
Unrealized loss on investments	-	(247,564)	(247,564)
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>1,727,812</u>	<u>(1,727,812)</u>	<u>-</u>
Total revenues	<u>1,818,601</u>	<u>(1,495,373)</u>	<u>323,228</u>
Expenses:			
Program expenses	1,541,732	-	1,541,732
Management and general	<u>205,217</u>	<u>-</u>	<u>205,217</u>
Total expenses	<u>1,746,949</u>	<u>-</u>	<u>1,746,949</u>
Change in net assets	71,652	(1,495,373)	(1,423,721)
Net assets, beginning of year	<u>929,566</u>	<u>13,796,355</u>	<u>14,725,921</u>
Net assets, end of year	<u>\$ 1,001,218</u>	<u>\$ 12,300,982</u>	<u>\$ 13,302,200</u>

See accompanying notes to the financial statements.

**INVESTOR PROTECTION TRUST**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Realized gains on investments	\$ -	\$ 464,517	\$ 464,517
Contributions	72,312	182,793	255,105
Interest and dividends	1,429	183,387	184,816
Other income	1,118	-	1,118
Unrealized loss on investments	-	(115,928)	(115,928)
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>1,666,570</u>	<u>(1,666,570)</u>	<u>-</u>
Total revenues	<u>1,741,429</u>	<u>(951,801)</u>	<u>789,628</u>
Expenses:			
Program expenses	1,629,433	-	1,629,433
Management and general	<u>144,198</u>	<u>-</u>	<u>144,198</u>
Total expenses	<u>1,773,631</u>	<u>-</u>	<u>1,773,631</u>
Change in net assets	(32,202)	(951,801)	(984,003)
Net assets, beginning of year	<u>961,768</u>	<u>14,748,156</u>	<u>15,709,924</u>
Net assets, end of year	<u>\$ 929,566</u>	<u>\$ 13,796,355</u>	<u>\$ 14,725,921</u>

See accompanying notes to the financial statements.

**INVESTOR PROTECTION TRUST**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ <u>(1,423,721)</u>	\$ <u>(984,003)</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized gains on investments	(20,766)	(464,517)
Unrealized loss on investments	247,564	115,928
Depreciation	4,098	-
Decrease (increase) in assets:		
Accounts receivable	(28,921)	-
Contributions receivable	124,580	(123,622)
Prepaid expenses	81,564	(85,040)
Deposit	-	(7,678)
Increase (decrease) in liabilities:		
Accounts payable	(100,292)	43,881
Grants payable	(10,000)	210,294
Accrued compensated leave	23,545	14,000
Deferred lease liability	<u>33,654</u>	<u>-</u>
Total adjustments	<u>355,026</u>	<u>(296,754)</u>
Net cash used in operating activities	<u>(1,068,695)</u>	<u>(1,280,757)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	2,846,731	6,413,037
Purchases of investments	(1,856,576)	(6,946,284)
Purchases of property and equipment	<u>(2,701)</u>	<u>(26,528)</u>
Net cash provided by (used in) investing activities	<u>987,454</u>	<u>(559,775)</u>
Cash flows from financing activities:		
Principal payments on capital lease obligation	<u>(855)</u>	<u>-</u>
Net cash used in financing activities	<u>(855)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(82,096)	(1,840,532)
Cash and cash equivalents, beginning of year	<u>7,334,705</u>	<u>9,175,237</u>
Cash and cash equivalents, end of year	<u>\$ 7,252,609</u>	<u>\$ 7,334,705</u>
Non-cash investing and financing transactions:		
Acquisition of equipment through issuance of capital lease obligation	<u>\$ 6,380</u>	<u>\$ -</u>

See accompanying notes to the financial statements.



**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. Organization**

The Investor Protection Trust (the Trust) is organized and operates exclusively for charitable, educational and scientific purposes. Founded in 1993 as part of a multi-state settlement to resolve charges of misconduct, the Trust serves as an independent source of non-commercial investor education materials. Without limiting the generality of the foregoing, the scientific purposes shall include education of investors, research and education with respect to the protection of investors and promotion of compliance with federal and state securities and commodities laws.

**2. Summary of significant accounting policies**

Basis of presentation

The Trust's financial statements are presented in accordance with generally accepted accounting principles for nonprofit organizations. Under those principles, the Trust is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted Net Assets* represent resources that are not subject to donor imposed stipulations and are available for operations at management's discretion.

*Temporarily Restricted Net Assets* represent resources restricted by donors as to purpose or by the passage of time.

*Permanently Restricted Net Assets* represent resources whose use by the Trust is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Trust. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

The Trust has no permanently restricted net assets at December 31, 2015 and 2014.

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

Basis of accounting

The Trust's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

Fair value measurements

The Trust reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs used to measure fair value are categorized as follows:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.
- Level 3 - unobservable inputs which are typically based on the Trust's own assumptions, as there is little, if any, related market activity.

In determining the appropriate levels, the Trust performs a detailed analysis of the assets and liabilities that are subject to the standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no level 3 inputs for any assets or liabilities, held by the Trust at December 31, 2015 and 2014.

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

Income taxes

The Trust is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. This code section enables the Trust to accept donations that qualify as charitable contributions to the donor. The Trust is subject to income taxes on taxable income from unrelated business activities. For the years ended December 31, 2015 and 2014, the Trust did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

The Trust is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If material omissions of income exist, tax returns may be subject to examination for up to six years. It is the Trust's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in the accompanying financial statements. As of December 31, 2015 and 2014, no uncertain tax positions existed for which the Trust should recognize a liability.

Cash and cash equivalents

For financial statement purposes, the Trust considers highly liquid investments with an original maturity of three months or less as cash equivalents. Excluded from this definition of cash equivalents are such amounts that represent funds that have been accounted for as investments.

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. All contributions receivable are expected to be collected in less than one year and are reported at their net realizable value. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. Management estimates that all receivables are fully collectible, therefore, no allowance for doubtful accounts have been recognized at December 31, 2015 and 2014.

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted temporarily or permanently by donor restrictions or law. The Trust purchases investment instruments that are exposed to various risks, such as fluctuations in fair value and credit risk. It is reasonably possible that changes in risks in the near term could materially affect investment balances and amounts reported in the accompanying financial statements.

Property and equipment, net

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	5 years
Office furniture	10 years

The Trust's policy is to capitalize major additions and improvements over \$1,000. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Deferred lease liability

Deferred lease is recorded and amortized to the extent the total minimum rental payments allocated to the current period on a straight-line basis exceed, or are less than, the cash payments required. Lease incentives received as part of a lease agreement are recognized on a straight-line basis over the life of the lease as a reduction to rent expense.

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

Revenue recognition

*Contributions*

Contributions are recognized as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Trust reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to the Trust's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Contributions that are restricted by the donor is reported as unrestricted if the restriction expires in the same reporting period in which the contribution is recognized.

Revenue from all other sources is recognized when earned.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

**3. Concentrations of credit risk**

The Trust maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2015 and 2014, the Trust had bank deposits in excess of FDIC limits of \$981,214 and \$902,401, respectively.

The Trust also maintains money market accounts which are neither insured or guaranteed by the FDIC. Such funds are managed to preserve a value of \$1 per share, but are subject to investment risk including loss of principal. These funds are protected by the Securities Investor Protection Corporation (SIPC) in case of failed brokerage firms or missing stocks and securities. At December 31, 2015 and 2014, the Trust's money market funds were in excess of SIPC protection in the amount of \$5,534,935 and \$5,687,399, respectively.

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**4. Property and equipment, net**

The following is a summary of property and equipment held at December 31:

	<u>2015</u>	<u>2014</u>
Computer equipment	\$ 3,760	\$ 3,760
Office furniture	29,229	26,528
Copier	<u>6,380</u>	<u>-</u>
Property and equipment	39,369	30,288
Accumulated depreciation	<u>(7,858)</u>	<u>(3,760)</u>
Total property and equipment, net	<u>\$ 31,511</u>	<u>\$ 26,528</u>

Depreciation expense for the year ended December 31, 2015 was \$4,098. There was no depreciation expense for the year ended December 31, 2014.

**5. Investments and fair value measurements**

Temporarily restricted investments are comprised of the following at December 31:

	<u>2015</u> <u>Cost</u>	<u>2015</u> <u>Fair Value</u>	<u>2014</u> <u>Cost</u>	<u>2014</u> <u>Fair Value</u>
Mutual funds, fixed income	\$ 2,738,423	\$ 2,729,072	\$ 2,675,332	\$ 2,688,911
Exchange traded funds, fixed income index funds	2,345,221	2,427,407	2,761,908	3,037,628
Exchange traded funds, equity index funds	<u>1,276,777</u>	<u>1,226,965</u>	<u>1,892,571</u>	<u>1,873,858</u>
Total investments	<u>\$ 6,360,421</u>	<u>\$ 6,383,444</u>	<u>\$ 7,329,811</u>	<u>\$ 7,600,397</u>

Fair value measurements for all categories of investments are Level 1 inputs for 2015 and 2014.

**6. Commitments**

Operating leases

Through December 2014, the Trust sub-leased office space on a month to month basis. Monthly payments of \$2,671 were based on the estimated percentage of square footage occupied.

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

In December 2014, the Trust entered into a new lease for office space in Washington, D.C. The lease commenced in December 2014 and expires in April 2020. Base monthly rental payments are \$7,678 for the first year, with an annual increase of three percent. As an incentive, the landlord abated the first five months of rent expense. The effects of the abated rent and scheduled rent increases are being recognized by the Trust on a straight-line basis over the life of the lease. The Trust also pays the landlord for its share of operating costs and real estate taxes in excess of the base amount. Total office rent expense for the years ended December 31, 2015 and 2014 was \$87,398 and \$39,770, respectively.

Aggregate future minimum lease payments are as follows for the years ending December 31:

2016	\$ 94,775
2017	97,381
2018	100,059
2019	102,811
2020 and thereafter	<u>30,776</u>
Total	<u>\$ 425,802</u>

Capital lease

In January 2015, the Institute entered into a five year lease for a copier. The lease calls for monthly principal and interest payments of \$136. The copier is reflected in property and equipment with a capitalized total cost of \$6,830. Accumulated depreciation for the lease equipment was \$1,223 at December 31, 2015.

Future minimum lease payments are as follows for the years ending December 31:

2016	\$ 1,627
2017	1,627
2018	1,627
2019	1,627
2020	<u>135</u>
Total	6,643
Less: approximate amount representing interest	<u>(1,118)</u>
Present value of minimum lease payments	5,525
Current portion, capital leases	<u>(1,627)</u>
Non-current portion, capital leases	<u>\$ 3,898</u>

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**7. Temporarily restricted net assets**

At December 31, 2015 and 2014, temporarily restricted net assets were available for the following programs:

<u>IPT temporarily restricted net assets</u>	<u>2015</u>	<u>2014</u>
Alabama	\$ 1,091,196	\$ 1,172,893
Alaska	74,721	74,721
Arizona	11,186	11,186
Arkansas	89,979	95,807
Colorado	100	100
District of Columbia	18,139	20,539
Florida	17,699	41,449
Georgia	259,445	259,445
Hawaii	13,016	21,447
Indiana	97,000	-
Iowa	467,142	574,925
Kansas	570	15,520
Kentucky	313,047	313,047
Louisiana	329,333	329,333
Maryland	47,785	47,785
Michigan	159,066	206,566
Minnesota	12,584	12,584
Montana	240,829	170,466
Nebraska	29,100	29,100
New Hampshire	98,929	98,929
New Jersey	3,935	3,935
New Mexico	243,524	239,655
New York	81,971	135,396
Ohio	61,732	61,732
Pennsylvania	1,390,193	1,400,866
Rhode Island	29,100	29,100
South Carolina	37,096	37,096
South Dakota	29,100	29,100
Tennessee	25,089	25,089
Texas	359,309	324,184
Washington	7,281	7,281
West Virginia	39,352	88,036
Wyoming	29,100	29,100
Grants payable - IPT	<u>(213,269)</u>	<u>(203,269)</u>
Total temporarily restricted net assets for IPT	<u>\$ 5,494,379</u>	<u>\$ 5,703,143</u>



**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

<u>IEF temporarily restricted net assets</u>	<u>2015</u>	<u>2014</u>
Alabama	\$ 160,463	\$ 181,829
Alaska	21,295	24,130
Arizona	15,948	18,071
Arkansas	5,217	25,246
California	659,926	749,529
Colorado	91,189	144,481
Connecticut	61,190	82,626
Delaware	141,666	160,530
District of Columbia	58,010	84,874
Florida	588,186	666,506
Georgia	93,356	105,787
Hawaii	110,083	124,741
Idaho	177,045	200,620
Illinois	583,062	683,575
Indiana	40,361	100,244
Iowa	60,677	90,334
Kansas	2,675	6,862
Kentucky	85,515	96,768
Louisiana	254,608	288,511
Maine	109,262	144,113
Maryland	243,993	291,920
Massachusetts	232,942	265,673
Michigan	7,099	8,044
Minnesota	11,802	12,953
Mississippi	137,384	154,978
Missouri	129,418	204,389
Montana	16,097	22,959
Nebraska	123,679	146,650
Nevada	141,897	169,398
New Hampshire	5,312	7,732
New Jersey	101,778	115,330
New Mexico	7,538	8,542
New York	2,666	3,021
North Carolina	12,562	13,835
North Dakota	14,153	16,038
Ohio	620,025	702,586
Oklahoma	18,757	39,853
Oregon	3,613	7,675

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**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

<u>IEF temporarily restricted net assets (continued)</u>	<u>2015</u>	<u>2014</u>
Pennsylvania	78,917	122,687
Puerto Rico	121,335	137,493
Rhode Island	198,855	227,047
South Carolina	195,433	220,262
South Dakota	4,117	4,172
Tennessee	14,858	16,837
Texas	449,644	509,517
Utah	122,247	146,385
Vermont	94,756	107,373
Virginia	182,099	222,286
Washington	5,768	6,536
West Virginia	127,350	144,308
Wisconsin	1,507	1,708
Wyoming	123,011	139,391
Grants payable	<u>(63,743)</u>	<u>(83,743)</u>
Total temporarily restricted net assets for IEF	<u>\$ 6,806,603</u>	<u>\$ 8,093,212</u>
Total temporarily restricted net assets	<u>\$ 12,300,982</u>	<u>\$ 13,796,355</u>

**8. Net assets released from restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose. Purpose restrictions accomplished during the years ended December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Investor education in Alabama	\$ 106,458	\$ 120,592
Investor education in Alaska	2,601	37,998
Investor education in Arizona	1,948	1,683
Investor education in Arkansas	25,854	982
Investor education in California	82,354	70,229
Investor education in Colorado	52,015	13,457
Investor education in Connecticut	20,971	9,240
Investor education in Delaware	17,306	14,952
Investor education in District of Columbia	28,689	9,470
Investor education in Florida	95,606	99,581
Investor education in Georgia	11,405	9,853
Investor education in Hawaii	21,880	11,619

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**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

<u>Net assets released from restriction (continued)</u>	<u>2015</u>	<u>2014</u>
Investor education in Idaho	21,629	18,686
Investor education in Illinois	94,283	67,139
Investor education in Indiana	61,155	10,541
Investor education in Iowa	136,888	104,106
Investor education in Kansas	19,120	1,276
Investor education in Kentucky	10,325	9,971
Investor education in Louisiana	31,104	26,873
Investor education in Maine	34,067	15,191
Investor education in Maryland	45,793	73,543
Investor education in Massachusetts	30,200	26,513
Investor education in Michigan	48,367	75,749
Investor education in Minnesota	1,055	912
Investor education in Mississippi	16,142	21,820
Investor education in Missouri	73,797	21,050
Investor education in Montana	13,003	2,817
Investor education in Nebraska	21,747	13,660
Investor education in Nevada	25,968	16,265
Investor education in New Hampshire	2,392	2,488
Investor education in New Jersey	12,434	21,407
Investor education in New Mexico	22,052	14,402
Investor education in New York	53,751	38,533
Investor education in North Carolina	1,168	1,009
Investor education in North Dakota	1,729	1,494
Investor education in Ohio	75,746	65,441
Investor education in Oklahoma	20,746	8,456
Investor education in Oregon	4,033	715
Investor education in Pennsylvania	53,933	98,173
Investor education in Puerto Rico	14,823	12,806
Investor education in Rhode Island	26,036	22,915
Investor education in South Carolina	22,780	39,311
Investor education in South Dakota	51	182
Investor education in Tennessee	1,815	1,568
Investor education in Texas	119,806	97,759
Investor education in Utah	22,819	13,635
Investor education in Vermont	11,576	10,001
Investor education in Virginia	38,233	20,705
Investor education in Washington	705	609
Investor education in West Virginia	64,242	65,756
Investor education in Wisconsin	184	159
Investor education in Wyoming	15,028	12,984
Change in grants payable	<u>(10,000)</u>	<u>210,294</u>
Total net assets released from restrictions	<u>\$ 1,727,812</u>	<u>\$ 1,666,570</u>

**INVESTOR PROTECTION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**9. Retirement plan**

The Trust sponsors a defined contribution retirement plan under Internal Revenue Code section 401(k) that covers all employees. In accordance with Internal Revenue Service deferral limits, employees can elect to defer from 1% to 15% of their compensation. The Trust makes a matching contribution of 100% of an employee's deferrals, with a maximum matching contribution of 12% of an employee's compensation.

Employer matching contributions for the years ended December 31, 2015 and 2014 was \$28,320 and \$39,453, respectively.

**10. Related party transactions**

The Investor Protection Trust shares common management with the Investor Protection Institute (IPI). State securities regulators received money from a multi-state settlement to resolve charges of misconduct. Part of those funds are to be used for the Investor Education Fund (IEF), overseen by the Trust. IPI manages two of the IEF programs, the Elder Investment Fraud and Financial Exploitation Prevention Program and the Investor Education in Your Workplace program. The Trust granted funds to IPI for these programs totaling \$85,151 and \$28,776 for the years ended December 31, 2015 and 2014, respectively.

**11. Subsequent events**

In preparing the financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through June 20, 2016, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.