KPMG

BILL & MELINDA GATES FOUNDATION

Consolidated Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Trustees
Bill & Melinda Gates Foundation:

We have audited the accompanying consolidated financial statements of the Bill & Melinda Gates Foundation (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly in all material respects, the financial position of the Bill & Melinda Gates Foundation as of December 31, 2015 and 2014, and the change in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Seattle, Washington
May 10, 2016

BILL & MELINDA GATES FOUNDATION

Consolidated Statements of Financial Position

December 31, 2015 and 2014

(In thousands)

Assets		**2015**	**2014**
Cash	$	21,719	26,867
Prepaid expenses and other assets		20,550	15,668
Beneficial interest in the net assets of Bill & Melinda Gates Foundation Trust (notes 3 and 4)		39,514,534	43,440,032
Program-related investment assets, net (note 5)		181,293	149,639
Property and equipment, net (note 6)		674,823	688,656
Total assets	$	40,412,919	44,320,862
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$	42,116	85,220
Accrued and other liabilities		47,913	53,393
Grants payable, net (note 8)		7,464,404	5,757,160
Program-related investment liabilities (note 5)		24,194	37,757
Total liabilities		7,578,627	5,933,530
Net assets – unrestricted		32,834,292	38,387,332
Total liabilities and net assets	$	40,412,919	44,320,862

See accompanying notes to consolidated financial statements.

BILL & MELINDA GATES FOUNDATION

Consolidated Statements of Activities

Years ended December 31, 2015 and 2014

(In thousands)

		2015	2014
Change in net assets:			
Revenues and gains:			
Contributions and other income	$	4,504	10,729
Investment income		2,239	2,588
Total revenues and gains		6,743	13,317
Expenses (note 7):			
Global programs		5,302,508	3,931,766
U.S. programs		591,933	611,761
Other charitable programs		187,610	158,884
Programmatic support		59,974	65,641
Total program expenses		6,142,025	4,768,052
Management and general expenses		176,458	175,569
Total expenses		6,318,483	4,943,621
Change in net assets before beneficial interest		(6,311,740)	(4,930,304)
Change in beneficial interest in the Bill & Melinda Gates Foundation Trust (note 4):			
Contributions from the Trust (note 3)		4,684,198	4,388,873
Change in net assets of the Trust		(3,925,498)	2,967,378
Total change in beneficial interest		758,700	7,356,251
Change in net assets		(5,553,040)	2,425,947
Unrestricted net assets, beginning of year		38,387,332	35,961,385
Unrestricted net assets, end of year	$	32,834,292	38,387,332

See accompanying notes to consolidated financial statements.

BILL & MELINDA GATES FOUNDATION

Consolidated Statements of Cash Flows

Years ended December 31, 2015 and 2014

(In thousands)

		2015	2014
Cash flows from operating activities:			
Change in net assets	$	(5,553,040)	2,425,947
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:			
Depreciation and amortization		25,108	29,374
Program-related investment provisions and guarantees		10,893	(63,060)
Net realized (gains) losses on investments		(77,718)	15,584
Change in beneficial interest in the Bill & Melinda Gates Foundation Trust net assets		3,925,498	(2,967,378)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		(4,882)	(3,685)
Accounts payable		(43,104)	3,115
Accrued and other liabilities		(5,480)	6,296
Grants payable, net		1,707,244	613,483
Net cash (used in) provided by operating activities		(15,481)	59,676
Cash flows from investing activities:			
Funding of program-related investments		(69,861)	(25,510)
Purchases of property and equipment		(11,275)	(25,384)
Proceeds from sale of program-related investments		91,469	—
Net cash provided by (used in) investing activities		10,333	(50,894)
Net (decrease) increase in cash		(5,148)	8,782
Cash, beginning of year		26,867	18,085
Cash, end of year	$	21,719	26,867
Supplemental disclosure of cash flow information:			
Cash paid during the year for excise taxes	$	—	17

See accompanying notes to consolidated financial statements.

(1) Organization

The Bill & Melinda Gates Foundation (the Foundation) is a tax-exempt private foundation that works to reduce inequity across the globe. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people – especially those with the fewest resources – have access to the opportunities they need to succeed in school and life.

Strategic Priorities

Global Programs

The Foundation works with partner organizations to tackle critical health and development issues – from infectious disease to agricultural development and financial services – facing the world's poorest people. The Foundation invests in advances in science and technology as well as creative approaches to delivering interventions to solve some of the challenges that prevent people in the poorest countries from thriving.

U.S. Program

In the United States the Foundation's primary focus is on ensuring that all students graduate from high school prepared for college and have an opportunity to earn a postsecondary degree with labor-market value. The Foundation is particularly concerned with improving access to quality educational opportunities for low-income and minority students. The Foundation also works to address issues of social inequity and poverty in Washington State, where the Gates family has lived for generations and the Foundation makes its headquarters.

The Foundation is organized as a charitable trust, and operates in Seattle, Washington with branch offices in Washington, D.C.; New Delhi, India; Beijing, China; London, United Kingdom; Addis Ababa, Ethiopia; Johannesburg, South Africa; and Abuja, Nigeria. Its Trustees are Bill and Melinda Gates and Warren Buffett.

The Foundation is funded by grants received from the Bill & Melinda Gates Foundation Trust (the Trust) as explained in note 3, *Related Parties*. The primary role of the Trust is to manage the investment assets and fund the Foundation, as necessary, to achieve the Foundation's charitable goals.

IRIS Holdings, LLC (IRIS), a single-member limited liability company, was formed for the purpose of purchasing land for the Foundation's campus and constructing and owning the headquarters. Because the Foundation is the single member of IRIS, its financial statements have been consolidated with the accompanying consolidated financial statements.

Gates Philanthropy Partners (GPP), a 501(c)(3) public charity, was formed for the purpose of providing donors with a cost-effective, efficient vehicle to co-invest with the Foundation in high impact global health, development, and US education programs. As the Foundation is the single member of GPP, its financial statements have been consolidated with the accompanying consolidated financial statements.

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(2) Summary of Significant Accounting Policies

(a) Basis of Financial Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

The Foundation recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. For the years ended December 31, 2015 and 2014, activities of the Foundation were classified as unrestricted due to the lack of donor-imposed restrictions.

(b) Cash

Cash consists of U.S. and foreign currencies.

(c) Program-Related Investments (PRIs)

The Foundation makes PRIs to other organizations to achieve charitable purposes in alignment with the Foundation's strategies. These investments are comprised primarily of loans, equity investments and guarantees.

Loan PRIs consist of loans outstanding bearing a below-market interest rate in either a senior or subordinated position. Loans are measured at fair value at inception to determine if a contribution element exists. Loans are recorded on a net basis to reflect a discount on loan receivable (if a contribution element exists) or a reasonable loss reserve. The loss reserve estimate is reviewed on an annual basis and adjusted if collectability risk has significantly changed based on the Foundation's understanding of the borrower's financial health and/or payment history.

Equity PRIs include both direct investments and investments in equity funds. Equity investments are recorded using either fair value or the equity method of accounting depending on the Foundation's ownership significance and control. To arrive at the recorded value under either method, the Foundation obtains regular valuations as well as audited financial statements to determine the fair value required to either revalue or record its share of gains and losses on its investments. The Foundation records unrealized gains or losses throughout the life of the investment and realized gains or losses upon liquidation or sale, which are included within the appropriate programmatic functional allocation expense on the consolidated Statements of Activities.

The Foundation utilizes a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Foundation to value certain PRI equity funds is the Net Asset Value (NAV). In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards.

Guarantees are recorded as a liability at the larger of the smallest amount within the Foundation's probable loss range or the fair value of the guarantee to the recipient. The fair value to the recipient is equivalent to what it would likely have had to pay if it entered into the transaction in the open market. Guarantees are measured at inception and amortized over the life of the arrangement using a systematic and rational method.

(d) Fair Value

The Foundation applies fair value accounting for all financial assets and liabilities that are recognized at fair value in the financial statements. In determining the fair value of investments, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date
- Level 2 Inputs: Valuations based on observable inputs (other than Level 1 prices) such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly
- Level 3 Inputs: Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment

The carrying value on the consolidated statement of financial position of cash, prepaid and other assets, accounts payable, and accrued and other liabilities approximates fair value.

(e) Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets or amortized over the terms of the respective leases, as follows:

Computer hardware and software	3 years
Vehicles	5 years
Furniture and fixtures	7 years
Building components	3–30 years
Building	40 years
Leasehold improvements	Over the life of the lease or the estimated useful life of the asset, whichever is shorter

The Foundation annually reviews the property and equipment records for impairment of value and records any adjustments necessary to reflect material impacts in value.

(f) Grant Expense

Grant expense is recognized when a payment is made to a grantee, or in the period the grant is countersigned, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. At December 31, 2015, grants payable were discounted using the year-end risk-free rate for each year grants were made, which ranged between 0.4% to 4.7%.

(g) Self-Insurance

The Foundation uses a combination of insurance and self-insurance mechanisms to provide for potential liabilities for employee healthcare benefits, workers' compensation, general liability, property damage, director and officers' liability, and vehicle liability. Liabilities associated with the risks that are retained by the Foundation are not discounted and are estimated, in part, by considering historical claims experience and evaluations of outside experts, demographic factors, severity factors, and other actuarial assumptions. The estimated accrual for these liabilities could be affected if future occurrences and claims differ from these assumptions and historical trends. For the years ended December 31, 2015, and 2014, the self-insurance liability, which is specific to employee healthcare benefits, was $1,577 and $1,335, respectively, and is included in accrued and other liabilities in the consolidated statements of financial position.

(h) Contributed Services

Contributed services are recognized if the services received either create or enhance long-lived assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended December 31, 2015, and 2014, contributed services totaled $2,102 and $1,873, respectively, and are included in contributions and other income in the consolidated statements of activities.

(i) Contributions and Bequests from Unrelated Parties

The Foundation accepts contributions and bequests from unrelated parties if the donor is an individual and the gift is unrestricted. From time to time, the Foundation is notified that it has been named as the beneficiary in the estate of certain individuals under revocable agreements. Such amounts are recorded as contributions upon the passing of the donor and as the amounts become irrevocable.

(j) Presentation of Expenses on the Consolidated Statement of Activities

The costs of providing support to the various programs and other activities have been allocated between global programs, U.S. programs, other charitable programs, and programmatic support. Other administrative costs related to operational support and activities have been allocated to management and general expenses.

(k) Tax-Exempt Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) and is classified as a private foundation under Section 509(a) of the Internal Revenue Code. The Foundation is subject to federal excise taxes.

(l) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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. Significant estimates include the valuation of PRI guarantees, discounting the allowance for loan PRIs, and the valuation of equity PRI investments.

(m) Reclassifications

Certain reclassifications have been made to prior year numbers to ensure 2014 conforms to the presentation of 2015 financial information.

(3) Related Parties

The Foundation engages in charitable activities that are funded by a related party, the Bill & Melinda Gates Foundation Trust. The Trust holds and manages investment assets, and makes grants to the Foundation as necessary to carry out the Foundation’s charitable goals. Neither entity controls the other; however, they have two of three trustees in common. In 2015 and 2014, the Trust made grants to the Foundation totaling $4,684,198 and $4,388,873, respectively.

(4) Beneficial Interest in Net Assets of Bill & Melinda Gates Foundation Trust

The legal documents that formed the Trust obligate it to fund the Foundation in whatever dollar amounts are necessary to accomplish the Foundation’s charitable purposes. This means that the Foundation has the legal right to demand any amount, up to the full net assets of the Trust, to achieve the Foundation’s charitable goals. Because of the Foundation’s legal right to call upon the assets of the Trust, the consolidated financial statements for the Foundation reflect a $39,514,534 and $43,440,032 beneficial interest in the net assets of the Trust as of December 31, 2015 and 2014, respectively. That interest is adjusted annually to reflect the changes in the net assets of the Trust and amounts transferred to the Foundation during the reporting period.

(Continued)

(Dollars in thousands)

The total changes in beneficial interest in the net assets of the Bill & Melinda Gates Foundation Trust for the years ended December 31, 2015 and 2014 are summarized as follows:

		2015	2014
Beginning balance	$	43,440,032	40,472,654
Change in the net assets of the Trust before contributions to the Foundation		758,700	7,356,251
Trust contributions to the Foundation		(4,684,198)	(4,388,873)
Ending balance	$	39,514,534	43,440,032

(5) Program-Related Investments

PRIs are strategic investments, beyond grants, made by the Foundation for the specific objective of furthering the Foundation's charitable purpose. The production of income is not the primary driver of a PRI. In 2015, the Foundation entered into 10 new PRI investments and its PRI portfolio includes loans to support the growth of key partners or institutions, equity investments to promote innovation and scale, and guarantees to address structural challenges within markets.

Loan PRIs

The Foundation's loan portfolio includes both loans and convertible loans invested in not-for-profit and private sector entities. The majority of these loans are in support of its global strategies focusing on developing countries. They enable partner organizations to invest in increasing agricultural productivity, gain access to financial systems, and develop medical technology. The Foundation has also made loans in support of its U.S. strategies, providing low-cost capital support for charter school facilities. Interest payments are due on the outstanding loan amounts at interest rates generally ranging between 0% and 4%. Repayment of the outstanding loan amounts is scheduled through 2024.

The loans are summarized in the table below for the years ended December 31, 2015 and 2014 as follows:

		2015	2014
Loan receivable, gross beginning of year	$	81,240	91,555
Additional loans		7,241	12,298
Principal repayments		(8,081)	(15,249)
Loan to equity conversions		(10,750)	—
Realized loss on loans		(3,800)	(7,364)
Gross subtotal, loans		65,850	81,240
Interest receivable		430	997
Net subtotal, loans		66,280	82,237
Less discount and uncollectible allowance		(10,748)	(13,250)
Loan receivable, net end of year	$	55,532	68,987

(Continued)

(Dollars in thousands)

In 2015, the Foundation converted $10,750 of convertible loans to equity. In addition, the Foundation forgave $3,800 of previously issued debt on an investment nearing its termination date.

Equity PRIs

The Foundation's equity portfolio includes direct equity investments as well as investments in equity funds. The majority of these equity investments are in support of its global strategies in developing countries which include investing in novel vaccine and therapeutic platforms, developing improved diagnostics, and strengthening agriculture and health delivery systems. The Foundation has also made equity investments in support of U.S. education. The total change in equity investments for the years ended December 31, 2015 and 2014 are summarized as follows:

		2015	2014
Equity investment amount, gross beginning of year	$	69,432	49,190
Additional investments		71,160	28,585
Loan to equity conversions		10,750	—
Return of capital		(10,135)	(123)
Realized loss		(274)	(8,220)
Equity investment amount, gross end of year		140,933	69,432
Cumulative valuation adjustments:			
Unrealized (loss) gain		(15,172)	11,220
Equity investment amount, net end of year	$	125,761	80,652
Realized gain on sale of investments		81,792	—

As mentioned in the loan section, the Foundation converted $10,750 of convertible loans into equity. The foundation also received $10,135 in return of capital and recognized a realized loss on the sale of investments of $274. Furthermore, the Foundation recorded a realized gain on sale of investments of $81,792. The Foundation has elected the fair value option for certain of its equity investments, totaling $9,182 and $10,024 at December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, the Foundation has program-related investments which have been valued using NAV as a practical expedient with total fair values of $15,370 and $8,445 respectively. The majority of equity PRIs at fair value include unobservable inputs considered to be Level 3 per the fair value hierarchy.

Guarantee PRIs

The Foundation's guarantee portfolio includes credit enhancement and volume guarantees. The majority of these guarantees are in support of its global strategies, enabling accessibility and affordability of vaccines and health commodities in developing countries. Guarantees in support of the Foundation's U.S. strategies have focused on financing school facilities as a result of general market challenges that started in 2008.

The Foundation recorded a liability of $24,194 and $37,757 at December 31, 2015 and 2014, respectively, which reflects the larger of the smallest probable loss amount or estimated fair value of all outstanding guarantee agreements. Guarantee agreements and the associated commitments extend through 2020.

(Continued)

(Dollars in thousands)

The Foundation's guarantee investments are summarized in the tables below for the years ended December 31, 2015 and 2014:

		Total Gross Exposure 12/31/14	New Commitments in 2015	Commitments Satisfied in 2015	Total Gross Exposure 12/31/15	Sub-guarantee Amounts	Net Exposure 12/31/15	Value of Guarantee Liability
Guarantee investments:								
Credit enhancement	$	18,000	—	(10,000)	8,000	—	8,000	1,050
Volume		382,616	—	(111,081)	271,535	(105,610)	165,925	23,144
Total, guarantees	$	400,616	—	(121,081)	279,535	(105,610)	173,925	24,194

		Total Gross Exposure 12/31/13	New Commitments in 2014	Commitments Satisfied in 2014	Total Gross Exposure 12/31/14	Sub-guarantee Amounts	Net Exposure 12/31/14	Value of Guarantee Liability
Guarantee investments:								
Credit enhancement	$	18,000	—	—	18,000	—	18,000	4,861
Volume		483,583	—	(100,967)	382,616	(150,048)	232,568	32,896
Total, guarantees	$	501,583	—	(100,967)	400,616	(150,048)	250,568	37,757

(6) Property and Equipment

At December 31, 2015 and 2014, property and equipment consisted of the following:

		2015	2014
Land	$	93,945	93,945
Construction-in-progress, new campus, and other		66,771	67,196
Campus buildings		571,841	570,297
Computer hardware and software		73,440	67,967
Furniture, fixtures and other		18,970	17,112
Leasehold improvements		20,656	18,369
		845,623	834,886
Less accumulated depreciation and amortization		(170,800)	(146,230)
Property and equipment, net	$	674,823	688,656

(Dollars in thousands)

(7) Natural Classification of Expenses

At December 31, 2015 and 2014, the Foundation's natural classification of expenses was as follows:

		2015	2014
Expenses:			
Programmatic expenses:			
Grants	$	5,472,228	3,991,176
Direct charitable contracts		330,464	437,871
Programmatic support and administrative expenses:			
Compensation and benefits		299,182	275,278
Operational support contracts		93,763	113,254
Staff travel		41,945	42,659
Depreciation		25,108	29,195
Federal excise and other taxes (note 10)		1,123	70
Other		54,670	54,118
Total expenses	$	6,318,483	4,943,621

Grants and direct charitable expenses are charitable costs, expended for the benefit of others. Program and administrative expenses relate to activities that support the grant-making process as well as administrative operational costs.

(8) Grants Payable

At December 31, 2015 and 2014, grants payable totaled $7,895,493 (discounted to $7,464,404) and $6,099,272 (discounted to $5,757,160), respectively. Grants payable activity consisted of the following:

		2015	2014
Grants payable balance, beginning of year	$	6,099,272	5,503,314
Current year activity:			
New and supplemental grants		6,037,286	4,069,095
Payments		(3,860,217)	(3,439,154)
Grant amendments and contingencies		(380,848)	(33,983)
Grants payable balance, end of year	$	7,895,493	6,099,272

(Dollars in thousands)

As of December 31, 2015, based on the specific grant agreements, grants payable are expected to be paid in the following years:

2016	$	2,573,451
2017		1,901,340
2018		1,186,010
2019		602,404
2020		393,671
Thereafter		1,238,617
		7,895,493
Less discount to reflect grant payable at present value		(431,089)
Grants payable, net	$	7,464,404

(9) Retirement Plan

In 2015 and 2014, the Foundation offered three Retirement Plans for the benefit of its employees: a 403(b) plan, 401(a) plan, and a 457(b) plan. The 457(b) plan allows for additional executive deferrals subject to annual limitations.

The 403(b) retirement plan covers employees meeting certain qualifications. Under the terms of the plan, employees are allowed to contribute up to 100% of pretax annual compensation, as defined in the plan, and subject to annual limitations imposed by the Internal Revenue Code.

The 401(a) retirement plan covers employees meeting certain qualifications. Under the terms of the plan, the Foundation contributes 15% of employee-eligible plan compensation subject to annual limitations. Employees are immediately vested in employer contributions. Employer contributions to the 401(a) retirement plan relating to the years ended December 31, 2015 and 2014 totaled $28,392 and $26,824, respectively.

(10) Federal Excise Taxes

The Foundation is subject to federal excise taxes imposed on private Foundations at 2%, or at 1% if certain conditions are met. The excise tax is imposed on net investment income, as defined under federal law, which includes interest, dividends, and net realized gains on the sale of investments. The Foundation provided for excise taxes at the 1% and 2% excise tax rate for the years ended December 31, 2015 and 2014, respectively. The current portion of excise tax expense was $802 and $24 for the years ended December 31, 2015 and 2014, respectively.

(Continued)

(Dollars in thousands)

(11) Commitments and Contingencies

(a) Lease Commitments

The Foundation is obligated under various operating leases for equipment and office facilities, which expire on various dates through 2023. Future minimum lease payments related to these leases as of December 31, 2015 are as follows:

2016	$	5,239
2017		4,531
2018		4,257
2019		3,473
2020		3,179
Thereafter		4,859
Total lease commitments	$	25,538

Rent expense totaled $6,020 for the year ended December 31, 2015 and $5,394 for the year ended December 31, 2014.

(b) Legal Matters

In the ordinary course of business, the Foundation is subject to certain legal actions. In the opinion of management, such matters will not have a material effect on the financial position of the Foundation.

(12) Subsequent Events

The Foundation evaluated subsequent events from December 31, 2015 through May 10, 2016 the date on which the consolidated financial statements were available to be issued, and determined that no additional disclosures are required.