Energy Outreach Colorado

Financial Statements

September 30, 2017

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

Kundinger, Corder & Engle, P.C.

Certified Public Accountants
475 Lincoln Street, Suite 200
Denver, Colorado 80203

Phone (303) 534-5953
Fax (303) 892-7776
www.kcedenver.com

Independent Auditor's Report

Board of Directors
Energy Outreach Colorado:

Report on the Financial Statements

We have audited the accompanying financial statements of Energy Outreach Colorado (Energy Outreach), which comprise the statement of financial position as of September 30, 2017, 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.

Board of Directors
Energy Outreach Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energy Outreach as of September 30, 2017, 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.

Kundinger, Corder & Engle, P.C.

January 4, 2018

Energy Outreach Colorado
Statement of Financial Position
September 30, 2017

Assets:	
Cash and cash equivalents	$ 1,990,818
Grant and contract receivables, net	1,176,491
Investments (notes 3, 4 and 7)	21,162,917
Other assets	77,711
Total assets	$ 24,407,937
Liabilities:	
Accounts payable and accrued expenses	$ 931,373
Grant payable (note 5)	281,770
Total liabilities	1,213,143
Net Assets:	
Unrestricted net assets	22,741,690
Temporarily restricted net assets (note 9)	453,104
Total net assets	23,194,794
Commitments (notes 7, 8 and 10)	
Total liabilities and net assets	$ 24,407,937

See the accompanying notes to the financial statements.

Energy Outreach Colorado
Statement of Activities
Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains and Support:			
Public support:			
Customer contributions	$ 1,778,345	-	1,778,345
Utility and corporate contributions (note 6)	7,345,854	5,485,162	12,831,016
Unclaimed utility deposits and refunds (note 5)	281,770	-	281,770
Less amount passed through to LEAP	(281,770)	-	(281,770)
Foundation grants	205,547	66,012	271,559
State appropriation (note 2)	473,127	-	473,127
Other government funding	5,782,817	-	5,782,817
Special event revenue	199,272	-	199,272
Less direct benefits to donors	(71,337)	-	(71,337)
Net assets released from restrictions due to satisfaction of time and program requirements	5,135,449	(5,135,449)	-
Total public support	20,849,074	415,725	21,264,799
Revenue:			
Owner participation	1,108,597	-	1,108,597
Investment return, net (note 3)	2,463,822	-	2,463,822
Other income	16,953	-	16,953
Total revenue	3,589,372	-	3,589,372
Total revenue, gains and support	24,438,446	415,725	24,854,171
Expenses:			
Program services:			
Low-income home energy assistance	439,244	-	439,244
EOC cash assistance program	7,186,068	-	7,186,068
Energy Solutions Grants	6,266,281	-	6,266,281
Crisis Intervention Program	2,798,357	-	2,798,357
NEEP programs	2,704,939	-	2,704,939
Advocacy programs	507,802	-	507,802
Weatherization assistance for low-income persons	3,110,571	-	3,110,571
Other programs	213,269	-	213,269
Total program services	23,226,531	-	23,226,531
Supporting services:			
General and administrative	476,009	-	476,009
Fund raising	971,510	-	971,510
Total supporting services	1,447,519	-	1,447,519
Total expenses	24,674,050	-	24,674,050
Change in net assets	(235,604)	415,725	180,121
Net assets at beginning of year	22,977,294	37,379	23,014,673
Net assets at end of year	$ 22,741,690	453,104	23,194,794

See the accompanying notes to the financial statements.

Energy Outreach Colorado
Statement of Functional Expenses
Year Ended September 30, 2017

	Program Services									Supporting Services		
	Low-Income Home Energy Assistance	EOC Cash Assistance Program	Energy Solutions Grants	Crisis Intervention Program	NEEP Programs	Advocacy Programs	Weatherization Assistance for Low-Income Persons	Other Programs	Total Program Services	General and Admini-strative	Fund Raising	Total Expenses
Energy assistance payments	$ -	6,959,723	-	-	-	-	-	-	6,959,723	-	-	6,959,723
Other grants	304,617	-	444,745	-	-	3,000	-	49,144	801,506	-	-	801,506
Salaries and benefits	64,566	158,106	408,809	145,223	133,410	249,615	108,332	92,624	1,360,685	352,661	410,510	2,123,856
Professional fees and contract services	1,326	17,146	5,272,530	2,600,004	2,533,742	230,727	2,949,760	23,781	13,629,016	134,057	352,255	14,115,328
Equipment maintenance and supplies	1,309	5,963	13,889	4,789	3,786	1,880	3,000	3,304	37,920	6,823	10,436	55,179
Telephones and website	59,704	4,032	11,762	4,399	3,583	1,182	1,774	2,591	89,027	4,109	6,036	99,172
Building rent and parking	5,070	16,562	45,770	18,466	14,705	7,282	10,446	12,533	130,834	25,016	38,762	194,612
Printing and publications	47	8,668	13,649	1,061	229	389	1,521	5,016	30,580	2,334	111,426	144,340
Office expense	346	4,485	12,173	3,163	1,612	3,696	1,315	4,615	31,405	9,494	82,556	123,455
Meetings and conferences	904	5,785	17,887	2,322	3,823	3,147	7,858	9,122	50,848	6,543	21,374	78,765
Other expenses	1,355	5,598	25,067	18,930	10,049	6,884	26,565	10,539	104,987	8,220	9,492	122,699
	439,244	7,186,068	6,266,281	2,798,357	2,704,939	507,802	3,110,571	213,269	23,226,531	549,257	1,042,847	24,818,635
Less investment and special event expenses netted with revenue	-	-	-	-	-	-	-	-	-	(73,248)	(71,337)	(144,585)
Total expenses	$ 439,244	7,186,068	6,266,281	2,798,357	2,704,939	507,802	3,110,571	213,269	23,226,531	476,009	971,510	24,674,050

See the accompanying notes to the financial statements.

Energy Outreach Colorado
Statement of Cash Flows
Year Ended September 30, 2017

Cash flows from operating activities:	
Cash received from contributions	$ 21,184,344
Interest and dividends received	445,533
Other cash received	1,125,550
Cash paid to employees, suppliers and service recipients	(24,302,030)
Net cash used in operating activities	(1,546,603)
Cash flows from investing activities:	
Purchases of fixed assets	(15,772)
Sales of investments	3,717,939
Purchases of investments	(1,400,000)
Net cash provided by investing activities	2,302,167
Net increase in cash and cash equivalents	755,564
Cash and cash equivalents at beginning of year	1,235,254
Cash and cash equivalents at end of year	$ 1,990,818
Reconciliation of change in net assets to net cash used in operating activities:	
Change in net assets	$ 180,121
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	21,322
Realized and unrealized gains on investments	(2,091,537)
Change in:	
Other receivables	(80,455)
Other assets	40
Accounts payable and accrued expenses	550,451
Grant payable	(126,545)
Net cash used in operating activities	$ (1,546,603)
Supplementary information:	
Interest paid	$ 761

See the accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) General

Energy Outreach Colorado (Energy Outreach), formerly Colorado Energy Assistance Foundation, was established in 1989 to enable the Colorado Commission on Low-Income Energy Assistance (the Commission) to raise funds for the purpose of providing cash payments to low-income individuals and families to meet the cost of home energy. A significant portion of the funds are distributed through the Colorado Low Income Home Energy Assistance Program (LEAP). In addition to LEAP, Energy Outreach delivers funds and services through a network of agencies in the State of Colorado. Energy Outreach provides funds for creative energy efficiency, educational and housing ventures related to conservation of resources through its Energy Savings Grants and educational grants. Energy Outreach also provides energy efficient upgrades for non-profit agencies throughout the state and the city of Denver through its Nonprofit Energy Efficiency Program (NEEP).

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(c) Financial Statement Presentation

Information regarding the financial position and activities of Energy Outreach is reported according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There were no permanently restricted net assets at September 30, 2017.

(d) Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(e) Contributions Receivable

Unconditional contributions receivable are recognized as revenue in the period the pledge is received. Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met.

(1) Summary of Significant Accounting Policies, Continued

(e) Contributions Receivable, Continued

Energy Outreach uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific pledges. At September 30, 2017, Energy Outreach had no allowance for uncollectible contributions receivable.

(f) Donated Goods and Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Accordingly, these are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Contributed goods are recorded as contributions at their estimated fair value at the date of donation. The amounts are recorded as both revenue and expense in the statement of activities.

(g) Cash and Cash Equivalents

Energy Outreach considers all unrestricted highly liquid investments with an initial maturity of three months or less, and which are not held by investment managers as a part of the investments portfolio, to be cash equivalents.

(h) Accounts Receivable

Accounts receivable represent amounts due resulting from the performance of services provided to other organizations and individuals. The allowance for doubtful accounts is based on past experience and on analysis of the collectibility of current accounts receivable. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Accounts receivable are considered to be past due based on contractual terms. Management considers all receivables to be fully collectible at September 30, 2017.

(i) Investments

Energy Outreach reports investments at fair value. Fair value is determined as more fully described in note 4. Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values based upon quoted prices in active markets. Energy Outreach's management is responsible for the fair value measurement of investments reported in the financial statements and believes the reported values are reasonable. Net unrealized gains and losses are included in the change in net assets in the statement of activities. The market values for alternative investments represent Energy Outreach's pro-rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers or on the basis of other information evaluated periodically by Energy Outreach. Alternative investments are generally illiquid and may be valued differently should readily available markets exist for such investments. Because of inherent uncertainties of the valuation of alternative investments, the recorded market values of such investments may differ significantly from values that would have been used had a ready market existed.

(1) Summary of Significant Accounting Policies, Continued

(i) Investments, Continued

Energy Outreach has an investment policy that permits it to provide additional funding for its on-going programs using a portion of the corpus of its investments. The amount of the additional funding available under that policy would be based on the Yale-Stanford model, which considers both inflation and the value of the investments. During the year ended September 30, 2017, $2,344,000 of corpus was utilized for core program activities.

(j) Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which are generally three to five years. Cost of furniture and equipment at September 30, 2017 was $132,547. Cost of leasehold improvements amounted to $73,772. Net property and equipment totaled $56,939 at September 30, 2017 and is included in other assets in the statement of financial position. For the year ended September 30, 2017, depreciation recorded on property and equipment totaled $21,322.

(k) Concentrations of Credit Risk

Financial instruments that potentially subject Energy Outreach to concentrations of credit risk consist principally of investment securities. Energy Outreach places its cash and temporary investments with creditworthy, high quality institutions. A significant portion of the funds are not insured by the FDIC or related institutions. Energy Outreach's investments in fixed income and equity securities are managed by investment advisors who are engaged by the Board of Directors. These investments are subject to the risk of fluctuations in market value but, in the opinion of the Board of Directors, the risk is appropriate in view of the amount and term of the investment funds. Credit risk with respect to receivables is limited due to the number and credit worthiness of the government entities, individuals and organizations from whom the amounts are due.

(l) Income Taxes

Energy Outreach is exempt from federal income taxes on its exempt function income under the provisions of Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction. However, income from activities not directly related to the Energy Outreach's tax-exempt purpose is subject to taxation as unrelated business income. During fiscal year 2017, Energy Outreach incurred $0 in federal income tax expense and state income tax expense related to unrelated taxable income on its investments.

(1) Summary of Significant Accounting Policies, Continued

(l) Income Taxes, Continued

Energy Outreach adopted the Accounting for Uncertainty in Income Taxes accounting standard which requires Energy Outreach to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. Energy Outreach believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are significant to the financial statements. Energy Outreach's Returns of Organization Exempt from Income Tax (Forms 990) for the previous three years are subject to examination by the IRS, generally for three years after initial filing.

(m) Functional Allocation of Expenses

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

(n) Use of Estimates

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Subsequent Events

Management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. Energy Outreach's financial statements were available to be issued on January 4, 2018, and this is the date through which subsequent events were evaluated.

(2) State Appropriation

The State of Colorado has appropriated funds from the Severance Tax Trust Fund (the Fund) to the Office of the Governor to be distributed to Energy Outreach Colorado for utility assistance during months when LEAP is not accepting applications for the low income energy assistance program (May 1 through October 31). Depending on the surplus in the Fund, funding of up to $3,250,000 may be appropriated annually, to be distributed April 1 of the following year. In 2017, Energy Outreach received $473,127 in distributions from the Fund. Because the appropriations are conditioned on future surpluses, as well as potential actions by the Colorado General Assembly, a receivable at September 30, 2017 has not been recorded for any remaining State Appropriation that may be received.

(3) Investments

Investments are stated in the financial statements at fair value. Fair value is determined as more fully described under the fair value measurements policy below. Unrealized gains and losses are reported as increases or decreases in unrestricted net assets because the gains and losses are unrestricted.

At September 30, 2017, investments consisted of the following:

Money market funds	$ 486,388
Bond funds:	
Fixed income	2,859,881
Floating rate corporate loans	1,423,793
Total bond funds	4,283,674
Equity funds and managed equities:	
Large cap value	3,211,960
Large cap growth	3,391,674
Mid cap growth	626,970
Small cap equity	652,924
International equity	3,183,484
Emerging markets	1,279,123
Commodities	819,736
Real estate investment trust	63,556
Total managed equity and equity funds	13,229,427
Alternative investments:	
Low correlated hedge funds	2,141,581
Real estate	1,021,847
Total alternative investments	3,163,428
	$ 21,162,917

Investment return is summarized as follows:

Investment interest and dividend income	$ 445,533
Realized and unrealized gains on investments	2,091,537
Less investment expenses	(73,248)
Total investment return	$ 2,463,822

(4) Fair Value Measurements

Energy Outreach reports required types of financial instruments in accordance with fair value accounting standards. Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. In addition, Energy Outreach reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value measurement standards also require Energy Outreach to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 reporting depending on lock up and notice periods associated with the underlying funds.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on an exchange, listed derivatives, cash and cash equivalents. For Energy Outreach, Level 1 assets consist of money market funds, bond funds, equity funds, and managed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities and certain over-the-counter derivatives. Level 2 also includes practical expedient investments with notice periods for redemption of 90 days or less.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt. Level 3 also includes practical expedient investments with notice periods for redemption of more than 90 days. For Energy Outreach, Level 3 assets consist of hedge funds and real estate in limited partnerships.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2 and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

(4) Fair Value Measurements, Continued

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument, as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in Energy Outreach's financial statements.

The following table summarizes the valuation of Energy Outreach's investments by the above fair value hierarchy levels as of September 30, 2017:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Money market funds	$ 486,388	486,388	–	–
Bond funds	4,283,674	4,283,674	–	–
Equity funds and managed equities	13,229,427	13,229,427	–	–
Alternative investments	3,163,428	–	1,021,847	2,141,581
Total	$ 21,162,917	17,999,489	1,021,847	2,141,581

Level 1 assets have been valued using a market approach. Fair values for the Level 3 investments are determined by using one or more of the following methods: quoted market prices, appraisals and other relevant information generated by market transactions, net asset value per share as determined by investment managers under the so called "practical expedient", and by calculating the present value of future distributions expected to be received. The changes in investments measured at fair value for which Energy Outreach has used Level 3 inputs to determine fair value are as follows:

Balance as of September 30, 2016	$ 2,012,252
Total realized and unrealized gain	129,329
Balance as of September 30, 2017	$ 2,141,581

Generally accepted accounting standards require disclosure for Level 3 investments of the change in unrealized gain (loss) included in the change in net assets related to investments still held at the reporting date. At September 30, 2017, this was an unrealized gain of $129,329.

The following table summarizes the significant information required by ASU No. 2009-12 as of September 30, 2017:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited Liability Corporation (a)	$ 1,102,441	None	Semi-annually	95 days
Limited Partnership (b)	1,039,140	None	Quarterly or Monthly	60 days or 90 days
Real Estate (c)	1,021,847	None	Quarterly	30 days

(4) Fair Value Measurements, Continued

(a) The objective of this limited liability corporation is capital appreciation with limited variability of returns. The fund attempts to achieve this objective by allocating capital among a number of underlying funds, which follow alternative investment strategies. These underlying funds are commonly described as hedge funds and, therefore, the fund is referred to as a fund of hedge funds.

(b) The objective of this partnership is to maximize capital appreciation over the long term pursuant to a "multi-manager" investment philosophy. The partnership seeks to achieve this objective by allocating its asset primarily among a select group of sub-advisers, who principally employ "long/short" investment strategies in the global equity markets.

(c) This limited partnership invests directly into real estate for long-term capital appreciation.

(5) Unclaimed Utility Deposits and Refunds

Unclaimed utility deposits represent revenue that is available to Energy Outreach as a result of the enactment by the Colorado Legislature in 1990 of a bill which requires utilities to remit to Energy Outreach unclaimed customer and security deposits two or more years old. In addition, the Colorado Legislature passed a bill in 1992, whereby the PUC can order up to 90% of undistributed overcharge refunds to be made available to Energy Outreach on a case-by-case basis. During fiscal year 2017, Energy Outreach received $211,378 from unclaimed deposits and refunds. Under the Colorado Revised Statutes, any unclaimed deposits and refunds received by Energy Outreach must be forwarded to LEAP, and as such are not included in total revenues of Energy Outreach. Energy Outreach also received unclaimed LEAP payments of $70,392 refunded to Energy Outreach by various utility companies. Energy Outreach made payments to LEAP totaling $712,932 in 2017. There is $281,770 that is owed to LEAP at September 30, 2017.

(6) Significant Contributions

During the year ended September 30, 2017, Xcel made contributions to Energy Outreach totaling $5,264,921 based on customer late payments. Xcel also provided funding for the non-profit energy efficiency program, multi-family and single family weatherization programs totaling $6,336,494. Furthermore, Xcel remitted $187,531 representing unclaimed deposits. Xcel customers contributed $709,535 to Energy Outreach during the year ended September 30, 2017.

(7) Margin Agreement

Energy Outreach has a $1,250,000 margin agreement with its investment manager with the intention of using these funds, if necessary, to support working capital needs. There was a balance of $0 outstanding on this margin agreement at September 30, 2017. Interest is variable with an average variable rate of 7.29% at September 30, 2017. Energy Outreach's investments with the investment manager are collateral for the agreement.

(8) Employee Retirement Plan

Energy Outreach has a retirement plan for employees, which requires Energy Outreach to contribute 8% of an employee's salary to the plan. The contributions are vested over a two-year period. Energy Outreach's contributions to the plan were $134,099 in 2017. In addition, full-time employees may contribute to a tax deferred annuity plan after they have been employed by Energy Outreach for 90 days.

(9) Restrictions on Net Assets

Temporarily restricted net assets at September 30, 2017 consist of $453,104 in unexpended funds related to restricted grants. Net assets released from restrictions during 2017 consisted of expenditures totaling $5,135,449 related to restricted grants and contributions.

(10) Commitments

Energy Outreach is obligated under an operating lease for rental of office space, which expires June 30, 2021. Rent expense for these office space leases was $146,019 in 2017. Energy Outreach has separate operating lease agreements for rental of a copier through June 2021 and rental of a postage machine through July 2018. Rent expense under these leases totaled $4,705 during 2017.

Rental commitments remaining under all leases for future years are as follows:

2018	$ 145,137
2019	148,817
2020	153,783
2021	118,131
	$ 565,868