

2015

ANNUAL REPORT



Raising the level of traffic and travel safety awareness for all...

*25,062 children made safer
with Otto the Auto*

*93,000+ School Safety Patrols
in the Mid-Atlantic area*

*Over 134,000 individuals have received
safety education to help save lives*



2015 MID-ATLANTIC FOUNDATION FOR SAFETY & EDUCATION BOARD MEMBERS

Ms. Susan Meade-Beachell, Executive Director
Hockessin, Delaware

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Mr. Michael Sumsky, Treasurer
Hatfield, Pennsylvania

A LETTER FROM THE EXECUTIVE DIRECTOR

Dear Friends and Supporters,
On behalf of the Mid-Atlantic Foundation for Safety and Education, I am pleased to share the 2015 Annual Report, which details our activities, programs, and initiatives regarding traffic and travel safety education.

As you read through this report, the accomplishments of our dedicated staff will become most evident. Since we use our traffic safety education programs and campaigns to accomplish our mission of preventing fatalities and reducing injuries, we provide broad outreach in all communities served.

Over 30 different traffic and travel safety programs are offered by our staff—and every single one is provided free of charge. At the end of 2015, a total of 35,130 school children in grades kindergarten through 8th, and 9,112 high school students, attended one of the Foundation’s traffic safety programs. An additional 10,232 children received safety instruction through our interaction with after-school or summer programs provided at libraries, day cares, and other youth centers.

In addition to the 501 adult crossing guards trained by Foundation educators in 2015, 6,572 adults and seniors took advantage of a safety program provided in a corporate, civic, or community center location.

I take great pride in knowing the Foundation staff commit themselves 100 percent every day to serve our mission to expand the public’s knowledge of traffic and travel safety. As we continue to increase our programming outreach into the communities served, we are grateful for your ongoing support.


Susan Meade-Beachell
EXECUTIVE DIRECTOR & CHIEF DEVELOPMENT OFFICER
MID-ATLANTIC FOUNDATION FOR SAFETY AND EDUCATION

OUR MISSION

To prevent fatalities and reduce injuries through traffic and travel awareness and safety education.

OUR VISION

To position the Foundation as a prominent leader and authority regarding traffic safety.

CONTENTS	HISTORY	4
	PROGRAMS	5
	TEAM	6
	FUNDRAISING EVENTS	8
	SCHOOL SAFETY PATROL COMMEMORATION	10
	SCHOOL SAFETY PATROL EVENTS	11
	MAJOR DONOR APPRECIATION	12
	AUDIT REPORT	13



HISTORY OF THE MID-ATLANTIC FOUNDATION FOR SAFETY & EDUCATION

Since 1900, AAA has played a prominent role in public advocacy and support of traffic safety. As a Member-based organization, Mid-Atlantic (*Club*), determined they wanted to do more and have a greater impact in teaching the motoring public about traffic safety.

The mission of the Foundation, “to prevent fatalities and reduce injuries through traffic and travel awareness and safety education” has significantly guided the organization since our founding in 2001.

So in 2001, the Club pursued the formation and incorporation of the Mid-Atlantic Foundation for Safety and Education (Foundation) as an affiliated public charity, with non-profit 501(c)(3) tax-exempt status. The creation of the Foundation has allowed AAA Mid-Atlantic to accomplish far more than it ever could have through its former Traffic Safety Department.

The Development office conducts the primary functions of fiscal management, compliance, fundraising, and donor stewardship. A Board of Directors administers the affairs of the Foundation.

Educational programming is provided by seven traffic safety staff located throughout the AAA Mid-Atlantic footprint. Our primary regional offices include Springfield, VA; Richmond, VA; Towson, MD; Hamilton, NJ; Warrington, PA; Wilkes Barre, PA; and Newark, DE.

The Foundation celebrated its 14th year of operation in November 2015. Each year, the Foundation helps educate thousands of children, adults, and seniors about traffic and travel safety.

In 2015 alone, 54,474 children and 6,572 adults and seniors attended at least one of our programs. Additionally, 501 trained Adult Crossing Guards are on duty as a result of the Foundation’s work in all communities we serve. All Foundation programs are provided to the community free of charge.

The Foundation is a strong supporter of AAA National’s strategic traffic safety initiatives, which include Teen Driving, Senior Mobility, and Child Passenger Safety. In addition to our keen focus on these strategic initiatives, the Foundation provides over 30 specific traffic and travel safety programs.



Primary funding for Foundation operations is provided by \$1 or \$2 voluntary donations from AAA Mid-Atlantic Members.

PRIMARY PROGRAMS OF THE MID-ATLANTIC FOUNDATION FOR SAFETY & EDUCATION

OTTO THE AUTO – is our most popular child safety program, appropriate for children ages 4 to 7 years. Otto is an interactive three-foot tall remote-controlled talking car, which enables Foundation staff to immediately engage and teach young children about safety.

AAA SCHOOL SAFETY PATROL – since 1920, the AAA School Safety Patrol program has provided leadership training to support students who help safeguard the lives of millions of children who travel to and from school daily.

SCHOOL BUS SAFETY – instruction on school bus safety and reinforcing good behaviors is crucial training for children. In addition to providing instruction for boarding, riding, and exiting a bus, the danger zones surrounding the school bus are also identified.

ADULT SCHOOL CROSSING GUARD PROGRAM – the job of being a school crossing guard is extremely important and requires a high degree of responsibility. The Foundation provides Adult Crossing Guard training through our *Safe Crossings* program.

TEEN DRIVING – our Foundation has made teen driving and the risks associated with it a priority. Presentations include distracted driving, no texting while driving, alcohol awareness, the dangers of speeding/aggressive driving, prom season awareness, and the importance of wearing seat belts.

SCHOOL’S OPEN-DRIVE CAREFULLY – this seasonal campaign is conducted in all AAA Mid-Atlantic service areas in late August and early September, to encourage motorists to drive safely and use extra caution in areas where school children are likely to be present.

SENIOR MOBILITY – the Foundation is committed to promoting “lifelong senior mobility” through educational presentations. One way the Foundation promotes this message is through the CarFit® program. It includes a 12-point checklist to ensure that senior drivers are sitting properly in their vehicles and that the driver’s seat, safety belt, mirrors, steering wheel, headrest, gas/brake pedals, and other controls are positioned properly.

CHILD PASSENGER SAFETY – involves educating parents on how to safely transport children in a vehicle. Buying the correct safety seat will not protect the child unless the seat is installed properly. Our Foundation traffic safety educators are all certified child safety seat technicians.

AND NOW A FEW WORDS FROM OUR TEAM...

Rachel Andress, Traffic Safety Assistant
Towson, MD

I enjoy being able to support the Foundation's educators while also taking part in educating the community and contributing to the mission of the Foundation.

Joseph Beddick, Safety Services Manager
Washington, D.C.

I am privileged to share my passion and commitment for the School Safety Patrol Program, enhancing lives of young children and building our future leaders.

Matthew Eskridge, Traffic Safety Program Manager
Newark, DE

I took this position to hopefully make a difference in people's lives. Though I will never know, maybe someday I will have saved a life or at least made an impact.

Haley Glynn, Traffic Safety Community Educator
Richmond, VA

At the Foundation, I enjoy the opportunity to engage and educate every age group, every day, with the many programs we provide.

Andreae Higdon, Traffic Safety Community Educator
Wilkes Barre, PA

The most rewarding part of my job is getting to talk about one of my passions, safety, to all different kinds of audiences.

Danielle Hutton, Development Coordinator
Wilmington, DE

The most rewarding part of my job is sharing traffic safety knowledge with our communities and hopefully resulting in preventing fatalities and saving lives.

Leslie McGuigan, Traffic Safety Coordinator
Wilmington, DE

I support all seven Traffic Safety Educators with administrative, planning, educational, marketing, and design needs. I love being able to utilize all of my skills in this multifaceted position.

Sara Weir, Traffic Safety Community Educator
Warrington, PA

My favorite part of my job is the opportunity to work with all age groups on any given day, educating and enhancing traffic safety in the community.

Frank Neary, Traffic Safety Community Educator
Hamilton, NJ

Covering the central New Jersey counties allows for a great opportunity to utilize my criminal justice background, while enhancing the lives of many through safety education.

Myra Wieman, Traffic Safety Program Manager
Towson, MD

The ability to create unique traffic safety programs that resonate with an audience is the most rewarding part of my job.



FUNDRAISING EVENTS



GOLF

The 7th Annual Charity Golf Outing was conducted at the DuPont Country Club on Monday, June 22, 2015. We had another successful event, with a net total of \$85,782 raised. Most of the proceeds will be applied to the Foundation’s projects and programs that benefit child safety.

In addition to the 117 golfers who joined us that day, we are most grateful for the support from our 73 sponsors. Every year, our event receives support from business partners of AAA Mid-Atlantic and other regional corporations and patrons. Their generosity and support of our 2015 event is so appreciated.

SPONSORS & SUPPORTERS

160over90	Doerre Construction	Paul Laskow
AAA Club Partners, Inc.	Dover International Speedway	Pendragon
AAA Driver Training	Dupli Envelopes & Graphics	Penske
AAA Mid-Atlantic	DuPont Country Club	Philadelphia Eagles
AAA Mid-Atlantic Procurement Services	Eurest	Philadelphia Union
Affinity Cellular	First Tee of Delaware	PNC Bank
Albert Maier, Jr.	Fiserv	Radius Systems
American Direct	Gary Fullman	Relay Network
Aquarius Marketing	Grace Construction	Remline
AT&T	Herman Stewart Construction	Richmond Flying Squirrels
AUL Warranty	Highmark Delaware	Richmond International Raceway
Bank of America	Hilton	Robert Lang
Bochetto & Lentz, PC	IMRE	Robert V.A. Harra, Jr.
Brandywine Realty Trust	JJID	Ron Kosh
Carfax	Jones Lang LaSalle	Sigma Marketing
Cathy Rossi	Klehr Harrison Harvey Branzburg	Siuprem
Century Engineering	LeMeridien	Somerset Patriots
Comcast SportsNet	Loews	Spitfire Services Group, LLC
Correct Rx Pharmacy	Michael Waltrip Racing	The Phone Company
CRW Graphics	Montgomery, McCracken, Walker & Rhoads, LLP	TrueCar
CSAA Insurance Group	Monumental Sports	Urban Neon Signs
Delaware Children’s Museum	National Mail Marketing	Vforce
Diane Ferber	NWN	Virginia Tech-IMG Sports Marketing
Discover Bank		William Miller
Document Concepts		



FUNDRAISING EVENTS

HARVEST BALL

The Third Annual Harvest Ball was held at the Chase Center on the Riverfront in Wilmington, Delaware on Friday, November 20, 2015. The ballroom provided a wonderful and appropriate backdrop for the event’s theme, *An Evening in Paris—Supporting Safety*. Over 110 attendees enjoyed an evening of fine dining, dancing, and auction bidding.

The event raised over \$50,744 in net proceeds to support programs that benefit child safety. During a special pledge auction, funds could be dedicated to support the purchase of Otto the Auto robots for all regions served.

SPONSORS & SUPPORTERS

6ABC TV	Highmark Delaware	RPM and EXL Company
160over90	Jones Lang LaSalle	WorkDay
AAA Club Partners, Inc.	KYW 1060AM	Spitfire Services Group, LLC
Avanti	McCarter & English, LLP	Sprint
Bazon, Less & Feldman, PC	Monaco	Sullivan’s Steakhouse
Best Western	Montgomery County Police, MD - School Safety Unit	Travelex Currency Services, Inc.
Big Fish	MORE FM 101.1	Westin Wilmington Riverfront
Borgata	National Mail Marketing	Westland Printers
CBS3 TV	Office Depot	White and Williams LLP
Century Engineering, Inc.	Parkowski, Guerke & Swayze, PA	
CSAA Insurance Group	Philadelphia Flyers	
Currie	Prudential	
Delaware Theatre Company		
DuPont Country Club		



AAA SCHOOL SAFETY PATROL COMMEMORATION

CELEBRATING 95 YEARS

Since 1920, the AAA School Safety Patrol Program has been instrumental in helping students get to and from school safely. In 2015, the program marked its 95th anniversary.

As the largest safety program in the world, the AAA School Safety Patrol Program has over 600,000 Patrol members nationwide and over 93,000 in our region alone.

A PROUD TRADITION

The AAA School Safety Patrol plays an important role in helping young students learn responsibility and fill leadership roles.

Millions of boys and girls have honorably served their classmates for 95 years. Interest in the program has spread around the world to at least 30 other countries. The experience is the same—a reduction in traffic death rates.

Boys and girls who contribute their time as AAA School Safety Patrols deserve special thanks for their efforts. So as a “Thank You” and a commemoration of the 95th year of the program, the Mid-Atlantic Foundation for Safety & Education created a special music video.

The video debuts our Patrol Anthem written and sung by AAA School Safety Patrols. It can be used for educational purposes to emphasize “Safety’s Always First.” To view the video, please visit our webpage at AAA.com/Foundation.



AAA SCHOOL SAFETY PATROL EVENTS

ANNUAL RECOGNITION

In 2015, the Foundation hosted seven Outstanding School Safety Patrol Luncheons, one in each region served. A total of 81 deserving students received recognition as Outstanding Patrols.

To be considered as an Outstanding Patrol, schools nominate one student per school who exhibits exceptional performance in his/her duties as a member of the Safety Patrol.

Every January, nomination forms are issued by our Foundation to participating schools. Since this is a competitive process, not all schools have a winning candidate, but all are encouraged to nominate a student.

In addition to performing all patrol duties required, the nomination form requests examples of how the student goes above and beyond, the level of academic performance achieved, and other extracurricular activities pursued.

A panel of Foundation staff review every nomination form returned and select 10-12 students in each region who meet all criteria.

All winning patrol members received a \$100 Visa gift card and a personalized plaque to commemorate their outstanding service and dedication.



MAJOR DONOR APPRECIATION

SAFETY SUSTAINER SOCIETY

The Safety Sustainer Society was established in 2012 to provide recognition for Foundation major donors. Seven founding members are now joined by over 26 additional donors who have contributed \$1,000 or more per calendar year to join the Society.

Every January, a special recognition event is conducted to thank the donors for their support. In addition, new Society members participate in an induction ceremony at this event to receive their pins and thanks from the Foundation Board of Directors. At this year’s event, a Plaque of Dedication was unveiled to honor all Society members.

Initial Society Membership requires that cumulative gifts be made to the Mid-Atlantic Foundation for Safety and Education in the amount of \$1,000 or more during a calendar year. To retain membership in the Safety Sustainer Society, an individual will provide \$500 or more of financial support per calendar year.

SAFETY SUSTAINER MEMBERS

Susan Meade-Beachell	Matthew Haas	Anita Nugent
Colleen Cole	Robert Harra	Lance Sabouni
Michelle Deaver	Scott Hunter	Herbert Semel
Allen DeWalle	Nancy Keatts	Francis Smyth
Marke Dickinson	Bernhard Koch	Victoria Stark
Tiffany Downs	Paul Laskow	Michael Tichenor
Nicholas Eppinger	Paul Lohrmann	Edward Tobler
Joseph Fernandez	Peter Luciano	Emily Turner
James Fortney	William Mallen	Dr. Ellen Yankellow
Michael Frainie	Daniel Martin	Stephen Zentz
William Gamble	Ronald McLain	Kimberlee Ziolkowski



FINANCIAL STATEMENTS

Mid-Atlantic Foundation for Safety and Education
Year Ended December 31, 2015 and 2014
With Report of Independent Auditors

Mid-Atlantic Foundation for Safety and Education
Financial Statements
Years Ended December 31, 2015 and 2014

Contents

Report of Independent Auditors.....1
Audited Financial Statements
Statements of Financial Position.....2
Statements of Activities and Changes in Net Assets.....3
Statements of Cash Flows.....4
Notes to Financial Statements.....5-9



Report of Independent Auditors

Board of Directors
Mid-Atlantic Foundation for Safety and Education

We have audited the accompanying financial statements of Mid-Atlantic Foundation for Safety and Education (the Foundation) which comprise the statements of financial position as of December 31, 2015 and 2016 and the related statements of activities and changes in net assets 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.

Auditor’s 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 our audits 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 Mid-Atlantic Foundation for Safety and Education as of December 31, 2015 and 2016 and the results of its activities and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Johnson Lambert LLP

Falls Church, Virginia
July 1, 2016

Mid-Atlantic Foundation for Safety and Education

Statements of Financial Position

	December 31	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 85,797	\$ 363,942
Cash restricted for temporary programs	19,577	15,018
Contributions receivable from AAA Mid-Atlantic	210,627	78,274
Other assets	15,980	16,942
Total current assets	331,981	474,176
Property and equipment:		
Equipment and automobiles	206,934	183,201
Less allowance for depreciation	(126,305)	(97,896)
Property and equipment, net	80,629	85,305
Total assets	<u>\$ 412,610</u>	<u>\$ 559,481</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 31,357	\$ 34,244
Due to AAA Mid-Atlantic, Inc.	156,940	282,449
Accrued payroll and related taxes	40,040	58,515
Total current liabilities	228,337	375,208
Net assets:		
Unrestricted	164,696	169,255
Temporarily restricted	19,577	15,018
Total net assets	184,273	184,273
Total liabilities and net assets	<u>\$ 412,610</u>	<u>\$ 559,481</u>

See accompanying notes.

Mid-Atlantic Foundation for Safety and Education

Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2015	2014
Changes in unrestricted assets		
Revenues		
Contributions	\$ 831,423	\$ 840,658
Contributions AAA Mid-Atlantic, Inc.	505,388	371,167
Fund raising revenue	209,263	227,834
Interest income	2,051	1,899
	1,548,125	1,441,558
Net assets released from restriction	16,762	1,422
Total unrestricted revenues	1,564,886	1,442,980
Expenses		
Salaries, wages and payroll taxes	773,558	734,475
Pension and employee benefits	135,822	121,194
Occupancy	159,365	159,365
Insurance	16,267	20,352
Printing	5,467	10,292
Public relations	112,980	102,075
Depreciation	28,409	20,655
Auto operating	27,839	23,380
Travel and entertainment	43,427	26,377
Auditing	15,500	15,493
Consulting and other professional services	103,734	129,543
Dinner dance expense	17,572	22,020
Golf outing expense	32,489	42,481
Other expenses	97,016	21,676
Total unrestricted expenses	1,569,445	1,449,378
Decrease in unrestricted assets	(4,559)	(6,398)
Changes in temporarily restricted assets		
Contributions	21,321	7,820
Net assets released from restriction	(16,762)	(1,422)
Increase in temporarily restricted assets	4,559	6,398
Change in net assets	-	-
Net assets at beginning of year	184,273	184,273
Net assets at end of year	<u>\$ 184,273</u>	<u>\$ 184,273</u>

See accompanying notes.

Mid-Atlantic Foundation for Safety and Education

Statements of Cash Flows

	Year Ended December 31	
	2015	2014
Operating activities		
Adjustments to changes in net assets:		
Depreciation	\$ 28,409	\$ 20,655
Changes in operating assets and liabilities:		
Other assets	962	512
Contributions receivable	(132,353)	159,940
Accounts payable	(2,887)	2,179
	-	-
Due to AAA Mid-Atlantic, Inc.	(125,509)	82,055
Accrued payroll and related taxes	(18,475)	(1,633)
Cash (used in) provided by operating activities	(249,853)	263,708
Investing activities		
Equipment and automobiles acquired	(23,733)	(45,569)
Cash used in investing activities	(23,733)	(45,569)
(Decrease) Increase in cash and cash equivalents	(273,586)	218,139
Cash and cash equivalents at beginning of year	378,960	160,821
Cash and cash equivalents at end of year	\$ 105,374	\$ 378,960

See accompanying notes.

Mid-Atlantic Foundation for Safety and Education

Notes to Financial Statements

December 31, 2015 and 2014

1. Organization and Summary of Significant Accounting Policies

Organization

The Mid-Atlantic Foundation for Safety and Education (the “Foundation”) is a not-for-profit corporation established on June 21, 2002, to raise funds to support safety and educational program services and operations.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis of Presentation

Net assets have been presented in accordance with U.S. GAAP used for not-for-profit organizations. These standards require the Foundation to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets – represents resources which have met all applicable restrictions and/or resources generated by other sources.

Temporarily restricted net assets – represents resources recognized as restricted support until such a time when all associated restrictions have been met.

Permanently restricted net assets – represents resources that contain a stipulation that permanently restricts the use of such funds but allows earnings from the funds to be used in a certain manner.

Mid-Atlantic Foundation for Safety and Education

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Contributions and Other Program Revenues

Contributions are considered to be unrestricted unless explicit donor stipulations specify how the donated assets must be used. Unrestricted donations are available for distribution in accordance with the Foundation’s bylaws and are recorded at fair value at the date of donation. Donations of cash or other assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. When a donor 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. When restrictions are met in the same period in which the contribution is received, the contribution is recorded as unrestricted support.

The Foundation receives its contributions primarily from members of AAA Mid-Atlantic Inc. (“AAA Mid-Atlantic”), which operates primarily in Pennsylvania, New Jersey, Virginia, Delaware, Maryland and the District of Columbia. When AAA Mid-Atlantic bills its members for annual dues, a contribution of \$1 – \$2 is included in the quoted dues. Such contributions are recorded as revenue when received. The member may waive this contribution without penalty.

In addition to member contributions, the Foundation may receive contributions from AAA Mid-Atlantic upon consent of its Board of Directors to support the Foundation operations. See Note 2 for additional information.

The Foundation also receives contributions in the form of gifts or donations from non-members, including revenues from certain fund raising events or programs.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit and money-market accounts.

Revenue Recognition

Revenue from member contributions is recorded as revenue when received. Contributions from AAA Mid-Atlantic are accrued in accordance with the terms of administrative support agreements or commitments to the Foundation and are recorded as contributions receivable at December 31, 2015 and 2014.

Mid-Atlantic Foundation for Safety and Education

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Foundation is not considered a private foundation. Management has concluded that the Foundation has maintained its exempt status. Additionally, management has concluded that there are no uncertain tax positions as of December 31, 2015.

Property and Equipment

Property and equipment consisting of computer equipment and a custom-built auto safety demonstration vehicle is stated at cost. Depreciation is provided by the straight-line method over a five-year useful life.

Pension Plan

Eligible employees of the Foundation are covered under the AAA Mid-Atlantic Defined Benefit Pension Plan. Accordingly, the Foundation has been charged \$18,193 and \$26,233 in 2015 and 2014, respectively, by AAA Mid-Atlantic for its portion of total pension expense. Pension plan expense is recorded in the statements of activities and changes in net assets as pension and employee benefits.

Eligible Foundation employees are also covered under the AAA Mid-Atlantic 401(k) and Defined Contribution Retirement Plan. The Foundation’s expense for the defined contribution plan amounted to \$34,468 and \$18,411 in 2015 and 2014, respectively. Defined contribution plan expense is included in the statements of activities and changes in net assets as pension and employee benefits.

Mid-Atlantic Foundation for Safety and Education

Notes to Financial Statements (continued)

2. Related-Party Transactions

AAA Mid-Atlantic, upon consent of its Board of Directors, makes additional funding contributions to the Foundation in support of operations. AAA Mid-Atlantic, Inc. made additional funding contributions to the Foundation of \$210,627 and \$78,274 for the years ended December 31, 2015 and 2014, respectively.

The Foundation also receives contributions from AAA Mid-Atlantic in the form of “In-Kind” contributions reflecting the value of accounting and other support services received, as well as certain rent and related occupancy charges for building space provided for Foundation use. In-Kind contributions were \$294,761 and \$292,893 for the years ended December 31, 2015 and 2014, respectively, which are reflected as a component of “Contribution AAA Mid-Atlantic Inc” revenues and the related expenses are reflected as a component of Salaries, wages and payroll taxes. “Occupancy” and “Consulting and other professional services” in the statements of activities and changes in net assets.

3. Restricted Net Assets

Foundation restricted net assets are available for the following purposes:

	December 31	
	2015	2014
Program operating activities:		
School Safety Patrol program	\$ -	\$ 1,500
Tribute Funds – Harvest Ball	11,574	12,518
Safety from the Start program	400	400
Otto the Auto program	7,603	100
BikeSafe	-	500
Total temporarily restricted net assets	<u>\$ 19,577</u>	<u>\$ 15,018</u>

Mid-Atlantic Foundation for Safety and Education

Notes to Financial Statements (continued)

3. Restricted Net Assets (continued)

Net assets were released from donor restrictions by incurring expenses that satisfied the restricted purposes as follows:

	December 31	
	2015	2014
Purpose restrictions accomplished:		
School Safety Patrol Program	\$ 1,950	\$ -
Tribute Funds – Harvest Ball	944	-
Safety from the Start Program	-	1,422
Otto the Auto program	12,368	-
BikeSafe	1,500	-
Total restrictions released	<u>\$ 16,762</u>	<u>\$ 1,422</u>

4. Functional Expenses

The Foundation presents the expenses within the statements of activities and changes in net assets on a natural classification basis. For full functional reporting of expenses, salaries and overhead are allocated proportionately to programs and supporting services based on estimated personnel efforts. Fully allocated functional expenses for the years ended December 31, 2015 and 2014 are as follows:

	December 31	
	2015	2014
Programs:		
Program service expense	\$ 1,206,976	\$ 1,125,111
Total programs	1,206,976	1,125,111
Fundraising expense	40,803	47,412
Management and general expense	321,666	276,855
Total functional expenses	<u>\$ 1,569,445</u>	<u>\$ 1,449,378</u>



The Mid-Atlantic Foundation for Safety and Education is a non-profit 501(c)(3) tax exempt, charitable organization dedicated to educating, training, and raising the level of traffic and travel safety awareness for all.

Our Foundation is funded by donations from AAA Members, corporations, and the general public.

For more information on our programs, events or to make a donation, please visit AAA.com/Foundation.