GEORGETOWN CARING PLACE

AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2017
WITH PRIOR YEAR SUMMARIZED INFORMATION

GEORGETOWN CARING PLACE

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The Accounting Firm of Donald L. Allman, CPA, PC

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CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
Georgetown Caring Place
Georgetown, Texas

We have audited the accompanying financial statements of Georgetown Caring Place (a nonprofit organization), which comprise the statement of financial position as of June 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 of 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 evaluation 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 Georgetown Caring Place as of June 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.

MEMBER TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS and AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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Other Matters – Comparative Prior Year Summarized Information

We previously audited the Georgetown Caring Place's financial statements for the year ended June 30, 2016.

Donald L. Allman, CPA, PC

Georgetown, Texas
November 6, 2017

GEORGETOWN CARING PLACE
STATEMENT OF FINANCIAL POSITION, WITH PRIOR YEAR SUMMARIZED INFORMATION
JUNE 30, 2017

ASSETS	2017	(Comparative Totals Only) 2016
Current Assets		
Cash and cash equivalents	$ 122,820	$ 124,660
Certificate of deposit	258,003	42,734
Investment-other-available for sale securities	-	-
Pledge receivable, current portion	-	-
Grants receivable	-	-
Prepaid expenses	26,313	4,751
Prepaid insurance	18,373	33,927
Total Current Assets	425,509	206,072
Fixed Assets, net of Accumulated Depreciation		
Land	416,507	416,507
Construction in progress	7,000	-
Building and improvements	3,570,765	3,563,445
Furniture, fixtures and equipment	435,154	412,112
Less: accumulated depreciation	(1,155,523)	(1,009,151)
Total Fixed Assets, net of Accumulated Depreciation	3,273,903	3,382,913
Other Assets		
Beneficial interest in assets held by others	-	301,061
Investment - other - land available for sale	-	-
Total Other Assets	-	301,061
TOTAL ASSETS	$ 3,699,412	$ 3,890,046
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other accrued expenses	36,045	52,043
Accrued payroll expenses	17,466	11,054
Compensated absences payable	23,618	23,618
Notes payable, current portion	71,998	72,235
Total Current Liabilities	149,127	158,950
Long-term Liabilities		
Notes payable, less current portion	303,473	375,371
Total Long-term Liabilities	303,473	375,371
Total Liabilities	452,600	534,321
Net Assets		
Unrestricted, undesignated	3,246,812	3,054,664
Unrestricted, Board Designated Endowment	-	278,269
Temporarily restricted	-	22,792
Total Net Assets	3,246,812	3,355,725
TOTAL LIABILITIES AND NET ASSETS	$ 3,699,412	$ 3,890,046

See accompanying notes to financial statements and independent auditors' report

GEORGETOWN CARING PLACE
STATEMENT OF ACTIVITIES, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total 2017	(Comparative Totals Only) 2016
SUPPORT, REVENUE AND RECLASSIFICATIONS				
Support				
Contributions	$ 442,430	$ -	$ 442,430	$ 135,504
Grants	165,056	-	165,056	76,505
Total Support	607,486	-	607,486	212,009
Revenue				
Thrift Shop Sales	1,692,281	-	1,692,281	789,399
Special Event income	112,324	-	112,324	34,941
Direct Mail income	94,185	-	94,185	-
Annex Lease income	5,081	-	5,081	-
Interest and other income	4,965	-	4,965	2,149
Realized and unrealized gain on investments	10,885	-	10,885	5,003
Total Revenue	1,919,721	-	1,919,721	831,492
Net Assets Released from Restrictions, Reclassifications and Satisfaction of Purpose Restrictions	-	-	-	-
TOTAL SUPPORT, REVENUE RELEASES AND RECLASSIFICATIONS	2,527,207	-	2,527,207	1,043,501
EXPENSES				
Program	2,313,739	-	2,313,739	928,601
Administration	214,154	-	214,154	239,434
Fundraising	108,227	-	108,227	35,705
TOTAL EXPENSES	2,636,120	-	2,636,120	1,203,740
Change in Net Assets	(108,913)	-	(108,913)	(160,239)
Transfers	22,792	(22,792)	-	-
Net Assets, beginning of year	3,332,933	22,792	3,355,725	3,515,964
Net Assets, end of year	$ 3,246,812	$ -	$ 3,246,812	$ 3,355,725

See accompanying notes to financial statements and independent auditors' report

GEORGETOWN CARING PLACE
STATEMENT OF FUNCTIONAL EXPENSES, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

	Program	Administration	Fundraising	Total 2017	(Comparative Totals Only) 2016 6 months
Payroll taxes	$ 64,993	$ 9,285	$ 3,095	$ 77,373	$ 31,528
Salaries & Benefits	882,811	126,120	42,040	1,050,971	437,431
Total Personnel expense	947,804	135,405	45,135	1,128,344	468,959
Advertising	32,137	-	-	32,137	17,522
Building and ground maintenance	63,916	9,131	3,044	76,091	32,473
Client transportation	19,980	-	-	19,980	10,719
Coats for kids	30,000	-	-	30,000	31
Community information	-	-	-	-	-
Contract labor	30,291	-	-	30,291	16,288
Depreciation	122,952	17,565	5,855	146,372	73,951
Education and training	-	5,388	-	5,388	752
Deep Heart of TX Gala/direct mail	-	-	32,976	32,976	8,637
Food purchases	102,368	-	-	102,368	23,320
Insurance	45,128	6,447	2,149	53,724	25,676
Interest	1,569	14,118	-	15,687	8,606
Legal and professional	9,000	9,000	9,000	27,000	18,350
Medical services	31,771	-	-	31,771	58,773
Mileage	485	-	4,367	4,852	1,748
Miscellaneous/cash over short	4,758			4,758	1,117
Office supplies & IT expenses	16,187	2,312	771	19,270	11,773
Printing & postage	7,760	1,108	370	9,238	3,742
Rebuild	992	-	-	992	1,521
Rent payments for clients	449,800	-	-	449,800	217,382
Special client services	910	-	-	910	1,014
Self Suffiency Program	597	-	-	597	738
Temporary shelter	6,948	-	-	6,948	5,913
Thrift store	68,658	-	-	68,658	34,752
Utilities	85,003	12,144	4,048	101,195	47,794
Utility payments for clients	211,755	-	-	211,755	104,597
Office rent	10,752	1,536	512	12,800	-
Volunteer support and supplies	12,218	-	-	12,218	7,592
TOTAL EXPENSES	$ 2,313,739	$ 214,154	$ 108,227	$ 2,636,120	$ 1,203,740

See accompanying notes to financial statements and independent and auditors' report

GEORGETOWN CARING PLACE
STATEMENT OF CASH FLOWS, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

	2017	(Comparative Totals Only) 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		
Adjustments to reconcile change in net assets to net	$ (108,913)	$ (160,239)
cash provided by operating activities:		
Depreciation	146,372	73,951
Net change in value of endowment fund	(136,478)	-
In-kind donation of assets	-	-
Unrealized gain on investments		
(Increase) Decrease in operating assets:		
Decrease in grants receivable	-	-
(Increase) in accounts receivable	-	-
(Increase) Decrease in prepaid expenses	(6,008)	(15,239)
Decrease in other assets	-	-
Increase (Decrease) in operating liabilities:		
Increase (Decrease) in accounts payable	(15,998)	24,082
Increase in compensated absences payable	-	-
Increase in accrued payroll expenses	6,412	(2,652)
(Decrease) in accrued interest payable	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(114,613)	(80,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(30,361)	(20,235)
Proceeds from (investment in) certificate of deposit	215,269	3,265
NET CASH USED BY INVESTING ACTIVITIES	184,908	(16,970)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments/advances on debt	(72,135)	(36,290)
NET CASH USED BY FINANCING ACTIVITIES	(72,135)	(36,290)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,840)	(133,357)
CASH AND CASH EQUIVALENTS, beginning of year	124,660	258,017
CASH AND CASH EQUIVALENTS, end of year	$ 122,820	$ 124,660
Supplemental disclosure of cash flow information:		
Cash paid for interest expense	$ 15,687	$ 8,606
Disposal of fully depreciated assets	$ -	$ -

See accompanying notes to financial statements and independent auditors' report

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Georgetown Caring Place (hereafter referred to as the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies and principles conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The Organization is a non-profit Texas corporation established in 1986 to carry out a community-wide mission of churches, other organizations, and individuals serving human needs in the City of Georgetown and surrounding areas. The Organization's work includes providing food, clothing, household goods, and financial assistance for persons residing in Georgetown and rural Williamson County.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenditures are recorded in the accounting period incurred, if measurable.

Income Tax Status

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code from Federal Income Tax on income arising from its exempt purpose. The Organization is also exempt from state income taxes in the State of Texas under Sections 151.310, 156.102, and 171.062 of the Texas Tax Code. Therefore, no provision for income taxes is included in the financial statements. Provisions for income taxes on unrelated business income are made when required for income from non-exempt activities and paid during the year.

Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC) Section 740, *Income Taxes*, requires extensive disclosures about uncertain tax positions. The requirements of this standard are applicable to nonprofit organizations. The Organization evaluates any uncertain tax positions using the provisions of FASB ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management's judgement with respect to the likely outcome of each uncertain tax position.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Income Tax Status (Continued)</u>

The Organization does not believe that is has engaged in any situation that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three and four reporting periods remain open to examination. Currently, the Organization has no open examinations with either the Internal Revenue Service or state taxing authorities.

<u>Use of Estimates</u>

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

<u>Cash and Cash Equivalents</u>

The Organization considers all cash and other highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

<u>Investments and Fair Value of Financial Instruments</u>

The Organization's financial instruments are accounted for at fair market value in the statement of financial position with unrealized gains and losses reported in the change in net assets. FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of a given measurement date and establishes a framework for measuring fair value. This standard also establishes a three-level hierarchy for such measurements based on the reliability of observable and unobservable inputs as follows:

> Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurable date.
>
> Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.
>
> Level 3 – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

The Organization considers all receivables to be 100% collectible based on historical collection rates of its contributors and grantees.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives. Any donated items are recorded at fair value. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. The Organization has a policy of only capitalizing depreciable assets purchased at or over $1,000, expensing items falling below that amount. Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Building and improvements	7-40 years
Furniture, fixtures and equipment	5-7 years

Deferred Revenue

Deferred revenue consists of contract revenue received in the current fiscal year that represents revenue to be recognized in the subsequent fiscal year or when it is earned.

Financial Statement Presentation

The Organization reports under the provisions of FASB ASC 958-205, *Not-for-Profit Organizations.* Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Net assets that are not subject to any donor-imposed restriction.

Temporarily restricted – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. The Organization had no permanently restricted assets during the year.

In addition, the Organization is required to present a Statement of Cash Flows.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

The Organization's revenue comes primarily from its thrift shop sales of used clothing and household goods donated by the general public.

Donated Property and Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in direct services, fund-raising, and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605 have not been satisfied. Donated property is recorded at fair market value on the date of the donation as in-kind contributions if all qualifications for reporting have been met.

Contributions

Under FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are reported as temporarily or permanently restricted support are reclassified to unrestricted net assets upon expiration of the time or purpose restriction. Contributions and grant restrictions that are satisfied in the year of receipt are reported as unrestricted revenue in the same year.

Functional Expenses

The expenses of the Organization's various programs and supporting services have been reported on a functional basis. Certain expenses are allocated between program and supporting service based on estimates made by management and historical analysis.

Compensated Absences

The Organization expenses paid time off in the year earned. Upon termination, the employee is compensated for any accrued but unused paid time off.

Summarized Comparative Financial Information

The accompanying financial statements include prior year summarized comparative information. Such information may not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NOTE B – INVESTMENTS

As of June 30, 2017, investments consisted of certificates of deposit, investment land and securities. All investments were valued using the market approach and inputs were considered Level 1 or level 2 under the fair value hierarchy. Investment income consisted of the following for the year ended June 30, 2017.

Interest Income	$4965

The above amount does not include the Endowment Fund activity included in note G.

NOTE C – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 2010, the Organization transferred funds from its investment portfolio to the Chisholm Trail Foundation (the Foundation) to establish the Georgetown Caring Place Endowment Fund. The Endowment's purpose is to provide stable and ongoing means of generating revenue, which will be used to support the charitable mission of the Organization. At the time of transfer, the Organization did not grant variance power to the Foundation.

At June 30, 2016, the Endowment had value of $301,061, which is reported in the Statements of Financial Position as beneficial interest in assets held by others. Beneficial interest in assets held by others was valued using the market approach and inputs were considered Level 2 under the fair value hierarchy.

On October 24, 2016, the Board of Directors voted to close the Chisholm Trail Communities Foundation and transfer the money to a CD for 3 to 6 months. Doing so will save Georgetown Caring Place $3,000 a year in management fees.

NOTE D – FIXED ASSETS

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Land	$ 416,507	$ -	$ -	$ 416,507
Building and improvements	3,563,445	7,320	-	3,570,765
Furniture, fixtures and equipment	412,113	23,041	-	435,154
Construction in Progress		7,000		7,000
Less: Accumulated depreciation	(1,009,151)	(146,372)	-	(1,155,523)
Total Fixed Assets, Net of Accumulated Depreciation	$ 3,382,914	$ (109,011)	$ -	$ 3,273,903

NOTE E– NOTES PAYABLE

Notes payable at June 30, 2017, consisted of the following:

Note payable to a bank in monthly installments of $5,362, including interest at 3.75% due September 2016, secured by property	$ 171,363
Note payable to a bank in monthly installments of $1,956, including interest at 3.25% due September 2017, secured by property	204,108
Total notes payable	375,471
Less current portion	(71,998)
Notes payable, less current portion	$ 303,473

The following is a list of maturities of the notes payable:

Year Ending June 30	
2018	86,291
2019	100,247
2020	116,935
	-
Total	$ 303,473

NOTE F – ENDOWMENT FUNDS

The Organization maintained two endowment funds which are comprised of unrestricted assets set aside by Board designation and restricted donor contributions; collectively they are treated as one endowment fund. The endowment fund was invested to support the mission of the Organization.

The Organization adopted Financial Accounting Standards Board Staff Position No. 117-1 (FAX117-1), along with interpretations included in FASB ASC 958, which provides guidance on the net asset classification of endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006. Additionally, it provides expanded disclosures about an organization's board-designated endowment funds.

The Organization is subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) which has been enacted by the State of Texas. The Board of Directors of the Organization has interpreted TUPMIFA as requiring a focus on the entirety of endowment funds, including the original gift amount and net appreciation. TUPMIFA provides guidelines about what constitutes prudent spending and explicitly requires consideration of preservation of the fund.

As a result of the interpretation, the Organization classifies the amount specified by explicit donor stipulation as an endowment as permanently restricted net assets. This amount is not reduced by losses on investments in the endowment fund or by approved appropriations for expenditure from the fund. The portion of the donor-restricted endowment funds not classified as permanently restricted, are classified as temporarily restricted net assets (time restricted) until they are appropriated for expenditure. Temporarily restricted net assets are reclassified to unrestricted net assets for the amount appropriated when the purpose restriction has been met.

Assets designated by the Board to function as an endowment for support the mission are classified as unrestricted net assets.

Endowment funds are maintained in a separate investment account which is managed by an independent financial firm and the Foundation that follows guidance provided in an investment policy approved by the Board of Directors. The Board approves appropriations for expenditures of endowment funds as part of the annual budget or as an unexpected need arises. The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding for maintenance supported by its endowment while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Endowment currently maintains a concentration on all of its investments in one investment fund. This fund seeks long-term capital appreciation and income. The fund invests in a diversified group of other mutual funds, rather than in individual securities. It follows a balanced investment approach by placing 60% to 70% of assets in common stocks.

NOTE G – ENDOWMENT FUNDS (Continued)

Through eight stock funds; 20% to 30% of assets in bonds through two bond funds; and 10% to 20% of assets in short-term investments through a short-term bond fund. While the investment is non-diversified, it invests in diversified underlying holdings.

The Organization targets a diversified asset allocation that places an emphasis on a blend of equity-based investments and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor specified as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets as an aggregate deficiency of the fair value of net endowment assets over restricted net assets. On October 24, 2016, the Board of Directors voted to close the Endowment Fund and transfer the money to a 3 to 6 month CD.

The following is a detail of the Endowment Fund activity during the year ending June 30, 2017:

	Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	$ 278,269	$ 22,792	$ 301,061
Investment return:			
Investment income	-	-	-
Net realized and unrealized gains (losses)	-	-	-
Total investment return	-	-	-
Contributions	-	-	-
Transfer of Endowment assets to CD	(278,269)	(22,792)	(301,061)
Endowment net assets, end of year	$ -	$ -	$ -

NOTE H – NET ASSETS

Net assets are available for the following purposes:

Net Assets	
Unrestricted, undesignated	3,246,812
Unrestricted, Board Designated Endowment	-
Temporarily restricted	-
Total Net Assets	3,246,812

The temporarily restricted net assets, other, are funds received by donors in which restrictions have not yet been satisfied.

NOTE 1 – FAIR VALUE OF FINANCIAL INSTRUMENTS

As of June 30, 2017, financial instruments consisted of the following:

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance 6/30/2017
Cash and cash Equivalents	$ 122,820	$ -	$ -	$ 122,820
Certificates of deposit	$ 258,003	$ -	$ -	$ 258,003
Investment - other - available for sale	$ -	$ -	$ -	$ -
securities	-	-	-	-
Beneficial interest in assets held by others	$ -	$ -	$ -	$ -

NOTE J – CONCENTRATIONS AND CONTINGENCIES

The Organization is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2017, the Organization was covered by insurance for these various risks at a reasonable level and a cost it considered to be economically justifiable.

At various times throughout the year ending June 30, 2017, the Organization exceeded the balances covered by the federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SPIC) insurance limit. Management monitors all accounts and has not experienced any losses on deposits.

NOTE K – SUBSEQUENT EVENT

Management has evaluated all subsequent events for disclosure and/or recognition through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued. No events occurred that would impact the financial statements.