

# Neighbors, Inc.

## Financial Statements Together with Independent Auditors' Report

June 30, 2018

# NEIGHBORS, INC.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Neighbors, Inc.  
South St. Paul, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of Neighbors, Inc. (a nonprofit organization), which comprise the statement of financial position as of as of June 30, 2018 and the related statement 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.

### Auditors' 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 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.

Neighbors, Inc.  
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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighbors, Inc. as of June 30, 2018 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.

Roseville, Minnesota  
January 29, 2019

*Olsen Thielens + Co., Ltd.*

# NEIGHBORS, INC.

## STATEMENT OF FINANCIAL POSITION JUNE 30, 2018

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ASSETS	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 171,124
Certificates of Deposit	79,487
Pledge Receivables	1,750
Prepaid Expenses	10,754
Inventory	<u>190,273</u>
Total Current Assets	<u>453,388</u>
OTHER ASSETS:	
Endowment Fund Investments	478,887
Investments	<u>45,982</u>
Total Other Assets	<u>524,869</u>
PROPERTY AND EQUIPMENT, NET	<u>1,558,924</u>
TOTAL ASSETS	<u>\$ 2,537,181</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts Payable	\$ 21,039
Accrued Vacation	<u>20,303</u>
Total Current Liabilities	<u>41,342</u>
NET ASSETS:	
Unrestricted Net Assets:	
Board Designated for Operating Reserve	22,414
Board Designated for Endowment Fund	286,126
Undesignated	<u>1,960,446</u>
Total Unrestricted Net Assets	2,268,986
Temporarily Restricted Net Assets	7,240
Permanently Restricted Net Assets	<u>219,613</u>
Total Net Assets	<u>2,495,839</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,537,181</u>

*The accompanying notes are an integral part of the financial statements.*

**NEIGHBORS, INC.**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>				
Support:				
United Way Contributions	\$ 89,300	\$ —	\$ —	\$ 89,300
Contributions, Cash and Securities	649,707	—	—	649,707
Contributions, In-Kind	1,903,371	—	—	1,903,371
Government Grants	73,779	—	—	73,779
Foundation Grants	154,204	—	—	154,204
Total Support	<u>2,870,361</u>	<u>—</u>	<u>—</u>	<u>2,870,361</u>
Revenue:				
Investment Income	41,508	—	—	41,508
Sales to Public	119,895	—	—	119,895
Total Revenue	<u>161,403</u>	<u>—</u>	<u>—</u>	<u>161,403</u>
Net Assets Released from Restrictions	—	—	—	—
Total Support and Revenue	<u>3,031,764</u>	<u>—</u>	<u>—</u>	<u>3,031,764</u>
<b>EXPENSES:</b>				
Program Services	3,044,992	—	—	3,044,992
Management and General	138,241	—	—	138,241
Fundraising	69,120	—	—	69,120
Total Expenses	<u>3,252,353</u>	<u>—</u>	<u>—</u>	<u>3,252,353</u>
CHANGE IN NET ASSETS	(220,589)	—	—	(220,589)
NET ASSETS at Beginning of Year	<u>2,489,575</u>	<u>7,240</u>	<u>219,613</u>	<u>2,716,428</u>
NET ASSETS at End of Year	<u>\$ 2,268,986</u>	<u>\$ 7,240</u>	<u>\$ 219,613</u>	<u>\$ 2,495,839</u>

*The accompanying notes are an integral part of the financial statements.*

**NEIGHBORS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

	Program Services			Supportive Services		Total Expenses
	Emergency Assistance	Supportive Assistance	Total Program	Management and General	Fundraising	
Salaries	\$ 480,346	\$ 144,866	\$ 625,212	\$ 91,494	\$ 45,747	\$ 762,453
Employee Benefits	60,924	18,374	79,298	11,605	5,802	96,705
Payroll Taxes	36,308	10,950	47,258	6,916	3,458	57,632
Total Salaries and Benefits	<u>577,578</u>	<u>174,190</u>	<u>751,768</u>	<u>110,015</u>	<u>55,007</u>	<u>916,790</u>
Non-Cash Assistance to Families	2,089,231	-	2,089,231	-	-	2,089,231
Depreciation	41,135	12,406	53,541	7,835	3,918	65,294
Professional Fees	1,704	514	2,218	324	162	2,704
Utilities	37,960	11,448	49,408	7,230	3,615	60,253
Building Repairs and Maintenance	12,653	3,816	16,469	2,410	1,205	20,084
Insurance	11,303	3,409	14,712	2,153	1,076	17,941
Miscellaneous	5,062	1,527	6,589	964	482	8,035
Transportation Services	-	11,105	11,105	-	-	11,105
Printing	9,493	2,863	12,356	1,808	904	15,068
Conferences	8,099	2,442	10,541	1,543	771	12,855
Supplies	4,084	1,232	5,316	778	389	6,483
Travel	7,695	2,321	10,016	1,466	733	12,215
Equipment Maintenance	5,324	1,606	6,930	1,014	507	8,451
Postage	3,682	1,110	4,792	701	351	5,844
Total	<u>\$ 2,815,003</u>	<u>\$ 229,989</u>	<u>\$ 3,044,992</u>	<u>\$ 138,241</u>	<u>\$ 69,120</u>	<u>\$ 3,252,353</u>

*The accompanying notes are an integral part of the financial statements.*

## NEIGHBORS, INC.

### STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2018

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (220,589)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	65,294
Reinvestment of Dividends and Interest	(23,997)
Unrealized Gains on Investments	(14,892)
Changes in Assets and Liabilities:	
Pledge Receivables	(1,250)
Prepaid Expenses	1,492
Inventory	118,914
Accounts Payable	2,101
Accrued Vacation	(4,319)
Net Cash Flows From Operating Activities	<u>(77,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of Certificates of Deposit	78,653
Purchase of Certificates of Deposit	(79,487)
Purchase of Property and Equipment	(11,035)
Net Cash Flows From Investing Activities	<u>(11,869)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(89,115)
CASH AND CASH EQUIVALENTS at Beginning of Year	<u>260,239</u>
CASH AND CASH EQUIVALENTS at End of Year	<u>\$ 171,124</u>

*The accompanying notes are an integral part of the financial statements.*



# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

Neighbors, Inc. (the Organization) is a nonprofit organization created by local churches in 1972 to address unmet needs in northern Dakota County, Minnesota. The principal purpose of the Organization is to provide neighborly assistance, in an organized fashion, primarily through the use of volunteers. Emergency services include the clothes closet, food shelf, emergency grants and holiday assistance. Supportive services include transportation, tele-care, support groups and partnership initiative.

#### **Basis of Presentation**

In the accompanying financial statements, net assets that have similar characteristics have been combined into categories as follows:

Unrestricted - Net assets over which the Board of Directors has discretionary control. Designated amounts represent those net assets which the board has set aside for a particular purpose.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions pursuant to those stipulations or that expire with the passage of time.

Permanently Restricted - Net assets subject to donor imposed restrictions that they be maintained permanently by the Organization. The donors have permitted the Organization to use all or part of the income earned, including capital appreciation, for unrestricted or temporarily restricted purposes. Permanently restricted net assets consist of investments restricted for the endowment fund.

#### **Accounting Estimates**

The presentation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Subsequent Events**

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through January 29, 2019, the date the financial statements were available to be issued.

#### **Cash Equivalents**

The Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates market value.

# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Certificates of Deposit

Short-term interest bearing investments are those with maturities of less than one year but greater than three months when purchased. Certificates with maturity dates beyond one year are classified as noncurrent assets. These investments are readily convertible to cash and are stated at cost plus accrued interest, which approximates fair value.

#### Receivables

Receivables are reported at net realizable value. The Organization monitors outstanding balances and periodically writes off balances that are determined to be uncollectible. The Organization has concluded that losses on balances outstanding at year-end will be immaterial.

#### Investments

Investments in marketable securities are stated at fair value, which is determined by quoted market prices in active markets. Realized and unrealized gains and losses are included in the statement of activities. Realized gains and losses are determined using the specific identification method. Interest and dividend income are reported as income when earned.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and such changes could materially affect the investment balances.

#### In Kind Contributions and Inventory

Inventories at June 30, 2018 consist of donated food, toys, clothing and gift certificates. Inventory is valued at the lower of cost or net realizable value. Cost for donated food is determined using the value of food per pound calculated by Feeding America through a study of approximate average wholesale value of one pound of donated product at the national level. Other items are valued at the amount paid for similar items. Donated clothing is valued at net realizable value based on prices used in the Organization's clothes closet. In-kind contributions received for the year ended June 30, 2018 consist of the following:

Food	\$ 1,632,525
Toys and Clothes	265,609
Other	<u>5,237</u>
Total	<u>\$ 1,903,371</u>

Many individuals have donated time and services to advance the Organization's programs and objectives. The value of these services has not been recorded in the financial statements because it does not meet the definition of recognition under generally accepted accounting principles.

#### Property and Equipment

Property and equipment are recorded at original cost. Additions, improvements or major renewals are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gains or losses thereon are reflected in the statement of activities.

# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property and Equipment (Continued)

Depreciation is computed using the straight-line method at rates based on the estimated service lives of the various assets as follows for 2018:

Building and Improvements	15-40 Years
Office Equipment	3-10 Years
Furniture and Fixtures	5-15 Years

#### Revenue Recognition and Pledge Receivables

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made. Management believes that any disallowances, if any, would not have a significant effect on the statement of financial position.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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. Pledges receivable consists of unconditional promises to give and are recognized as revenue in the period made. Contributions to be received after one year are discounted using present value of future cash flows. Amortization of discounts is recorded as additional contribution revenue. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributed materials are recorded as contributions, when received, at their fair market value when such value can be objectively and accurately determined.

#### Functional Allocation of Expenses

The costs of providing various programs and services are summarized on a functional basis on the statement of activities. Accordingly, certain costs were allocated among the programs or services benefited based on best estimates by management.

#### Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code but is subject to income tax on net unrelated business income. The Organization had no unrelated business income tax in 2018.

The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair Value Measurements

Under generally accepted accounting principles, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards establish a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1 - Observable inputs such as quoted prices in active markets;

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and,

Level 3 - Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Organization uses observable market data, when available, in making fair value measurements. Fair value measurements are classified according to the lowest level input that is significant to the valuation.

The Organization holds certain assets that are required to be measured at fair value on a recurring basis. The fair values of the Organization's Endowment Fund investments and other investments were determined by reference to quoted prices in active markets, which are Level 1 inputs.

#### Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. As of June 30, 2018, the Organization had no significant concentrations of credit risk.

#### Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance for accounting for revenue from contracts with customers. The new guidance outlines a single comprehensive model for organizations to use in accounting for revenue from contracts with customers. This ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It can be adopted using either a retrospective approach or a modified retrospective approach. The Organization is currently evaluating this guidance to determine the impact it may have on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU is effective for annual and interim periods beginning after December 15, 2019 with early adoption permitted. It is to be adopted using the modified retrospective approach. The Organization is currently evaluating this guidance to determine the impact it may have on its financial statements.

# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Recently Issued Accounting Pronouncements (Continued)

In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which provides guidance for presentation of financial statements of not-for-profit entities. The new guidance requires a number of changes in the financial statement presentation including presenting two classes of net assets, underwater endowments, investment return, enhanced disclosures on board designations and management of liquid resources for cash flows, and present expenses by their natural and functional classification. The ASU will be effective for financial statements for fiscal years beginning after December 15, 2017 with early adoption permitted. The amendments in this update should be applied on a retrospective basis. However, if presenting comparative financial statements, the Organization has the option to omit the following information for any periods presented before the period of adoption: analysis of expenses by both natural classification and functional classification and disclosures about liquidity and availability of resources. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

### NOTE 2 - INVESTMENTS AND ENDOWMENT FUNDS

Endowment fund investments consist of mutual funds. The endowment fund includes permanently restricted contributions of \$219,613 as of June 30, 2018. The remaining endowment funds are unrestricted.

Endowment funds at December 31, 2018 consist of the following:

#### Mutual Funds:

Growth Fund of America	\$ 213,937
Federated Total Return Bond Fund	96,315
Franklin Mutual Shares Fund	71,266
Templeton World Fund	50,656
International Bond Fund of America	34,268
Franklin Mutual Global	<u>12,445</u>
Total	<u>\$ 478,887</u>

Other investments at June 30, 2018 are stated at their fair market value and consist of preferred stock.

Investment return on all investments consists of the following for the year ended June 30, 2018:

Interest and Dividend Income	\$ 26,616
Net Unrealized Investment Gains	<u>14,892</u>
Total	<u>\$ 41,508</u>

# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2018:

Land	\$ 225,000
Building and Improvements	1,570,014
Office Equipment and Furniture	177,363
Vehicle	<u>20,291</u>
Total Property and Equipment	1,992,668
Less Accumulated Depreciation	<u>433,744</u>
Net Property and Equipment	<u>\$ 1,558,924</u>

### NOTE 4 - PENSION PLAN

The Organization participates in a defined contribution 403(b) pension plan which covers substantially all of the Organization's employees. Expense for the plan was \$16,767 for the year ended June 30, 2018.

The Organization also participates in a multiple employer defined benefit pension plan in which 16 other agencies also participate. Of the approximate 1,100 participants, 1% are the Organization's employees. Effective December 31, 2004, the plan froze benefit accruals and, as a result, employees do not earn additional defined benefits for future services.

As required by GAAP for this plan, an employer shall recognize as net pension cost the required contribution for the period and shall recognize as a liability any contribution due and unpaid. The funding is determined by the actuary and is allocated based on employee compensation among the participating agencies. The objective in funding the plan is to accumulate sufficient funds to provide for benefits and to achieve full funding to allow for termination of the plan. Because the plan's unfunded projected termination liability exceeds the fair market value of plan assets, continued annual contributions will be required in order to achieve full funding. If any participating agency defaults on their annual contributions, the remaining agencies assume the liability and contributions of the agency in default. Plan assets are invested based on a long-term investment strategy and held approximately 30% in fixed income securities and 70% in equity accounts. The Organization made contributions of \$15,591 in the year ended June 30, 2018, which is recognized as pension cost.

The following table presents information concerning our participation in the multiple employer defined benefit pension plan:

Legal Name	Twin Cities Nonprofit Partners Pension Plan
EIN/Plan Number	41-1973442/333
Plan Year End	12/31/17
Pension Protection Act % Funded	110%
Contributions Made by Neighbors, Inc.	\$15,591
Contributions as % of Total Contributed	1%
Rehabilitation Plan Status	N/A

## NEIGHBORS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 5 - ENDOWMENT FUNDS

The purpose of the endowment fund is to ensure financial stability by providing a steady stream of investment income which is available for restricted and unrestricted purposes. The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors. Net assets associated with the endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Neighbors, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as board designated unrestricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purpose of the Organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Organization.
- (7) The investment policies of the Organization.

The Organization has adopted investment and spending policies for investment assets to support the mission by providing earnings and capital appreciation to support agency programs, capital expenditures, and board-directed initiatives through a strategic plan that strives to maintain and grow the investment corpus and provide annual earnings to support the Organization's mission. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that preserve the inflation-adjusted value of the fund and maximize total return within reasonable and prudent levels of risk. The Organization targets a diversified asset allocation plan, sets performance benchmarks and has established various asset quality and limitation thresholds.

# NEIGHBORS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5 - ENDOWMENT FUNDS (Continued)

The Finance Committee of Neighbors, Inc. will review and recommend any amount to be distributed from the endowment assets on an as-needed basis.

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	<u>Permanently Restricted</u>	<u>Board Designated</u>	<u>Total</u>
BALANCE on June 30, 2017	\$ 219,613	\$ 247,238	\$ 466,851
Investment Activity:			
Unrealized Gains	–	14,892	14,892
Interest and Dividend Income	–	<u>23,996</u>	<u>23,996</u>
BALANCE on June 30, 2018	<u>\$ 219,613</u>	<u>\$ 286,126</u>	<u>\$ 505,739</u>

### NOTE 6 - NET ASSETS

Temporarily program restricted net assets at June 30, 2018 consists of funds restricted for capital improvements and maintenance.