

Audited Financial Statements



BOYS & GIRLS CLUBS
OF METRO LOS ANGELES

December 31, 2016

Quigley & Miron

Boys & Girls Clubs of Metro Los Angeles
Audited Financial Statements
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Independent Auditor's Report

Board of Directors
Boys & Girls Clubs of Metro Los Angeles
Los Angeles, CA

We have audited the accompanying financial statements of Boys & Girls Clubs of Metro Los Angeles, a nonprofit organization, which comprise the statement of financial position as of December 31, 2016, 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 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 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

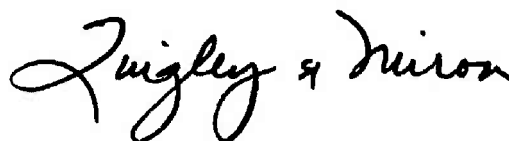
Boys & Girls Clubs of Metro Los Angeles

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Metro Los Angeles as of December 31, 2016, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Los Angeles, California
September 20, 2017

A handwritten signature in black ink, reading "Zigley & Miron". The signature is written in a cursive, flowing style. The "Z" is large and loops around the "i" in "Zigley". The "&" is small and connects the two names. The "M" in "Miron" is also large and loops around the "i". The signature is written on a light gray background.

Boys & Girls Clubs of Metro Los Angeles
Statement of Financial Position
December 31, 2016

Assets

Cash and cash equivalents	\$ 1,002,737
Contracts and grants receivable—Note 3	721,344
Prepaid expenses	30,340
Buildings and land leases—Note 4	8,279,662
Property and equipment, net—Note 5	11,716,170

Total Assets	<u>\$ 21,750,253</u>
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Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 286,249
Employee benefits payable—Note 9	60,131
Deposits	50,000
Note payable—Note 6	108,512

Total Liabilities	<u>504,892</u>
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Net Assets

Unrestricted	10,974,913
Temporarily restricted—Note 7	9,929,613
Permanently restricted—Note 8	340,835

Total Net Assets	<u>21,245,361</u>
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Total Liabilities and Net Assets	<u>\$ 21,750,253</u>
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See notes to financial statements.

Boys & Girls Clubs of Metro Los Angeles
Statement of Activities
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support				
Grants	\$ 1,288,052	\$ 6,021,370	\$	\$ 7,309,422
Contributions	219,093			219,093
Government contracts	138,366			138,366
In-kind contribution of buildings and land leases—Note 4	276,668			276,668
In-kind contribution of legal services—Note 13	1,591,982			1,591,982
Acquisition of Challengers Boys & Girls Club—Note 14	7,982,910	196,785	340,835	8,520,530
Acquisition of Watts- Willowbrook Boys & Girls Club—Note 14	2,815,272	4,684,357		7,499,629
Total Public Support	14,312,343	10,902,512	340,835	25,555,690
Revenue				
Rental income—Note 12	173,036			173,036
Membership income	44,890			44,890
Other income	4,683			4,683
Total Revenue	222,609			222,609
Net Assets Released from Restrictions	972,899	(972,899)		
Total Public Support and Revenue Reclassifications	15,507,851	9,929,613	340,835	25,778,299
Expenses				
Program services	3,384,974			3,384,974
Supporting services				
Management and administration	894,950			894,950
Fund development	253,014			253,014
Total Expenses	4,532,938			4,532,938
Change in Net Assets	10,974,913	9,929,613	340,835	21,245,361
Net Assets at Beginning of Year				
Net Assets at End of Year	\$ 10,974,913	\$ 9,929,613	\$ 340,835	\$ 21,245,361

See notes to financial statements.

Boys & Girls Clubs of Metro Los Angeles
Statement of Functional Expenses
Year Ended December 31, 2016

	Program Services	Supporting Services		Total
		Management and Admin- istration	Fund Development	
Salaries	\$ 735,466	\$ 122,441	\$ 87,872	\$ 945,779
Employee benefits	125,366	20,871	14,979	161,216
Payroll taxes	93,108	15,501	11,124	119,733
Total Personnel Expenses	953,940	158,813	113,975	1,226,728
Professional and consulting fees	1,569,969	532,817	47,557	2,150,343
Occupancy and utilities	359,861	44,983	44,983	449,827
Repairs and maintenance	130,007	16,251	16,251	162,509
Depreciation and amortization	81,929	10,241	10,240	102,410
Insurance		99,268		99,268
Program expense	69,643			69,643
Office	46,299	5,788	5,787	57,874
Scholarships and grants	56,702			56,702
Property taxes	29,969	3,746	3,746	37,461
Travel and transportation	26,672	4,440	3,187	34,299
Equipment rental	21,767	2,721	2,721	27,209
Miscellaneous	21,044	3,504	2,515	27,063
Supplies	8,737	1,455	1,044	11,236
Printing and publications	5,135	855	614	6,604
Conferences and training	3,300	549	394	4,243
Interest		3,896		3,896
Bank charges		3,262		3,262
Licenses and permits		1,198		1,198
Advertising		1,163		1,163
Total Expenses	\$ 3,384,974	\$ 894,950	\$ 253,014	\$ 4,532,938

See notes to financial statements.

Boys & Girls Clubs of Metro Los Angeles
Statement of Cash Flows
Year Ended December 31, 2016

Cash Flows from Operating Activities

Change in net assets	\$ 21,245,361
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	102,410
Property and equipment acquired from Challengers—Note 14	(8,840,000)
In-kind land lease acquired from Watts-Willowbrook—Note 14	(4,684,357)
In-kind building and land lease contribution—Note 4	(3,631,370)
Property and equipment acquired from Watts-Willowbrook—Note 14	(2,978,580)
Note payable acquired from Challengers—Note 14	131,777
Changes in operating assets and liabilities:	
Contracts and grants receivable	(721,344)
Prepaid expenses	(30,340)
Buildings and land lease	36,065
Accounts payable and accrued expenses	286,249
Employee benefits payable	60,131
Deposits	50,000
Net Cash Provided by Operating Activities	1,026,002

Cash Flows from Financing Activities

Repayments on note payable	(23,265)
Net Cash Used in Financing Activities	(23,265)
Net Increase in Cash and Cash Equivalents	1,002,737

**Cash and Cash Equivalents
at Beginning of Year**

Cash and Cash Equivalents at End of Year	\$ 1,002,737
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Supplementary Disclosures

Income taxes paid	\$
Interest paid	\$ 3,017

See notes to financial statements.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements
December 31, 2016

Note 1—Organization and Summary of Significant Accounting Policies

Organization—Boys & Girls Clubs of Metro Los Angeles (BGCMLA) is a California not-for-profit corporation chartered by the Boys & Girls Clubs of America, Inc. BGCMLA was created in 2015 to consolidate existing Boys & Girls Clubs and to expand services through the creation of new Clubs and through partnerships with city and county government. BGCMLA's mission is focused on promoting the health, life skills, and educational, vocational, and character development of Los Angeles youth ages 6-18. Each of the program sites (Clubs) facilitates programs designed to meet the physical, emotional, cultural, and social needs of the participants. Because these core areas are integrated, it is not practical to separate expenses into program categories. BGCMLA's principal funding sources are contributions, grants, government contracts and rentals.

On April 21, 2016, BGCMLA acquired Challengers Boys and Girls Club (Challengers), formed in 1968, located in South Central Los Angeles. On April 26, 2016, BGCMLA acquired Watts-Willowbrook Boys & Girls Club (Watts-Willowbrook), formed in 1957, located in South Los Angeles. Through these acquisitions, BGCMLA seeks to implement new, innovative operating and governance models to achieve economies of scale in order to maximize funding directly supporting positive youth outcomes.

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. BGCMLA recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. The net assets of BGCMLA and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of BGCMLA.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by BGCMLA actions and/or passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets that are restricted by the donors for investment in perpetuity. Generally, the investment income generated from these funds is available for general support of BGCMLA's programs and operations or other specific purposes. At December 31, 2016, BGCMLA had \$340,835 in permanently restricted net assets.

Income Taxes—BGCMLA is a nonprofit entity, exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for income taxes in the financial statements. In addition, BGCMLA has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2016. Generally, BGCMLA's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash Equivalents—BGCMLA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments are recorded at fair market value.

Property and Equipment—Property and equipment are stated at cost when purchased, or estimated fair market value at the date of gift or bequest. Depreciation is provided for property and equipment in excess of \$5,000 on the straight-line method over the useful lives of the related assets.

Concentration of Credit Risk—Financial instruments which potentially subject BGCMLA to concentrations of credit risk consist of cash and cash equivalents, receivables, and investments. BGCMLA places its cash and cash equivalent balances with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. In the normal course of operations, such cash balances may exceed the FDIC insurance limits. Receivables are due from well-known charitable organizations with substantial assets, government entities and other entities well-known to BGCMLA. BGCMLA's management has assessed the credit risk associated with the cash and cash equivalents balances and receivables outstanding at December 31, 2016 and has determined that an allowance for potential uncollectible amounts is not necessary.

Donated Services—BGCMLA records contributed rent, goods, and services at fair value at the date of contribution. Contributions of services are recognized if they (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Allocation of Functional Expenses—The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and functional expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 2—Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for BGCMLA for 2020; early adoption is permitted. BGCMLA is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for BGCMLA in 2018, although early adoption is permitted. BGCMLA is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

Note 3—Contracts and Grants Receivable

Contracts and grants receivable of \$721,344 at December 31, 2016 consist of amounts pledged by charitable organizations and are all due within one year.

Note 4—Buildings and Land Leases

In April 2000, Watts-Willowbrook entered into a 54-year lease agreement (Lease) with the Compton Unified School District, requiring annual payments of \$100, for the use of 27,500 square feet of land and buildings. Accordingly, Watts-Willowbrook recorded the present value of the land and buildings rent of \$5,134,421 as buildings and land lease on the statement of financial position and as a corresponding temporarily restricted contribution on the statement of activities for the year ended June 30, 2000, based upon annual rental expense of \$275,000 and a discount rate of 5%. The Lease was acquired by BGCMLA through its acquisition of Watts-Willowbrook. The present value of the Lease as of December 31, 2016 was \$4,656,769.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 4—Buildings and Land Leases—Continued

In April 2016, BGCMLA entered into a 55-year lease agreement (Lease) with the City of Bell Gardens, requiring annual payments of \$1, for the use of 12,940 square feet of land and buildings. Accordingly, BGCMLA recorded the present value of the land and buildings rent of \$3,631,370 as buildings and land lease on the statement of financial position and as a corresponding temporarily restricted contribution on the statement of activities for the year ended December 31, 2016, based upon annual rental expense of \$194,100 and a discount rate of 5%. The present value of the Lease as of December 31, 2016 was \$3,622,893.

Future contributions receivable related to the leases are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 56,397
2018	59,283
2019	62,317
2020	65,504
2021	68,856
Thereafter	<u>7,967,305</u>
Total	<u>\$ 8,279,662</u>

During the year ended December 31, 2016, BGCMLA recognized in-kind contributions related to the leases in the amount of \$1,868,650.

Note 5—Property and Equipment, Net

Net property and equipment consists of the following at December 31, 2016:

Building and improvements	\$ 5,903,120
Less accumulated depreciation and amortization	<u>(102,410)</u>
Net Building and Improvements	5,800,710
Land	<u>5,915,460</u>
Net Property and Equipment	<u>\$ 11,716,170</u>

Total depreciation expense and ammortization recorded for the year ended December 31, 2016 was \$102,410.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 6—Note Payable

BGCMLA is a party to a note payable with a bank bearing interest at 5.75%, requiring monthly payments of principal and interest in the amount of \$3,285. The balance at December 31, 2016 amounted to \$108,512. Future minimum principal payments related to this note payable are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 34,078
2018	36,090
2019	<u>38,344</u>
Total	<u>\$ 108,512</u>

Note 7—Temporarily Restricted Net Assets

BGCMLA's temporarily restricted net assets as of December 31, 2016 consist of the following:

Buildings and land lease	\$ 8,279,662
Property and equipment additions	616,783
Restricted to time	615,000
Tennis Academy	<u>418,168</u>
Total	<u>\$ 9,929,613</u>

Note 8—Permanently Restricted Net Assets

In January 2009, the State of California adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires 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. The Board is aware that there is an implicit understanding that the market value of the donor-restricted endowment may, from time to time, fall below the fair value of the original gift as of the gift date due to market conditions or continued prudent expenditures by the Board of certain amounts of the endowment. If such a temporary deficit condition occurs, the Board would take all prudent steps, given ongoing market conditions, to restore the fair value of the fund to an amount at or above the amount of the original gift.

BGCMLA 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 of 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 temporarily restricted net assets until those amounts are appropriated for expenditure by BGCMLA in a manner consistent with the prudence prescribed by UPMIFA.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 8— Permanently Restricted Net Assets—Continued

As a result of the acquisition of Challengers, BGCMLA acquired a permanently restricted endowment fund in the amount of \$340,835. Prior to the acquisition date, Challengers liquidated the investment funds associated with the endowment and borrowed these funds to fund operations.

BGCMLA is aware of its obligations under UPMIFA and has been in contact with the original donor of the permanently restricted endowment fund. It is BGCMLA intent to restore the endowment funds and honor the terms of the original agreement with the donor. As there were no investable assets to support the endowment funds and no new contributions were received during the year ended December 31, 2016, there were no investment returns or appropriations made from the fund. The net asset composition of the endowment at December 31, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets at December 31, 2016	<u><u>\$ (340,835)</u></u>	<u><u>\$</u></u>	<u><u>\$ 340,835</u></u>	<u><u>\$</u></u>

Note 9—Retirement Plan

BGCMLA participates in a defined contribution retirement plan sponsored by the Boys & Girls Clubs of America (Plan). The Plan covers qualified full-time employees. Contributions are made to the Plan based upon a board-approved contribution rate applied to each employee's qualified salaries and wages.

As a result of the acquisition of Watts-Willowbrook, BGCMLA acquired a liability in the amount of \$60,131, which represents amounts owed by Watts-Willowbrook to the Plan. As of December 31, 2016, this liability remains unchanged and is reported in the employee benefits payable caption of the statement of financial position.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 10—Leases

In June 2016, BGCMLA signed a 65-month non-cancelable operating lease to commence on August 31, 2016 for office space. BGCMLA also leases office equipment under a non-cancelable operating lease. Future minimum annual rental payments payable under these lease agreements are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 74,883
2018	76,940
2019	78,008
2020	74,936
2021	<u>77,185</u>
Total	<u>\$ 381,952</u>

Rental expenses related to the operating leases for the year ended December 31, 2016 amounted to \$24,278.

Note 11—Commitments and Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although it is considered a possibility, BGCMLA deems the contingency remote, since by accepting the gifts and their terms, it has accommodated the objectives of the grantor under the provisions of the gift.

As a result of the acquisition of Watt-Willowbrook, BGCMLA assumed a liability to the Department of Public Social Services, reported in the accounts payable and accrued expenses caption of the statement of financial position, in the amount of \$56,038 related to questioned costs of a prior government contract.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 12—Rental Income

In August 2011, Challengers signed a 25-year agreement with a lessor for classroom space, requiring monthly payments of \$25,000 through August 2026. Rental income associated with this lease amounted to \$173,036 for the year ended December 31, 2016. Total future rental income to be received is as follows:

<u>Year Ending December 31,</u>	
2017	\$ 300,000
2018	300,000
2019	300,000
2020	300,000
2021	300,000
Thereafter	<u>1,400,000</u>
Total	<u>\$ 2,900,000</u>

Note 13— In-Kind Contribution of Legal Services

During the year ended December 31, 2016, BGCMLA recognized an in-kind contribution of legal services amounting to \$1,591,982 for services rendered. This amount represents over 2,000 hours for negotiations, consulting, drafting of legal documents, and due diligence; this amount is reported as professional and consulting fees of the Statement of Functional Expenses.

Note 14—Acquisition of Challengers and Watts-Willowbrook

On April 21, 2016 and April 26, 2016, respectively, BGCMLA acquired Challengers Boys & Girls Club (Challengers) and Watts-Willowbrook Boys & Girls Club (Watts-Willowbrook). BGCMLA accounted for these transactions as acquisitions in accordance with generally accepted accounting principles. As such, BGCMLA revalued the asset and liabilities of Challengers and Watts-Willowbrook to fair value at the acquisition dates and included Challengers and Watts-Willowbrook in the financial statements effective April 21, 2016 and April 26, 2016, respectively. Property acquired from Challengers was revalued to fair value based upon comparable property values obtained from third party listings. Property acquired from Watts-Willowbrook, which represents building and improvements made to its buildings and land lease (see Note 3), were valued at historical amortized cost which approximates fair value to BGCMLA. As a result of these acquisitions, BGCMLA recognized contributions of \$8,520,530 and \$7,499,629 at April 21, 2016 from Challengers and April 26, 2016 from Watts-Willowbrook, respectively.

Boys & Girls Clubs of Metro Los Angeles
Notes to Financial Statements—Continued

Note 14—Acquisition of Challengers and Watts-Willowbrook—Continued

The acquisition date fair values of Challengers' and Watts-Willowbrook's assets acquired and liabilities assumed were as follows:

	<u>Challengers</u>	<u>Watts- Willowbrook</u>	<u>Total</u>
Cash and cash equivalents	\$ 390	\$	\$ 390
Contracts and grants receivable	57,500		57,500
Prepaid expenses	13,257		13,257
Buildings and land lease		4,684,357	4,684,357
Property and equipment, net	8,840,000	2,978,580	11,818,580
Accounts payable and accrued expenses	(208,840)	(103,177)	(312,017)
Employee benefits payable		(60,131)	(60,131)
Deposits	(50,000)		(50,000)
Note payable	(131,777)		(131,777)
Totals	<u>\$ 8,520,530</u>	<u>\$ 7,499,629</u>	<u>\$ 16,020,159</u>

The acquisition date classification of net assets acquired is as follows:

	<u>Challengers</u>	<u>Watts- Willowbrook</u>	<u>Total</u>
Unrestricted	\$ 7,904,695	\$ 2,815,272	\$ 10,719,967
Temporarily restricted	275,000	4,684,357	4,959,357
Permanently restricted	340,835		340,835
Totals	<u>\$ 8,520,530</u>	<u>\$ 7,499,629</u>	<u>\$ 16,020,159</u>

Note 15—Subsequent Events

Management has evaluated subsequent events through September 20, 2017, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosures in the notes to the financial statements.