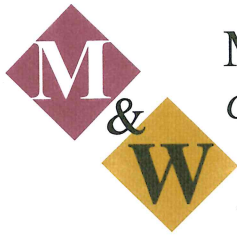


FEED MY PEOPLE
FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

FEED MY PEOPLE
DECEMBER 31, 2017 and 2016

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Martz & Wilson, LLP
Certified Public Accountants

712 Hanley Industrial Court, Brentwood, MO 63144 • 314-646-1040 Office • 314-646-0705 Fax

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Feed My People

We have audited the accompanying financial statements of Feed My People, a Missouri non-for-profit corporation, which comprise the statements of financial position, as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feed My People as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Martz & Wilson, LLP

MARTZ & WILSON, LLP
Certified Public Accountants

July 23, 2018

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STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,

Assets

	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and cash equivalents	\$ 169,514	\$ 114,182
Cash-board restricted	4,800	19,460
Certificates of deposit	42,884	42,734
Prepaid expenses	13,430	19,014
Grants receivable	27,000	-
Food inventory	12,831	38,851
	<u>270,459</u>	<u>234,241</u>
Investments	636,651	714,460
Property, Equipment, and Leasehold		
Improvements, net of accumulated depreciation	<u>1,538,187</u>	<u>1,603,432</u>
Total Assets	<u>\$ 2,445,297</u>	<u>\$ 2,552,133</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued expenses	\$ 15,335	\$ 58,542
Deferred revenue	6,000	-
	<u>21,335</u>	<u>58,542</u>
Net Assets		
Without donor restrictions	2,295,479	2,433,995
With donor restrictions	128,483	59,596
	<u>2,423,962</u>	<u>2,493,591</u>
Total Liabilities and Net Assets	<u>\$ 2,445,297</u>	<u>\$ 2,552,133</u>

FEED MY PEOPLE

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Restrictions	With Restrictions	Total
Revenue and Support			
Public support			
Contributions	\$ 540,406	\$ -	\$ 540,406
Donated food, materials, and services	4,467,312	-	4,467,312
Special events (net of direct costs of \$24,369 in 2017)	78,797	-	78,797
Grant income	50,750	151,650	202,400
Bequest income	11,151	-	11,151
Revenues			
Apartment management	156,937		156,937
Thrift store sales	196,854	-	196,854
Investment income	22,457	-	22,457
Gain on investments	19,041	-	19,041
	5,543,705	151,650	5,695,355
Release from restrictions	82,763	(82,763)	-
Total Revenue and Support	5,626,468	68,887	5,695,355
Expenses			
Changes in net assets	5,764,984	-	5,764,984
	(138,516)	68,887	(69,629)
Net Assets, Beginning of Year	2,433,995	59,596	2,493,591
Net Assets, End of Year	\$ 2,295,479	\$ 128,483	\$ 2,423,962

FEED MY PEOPLE

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Without Restrictions	With Restrictions	Total
Revenue and Support			
Public support			
Contributions	\$ 545,773	\$ -	\$ 545,773
Donated food, materials, and services	5,059,667	-	5,059,667
Special events (net of direct costs of \$76,378 in 2016)	48,513	-	48,513
Grant income	-	-	-
Bequest income	10,000	-	10,000
Revenues			
Apartment Management	-	-	-
Thrift store sales	200,465	-	200,465
Investment income	32,133	-	32,133
Gain (Loss) on investments	48,400	-	48,400
Release from restrictions	5,944,951	-	5,944,951
	290,181	(290,181)	-
Total Revenue and Support	6,235,132	(290,181)	5,944,951
Expenses			
Changes in net assets	6,100,207	-	6,100,207
	134,925	(290,181)	(155,256)
Net Assets, Beginning of Year	2,299,070	349,777	2,648,847
Net Assets, End of Year	\$ 2,433,995	\$ 59,596	\$ 2,493,591

FEED MY PEOPLE

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017

	Program Services	Administration	Fundraising	Total
Program Expenses				
Purchased food and materials	\$ 9,562	\$ -	\$ -	\$ 9,562
Donated food and materials	4,488,462	-	-	4,488,462
Fans and heaters	1,006	-	-	1,006
Childrens underwear	5,250	-	-	5,250
Shoes	945	-	-	945
Specific assistance	52	-	-	52
Thrift store expenses	1,985	-	-	1,985
Client services	3,386	-	-	3,386
Other program expenses	3,699	-	-	3,699
Total Program Expenses	4,514,347	-	-	4,514,347
Payroll Expenses				
Salaries	485,564	181,180	57,977	724,721
Employee benefits	69,121	25,792	8,253	103,166
Payroll taxes	38,380	14,321	4,583	57,284
Pension	9,412	3,512	1,124	14,048
Total Payroll Expenses	602,477	224,805	71,937	899,219
Occupancy Expenses				
Repairs and maintenance	23,659	5,603	1,868	31,130
Insurance	36,108	8,552	2,851	47,511
Depreciation	62,465	14,794	4,932	82,191
Security	2,491	590	197	3,278
Other occupancy	43,097	10,207	3,402	56,706
Total Occupancy Expenses	167,820	39,746	13,250	220,816
Other Operating Expenses				
Printing and publication	19,502	5,201	1,300	26,003
Postage and shipping	3,441	918	229	4,588
Advertising	10,611	-	1,179	11,790
Vehicle expense	13,091	-	-	13,091
Office expense	13,116	3,498	874	17,488
Planned giving	10,312	2,750	687	13,749
Volunteer development	2,001	-	-	2,001
Telephone	4,238	1,131	283	5,652
Conferences and meetings	899	809	90	1,798
Professional fees	-	16,519	-	16,519
Taxes and licenses	-	629	-	629
Miscellaneous	2,422	2,422	-	4,844
Computer expense	8,240	2,746	-	10,986
Dues and subscriptions	-	1,464	-	1,464
Meal a month bags	-	-	-	-
Total Other Operating Expenses	87,873	38,087	4,642	130,602
Total Functional Expenses	\$ 5,372,517	\$ 302,638	\$ 89,829	\$ 5,764,984

FEED MY PEOPLE

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

For the Year Ended December 31, 2016

	Program Services	Administration	Fundraising	Total
Program Expenses				
Purchased food and materials	\$ 7,714	\$ -	\$ -	\$ 7,714
Donated food and materials	5,071,960	-	-	5,071,960
Fans and heaters	225	-	-	225
Childrens underwear	2,770	-	-	2,770
Shoes	1,275	-	-	1,275
Specific assistance	2,881	-	-	2,881
Thrift store expenses	2,856	-	-	2,856
Client services	4,057	-	-	4,057
Other program expenses	4,424	-	-	4,424
Total Program Expenses	5,098,162	-	-	5,098,162
Payroll Expenses				
Salaries	346,692	129,363	41,396	517,451
Employee benefits	49,939	18,634	5,962	74,535
Payroll taxes	28,605	10,673	3,416	42,694
Pension	8,424	3,143	1,006	12,573
Total Payroll Expenses	433,660	161,813	51,780	647,253
Occupancy Expenses				
Repairs and maintenance	37,080	8,782	2,928	48,790
Insurance	34,314	8,127	2,709	45,150
Depreciation	63,286	14,989	4,996	83,271
Security	927	220	73	1,220
Other occupancy	44,743	10,597	3,532	58,872
Total Occupancy Expenses	180,350	42,715	14,238	237,303
Other Operating Expenses				
Printing and publication	13,337	3,556	889	17,782
Postage and shipping	2,971	792	198	3,961
Advertising	11,779	-	1,309	13,088
Vehicle expense	13,674	-	-	13,674
Office expense	12,576	3,353	838	16,767
Planned giving	-	-	-	-
Volunteer development	5,844	-	-	5,844
Telephone	3,858	1,029	257	5,144
Conferences and meetings	1,279	1,152	128	2,559
Professional fees	-	19,696	-	19,696
Taxes and licenses	-	822	-	822
Miscellaneous	3,259	3,260	-	6,519
Computer expense	7,821	2,607	-	10,428
Dues and subscriptions	-	890	-	890
Meal a month bags	315	-	-	315
Total Other Operating Expenses	76,713	37,157	3,619	117,489
Total Functional Expenses	\$ 5,788,885	\$ 241,685	\$ 69,637	\$ 6,100,207

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STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

DECEMBER 31,

	<u>2017</u>	<u>2016</u>
Operating Activities		
Change in net assets	\$ (69,629)	\$ (155,256)
Adjustments to reconcile change in net assets to net Cash provided by operating activities		
Depreciation	82,191	83,270
(Gain) Loss on investments	(19,041)	(48,400)
Investment income reinvested	(22,271)	(31,926)
Decrease (increase) prepaid expenses	5,584	(4,103)
Decrease (increase) in grants receivable	(27,000)	-
Decrease (increase) certificates of deposits	(150)	(112)
Increase (decrease) in current liabilities	(37,207)	26,307
Decrease (increase) in TEFAP food inventory	26,020	15,064
Net Cash Used by Operating Activities	(61,503)	(115,156)
Investing Activities		
Transfer from board designated investments	365,025	243,446
Board restricted stock investment donations received	(21,245)	(34,434)
Purchase of investments	(210,000)	-
Purchase of property and equipment	(16,945)	(185,980)
Net Cash Provided by Investing Activities	116,835	23,032
Net Increase (Decrease) in Cash and Cash Equivalents	55,332	(92,124)
Cash and Cash Equivalents, Beginning of Year	114,182	206,306
Cash and Cash Equivalents, End of Year	\$ 169,514	\$ 114,182

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 1 – ORGANIZATION

Feed My People was founded in 1982 to meet the spiritual, material, and emotional needs of the poor in South St. Louis County, Missouri. The Organization also serves the needs of the poor in South St. Louis County and Northwestern Jefferson County. Feed My People is a Missouri not-for-profit corporation and exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Donations to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(A) and the Organization is not a private foundation.

In 2012, the Organization formed the Feed My People Foundation, a 509(a)(3) supporting organization. The foundation was formed to raise sufficient funds to support and promote the Organization's mission.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are presented in accordance with the Statement of Accounting Standards (SFAS) No. 117 "Financial Statements of Not-For-Profit Organizations".

New Accounting Pronouncements

The Organization has adopted ASU No. 2016-14 *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, which changes presentation of the Statements of Financial Position, Statements of Activities and Changes in Net Assets, and Statements of Functional Expenses.

Basis of Presentation

Contributions received are recorded as an increase in support with or without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions restricted for capital items are recorded as an increase in support with donor restrictions until the capital expenditures are made.

Without Donor Restrictions – Net assets that are not subject to donor imposed restrictions.

With Donor Restrictions – Net assets that are subject to donor imposed restrictions that will be satisfied by actions of the Organization or passage of time.

Contributions with donor restrictions whose restrictions are met in the same reporting period are recorded as without donor restriction. Interest earned on the temporary investment of such support is without donor restriction.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

Revenue and Expense Recognition

Substantially all of the Organization's revenues result from contributions, bequests, and special grants, which are recognized when received and are recorded as with restrictions or without restrictions depending on the existence and nature of any donor restrictions.

The Organization has adopted SFAS No. 116, "Accounting For Contributions Received and Contributions Made." Donated materials and services are valued at fair market value at the time of receipt. Volunteers provide assistance in the program support and fund raising activities of the Organization. Professional and specialized donated services and donated materials are recognized at their fair market value. The value of donated materials amounted to \$4,467,312 and \$5,059,667 for 2017 and 2016, respectively. The fair market value of other volunteer services amounted to \$759,678 and \$736,683, for 2017 and 2016, respectively, but are not included in these financial statements in accordance with SFAS No. 116.

Expenses are recognized under the accrual basis of accounting.

Cash

Cash includes all currency on hand and checking and savings accounts. Accounts at each financial institution are secured by Federal Deposit Insurance Corporation up to \$250,000. Daily balances in these accounts may exceed this limit.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services, administration and fundraising services.

The financial statements report certain categories of expenses that are attributable to program services, administration and fundraising services of the Organization. Those expenses include program, payroll, occupancy and other operating expenses. Payroll expenses are allocated based on the time of where efforts are made. Direct program expenses are allocated solely to program services. Occupancy expenses are allocated based on a square footage basis. All remaining costs are allocated based on purpose of expenditures.

Certificates of Deposit

Certificates of deposit are carried at market value, or cost which approximates market value. All accounts are held in financial institutions covered by the Federal Deposit Insurance Corporation.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment and Leasehold Improvements

Property, equipment, and leasehold improvements are stated at cost when purchased and at fair market value when donated. Depreciation is computed using the straight-line method over estimated useful lives ranging from 5 to 39 years. Total costs are summarized as follows:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 187,960	\$ 187,960
Vehicles	183,813	183,813
Building improvements	443,466	427,520
Building	1,527,857	1,526,857
Land	<u>273,700</u>	<u>273,700</u>
	2,616,796	2,599,850
Accumulated depreciation	1,078,609	996,418
	<u><u>\$ 1,538,187</u></u>	<u><u>\$ 1,603,432</u></u>

Depreciation expense was \$82,191 and \$83,270 for 2017 and 2016, respectively.

Concentrations

The Organization received shipments of donated food from the St. Louis Area Food Bank and the Emergency Food Assistance Program of the USDA. Shipments from the Food Bank were \$3,077,188 in 2017 and \$2,837,363 in 2016. Shipments from the USDA program included in the Food Bank shipments were \$364,137 in 2017 and \$527,264 in 2016.

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.

Advertising Cost

The Organization expenses all advertising costs. Advertising expense was \$11,790 and \$13,088 for 2017 and 2016, respectively.

Subsequent Events

The Organization has evaluated subsequent events through July 23, 2018, the date which the financial statements were issued.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Under U.S. Department of Agriculture (USDA) regulations, the Organization maintains an inventory of food donated, but not yet distributed. The inventory is valued at the USDA prescribed value of \$1.52 per pound at December 31, 2017 and \$1.62 per pound in 2016.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions as of December 31, 2017 and 2016 are available for the following purposes.

	<u>2017</u>	<u>2016</u>
Subject to purpose restrictions:		
Building renovations	\$ 57,650	\$ -
Programs	34,833	-
Staff	36,000	-
Other	-	59,596
Total net assets with donor restrictions:	<u>\$ 128,483</u>	<u>\$ 59,596</u>

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Since December 31, 2004, all current and future investments have been designated by the Board of Directors to be used for contingencies. Use of these amounts are subject to Board approval. In 2017 and 2016, the Board approved the transfer of \$365,025 and \$243,446, respectively to support operations. Fair value and cost of these investments as of December 31, 2017 and 2016 are as follows:

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

<u>Fair Value</u>	<u>2017</u>	<u>2016</u>
Thrivent Investment Management	\$ 139,417	\$ 281,504
US Bancorp Securities	501,911	452,416
	<u>641,328</u>	<u>733,920</u>
Less Money Market Accounts	4,677	19,460
Investments	<u>\$ 636,651</u>	<u>\$ 714,460</u>

<u>Cost</u>	<u>2017</u>	<u>2016</u>
Thrivent Investment Management	\$ 146,700	\$ 315,382
US Bancorp Securities	505,365	453,601
	<u>652,065</u>	<u>768,983</u>
Less Money Market Accounts	4,677	19,460
Investments	<u>\$ 647,388</u>	<u>\$ 749,523</u>

U.S. generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at December 31, 2017 and 2016.

Individual stocks: Valued at unadjusted quoted prices for identical stock traded in active markets.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end. Depending on the underlying investment, the NAV may be based on quoted prices of identical assets or quoted prices for similar assets in inactive markets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2017 and 2016:

	2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual stocks	\$ 5,323	\$ -	\$ -	\$ 5,323
Mutual funds	105,396	525,932	-	631,328
	<u>\$ 110,719</u>	<u>\$ 525,932</u>	<u>\$ -</u>	<u>\$ 636,651</u>

	2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual stocks	\$ 22,475	\$ -	\$ -	\$ 22,475
Mutual funds	286,157	405,828	-	691,985
	<u>\$ 308,632</u>	<u>\$ 405,828</u>	<u>\$ -</u>	<u>\$ 714,460</u>

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 5 – EMPLOYEES' RETIREMENT PLAN

The Organization has a Simple IRA retirement plan for all eligible employees. The Organization made contributions of \$14,048 and \$12,573 for the years ended December 31, 2017 and 2016, respectively. The Organization matches 100% of the employee contribution to a maximum of 3% of the employee earnings.

NOTE 6 – PARKSIDE AFFORDABLE HOUSING I, LP

The Partnership was sold on December 15, 2017. Feed My People received \$156,937 from the sale. This money was comprised of \$8,000 for legal and accounting fees, \$25,367 of accrued interest, and \$123,570 due to Feed My People's ownership percentage in the partnership's sale.

The Organization was one of three general partners in the Parkside Affordable Housing I, LP, also known as Hillside II Apartments. The Partnership owned 48 multi-family apartment units that qualify under IRC Section 42 for low-income housing tax credits. The project is regulated by the US Department of Housing and Urban Development.

Under the terms of the partnership agreement, the limited partners are allocated 99.995% of the income or loss from day-to-day operations and 59.886% of any gain or loss from the sale of the property. The Organization, as a general partner, received .005% of income or loss from day-to-day operations and 40.114% of any gain or loss from the sale of the property.

Because of federal restrictions in distributing surplus cash, the Organization accounts for the Partnership activity on the cash basis. At December 31, 2017 and 2016, the deficit in the capital account of the Organization was \$0 and \$(200,369), respectively. The Organization was owed accrued interest of \$0 and \$25,261 for 2017 and 2016, respectively.

The allocation of the loss was \$0 and \$(3) for 2017 and 2016, respectively.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 7 – LIQUIDITY AND AVAILABILITY

The Organization is primarily funded by public support and noncash contributions by the St. Louis Area Food Bank. As part of its liquidity management, the Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations become due.

The below reflects the Organization's financial assets as of the statement of financial position date, reduced by the amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. The grants receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization sets a goal of having minimum financial assets on hand of 5% of total net assets to meet normal operating expenses is equal to three months average operating costs.

	<u>2017</u>	<u>2016</u>
Financial assets, at year end	\$ 239,398	\$ 156,907
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:	(128,483)	-
	<u>-</u>	<u>-</u>
Financial assets available to meet cash need for general expenditures within one year.	<u>\$ 110,915</u>	<u>\$ 156,907</u>

NOTE 8 – METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Those expenses include but are not limited to salary and wages, direct program expenses, depreciation, and utilities. Salary and wages is allocated based on the time of where efforts are made. Direct program expenses are allocated based on earnings ratio and the admissions percentage of each program. Depreciation, utilities, and repair and maintenance expenses are allocated based on a square footage basis. All remaining costs are allocated based on earnings ratio of each program.

NOTE 9 – RECLASSIFICATIONS

Certain items from the December 31, 2016 financial statements have been reclassified for presentation at December 31, 2017. These changes do not impact net assets or liabilities.