

ONWARD! A LEGACY FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

ONWARD! A LEGACY FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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December 17, 2018

INDEPENDENT AUDITORS' REPORT

Board of Directors
Onward! A Legacy Foundation
Cortez, Colorado

We have audited the accompanying financial statements of **Onward! A Legacy Foundation** (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 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 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 auditors' 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 Onward! A Legacy Foundation as of December 31, 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.

Report on Summarized Comparative Information

We have previously audited Onward! A Legacy Foundation's financial statements for the year ended December 31, 2016, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor, Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

ONWARD! A LEGACY FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 147,037	\$ -	\$ -	\$ 147,037	\$ 110,245
Accounts receivable	5,414	-	-	5,414	100,816
Grants receivable	5,511	-	-	5,511	11,113
Pledge receivable	-	-	-	-	200,000
Prepaid expenses	1,849	1,200	-	3,049	3,167
Investments (Note 3)	531,518	1,652,735	411,966	2,596,219	2,143,467
Total assets	\$ 691,329	\$ 1,653,935	\$ 411,966	\$ 2,757,230	\$ 2,568,808
<u>Liabilities and net assets</u>					
<u>Liabilities</u>					
Accounts payable	\$ 2,104	\$ -	\$ -	\$ 2,104	\$ 2,914
Payroll-related accruals	3,837	-	-	3,837	4,342
Agency funds payable (Note 4)	596,235	-	-	596,235	557,047
Total liabilities	602,176	-	-	602,176	564,303
<u>Net assets</u>					
<u>Unrestricted</u>					
Operating	77,133	-	-	77,133	74,909
Board-designated endowment (Note 5)	12,020	-	-	12,020	12,020
Temporarily restricted (Note 6)	-	1,653,935	-	1,653,935	1,506,410
Permanently restricted (Note 7)	-	-	411,966	411,966	411,166
Total net assets	89,153	1,653,935	411,966	2,155,054	2,004,505
Total liabilities and net assets	\$ 691,329	\$ 1,653,935	\$ 411,966	\$ 2,757,230	\$ 2,568,808

The accompanying notes are an integral part of these financial statements

ONWARD! A LEGACY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<u>Revenue and other support</u>					
Investment income	\$ 21,284	\$ 218,232	\$ -	\$ 239,516	\$ 173,070
Contributions	8,895	198,313	800	208,008	357,415
Grants	240	59,723	-	59,963	58,507
Governmental grants and contracts	-	41,871	-	41,871	51,854
Program fees	16,441	-	-	16,441	14,411
Special events	-	13,302	-	13,302	19,508
Less: direct cost of special events	-	(4,849)	-	(4,849)	(8,065)
In-kind contributions (Note 8)	34,633	-	-	34,633	29,343
Net assets released from restrictions (Note 9)	379,067	(379,067)	-	-	-
Total revenue and other support	460,560	147,525	800	608,885	696,043
<u>Expense</u>					
Program services					
Programs	182,818	-	-	182,818	183,989
Donor advised funds	97,386	-	-	97,386	78,280
Scholarship funds	64,789	-	-	64,789	75,743
Endowment funds	29,290	-	-	29,290	16,857
Total program expense	374,283	-	-	374,283	354,869
Supporting services					
General and administrative	69,813	-	-	69,813	66,506
Fund-raising	14,240	-	-	14,240	7,283
Total expense	458,336	-	-	458,336	428,658
Change in net assets	2,224	147,525	800	150,549	267,385
Net assets, beginning of year	86,929	1,506,410	411,166	2,004,505	1,737,120
Net assets, end of year	<u>\$ 89,153</u>	<u>\$ 1,653,935</u>	<u>\$ 411,966</u>	<u>\$ 2,155,054</u>	<u>\$ 2,004,505</u>

The accompanying notes are an integral part of these financial statements

ONWARD! A LEGACY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017					2016			
	Program Services				Supporting Services				
	Programs	Donor Advised Funds	Scholarship Funds	Endowment Funds	Total	General and Admin	Fund- raising	Total	Total
Salaries	\$ 76,014	\$ -	\$ -	\$ -	\$ 76,014	\$ 21,633	\$ 5,139	\$ 102,786	108,536
Payroll taxes and benefits	6,466	-	-	-	6,466	1,958	443	8,867	9,321
Grants and scholarships	46,862	97,386	53,074	28,705	226,027	-	-	226,027	188,486
Professional services - in-kind (Note 8)	-	-	-	-	-	25,974	8,658	34,632	29,131
Program supplies	25,451	-	8,644	-	34,095	-	-	34,095	46,730
Audit and accounting services	-	-	-	-	-	12,350	-	12,350	12,050
Professional services	9,384	-	1,500	-	10,884	134	-	11,018	6,591
Meals	6,660	-	-	-	6,660	850	-	7,510	5,863
Occupancy	2,150	-	-	-	2,150	1,200	-	3,350	2,387
Travel	2,500	-	-	-	2,500	46	-	2,546	3,523
Telephone	2,217	-	87	-	2,304	-	-	2,304	1,650
Printing	32	-	284	-	316	1,964	-	2,280	2,759
Insurance	382	-	-	-	382	1,214	-	1,596	1,537
Marketing and advertising	893	-	20	579	1,492	27	-	1,519	158
Office expense	686	-	51	4	741	363	-	1,104	914
All other	3,121	-	1,129	2	4,252	2,100	-	6,352	9,022
Total	\$ 182,818	\$ 97,386	\$ 64,789	\$ 29,290	\$ 374,283	\$ 69,813	\$ 14,240	\$ 458,336	\$ 428,658

The accompanying notes are an integral part of these financial statements

ONWARD! A LEGACY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 150,549	\$ 267,385
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Gains)losses on investments	(221,047)	(139,845)
Donated securities	(48,105)	-
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	95,402	(99,060)
(Increase)decrease in grants receivable	5,602	(3,049)
(Increase)decrease in pledge receivable	200,000	(200,000)
(Increase)decrease in prepaid expenses	118	(655)
Increase(decrease) in accounts payable	(810)	151
Increase(decrease) in payroll-related accruals	(505)	158
Increase(decrease) in deferred revenue	-	(900)
Increase(decrease) in agency funds payable	39,188	167,369
Net cash provided(used) by operating activities	<u>220,392</u>	<u>(8,446)</u>
<u>Cash flows from investing activities</u>		
(Reinvestment) of investment earnings	(86,547)	(73,234)
(Purchases) of investments	(228,704)	(98,813)
Proceeds from investments	131,651	100,369
Net cash provided(used) by investing activities	<u>(183,600)</u>	<u>(71,678)</u>
Net increase(decrease) in cash and cash equivalents	36,792	(80,124)
Cash and cash equivalents, beginning of year	<u>110,245</u>	<u>190,369</u>
Cash and cash equivalents, end of year	<u>\$ 147,037</u>	<u>\$ 110,245</u>

The accompanying notes are an integral part of these financial statements

ONWARD! A LEGACY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - NATURE OF ACTIVITIES

Onward! A Legacy Foundation (the Organization) is a not-for-profit organization located in Cortez, Colorado. The mission of the Organization is to provide opportunities to develop and maintain a sustainable resource base that will enhance the quality of life for residents in the Four Corners' communities. The Organization focuses its efforts on scholarships, civic beautification, social services, art and culture, and organization development. To achieve this mission, the Organization invests donor funds responsibly to preserve capital, provide growth, and earn income for grant making. The Organization is supported primarily by contributions and investment income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes on net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

The Organization's unrestricted assets consist of general funds, board-designated funds, and miscellaneous funds. Unrestricted miscellaneous funds are grass-roots activities organized by community groups which partner with the Organization in order to take advantage of the Organization's tax-exempt status and back office capabilities. The Organization takes responsibility for all aspects of the programs to ensure operations and management of funds are consistent with the mission and tax-exempt purpose of the Organization. The Organization retains final decision-making authority over these funds. Accordingly, these funds are recorded as unrestricted support when received.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

4. Restricted and Unrestricted Revenue (concluded)

The Organization's temporarily restricted assets consist of donor advised funds, scholarship funds, and fiscal funds that are restricted for grant-making, scholarships for individuals, or fiscal sponsorship of certain activities. Based on the nature of the underlying agreements, these contributions are reported as temporarily restricted support when received. As the funds are spent for the intended purposes, the restrictions are released. The Organization receives advice from donors of donor advised funds regarding identifying grantees; however, the Organization retains final decision-making authority over these funds. The Organization considers donor advised funds restricted for grant-making purposes. An administrative fee is charged to these funds, based on agreements with the donors, which is recorded as unrestricted revenue by the general fund of the Organization.

5. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

6. Accounts and Grants Receivable

The Organization has not recorded an allowance for doubtful accounts as management believes receivables are fully collectible.

7. Grants

Grants are not recorded as expense until distributed since the Organization reserves the right to rescind any unpaid grants.

8. 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.

9. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

10. Functional Reporting of Expenses

For the year ended December 31, 2017, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

11. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which require use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

12. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

13. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current year financial statements.

14. Subsequent Events

Management has evaluated subsequent events through December 17, 2018, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments are carried at market value and consisted of the following:

<u>Description</u>	<u>Cost Basis</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities and equity funds	\$ 1,217,620	\$ 1,711,836	\$ 494,216
Corporate bonds and bond funds	640,383	622,383	(18,000)
Preferred stock	229,514	227,130	(2,384)
Government bonds	31,051	29,084	(1,967)
Certificates of deposit	5,786	5,786	-
Total	<u>\$ 2,124,354</u>	<u>\$ 2,596,219</u>	<u>\$ 471,865</u>

NOTE 3 - INVESTMENTS (continued)

Investment returns are summarized as follows:

<u>Description</u>	<u>Amount</u>
Interest and dividends	\$ 86,547
Realized gains(losses)	1,122
Unrealized gains(losses)	219,925
Subtotal	307,594
Less: allocations to agency funds	(68,078)
Total	<u>\$ 239,516</u>

The following table summarizes the levels in the fair value hierarchy into which the Organization's investments fall as of December 31, 2017:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 1,711,836	\$ 1,711,836	\$ -	\$ -
Corporate bonds	622,383	622,383	-	-
Preferred stock	227,130	227,130	-	-
Government bonds	29,084	29,084	-	-
Certificates of deposit	5,786	5,786	-	-
Total	<u>\$ 2,596,219</u>	<u>\$ 2,596,219</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization follows the Fair Value Measurements and Disclosures Topic of FASB ASC which requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. The standard establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The Organization has investments in equities, mutual funds, corporate fixed income bonds, government securities, and certificates of deposit in this category.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Fair value is determined through the use of models or other valuation methodologies. The Organization does not have any investments in this category.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The Organization does not have any investments in this category.

NOTE 3 - INVESTMENTS (concluded)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

NOTE 4 - AGENCY FUNDS PAYABLE

When the Organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to an entity specified by the donor, professional standards require that a liability be recorded, rather than a contribution. The Organization refers to such funds as agency funds. A liability is reported for these funds held for others and is included in the Statement of Financial Position as *Agency funds payable*. Receipts and disbursements related to these funds are excluded from revenues and expenses of the Organization.

NOTE 5 - BOARD-DESIGNATED ENDOWMENT

The principal invested in the board-designated endowment is intended to be held in perpetuity, with the income used exclusively for grant-making and other charitable works. Because the Board has control, the board-designated endowment is designated as unrestricted net assets. See Note 10 for additional information on the endowment funds.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

At year-end, temporarily restricted net assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Donor advised funds	\$ 776,922
Scholarship funds	629,862
Fiscal funds and other sponsored direct programs	171,265
Endowment funds - investment income (Note 10)	75,886
Total	<u>\$ 1,653,935</u>

NOTE 7 - PERMANENTLY RESTRICTED NET ASSETS

At year-end, permanently restricted net assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Hoover Endowed Scholarship Fund	\$ 200,000
General Fund Endowment	106,620
Searle Community Endowment Fund	64,327
Cortez Public Library Endowment Fund	41,019
Total	<u>\$ 411,966</u>

See Note 10 for additional information on the endowment funds.

NOTE 8 - IN-KIND CONTRIBUTIONS AND RELATED PARTIES

The Organization's Executive Director owns an accounting firm, Forth & Associates, located in Cortez, Colorado, which is where the Organization's office is located. Forth & Associates provides the office equipment and general office support for the Organization. The Organization paid the Executive Director \$9,000 during 2017. The Organization paid Forth and Associates \$5,933 during 2017 for general bookkeeping and office support. The difference between these payments and the value of the time spent working on activities of the Organization is recorded as an in-kind contribution of professional services. During the year ended December 31, 2017, the in-kind contribution recorded was \$ 34,633 . In addition, during the year ended December 31, 2017, the Organization paid \$1,200 to a company owned by the Executive Director for office space.

Certain members of the Board of Directors and/or their immediate relatives are distribution advisors to certain funds held by the Organization.

NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

<u>Description</u>	<u>Amount</u>
Fiscal funds and other sponsored direct programs	\$ 185,742
Donor advised funds	97,386
Scholarship funds	66,650
Endowment funds	29,289
Total	<u>\$ 379,067</u>

NOTE 10 - ENDOWMENT FUNDS

The Organization's endowments consist of four individual funds established for a variety of purposes and, as required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors ensures that in all aspects of institutional funds management, the Organization acts in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as stated in Colorado Revised Statutes 15-1-1101 through 1110, as well as all other applicable state and federal laws. The "prudent investor rule" states that in managing its institutional funds, the Organization and its agents shall act in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In the preservation of the endowment fund, primary consideration is given to donor intent as expressed in a gift instrument and as expressly enumerated in prudence factors in UPMIFA.

NOTE 10 - ENDOWMENT FUNDS (continued)

The Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. In accordance with the Foundation's interpretation of UPMIFA, any remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets or temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor's intent as stated in the gift instrument. In making a determination to appropriate or accumulate donor-restricted endowment funds, the Organization shall act in good faith and if relevant, considers the following factors: (1) the duration and preservation of the endowment fund; (2) the purposes of the institution and the endowment fund; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the institution; and (7) the investment policy of the institution.

Endowment Investment Objective. The Organization's primary objectives in managing endowments are to create a steady stream of revenue to support its mission, to preserve the purchasing power of the endowment in perpetuity, and to achieve the highest total return with a reasonable level of risk.

Endowment Spending Policy. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return 5%, net of investment fees. Actual returns in any given year may vary from this amount. 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 Organization targets a diversified asset allocation that places an emphasis on corporate bonds and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

Originally contributed endowment principal is maintained in permanently restricted net assets; accumulated net earnings and appreciation and depreciation on related investments are recorded in unrestricted or temporarily restricted net assets as specified by the donor.

Endowment asset composition as of December 31, 2017, consisted of donor-restricted and board-designated funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies as of December 31, 2017. Endowment assets are included with investments on the statement of financial position.

NOTE 10 - ENDOWMENT FUNDS (concluded)

Changes in endowment assets as of December 31, 2017, were as follows:

<u>Description</u>	<u>Unrestricted Board- designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 12,020	\$ 50,354	\$ 411,166	\$ 473,540
Contributions	-	-	800	800
Investment income	-	54,821	-	54,821
Appropriation of endowment assets for expenditure	-	(29,289)	-	(29,289)
Total	<u>\$ 12,020</u>	<u>\$ 75,886</u>	<u>\$ 411,966</u>	<u>\$ 499,872</u>

NOTE 11 - CONCENTRATION OF RISK

The Organization holds investments in two brokerage accounts that are subject to market value fluctuation.