

**FAMILY RESOURCE CENTER
d/b/a ADOPTION CENTER OF ILLINOIS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	3–4
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FINANCIAL STATEMENTS

Statements of Financial Position	5
Statements of Activities.....	6
Statements of Functional Expenses.....	7
Statements of Cash Flows	8
Notes to Financial Statements.....	9–15



INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Resource Center
d/b/a Adoption Center of Illinois
Chicago, Illinois

We have audited the accompanying financial statements of FAMILY RESOURCE CENTER d/b/a ADOPTION CENTER OF ILLINOIS (an Illinois nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, 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.

Auditors' 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 FAMILY RESOURCE CENTER d/b/a ADOPTION CENTER OF ILLINOIS as of September 30, 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.

Worady + Davis LLP

January 16, 2018

FAMILY RESOURCE CENTER d/b/a ADOPTION CENTER OF ILLINOIS
STATEMENTS OF FINANCIAL POSITION

As of September 30	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 574,358	\$ 642,977
Receivables	5,829	7,766
Prepaid Expenses	28,757	25,047
Total Current Assets	<u>608,944</u>	<u>675,790</u>
 PROPERTY AND EQUIPMENT, NET	 443,797	 422,068
 INTANGIBLE ASSETS, NET	 4,760	 24,035
	<u>\$ 1,057,501</u>	<u>\$ 1,121,893</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Mortgage Payable	\$ 28,887	\$ 24,904
Current Portion of Obligation Under Capital Lease	3,719	—
Accounts Payable	2,358	26,108
Accrued Payroll and Benefits	35,372	14,124
Accrued Vacation	8,263	8,628
Accrued Pension Expense	16,180	19,256
Other Accrued Expenses	21,387	14,266
Deferred Revenue	64,250	53,300
Total Current Liabilities	<u>180,416</u>	<u>160,586</u>
 LONG-TERM LIABILITIES		
Mortgage Payable, net of Current Portion	167,639	246,566
Obligation Under Capital Lease, net of		
Current Portion	<u>12,284</u>	<u>—</u>
Total Long-Term Liabilities	<u>179,923</u>	<u>246,566</u>
 Total Liabilities	 360,339	 407,152
 NET ASSETS		
Unrestricted	684,501	699,723
Temporarily Restricted	12,661	15,018
Total Net Assets	<u>697,162</u>	<u>714,741</u>
	<u>\$ 1,057,501</u>	<u>\$ 1,121,893</u>

See accompanying notes.

STATEMENTS OF ACTIVITIES

For the Years Ended September 30

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Public Support						
Contributions and Grants						
Adoptive Parents and Others	\$ 133,101	\$ 7,195	\$ 140,296	\$ 102,230	\$ 2,059	\$ 104,289
Donated Goods and Services	1,750		1,750			—
Special Event						
Fund Raising Events	257,496	—	257,496	304,178	800	304,978
Less: Event Expenses	(88,681)		(88,681)	(93,731)		(93,731)
Net Fund Raising	168,815	—	168,815	210,447	800	211,247
Total Public Support	303,666	7,195	310,861	312,677	2,859	315,536
Program Revenue						
Fee Income	961,770		961,770	1,004,134		1,004,134
Other Revenues						
Interest and Dividends	895		895	989		989
Miscellaneous Income	122		122			—
Rental Income						
Revenue	40,000		40,000	44,700		44,700
Less: Rental Expenses	(48,911)		(48,911)	(42,517)		(42,517)
Net Rental Income (Loss)	(8,911)		(8,911)	2,183		2,183
Total Other Revenues	(7,894)		(7,894)	3,172		3,172
Net Assets Released from Restriction	9,552	(9,552)	—	4,589	(4,589)	—
Total Revenue and Other Support	1,267,094	(2,357)	1,264,737	1,324,572	(1,730)	1,322,842
EXPENSES						
Program Services						
Adoption Services	761,908		761,908	792,304		792,304
Supporting Services						
Management and General	393,662		393,662	351,755		351,755
Fundraising	126,746		126,746	161,696		161,696
Total Supporting Services	520,408		520,408	513,451		513,451
Total Expenses	1,282,316		1,282,316	1,305,755		1,305,755
CHANGE IN NET ASSETS	(15,222)	(2,357)	(17,579)	18,817	(1,730)	17,087
Net Assets, Beginning	699,723	15,018	714,741	680,906	16,748	697,654
NET ASSETS, ENDING	\$ 684,501	\$ 12,661	\$ 697,162	\$ 699,723	\$ 15,018	\$ 714,741

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended September 30	2017				2016			
	Adoption Services	Management and General	Fundraising	Total	Adoption Services	Management and General	Fundraising	Total
Payroll	\$ 368,362	\$ 272,460	\$ 67,010	\$ 707,832	\$ 376,323	\$ 240,105	\$ 92,783	\$ 709,211
Fringe Benefits and Payroll Taxes	100,142	74,070	18,217	192,429	96,615	61,644	23,821	182,080
Medical, Prenatal and Other Living Expenses	16,558	—	—	16,558	14,307	—	266	14,573
Occupancy	14,116	3,030	2,685	19,831	12,583	2,701	2,394	17,678
Insurance	13,783	2,958	2,622	19,363	14,213	3,051	2,704	19,968
Telephone	13,492	2,347	2,080	17,919	12,592	2,166	1,920	16,678
Supplies	5,350	957	848	7,155	8,495	1,526	1,352	11,373
Distribution	2,441	191	177	2,809	2,846	158	210	3,214
Travel and Housing	30,465	637	1,053	32,155	31,279	418	982	32,679
Equipment Rental, Repairs and Maintenance	98	21	19	138	1,886	210	186	2,282
Professional Service Fees	30,698	20,010	3,199	53,907	34,237	19,075	3,834	57,146
Education and Research	3,904	723	641	5,268	2,669	543	481	3,693
Humanitarian Aid and Special Assistance	33,150	—	—	33,150	11,950	—	—	11,950
Meeting Expense	6,025	266	236	6,527	4,411	297	263	4,971
Communications	74,085	5,532	14,551	94,168	97,673	4,943	12,910	115,526
Depreciation and Amortization	28,095	6,031	5,345	39,471	37,409	8,030	7,116	52,555
Investment and Banking Fees	7,986	1,714	1,519	11,219	15,979	3,430	3,040	22,449
Interest and Refinance Fees	6,360	1,365	1,210	8,935	7,581	1,627	1,442	10,650
Miscellaneous	6,798	1,350	5,334	13,482	9,256	1,831	5,992	17,079
TOTALS	\$ 761,908	\$ 393,662	\$ 126,746	\$ 1,282,316	\$ 792,304	\$ 351,755	\$ 161,696	\$ 1,305,755

See accompanying notes.

FAMILY RESOURCE CENTER d/b/a ADOPTION CENTER OF ILLINOIS

STATEMENTS OF CASH FLOWS

For the Years Ended September 30	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ (17,579)</u>	<u>\$ 17,087</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	28,184	26,428
Amortization of Intangible Assets	19,275	33,788
Decrease in Receivables	1,937	2,158
Increase in Prepaid Expenses	(3,710)	(3,367)
Increase (Decrease) in Accounts Payable	(23,750)	15,052
Increase (Decrease) in Accrued Expenses	24,928	(32,060)
Increase in Deferred Revenue	<u>10,950</u>	<u>3,205</u>
Total Adjustments	<u>57,814</u>	<u>45,204</u>
Net Cash Provided by Operating Activities	<u>40,235</u>	<u>62,291</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(30,905)	(37,505)
Website Design and Rebranding Costs	<u>—</u>	<u>(1,470)</u>
Net Cash Used by Investing Activities	<u>(30,905)</u>	<u>(38,975)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Repayments of Long-Term Debt	(74,944)	(121,216)
Repayments of Obligation Under Capital Lease	<u>(3,005)</u>	<u>—</u>
Net Cash Used by Financing Activities	<u>(77,949)</u>	<u>(121,216)</u>
NET DECREASE IN CASH	(68,619)	(97,900)
Cash, Beginning	<u>642,977</u>	<u>740,877</u>
CASH, ENDING	<u>\$ 574,358</u>	<u>\$ 642,977</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	<u><u>\$ 13,955</u></u>	<u><u>\$ 17,428</u></u>
Noncash Activities		
Donated Goods and Services	<u><u>\$ 1,750</u></u>	<u><u>\$ —</u></u>
Donated Stocks Immediately Sold	<u><u>\$ 51,201</u></u>	<u><u>\$ 43,358</u></u>
Property and Equipment Acquired by Obligation under Capital Leases	<u><u>\$ 19,008</u></u>	<u><u>\$ —</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

ORGANIZATION ACTIVITIES

Family Resource Center (“FRC”) d/b/a Adoption Center of Illinois (“ACT”) was founded in 1987 as a not-for-profit organization. FRC is a licensed child welfare agency in Illinois committed to facilitating and improving the adoptive and foster care process by providing traditional adoption and foster care services. FRC is accredited as a Hague accredited Adoption Service Provider by the Council on Accreditation. As a Hague Outgoing case provider, FRC is approved to place children with non-U.S. resident adoptive families. FRC is also approved to work with and place children for adoption with parents in the states of New York and Connecticut. In addition, FRC is approved by the China Center of Child Welfare and Adoption to place Chinese orphans with qualified individuals and couples, although FRC is no longer accepting new applicants into this program.

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements of FRC. The financial statements and notes are representations of management which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

USE OF ESTIMATES

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

RECEIVABLES

Receivables consist primarily of adoption fees and are reported at net realizable value, which is the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history of individuals having outstanding balances and taking into consideration the age of past due accounts, an assessment of the ability to pay, as well as current relationships, management considers receivables to be fully collectible at September 30, 2017 and 2016. Accordingly, no allowances for doubtful accounts are required. Individual accounts are written off when collection appears doubtful.

PROPERTY AND EQUIPMENT

Property and equipment purchases of \$500 or more are recorded at cost and depreciated over their estimated useful lives on a straight-line basis. Major renewals and betterments, which extend the useful life of an asset, are capitalized while routine maintenance and repairs are expensed as incurred. The estimated useful lives for determining depreciation of the various classes of assets are as follows:

<u>Asset</u>	<u>Useful Life</u>
Building and Building Improvements	10 – 30 years
Equipment.....	5 – 12 years
Furniture and Fixtures	5 – 7 years

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS

Intangible assets with a finite life are amortized. The useful life of an intangible asset to the organization is the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the organization. The Organization's intangible assets have an estimated useful life of two to three years and are amortized using the straight-line method of amortization.

FINANCIAL STATEMENT PRESENTATION

The financial statement presentation follows the provisions of the Financial Accounting Standards Board (FASB) Codification topic related to Financial Statements of Not-for-Profit Organizations. This guidance requires the Organization to report information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations plus those resources for which temporarily donor-imposed stipulations have been satisfied. Unrestricted net assets may otherwise be designated for specific purposes by action of the Board of Directors.

Temporarily restricted - Net assets subject to donor-imposed stipulations of both time and purpose which are to be satisfied by FRC's actions or satisfaction of time restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions have been met. Contributions restricted as to time or purpose are recorded as temporarily restricted revenue.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the resources be maintained permanently by the Organization. Investment income, including realized and unrealized gains and losses are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization had no permanently restricted net assets at September 30, 2017 and 2016.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

DONATED GOODS AND SERVICES

Donated goods are recorded as public support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. There were no donated goods in 2017 or 2016.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (Continued)**DONATED GOODS AND SERVICES (Continued)**

Donations of services are recorded if they create or enhance a non-financial asset or they require specialized skills which would be purchased if they were not donated. During 2017 and 2016, the Organization received various donated professional services valued at \$1,750 and \$-0-, respectively. These amounts were included in donated goods and services revenue and in professional services expense and communications expense in the statements of functional expenses. Donated services reported as special event expense and public support revenue in the statements of activities totaled \$75 for 2017 and \$-0- for 2016

For the years ended September 30, 2017 and 2016, a substantial number of unpaid volunteers and members of the Board of Directors and Committees of FRC have made significant contributions of their time. The value of these services is not reflected in these financial statements since they do not meet the criteria for recognition under the FASB Codification topic related to contributions made and received.

PUBLIC SUPPORT

Public support consists primarily of amounts received from donors.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged directly to programs or supporting service categories based upon specific identification where possible. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on direct charges or appropriate methods determined by management. These costs include, among others, salaries and related taxes and fringe benefits, insurance, occupancy costs, telephone, supplies and professional fees.

NOTE 2—CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances at local financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization periodically has deposits in excess of federally insured limits. The Organization has not experienced any losses and believes it is not exposed to any significant credit risk on cash.

NOTE 3—PROPERTY AND EQUIPMENT

	<u>2017</u>	<u>2016</u>
Land.....	\$ 125,000	\$ 125,000
Building and Building Improvements.....	683,935	637,975
Equipment.....	73,534	52,696
Furniture and Fixtures	67,478	67,478
Construction in Process.....	—	16,885
	<u>949,947</u>	<u>900,034</u>
Less Accumulated Depreciation and Amortization	<u>506,150</u>	<u>477,966</u>
	<u>\$ 443,797</u>	<u>\$ 422,068</u>
Depreciation and Amortization Expense	<u>\$ 28,184</u>	<u>\$ 26,428</u>
Depreciation Expense allocated to Rental Expenses (included above) ..	<u>\$ 7,988</u>	<u>\$ 7,661</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3—PROPERTY AND EQUIPMENT (Continued)

Property and Equipment under Capitalized Lease (included in the above):

	<u>2017</u>	<u>2016</u>
Cost.....	\$ 19,008	\$ —
Less Accumulated Amortization.....	<u>1,901</u>	<u>—</u>
	<u>\$ 17,107</u>	<u>\$ —</u>
Amortization Expense	<u>\$ 1,901</u>	<u>\$ —</u>

NOTE 4—INTANGIBLE ASSETS

	<u>2017</u>	<u>2016</u>
Software	\$ 559	\$ 559
Website Design	90,463	90,463
Rebranding Costs.....	<u>15,661</u>	<u>15,661</u>
	<u>106,683</u>	106,683
Less Accumulated Amortization.....	<u>101,923</u>	<u>82,648</u>
	<u>\$ 4,760</u>	<u>\$ 24,035</u>
Amortization Expense	<u>\$ 19,275</u>	<u>\$ 33,788</u>

Estimated amortization expense on the intangible assets for the next two years is:

Year Ending September 30	
2018	\$ 3,173
2019	<u>1,587</u>
	<u>\$ 4,760</u>

NOTE 5—NOTE PAYABLE

FRC is obligated under a note payable, collateralized by the FRC's assets, subject to certain covenants, with which FRC is in compliance at September 30, 2017 and 2016, and to a prepayment penalty clause. The note is payable in monthly installments of \$3,212 including interest at 5.25% per annum until January 15, 2023, when a balloon payment is due. FRC made additional principal payment of \$50,000 and \$100,000 in the years ended September 30, 2017 and 2016, respectively.

Interest expense related to the mortgage was \$13,476 for 2017 and \$17,003 for 2016 which includes \$5,036 in 2017 and \$6,353 in 2016 of interest included in rental expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 5—NOTE PAYABLE (Continued)

Principal repayments due in each of the next five fiscal years and thereafter are:

Year Ending September 30	
2018	\$ 28,887
2019	30,327
2020	31,767
2021	33,207
2022	34,647
Thereafter.....	<u>37,691</u>
	<u>\$ 196,526</u>

NOTE 6—CAPITAL LEASE

The assets under capital lease were recorded at the present value of the minimum lease payments at the inception of the lease.

The following is a schedule as of September 30, 2017 of the future minimum lease payments under the capital lease, by years, and the present value of those payments:

Total Lease Payments	\$ 17,150
Less Amounts Representing Interest	<u>1,147</u>
Present Value of Net Minimum Lease Payments	16,003
Current Maturities	<u>3,719</u>
Long-Term Obligation	<u>\$ 12,284</u>

Future minimum lease payments due under the leases are:

Year Ending September 30	
2018	\$ 4,200
2019	4,200
2020	4,200
2021	4,200
2022	350
Amount Representing Interest	<u>(1,147)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 16,003</u>

Interest expense on the capital lease obligation was \$495 and \$-0- for the years ended September 30, 2017 and 2016, respectively.

NOTE 7—RETIREMENT PLANS

FRC has adopted a qualified defined contribution retirement plan covering substantially all employees who meet certain eligibility requirements. Effective July 1, 2003, FRC amended the retirement plan and established a salary deferral plan under Section 401(k) of the Internal Revenue Code. FRC, at its option, may elect to match a portion of the employees' contributions. The plan year was changed to a calendar year commencing January, 2008.

NOTES TO FINANCIAL STATEMENTS

NOTE 7—RETIREMENT PLANS (Continued)

For 2017 and 2016, FRC elected to make a fully-vested safe harbor matching contribution equal to 100% of employee's 401(k) contributions that does not exceed 3% of wages and 50% of contributions between 3% and 5% of wages. The maximum employer contribution for any employee is 4% of wages. The match totaled \$21,186 for 2017 and \$23,217 for 2016. The plan also provides a profit sharing component where FRC can make a discretionary contribution to the plan, which is allocated based on the compensation of eligible employees. FRC did not make a discretionary contribution to the plan in 2017 or 2016.

NOTE 8—LEASES

FRC maintains an operating lease for a postage meter machine. The lease expires December 31, 2020. Rental expense for operating leases was \$466 for 2017 and 2016, which is included in equipment rental, repairs and maintenance on the statements of functional expenses.

Future minimum rental payments are as follows:

Year Ending September 30	
2018	\$ 466
2019	466
2020	466
2021	<u>116</u>
	<u>\$ 1,514</u>

NOTE 9—RENTAL INCOME

During the years ended September 30, 2017 and 2016, FRC leased to individuals four apartments under leases with various expiration dates through April 30, 2019. The agreements require monthly lease payments ranging from \$800 to \$1,500. Rental income was \$40,000 for the year ended September 30, 2017 and \$44,700 for the year ended September 30, 2016.

Future minimum rentals to be received under these leases are:

Year Ending September 30	
2018	\$ 48,150
2019	<u>13,000</u>
	<u>\$ 61,150</u>

NOTE 10—TEMPORARILY RESTRICTED FUNDS

During 2017, \$7,195 of funds temporarily restricted for specific purposes were received and \$9,552 of funds were expended and released from restriction.

During 2016, \$2,859 of funds temporarily restricted for specific purposes were received and \$4,589 of funds were expended and released from restriction.

NOTES TO FINANCIAL STATEMENTS

NOTE 10—TEMPORARILY RESTRICTED FUNDS (Continued)

Temporarily restricted net assets at September 30 are as follows:

	<u>2017</u>	<u>2016</u>
Auxiliary Board.....	\$ 1,520	\$ 1,558
Birth Parent Related	764	764
Adoption Story Board	7,769	12,225
Gala Baskets	342	371
China Program.....	100	100
Donor Event	1,866	—
Marketing Consulting	<u>300</u>	<u>—</u>
	<u>\$ 12,661</u>	<u>\$ 15,018</u>

NOTE 11—TAX-EXEMPT STATUS

The Organization is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is similarly classified by the State of Illinois.

The Organization follows the guidance in the FASB Codification topic related to uncertainty in income taxes which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Organization has taken or expects to take in its tax returns. Under the guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is "more likely than not" that it is sustainable, based on its technical merits. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. The Organization believes that it has appropriate support for the positions taken on its returns.

NOTE 12—RELATED PARTIES

During the years ended September 30, 2017 and 2016, board members and members of their families contributed \$57,040 and \$51,000 respectively.

NOTE 13—SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 16, 2018, the date which the financial statements were available for issue. There are no subsequent events which require disclosure.