



CHRISTIAN RELIEF SERVICES, INC.

Financial Statements

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)



**and
Report Thereon**



CHRISTIAN RELIEF SERVICES, INC.

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For the Year Ended June 30, 2016

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Christian Relief Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Christian Relief Services, Inc. (the Organization), an affiliate of Christian Relief Services Charities, Inc., which comprise the statement of financial position as of June 30, 2016, 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 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 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 the Organization as of June 30, 2016, 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.

Continued

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and our report dated October 29, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Raffa, P.C.

Raffa, P.C.

Washington, DC
October 27, 2016

CHRISTIAN RELIEF SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2016
(With Summarized Financial Information as of June 30, 2015)

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 222,918	\$ 285,767
Grants and contributions receivable, net	65,974	27,351
Accounts receivable	35,200	13,369
Due from affiliates	29,673	167,269
Contributed relief materials inventory	849,598	495,687
Prepaid expenses	406,015	47,898
Deposits	335	335
Property and equipment, net	45,785	49,390
TOTAL ASSETS	\$ 1,655,498	\$ 1,087,066
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 161,149	\$ 123,527
Line of credit payable	1,050,000	400,000
Due to affiliates	105,851	-
Funds held for others	91	91
Security deposits	18,854	15,251
Deferred revenue	454	2,111
TOTAL LIABILITIES	1,336,399	540,980
Net Assets		
Unrestricted	287,921	518,711
Temporarily restricted	31,178	27,375
TOTAL NET ASSETS	319,099	546,086
TOTAL LIABILITIES AND NET ASSETS	\$ 1,655,498	\$ 1,087,066

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Noncash contributions	\$ 17,425,540	\$ -	\$ 17,425,540	\$ 13,991,751
Cash contributions	4,154,347	115,979	4,270,326	4,618,238
Cash contributions from affiliates	-	1,600,971	1,600,971	2,458,890
Donated housing	581,508	-	581,508	525,540
Housing rental and related income	195,368	-	195,368	205,219
Wills and bequests	25,835	354,329	380,164	1,342,146
Government grants	184,465	-	184,465	100,000
Workplace campaign	-	33,873	33,873	30,812
Interest and other income	721	-	721	829
Net assets released from restrictions:				
Satisfaction of time restrictions	23,758	(23,758)	-	-
Satisfaction of purpose restrictions	2,077,591	(2,077,591)	-	-
TOTAL SUPPORT AND REVENUE	24,669,133	3,803	24,672,936	23,273,425
EXPENSES				
Program Services:				
Domestic programs	801,441	-	801,441	2,238,731
American Indian programs	2,891,677	-	2,891,677	2,915,271
International programs	16,402,512	-	16,402,512	13,340,481
Housing programs	1,304,684	-	1,304,684	1,393,882
Total Program Services	21,400,314	-	21,400,314	19,888,365
Supporting Services:				
Management and general	183,570	-	183,570	254,044
Fundraising	3,316,039	-	3,316,039	3,386,021
Total Supporting Services	3,499,609	-	3,499,609	3,640,065
TOTAL EXPENSES	24,899,923	-	24,899,923	23,528,430
CHANGE IN NET ASSETS	(230,790)	3,803	(226,987)	(255,005)
NET ASSETS, BEGINNING OF YEAR	518,711	27,375	546,086	801,091
NET ASSETS, END OF YEAR	\$ 287,921	\$ 31,178	\$ 319,099	\$ 546,086

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016
(With Summarized Financial Information for the Year Ended June 30, 2015)

	Program Services				Total Program Services	Supporting Services		2016 Total	2015 Total
	Domestic Programs	American Indian Programs	International Programs	Housing Programs		Management and General	Fundraising		
Donated relief materials and services	\$ 372,380	\$ 750,579	\$ 15,945,648	\$ -	\$ 17,068,607	\$ -	\$ -	\$ 17,068,607	\$ 13,846,451
Cash grants – affiliates	125,000	1,550,000	200,000	100,971	1,975,971	-	-	1,975,971	3,724,224
Printing and production	22,679	64,297	27,658	-	114,634	1,611	1,820,863	1,937,108	1,980,850
Postage	6,087	36,778	4,380	-	47,245	5,480	782,394	835,119	865,406
Rent	22,667	22,667	22,667	583,412	651,413	1,834	22,061	675,308	624,695
Wages and fringe benefits	17,732	30,862	17,560	261,479	327,633	29,139	295,529	652,301	677,959
Procurement fees	137,272	320,943	72,000	-	530,215	-	-	530,215	614,569
Contract services	2,112	70,652	2,939	30,935	106,638	2,579	112,185	102,402	205,176
Office supplies, dues and subscriptions	4,466	575	557	14,788	20,386	25,651	126,397	172,434	155,885
Shipping	15,754	32,293	91,184	11	139,242	316	989	140,547	175,196
List rental	-	-	-	-	-	-	86,998	86,998	86,548
Cash grants	64,105	-	5,008	12,726	81,839	-	-	81,839	37,312
Repairs and maintenance	274	274	274	62,048	62,870	248	2,299	65,417	49,063
Homeowner association fees	-	-	-	75,093	75,093	-	-	75,093	66,310
Utilities	2,263	2,850	2,850	43,358	51,321	441	7,796	59,558	52,971
Professional and consulting	2,500	2,500	2,500	1,748	9,248	38,708	7,500	55,456	37,714
Operating expenses – Terry Lynn	-	-	-	49,784	49,784	-	-	49,784	45,411
Meetings and travel	1,021	-	2,191	19,699	22,911	987	21,134	45,032	26,423
Payroll taxes	1,443	2,721	1,410	11,341	16,915	2,301	22,070	41,286	43,656
Interest expense	-	-	-	-	-	32,984	-	32,984	28,478
General insurance	2,378	2,378	2,378	10,963	18,097	3,929	2,844	24,870	34,658
Bank charges	-	-	-	-	-	28,844	-	28,844	28,196
Provision for losses	-	-	-	-	-	7,707	-	7,707	67,347
Telephone	719	719	719	8,758	10,915	695	4,268	15,878	21,294
Depreciation and amortization	-	-	-	11,406	11,406	91	201	11,698	11,591
Operating expenses – housing	-	-	-	4,208	4,208	-	-	4,208	2,223
Real estate taxes	589	589	589	4	1,771	-	-	1,771	1,326
Miscellaneous	-	-	-	1,619	1,619	25	102	1,746	17,404
Advertising	-	-	-	200	200	-	409	609	94
Equipment rental	-	-	-	133	133	-	-	133	-
TOTAL EXPENSES	\$ 801,441	\$ 2,891,677	\$ 16,402,512	\$ 1,304,684	\$ 21,400,314	\$ 183,570	\$ 3,316,039	\$ 24,899,923	\$ 23,528,430

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)

Increase (Decrease) in Cash and Cash Equivalents

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (226,987)	\$ (255,005)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	11,698	11,591
Provision for doubtful accounts	2,888	(3,286)
Changes in assets and liabilities:		
Grants and contributions receivable	(41,511)	24,883
Accounts receivable	(21,831)	39,381
Due from affiliates	137,596	259,974
Contributed relief materials inventory	(353,911)	(79,623)
Prepaid expenses	(358,117)	(26,910)
Deposits	-	(335)
Accounts payable and accrued expenses	37,622	(66,324)
Due to affiliates	105,851	-
Funds held for others	-	(4,248)
Security deposits	3,603	924
Deferred revenue	(1,657)	(10,601)
NET CASH USED IN OPERATING ACTIVITIES	(704,756)	(109,579)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,093)	-
NET CASH USED IN INVESTING ACTIVITIES	(8,093)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	650,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	650,000	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(62,849)	(109,579)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	285,767	395,346
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 222,918	\$ 285,767
SUPPLEMENTAL DISCLOSURES		
Actual cash paid for interest	\$ 32,984	\$ 28,478

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016**

1. Organization and Summary of Significant Accounting Policies

Organization

Christian Relief Services, Inc. (the Organization) was incorporated in February 1998, under the Virginia Nonstock Corporation Act, to provide funding, technical support services and donated relief materials to communities striving to break the stranglehold of poverty in order to achieve sustainable solutions. Many communities within the U.S., and throughout the world, suffer from a lack of basic infrastructure services – clean water, medicine, education and housing. On July 1, 1998, the Organization began operations as a 501(c)(3) organization approved by the Internal Revenue Service (the IRS) under the group exemption authority of Christian Relief Services Charities, Inc. (CRSC). The Organization works closely with partner charities, including, to a great extent, its affiliates and parent, individuals and nongovernmental organizations embedded in targeted communities, to determine effective ways of sharing resources and creating long-term solutions to the alleviation of human suffering, misery, pain and disability in the world by advancing and improving the welfare of all persons while preserving native heritages, customs and beliefs, which includes the acquisition of low-income housing and developing, renovating and managing housing for persons of limited means, the chronically, mentally and/or physically challenged and the elderly. The Organization receives most of its support from cash contributions from the public, contributed relief materials and relief materials purchased at a discount.

Basis of Accounting and Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts and all highly liquid investments with initial maturities of three months or less.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost, or, if donated to the Organization, are recorded at the estimated fair value at the time of donation. Depreciation and amortization on furniture, office equipment, computer software and vehicles are provided using the straight-line method over the estimated useful lives, ranging from three to seven years. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation and amortization, and any gain or loss is reflected in revenue or expenses in the accompanying statement of activities. Major additions with a cost in excess of \$1,000 are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Organization and Summary of Significant Accounting Policies (continued)

Net Assets

The net assets of the Organization are classified as follows:

- Unrestricted net assets represent funds that are available for support of the Organization's operations.
- Temporarily restricted net assets represent amounts that are subject to donor-imposed restrictions to be used for a particular purpose or within a specific time period.

Revenue Recognition

Gifts and grants of cash and other assets are recognized as revenue at their net realizable value when an unconditional promise to give is received by the Organization. The Organization reports gifts and grants of cash and other assets as unrestricted support and available for general operations, unless specifically restricted by the donor.

The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets for purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions. Workplace campaign contributions with payments due in future years are reported as temporarily restricted revenue in the accompanying statement of activities.

Revenue recognized for contributions that have been committed to the Organization but have not been received is reflected as grants and contributions receivable in the accompanying statement of financial position. Grants and contributions receivable are reported net of an allowance for doubtful accounts. The allowance is based on historical collection experience and a review of the status of grants and contributions receivable. A provision for doubtful accounts is made when collection of the full amount is no longer probable.

Housing rental income is recognized as rentals become due. All contracts between the Organization and the tenants of the Organization's properties are considered operating leases. Service fee income is recognized as the contractual payments become due from clients who reside in the Organization's transitional and supportive housing programs and is included in housing rental and related income in the accompanying statement of activities. Amounts that have not been collected as of year-end are included in accounts receivable in the accompanying statement of financial position.

Wills and bequests are recognized at the time an unassailable right to the gift has been established, the proceeds are measurable and the Organization accepts the gift. Amounts that have not been collected as of year-end are included in grants and contributions receivable in the accompanying statement of financial position.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Organization and Summary of Significant Accounting Policies (continued)

Contributed Relief Materials, Donated Services and Housing and Inventory

Contributed relief materials received by the Organization consist of food, clothing, hygiene products, shoes, school supplies, bedding, medicine, medical equipment and medical supplies and are recorded as revenue and contributed relief materials inventory at the estimated fair value at the time of receipt. Upon donation to CRSC or one of its affiliates, the materials are expensed at their estimated fair value at the time of donation and they are released from inventory. Inventory is reported using the first-in, first-out method of accounting (FIFO).

Donated housing is recorded at its comparable market value during the time of use.

The Organization's programs are also furthered by a substantial number of nonprofessional volunteers who have contributed their services to the Organization. The value of these services is not reflected in the accompanying financial statements because the contributed services do not meet the necessary criteria for recognition under GAAP.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Costs directly related to program and/or supporting services are charged to that functional area. Expenses related to more than one function are allocated among the programs and supporting services benefited.

Estimates

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

2. Grants and Contributions Receivable

Grants and contributions receivable represent unconditional promises to give and are recorded at their net realizable value. All receivables are due to be collected within one year. The Organization has recorded an allowance for doubtful accounts of \$8,975 as of June 30, 2016.

3. Contributed Relief Materials Inventory

The Organization's contributed relief materials inventory consisted of the following as of June 30, 2016:

Medicine and medical supplies	\$ 668,292
Clothes and shoes	122,223
Food, supplies and other	<u>59,083</u>
Total Contributed Relief Materials Inventory	<u>\$ 849,598</u>

Continued

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

4. Property and Equipment

Property and equipment consisted of the following as of June 30, 2015:

Vehicles	\$	59,580
Leasehold improvements		48,723
Furniture, office equipment and software		<u>60,177</u>
Total Property and Equipment		168,480
Less: Accumulated Depreciation and Amortization		<u>(122,695)</u>
Property and Equipment, Net	\$	<u>45,785</u>

Depreciation and amortization expense was \$11,698 for the year ended June 30, 2016.

5. Line of Credit

The Organization has a line of credit agreement with a financial institution in the amount of \$1,500,000. The line of credit is secured by personal property and guaranteed by CRSC. The line of credit matured on July 27, 2016, and subsequent to year-end, the agreement was modified to extend the maturity date to July 27, 2017. Interest accrues on the unpaid principal at the variable rate of the bank's prime rate plus 0.5% per annum or 3.5%, whichever is higher. The Organization is also required to comply with certain financial covenants. As of June 30, 2016, the outstanding balance was \$1,050,000 on this line of credit and the Organization was in compliance with the financial covenants. Interest expense paid on this line of credit was \$32,984 for the year ended June 30, 2016, and the interest rate was 4% as of June 30, 2016.

6. Temporarily Restricted Net Assets

As of June 30, 2016, net assets totaling \$31,178 were restricted for future periods.

7. Contributed Relief Materials and Services Expense

The Organization records all contributed relief materials and services at their estimated fair value at the date of donation. During the year ended June 30, 2016, donated relief materials and services were used for the following programs and are included in donated relief materials and services expense in the accompanying statement of functional expenses:

International programs	\$	15,945,648
American Indian programs		750,579
Domestic programs		<u>372,380</u>
Total Contributed Relief Materials and Services Expense	\$	<u>17,068,607</u>

Continued

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

8. Transactions with Affiliates and Related Parties

Rent Expense

Effective July 1, 1999, the Organization entered into an agreement with Christian Relief Services of Virginia, Inc. (CRS Virginia), an affiliate of CRSC, for the use of housing units owned by CRS Virginia for the Organization's transitional housing program. The Organization is charged a monthly fee for use of the housing units. The term of the agreement is one year with 30 automatic one-year extensions, unless written notice is given within 30 days. Rental fees were \$583,412 for the year ended June 30, 2016, which are included in rent expense under the housing programs in the accompanying statement of functional expenses.

Contributions

The Organization is an affiliate of CRSC. The Organization and CRSC share a common board. The Organization acts as the fundraising arm for CRSC and its affiliates. The Organization raises both cash and noncash contributions for CRSC and its affiliates, and the contributions are distributed to the entities based on program objectives and need. During the year ended June 30, 2016, the Organization made noncash contributions of contributed relief materials to the following affiliates:

Bread and Water for Africa, Inc.	\$ 15,945,648
American Indian Youth Running Strong, Inc.	750,579
Americans Helping Americans, Inc.	<u>372,380</u>
Total Contributed Relief Materials Expense to Affiliates	<u>\$ 17,068,607</u>

During the year ended June 30, 2016, the Organization made cash contributions to the following affiliates, which are included in the accompanying statement of functional expenses:

American Indian Youth Running Strong, Inc.	\$ 1,550,000
Bread and Water for Africa, Inc.	200,000
Americans Helping Americans, Inc.	125,000
CRSC	<u>100,971</u>
Total Cash Contributions to Affiliates	<u>\$ 1,975,971</u>

During the year ended June 30, 2016, the Organization received cash contributions from the following affiliates, which are included in the accompanying statement of activities:

Christian Relief Services/21 st Century Campaign, Inc.	\$ 1,500,000
CRSC	<u>100,971</u>
Total Cash Contributions from Affiliates	<u>\$ 1,600,971</u>

As of June 30, 2016, the Organization had a receivable due from CRSC of \$29,673, which is included in the accompanying statement of financial position.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

8. Transactions with Affiliates and Related Parties (continued)

As of June 30, 2016, the Organization had payables due to the following affiliates, which are included in due to affiliates in the accompanying statement of financial position:

Christian Relief Services/21 st Century Campaign, Inc.	\$ 42,070
Christian Relief Services Virginia	27,319
American Indian Youth Running Strong, Inc.	36,347
Bread and Water for Africa, Inc.	<u>115</u>
Total Due to Affiliates	<u>\$ 105,851</u>

9. Homes for the Homeless

The Organization subleases houses to qualified tenants who pay no more than 30% of their income in rent. CRS Virginia, an affiliate, owns 30 group homes, which the Organization leases from CRS Virginia. The Organization manages the operations of the homes. During the year ended June 30, 2016, the Organization incurred \$918,166 of operating expenses for the houses and recognized \$430,872 as a contribution of donated housing from CRS Virginia. In addition, the Organization leases three homes from CRSC. These homes are utilized in a program operated by the Organization that provides housing to formerly homeless, chronically, mentally and/or physically challenged individuals. During the year ended June 30, 2016, the Organization recognized \$79,236 as a contribution of donated housing from CRSC for these homes.

The Organization also leases an apartment complex from CRSC. The apartment complex is utilized in a program operated by the Organization that provides housing to low-income individuals. During the year ended June 30, 2016, the Organization recognized \$71,400 as contributions of donated housing from CRSC related to the apartment complex. During the year ended June 30, 2016, the Organization incurred \$49,784 of operating expenses for the apartment complex.

10. Pension Plan

Employees of the Organization are eligible to participate in a 401(k) plan sponsored by CRSC after 60 days of service. Under the terms of the defined contribution plan, eligible employees may elect to contribute up to the federal tax limitation. The plan has the following employee deferral and matching provisions:

<u>Elective Deferral</u>	<u>Employer Matching</u>
1%	150% of employee contribution
1% – 3%	100% of employee contribution
3% – 6%	50% of employee contribution

Continued

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plan (continued)

Employees are immediately vested in employer contributions. During the year ended June 30, 2016, retirement expense related to the plan was \$21,088, which is included in wages and fringe benefits in the accompanying statement of functional expenses.

11. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended June 30, 2016, as the Organization had no taxable net unrelated business income. The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

The Organization performed an evaluation of uncertain tax positions for the year ended June 30, 2016, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of June 30, 2016, the statute of limitations for tax years ended June 30, 2012, through June 30, 2015, remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

12. Prior Year Summarized Financial Information

The accompanying 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 27, 2016, the date the financial statements were available to be issued. Other than the subsequent event disclosed in Note 5 related to the extension of the line of credit, there were no subsequent events that require recognition or disclosure in the financial statements.