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THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2016

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THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2016

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## Independent Auditors' Report

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To the Board of Directors  
The Alzheimer's Association  
Central and Western Virginia Chapter

We have audited the accompanying financial statements of the Central and Western Virginia Chapter of the Alzheimer's Association (a nonprofit Chapter), 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.

### 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 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 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 the Central and Western Virginia Chapter of the Alzheimer's Association 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.

## Report on Summarized Comparative Information

We have previously audited the Central and Western Virginia Chapter of the Alzheimer's Association's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2015. 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.

*Robinson, Farned, Cox Associates*

Charlottesville, Virginia  
September 30, 2016

- Financial Statements -

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Statement of Financial Position  
At June 30, 2016  
(With Comparative Totals for 2015)

	2016	2015
Assets:		
Cash and cash equivalents	\$ 84,553	\$ 27,416
Investments	189,099	265,479
Bequests receivable	41,528	51,652
Pledges receivable, net of discount and allowance	6,950	19,177
Due from National organization	59,553	92,959
Sponsorships receivable	74,167	19,900
Other receivables	309	9,207
Prepaid expenses	11,967	10,672
Charitable remainder trusts	117,920	123,204
Beneficial interest in agency fund held by third party	139,955	144,925
Permanently restricted interest in perpetual trust	75,014	75,853
Furniture and equipment, net of accumulated depreciation	4,250	8,230
Total assets	\$ 805,265	\$ 848,674
Liabilities:		
Accounts payable	\$ 31,773	\$ 13,209
Due to National organization	107,143	116,553
Accrued leave	8,590	11,292
Total liabilities	\$ 147,506	\$ 141,054
Net assets:		
Unrestricted	\$ 388,147	\$ 545,178
Temporarily restricted	194,598	86,589
Permanently restricted	75,014	75,853
Total net assets	\$ 657,759	\$ 707,620
Total liabilities and net assets	\$ 805,265	\$ 848,674

The accompanying notes to financial statements are an integral part of this statement.

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Statement of Activities  
Year Ended June 30, 2016  
(With Comparative Totals for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2016	2015
Revenue, gains, and other support:					
Contributions, gifts, grants and pledges:					
Individual contributions	\$ 100,030	\$ 60,929	\$ -	\$ 160,959	\$ 301,759
Corporate contributions	50	110,000	-	110,050	48,922
Organization and foundation giving	25,132	86,416	-	111,548	123,594
Walk to End Alzheimer's	690,698	-	-	690,698	606,711
Shared fundraising with national organization - net	(218,547)	75	-	(218,472)	(202,262)
Grants - exchange	46,295	-	-	46,295	43,245
Conferences and educational workshops	19,966	-	-	19,966	30,630
Program fees	2,127	-	-	2,127	775
Payments from affiliates	6,562	-	-	6,562	8,154
In-kind donations	94,686	-	-	94,686	71,257
Miscellaneous	1,092	-	-	1,092	756
Investment income (loss)	(8,316)	-	(839)	(9,155)	22,851
Special fundraising events - net	126,956	-	-	126,956	87,596
Net assets released from restrictions	149,411	(149,411)	-	-	-
Total revenue, gains, and other support	\$ 1,036,142	\$ 108,009	\$ (839)	\$ 1,143,312	\$ 1,143,988
Expenses:					
Program services:					
Family education	\$ 328,357	\$ -	\$ -	\$ 328,357	\$ 304,940
Professional training	158,063	-	-	158,063	160,753
Public policy	52,709	-	-	52,709	45,488
Public awareness	362,245	-	-	362,245	303,490
Management & general	138,721	-	-	138,721	127,481
Fundraising	153,078	-	-	153,078	134,759
Total expenses	\$ 1,193,173	\$ -	\$ -	\$ 1,193,173	\$ 1,076,911
Change in net assets	\$ (157,031)	\$ 108,009	\$ (839)	\$ (49,861)	\$ 67,077
Net assets at beginning of year	545,178	86,589	75,853	707,620	640,543
Net assets at end of year	\$ 388,147	\$ 194,598	\$ 75,014	\$ 657,759	\$ 707,620

The accompanying notes to financial statements are an integral part of this statement.

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Statement of Functional Expenses  
Year Ended June 30, 2016  
(With Comparative Totals for 2015)

	Program Services							Total	
	Family	Professional	Public	Public	Total	Management	Fund-	Total	
	Education	Training	Policy	Awareness	Program Services	& General	Raising	2016	2015
Personnel costs	\$ 232,632	\$ 114,940	\$ 24,452	\$ 218,658	\$ 590,682	\$ 39,962	\$ 81,753	\$ 712,397	\$ 630,689
Legal and accounting fees	-	-	-	-	-	46,560	-	46,560	40,800
Professional services	30,705	718	23,188	1,358	55,969	6,746	504	63,219	42,198
Supplies, telecommunications, and postage	12,816	5,882	924	11,578	31,200	3,015	6,776	40,991	35,984
Occupancy, equipment costs, and insurance	27,925	13,443	2,862	26,072	70,302	4,649	11,596	86,547	97,132
Printing and publications/ newsletter, website	4,545	3,824	159	14,155	22,683	297	11,563	34,543	45,220
Staff and volunteer, training and travel	19,734	19,256	1,124	21,881	61,995	3,915	18,038	83,948	76,123
Grants	-	-	-	-	-	-	-	-	300
Depreciation	-	-	-	-	-	3,979	-	3,979	3,979
In-kind expenses	-	-	-	57,902	57,902	17,483	19,301	94,686	71,257
Miscellaneous	-	-	-	10,641	10,641	12,115	3,547	26,303	33,229
Total expenses	<u>\$ 328,357</u>	<u>\$ 158,063</u>	<u>\$ 52,709</u>	<u>\$ 362,245</u>	<u>\$ 901,374</u>	<u>\$ 138,721</u>	<u>\$ 153,078</u>	<u>\$ 1,193,173</u>	<u>\$ 1,076,911</u>

The accompanying notes to financial statements are an integral part of this statement.



THE ALZHEIMER'S ASSOCIATION  
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Statement of Cash Flows  
Year Ended June 30, 2016  
(With Comparative Totals for 2015)

	2016	2015
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (49,861)	\$ 67,077
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,979	3,979
Net realized and unrealized (gain) on investments	12,878	(12,214)
Change in permanently restricted interest in perpetual trust	839	(75,853)
Change in value of charitable remainder trusts	5,284	12,261
(Increase) decrease in bequests receivable	10,124	(51,652)
(Increase) decrease in pledges receivable	12,227	30,485
(Increase) decrease in other sponsorships receivable	(54,267)	(7,000)
(Increase) decrease in other receivables	8,898	13,126
(Increase) decrease in due from National organization	33,406	(25,099)
(Increase) decrease in prepaid expenses	(1,295)	(9,672)
Increase (decrease) in accounts payable	18,564	(16,117)
Increase (decrease) in accrued leave	(9,410)	1,328
Increase (decrease) in due to National organization	(2,702)	19,136
Net cash provided by (used in) operating activities	\$ (11,336)	\$ (50,215)
<b>Cash flows from investing activities:</b>		
Purchase of investments	\$ (9,843)	\$ (108,753)
Proceeds from sale of investments	78,316	103,449
Net cash provided by (used in) investing activities	\$ 68,473	\$ (5,304)
Net increase (decrease) in cash and cash equivalents	\$ 57,137	\$ (55,519)
Cash and cash equivalents, beginning of year	27,416	82,935
Cash and cash equivalents, end of year	\$ 84,553	\$ 27,416

The accompanying notes to financial statements are an integral part of this statement.

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Notes to Financial Statements  
At June 30, 2016

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Nature of Activities:

The Alzheimer's Association, Central and Western Virginia Chapter (the "Chapter"), provides support for families caring for individuals with Alzheimer's disease in the central and western part of Virginia. As presently organized, the Chapter serves families in 37 counties, comprised of 1.8 million people, which spans one-half the land mass of the Commonwealth. The Chapter is dedicated to achieving its mission of eliminating Alzheimer's disease through the advancement of research, providing and enhancing care and support for all affected, and reducing the risk of dementia through the promotion of brain health. The Chapter is supported primarily through Walk to End Alzheimer's, donor contributions, and grants.

Basis of Accounting:

The Chapter's financial statements are prepared on the accrual basis, in accordance with generally accepted accounting principles. Therefore, revenues are recognized when earned rather than when received and expenses are recorded when incurred rather than when paid. Expenses are capitalized as assets when the expense in one period can be seen as providing benefit to the Chapter in future periods.

Use of Estimates:

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

Financial Statement Presentation:

The Chapter is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of the Chapter and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets that are not subject to any donor-imposed stipulations. At June 30, 2016, the Chapter reported unrestricted net assets of \$388,147.

*Temporarily restricted assets* - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Chapter or the passage of time. At June 30, 2016, the Chapter reported temporarily restricted net assets of \$194,598.

*Permanently restricted net assets* - Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Chapter. Generally, the donors permit the Chapter to use all or part of the income earned for either general or donor-specific purposes. At June 30, 2016, the Chapter had permanently restricted net assets of \$75,014.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Chapter considers all highly liquid investments available for current use with an initial maturity of three months or less from the date of acquisition to be cash equivalents, except for cash or money market accounts held by external managers.

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Notes to Financial Statements  
At June 30, 2016 (Continued)

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**In-Kind Donations:**

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services because they did not meet the requirements for recognition in the financial statements. Nevertheless, a substantial number of volunteers have donated significant amounts of their time in the Chapter's program services and fundraising activities. In-Kind donations of rent discounts in the amount of \$16,377, goods in the amount of \$1,106, and advertising in the amount of \$77,203 were recognized in the financial statements.

**Concentration of Credit Risk:**

The Chapter maintains its cash in bank deposit accounts at one high credit quality financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Chapter had no uninsured cash balances at June 30, 2016.

**NOTE 2 - TAX STATUS:**

The Chapter is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and contributions to our programs are deductible for tax purposes. We report annually to the Internal Revenue Service, through the National Office of the National organization of the Alzheimer's Disease and Related Disorders Association, Inc. ("National organization"), 225 N. Michigan Avenue, Chicago, IL 60601.

**NOTE 3 - FURNITURE AND EQUIPMENT:**

Purchased furniture and equipment with a cost of \$1,000 or greater is recorded at its original cost. Material gifts of furniture and equipment are recorded at the fair market value at date of gift. Depreciation is taken on a straight line basis, using a three year life for computers and software, and a five year life for furniture, office equipment, and vehicles.

	<b>Furniture &amp;</b>			
	<b>Office</b>	<b>Computers &amp;</b>		
	<b>Equipment</b>	<b>Software</b>	<b>Vehicles</b>	<b>Total</b>
Cost	\$ 24,536	\$ 103,346	\$ 11,562	\$ 139,444
Accumulated Depreciation	24,536	99,866	10,792	135,194
Net Furniture and Equipment	\$ -	\$ 3,480	\$ 770	\$ 4,250

THE ALZHEIMER'S ASSOCIATION  
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Notes to Financial Statements  
At June 30, 2016 (Continued)

**NOTE 4 - PLEDGES RECEIVABLE:**

Pledges receivable as of June 30, 2016 are expected to be received as follows:

Within one year	\$ 4,175
Between two and five years	3,375
Allowance for uncollectibles	(271)
Less discounts to net present value (2.42% - 2.56%)	<u>(329)</u>
Net pledges receivable	<u>\$ 6,950</u>

**NOTE 5 - OPERATING LEASES:**

The Chapter has several noncancelable operating leases, for office space, that expire at various dates through April 2018. The Chapter is also leasing vehicles under noncancelable operating leases, expiring at various dates through April 2019. Rent expenses, under all operating leases, for the year were \$57,565.

Future minimum lease payments under operating leases that have initial or remaining terms in excess of one year as of June 30, 2016, are:

<u>FYE</u>	<u>Amount</u>
16-17	\$ 45,190
17-18	32,704
18-19	<u>4,020</u>
Total	<u>\$ 81,914</u>

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS:**

Activity in temporarily restricted funds was as follows during the year ended June 30, 2016.

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2016</u>
Arts Fusion Project	\$ 62,169	\$ 126,570	\$ (68,638)	\$ 120,101
Car Sponsorship	4,500	-	(4,500)	-
Chapter Programs	50	63,075	(46,383)	16,742
Other	<u>19,870</u>	<u>67,775</u>	<u>(29,890)</u>	<u>57,755</u>
Total	<u>\$ 86,589</u>	<u>\$ 257,420</u>	<u>\$ (149,411)</u>	<u>\$ 194,598</u>

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Notes to Financial Statements  
At June 30, 2016 (Continued)

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**NOTE 7 - SPECIAL FUNDRAISING EVENTS:**

During the year ended June 30, 2016, a variety of fundraising events were held with revenue and expenses as follows:

Revenue	\$ 181,036
Direct expenses	(25,520)
Cost of direct benefit to donors	<u>(28,560)</u>
Total	<u>\$ 126,956</u>

**NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES:**

In the preparation of the Statement of Functional Expenses, all direct expenses for program services, management and general and fundraising activities were allocated 100% to the respective categories. Indirect expenses such as salaries, benefits, and rent and facility costs were allocated to program services, management and general, and fundraising, based on an analysis of the way the staff spent their time.

**NOTE 9 - CHARITABLE REMAINDER TRUST:**

In April 2004, the Chapter was named as a 25% beneficiary of two irrevocable charitable remainder trusts. The trusts allow for income of the trusts to be distributed to a surviving recipient until they are deceased. After which, 25% of the corpus and any undistributed income will be distributed to the Chapter.

The trusts have been recorded in the financial statements at the net present value of the expected future cash flows to be received by the Chapter. The net present value of the trusts have been computed by discounting estimated cash flows at a rate of 2.42%.

The amounts recorded for the value of the charitable remainder trusts at June 30, 2016 were \$84,025 and \$33,895 for a total of \$117,920. The market values of the trusts at June 30, 2016 were \$519,365 and \$209,506 for a total of \$728,871.

**NOTE 10 - BENEFICIAL INTEREST IN AGENCY FUND HELD BY THIRD PARTY:**

The Chapter is the beneficiary under a Designated Agency Fund Agreement with Charlottesville Area Community Foundation. The agency fund has been recorded in accordance with generally accepted accounting principles which state that if a community foundation receives assets from a nonprofit organization that specifies itself or its affiliate as the beneficiary, the transfer is not a contribution received by community foundation even if the variance power is explicitly stated in the gift instrument. The assets of the fund are included in the Statement of Financial Position of the Chapter as a beneficial interest in agency fund held by third party. Distributions are to be paid as the two organizations agreed upon. In addition, the fund is charged a .5% administrative fee quarterly on the fund balance.

The changes in the agency fund are detailed in Note 13 for year ended June 30, 2016.

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Notes to Financial Statements  
At June 30, 2016 (Continued)

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**NOTE 11 - PERMANENTLY RESTRICTED INTEREST IN PERPETUAL TRUST:**

The Chapter is a 33% beneficiary of a perpetual trust held and administered by others. The value of the Chapter's share is considered a reasonable estimate of the fair value of the Chapter's interests in this trust and is recognized as an asset and as contribution revenue at the date such funds are established. The carrying value of the Chapter's interest is adjusted annually for changes in fair value of the underlying assets. The amount recorded for the value of the perpetual trust at June 30, 2016 was \$75,014.

**NOTE 12 - INVESTMENTS:**

Investments are carried at fair market value. Realized and unrealized gains and losses are reflected in the statement of activities. The following is a summary of investments at market value at June 30, 2016.

	<u>Amount</u>
Securities	\$ 188,299
Cash and cash alternatives	<u>800</u>
Total	<u>\$ 189,099</u>

A summary of the Chapter's investment income for the year ended June 30, 2016 is as follows:

	<u>Amount</u>
Interest and dividends	\$ 9,846
Realized and unrealized gain	(12,878)
Change in value of trusts	<u>(6,123)</u>
Total	<u>\$ (9,155)</u>

**NOTE 13 - FAIR VALUE MEASUREMENTS:**

Fair value is determined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three-level fair value hierarchy prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

THE ALZHEIMER'S ASSOCIATION  
CENTRAL AND WESTERN VIRGINIA CHAPTER

Notes to Financial Statements  
At June 30, 2016 (Continued)

**NOTE 13 - FAIR VALUE MEASUREMENTS: (Continued)**

- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Chapter is providing the following information related to the fair value of assets measured on a recurring basis:

	Total 6/30/2016	Fair Value Measurements at Reporting Date		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
Investments:				
U.S. corporate fixed income securities	\$ 20,007	\$ 20,007	\$ -	\$ -
U.S. equity securities	168,292	168,292	-	-
Cash and cash alternatives	800	800	-	-
Total investments	\$ 189,099	\$ 189,099	\$ -	\$ -
Beneficial interest in agency fund held by third party	\$ 139,955	\$ -	\$ -	\$ 139,955
Permanently restricted interest in perpetual trust	\$ 75,014	\$ -	\$ -	\$ 75,014
Charitable remainder trusts	\$ 117,920	\$ -	\$ -	\$ 117,920
Total	\$ 521,988	\$ 189,099	\$ -	\$ 332,889

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Remainder Trusts	Perpetual Trust	Agency Funds	Total
Balance at 7/1/15	\$ 123,204	\$ 75,853	\$ 144,925	\$ 343,982
Return on investments	-	-	(3,569)	(3,569)
Administrative fee	-	-	(1,401)	(1,401)
Change in value of trusts	(5,284)	(839)	-	(6,123)
Balance at 6/30/16	\$ 117,920	\$ 75,014	\$ 139,955	\$ 332,889

The change in value for the period included in changes in net assets attributable to the change in value relating to assets still held at the reporting date	\$ (5,284)	\$ (839)	\$ (4,970)	\$ (11,093)
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The Chapter's securities trade on a major exchange. Accordingly, such securities are disclosed in Level 1.

THE ALZHEIMER'S ASSOCIATION  
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Notes to Financial Statements  
At June 30, 2016 (Continued)

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**NOTE 13 - FAIR VALUE MEASUREMENTS: (Continued)**

The Chapter invests in stocks, which are reported as either equity securities or fixed income securities. These funds trade on a daily basis and the net asset value of these funds is available to the public. Accordingly, these stocks are reported as Level 1.

The beneficial interest in agency fund held by third party represents a beneficial interest in amounts invested in Charlottesville Area Community Foundation's (CACF) investment pool. The fair value estimate of this investment is based on net asset value (NAV), as provided by the investment manager. The NAV is determined from a market that is not active; however, the underlying investments held by the pool may trade on active markets. This interest has been reported as Level 3.

**NOTE 14 - DEFINED CONTRIBUTION PLAN:**

The Chapter sponsors a defined contribution plan covering all employees who are reasonably to receive at least \$4,000 in compensation for the calendar year and have received at least \$4,000 in compensation during any calendar year preceding the calendar year. The Chapter matches participants' contributions to the Plan up to 3% of the individual participant's compensation. Total expense for the year ended June 30, 2016 was \$12,710.

**NOTE 15 -SHARED FUNDRAISING:**

The Chapter is affiliated with the National organization. A formal Statement of Relationship outlines the rights and responsibilities of National and the Chapter. These responsibilities include that the Chapter comply with policies. These policies include Shared Fundraising (SFR), which unifies and coordinates fundraising efforts with the Chapter's territory.

SFR requires that National, the Chapter and a Mission Fund, to be used for the benefit of the whole Association, share unrestricted contributed revenue raised in the territory. During the year ending June 30, 2016, revenue was shared as follows: 60% to the Chapter, 30% to National, and 10% to the Mission Fund. At June 30, 2016, \$47,590 was the net amount due to the National organization because of SFR.

**NOTE 16 - MERGER WITH NATIONAL ORGANIZATION:**

On October 17, 2015, the National Organization Board of Directors approved reorganizing the independent chapters and the National Organization to operate as a single entity. This reorganization was completed at 12:01 am, July 1, 2016 at which time the Chapter consolidated with the National Organization. From that date forward, the Chapter will no longer be an independent entity and will be included in the scope of the National Organization's financial statements.

**NOTE 17 - SUBSEQUENT EVENTS:**

In preparing these financial, management of the Chapter has evaluated events and transactions for potential recognition or disclosure through September 30, 2016, the date the financial statements were available to be issued.