

KESHET, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

KESHET, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Keshet, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Keshet, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 auditors consider 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 Keshet, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marcum LLP

Boston, Massachusetts
November 15, 2018

KESHET, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Cash	\$ 739,585	\$ 382,878
Grants receivable and promises to give, net	1,267,920	1,279,433
Contributions receivable	2,802	15,681
Property and equipment, net	17,145	19,715
Security deposits	12,523	7,058
Prepaid expense	<u>64,076</u>	<u>48,844</u>
Total Assets	<u>\$ 2,104,051</u>	<u>\$ 1,753,609</u>
Liabilities and Net Assets		
Accounts payable	\$ 17,637	\$ 26,014
Accrued expenses	79,597	38,361
Deferred revenue	<u>1,968</u>	<u>3,133</u>
Total Liabilities	<u>99,202</u>	<u>67,508</u>
Net Assets		
Unrestricted	198,975	182,933
Temporarily restricted	<u>1,805,874</u>	<u>1,503,168</u>
Total Net Assets	<u>2,004,849</u>	<u>1,686,101</u>
Total Liabilities and Net Assets	<u>\$ 2,104,051</u>	<u>\$ 1,753,609</u>

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

KESHET, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Grants	\$ 261,084	\$ 1,429,000	\$ 1,690,084
Contributions	748,136	--	748,136
Special events, net of expenses	163,486	--	163,486
Training and consulting fees	42,643	--	42,643
Other income	14,438	--	14,438
Net assets released from restriction	1,126,294	(1,126,294)	--
Total Support and Revenue	2,356,081	302,706	2,658,787
Expenses			
Program services	1,779,266	--	1,779,266
Support services			
General and administrative	308,055	--	308,055
Fundraising	252,718	--	252,718
Total Expenses	2,340,039	--	2,340,039
Increase in Net Assets	16,042	302,706	318,748
Net Assets at Beginning of Year	182,933	1,503,168	1,686,101
Net Assets at End of Year	\$ 198,975	\$ 1,805,874	\$ 2,004,849

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

KESHET, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Grants	\$ 85,000	\$ 2,032,963	\$ 2,117,963
Contributions	749,168	--	749,168
Special events, net of expenses	112,913	--	112,913
Training and consulting fees	57,162	--	57,162
Other income	16,435	--	16,435
Fundraising	10,819	--	10,819
Net assets released from restriction	885,361	(885,361)	--
Total Support and Revenue	1,916,858	1,147,602	3,064,460
Expenses			
Program services	1,325,463	--	1,325,463
Support services			
General and administrative	136,225	--	136,225
Fundraising	347,641	--	347,641
Total Expenses	1,809,329	--	1,809,329
Increase in Net Assets	107,529	1,147,602	1,255,131
Net Assets at Beginning of Year	75,404	355,566	430,970
Net Assets at End of Year	\$ 182,933	\$ 1,503,168	\$ 1,686,101

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

KESHET, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 938,822	\$ 112,659	\$ 200,282	\$ 1,251,763
Payroll taxes and employee benefits	227,107	27,253	48,449	302,809
Consultants and contractors	170,037	30,625	22,760	223,422
Occupancy	105,285	56,290	4,233	165,808
Travel and accomodations	86,355	7,578	15,397	109,330
Professional services	44,212	44,212	--	88,424
Space rental	67,304	1,408	6,426	75,138
Food and entertainment	42,869	1,736	25,106	69,711
Printing and reproduction	27,415	203	19,873	47,491
Office and program supplies	18,280	6,139	2,992	27,411
Postage and shipping	14,042	2,853	9,658	26,553
Merchant account fees	6,313	6,267	46	12,626
Miscellaneous expense and bad debt	5,855	5,855	--	11,710
Marketing and promotion	5,941	2,002	1,150	9,093
Mebership dues and subscriptions	5,418	94	2,253	7,765
Program evaluation	6,969	--	--	6,969
Insurance	2,616	2,615	--	5,231
Event registration expense	3,099	76	144	3,319
Professional development	1,327	190	194	1,711
	<u>1,779,266</u>	<u>308,055</u>	<u>358,963</u>	<u>2,446,284</u>
Less special events	<u>--</u>	<u>--</u>	<u>106,245</u>	<u>106,245</u>
Total Functional Expenses	<u>\$ 1,779,266</u>	<u>\$ 308,055</u>	<u>\$ 252,718</u>	<u>\$ 2,340,039</u>

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

KESHET, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	General and Administration	Fundraising	Totals
Salaries	\$ 773,760	\$ 94,988	\$ 178,284	\$ 1,047,032
Payroll taxes and employee benefits	159,341	19,561	33,318	212,220
Program consultants	101,241	--	450	101,691
Events and meeting costs	24,870	268	67,522	92,660
Rent and utilities	70,118	6,833	13,291	90,242
Travel	50,939	763	30,537	82,239
Professional fees	36,256	4,451	7,581	48,288
Other consultants	8,765	122	22,095	30,982
Postage and shipping	3,324	312	20,401	24,037
Office and program supplies	15,480	1,169	3,409	20,058
Website	12,908	1,585	2,699	17,192
Events consultants	7,318	--	9,607	16,925
Depreciation	12,700	1,559	2,655	16,914
Bank and credit card processing fees	11,281	1,358	2,317	14,956
Telephone	10,989	1,058	1,801	13,848
Computer and equipment	6,842	553	3,859	11,254
Printing and publishing	2,603	38	8,361	11,002
Miscellaneous expense and bad debt	5,203	822	2,023	8,048
Advertising and promotion	4,161	--	2,655	6,816
Repairs and maintenance	3,753	461	785	4,999
Insurance	2,489	306	520	3,315
Professional development	1,122	18	118	1,258
	1,325,463	136,225	414,288	1,875,976
Less special events	--	--	66,647	66,647
Total Functional Expenses	\$ 1,325,463	\$ 136,225	\$ 347,641	\$ 1,809,329

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

KESHET, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 318,748	\$ 1,255,131
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	9,632	16,914
Bad debt expense	9,610	3,702
Changes in operating assets and liabilities:		
Prepaid expenses	(15,232)	(40,126)
Contributions receivable	12,879	(7,799)
Grants receivable and promises to give	1,903	(974,523)
Security deposits	(5,465)	(500)
Accounts payable	(8,377)	(36,999)
Accrued expenses	41,236	(18,438)
Deferred revenue	(1,165)	3,133
Total Adjustments	<u>45,021</u>	<u>(1,054,636)</u>
Net Cash Provided by Operating Activities	<u>363,769</u>	<u>200,495</u>
Net Cash Used in Investing Activities		
Purchase of property and equipment	<u>(7,062)</u>	<u>--</u>
Net Increase in Cash	356,707	200,495
Cash at Beginning of Year	<u>382,878</u>	<u>182,383</u>
Cash at End of Year	<u>\$ 739,585</u>	<u>\$ 382,878</u>

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

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - ORGANIZATION

Keshet, Inc. (the “Organization”) was organized under the laws of the Commonwealth of Massachusetts as a non-profit organization in 2001 for the specific purpose of working for the full equality and inclusion of lesbian, gay, bisexual, and transgender (LGBT) Jews in Jewish life. The Organization strives to cultivate the spirit and practice of inclusion in all parts of the Jewish community. The Organization began as a small, grassroots group working for change in the Greater Boston area, and is now a national organization with an office in San Francisco, California in addition to its headquarters in Boston, Massachusetts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

BASIS OF PRESENTATION

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

UNRESTRICTED NET ASSETS

Unrestricted net assets represent those assets which the Organization may use at its discretion.

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restriction.

PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of those assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. There are no permanently restricted net assets at December 31, 2017 and 2016.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements 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 could differ from those estimates.

GRANTS AND CONTRIBUTIONS

Grants and contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the 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 statements of activities as net assets released from restriction.

PROMISES TO GIVE

Unconditional promises to give are recognized as revenues and as assets in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises to give becomes unconditional.

PROMISES TO GIVE, GRANTS AND CONTRIBUTIONS RECEIVABLE

Promises to give, grants and contributions receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible amounts through a charge to contributions and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to promises to give, grants and contributions receivable. The valuation allowance for grants receivable and promises to give is \$3,600 at December 31, 2017 and 2016. Management determined that no valuation allowance was required for contributions receivable at December 31, 2017 and 2016.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are five years for equipment, furniture, and website development. Leasehold improvements are amortized over shorter of their estimated useful life or the terms of related leases. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and gains or losses are included on the statements of activities and changes in net assets.

EXPENSE ALLOCATION

The operating costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

INCOME TAXES

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Massachusetts income taxes. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income at both the state and federal levels. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private organization under Section 509(a)(2).

The Organization evaluates all significant tax positions. As of December 31, 2017 and 2016, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization's tax returns are subject to examination by the appropriate taxing jurisdictions.

ADVERTISING COST

The Organization expenses advertising costs as incurred. Advertising expenses amounted to \$5,089 and \$6,816 for the years ended December 31, 2017 and 2016, respectively.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

The Organization defers recognition of revenue for event registration costs and fees received in advance of events being held. The balance of deferred revenue was \$1,968 and \$3,133 as of December 31, 2017 and 2016, respectively.

RECLASSIFICATION

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. There was no effect on the previously reported change in net assets.

SUBSEQUENT EVENTS

On March 6, 2018, the Organization entered into contract with a third party for rebranding services for the total amount of \$95,000. On September 17, 2018, the Organization entered into contract with a third party for consulting services for the total amount of \$90,000. On March 1, 2018, the Organization entered into a lease agreement for its office space in New York, New York. On July 2, 2018, the Organization entered into a lease agreement for its office space in New York, New York. The agreement commenced July 15, 2018 with a term of 12 months and a monthly payment amounting to \$2,225.

The Organization has evaluated all subsequent events through November 15, 2018, the date the financial statements were available for issuance.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3 – PROMISES TO GIVE, GRANTS AND CONTRIBUTIONS RECEIVABLE

The following summarizes the expected collection schedule of promises to give, grants and contributions receivable as of December 31:

	2017	2016
Contributions receivable, collectible in:		
Less than 1 year	\$ 2,802	\$ 15,681
Contributions receivable	<u>\$ 2,802</u>	<u>\$ 15,681</u>
Grants receivable and promises to give, collectible in:		
Less than 1 year	\$ 937,165	\$ 753,533
One to two years	334,355	529,500
Allowance for uncollectible promises to give	<u>(3,600)</u>	<u>(3,600)</u>
Grants receivable and promises to give, net	<u>\$ 1,267,920</u>	<u>\$ 1,279,433</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2017	2016
Furniture and equipment	\$ 49,568	\$ 42,509
Website design	61,850	61,850
Leasehold improvements	<u>4,260</u>	<u>4,260</u>
	115,678	108,619
Accumulated depreciation	<u>(98,533)</u>	<u>(88,904)</u>
	<u>\$ 17,145</u>	<u>\$ 19,715</u>

Depreciation expense amounted to \$9,632 and \$16,914 for the years ended December 31, 2017 and 2016.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5 - ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31:

	2017	2016
Accrued professional fees	\$ 24,263	\$ 15,000
Accrued vacation	55,334	23,329
Accrued payroll taxes	<u> --</u>	<u> 32</u>
	<u>\$ 79,597</u>	<u>\$ 38,361</u>

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

The composition of temporarily restricted net assets as of December 31, 2017 and changes therein for the year then ended are as follows:

	December 31, 2016	Grants and Contributions	Appropriations and Expenditures	December 31, 2017
Temporarily Restricted Net Assets				
Jim Joseph	\$ 1,033,579	\$ --	\$ (370,000)	\$ 663,579
Temporarily restricted (timing)	225,000	1,216,000	(495,833)	945,167
Bay area	--	153,000	(51,717)	101,283
Teen work project	167,500	30,000	(117,500)	80,000
Boston	60,000	30,000	(75,000)	15,000
Translation project	845	--	--	845
Boston - Netivot	3,744	--	(3,744)	--
Leadership project	12,500	--	(12,500)	--
	<u>1,503,168</u>	<u>1,429,000</u>	<u>(1,126,294)</u>	<u>1,805,874</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,503,168</u>	<u>\$ 1,429,000</u>	<u>\$ (1,126,294)</u>	<u>\$ 1,805,874</u>

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

The composition of temporarily restricted net assets as of December 31, 2016 and changes therein for the year then ended are as follows:

	<u>December 31, 2015</u>	<u>Grants and Contributions</u>	<u>Appropriations and Expenditures</u>	<u>December 31, 2016</u>
Temporarily Restricted Net Assets				
Jim Joseph	\$ --	\$ 1,200,000	\$ (166,421)	\$ 1,033,579
Temporarily restricted (timing)	200,000	225,000	(200,000)	225,000
Teen work project	67,500	304,368	(204,368)	167,500
Boston	--	95,000	(35,000)	60,000
Leadership project	67,500	--	(55,000)	12,500
Boston - Netivot	--	4,400	(656)	3,744
Translation project	845	--	--	845
Infrastructure	15,000	--	(15,000)	--
New Jersey	3,721	--	(3,721)	--
Miami	1,000	6,300	(7,300)	--
Bay Area	--	157,500	(157,500)	--
GA Summit Reception	--	20,395	(20,395)	--
NY Leaders Society	--	20,000	(20,000)	--
Total Temporarily Restricted Net Assets	<u>\$ 355,566</u>	<u>\$ 2,032,963</u>	<u>\$ (885,361)</u>	<u>\$ 1,503,168</u>

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of temporary cash investments and promises to give, grants and contributions receivable.

The Organization has a potential concentration of credit risk in that it maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), which insures up to \$250,000, per depositor, per insured depository institution for each account ownership category.

The Organization has 84% of its grants and contributions receivable due from two donors as of December 31, 2017. The Organization has 73% of its grants and contributions receivable due from two donors as of December 31, 2016.

The Organization received 38% and 41% of its support from one donor for the years ended December 31, 2017 and 2016, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Organization has entered into four operating leases for the use of office space. The expiration dates of these leasing arrangements are as follows:

- On May 1, 2014, the Organization entered into a lease agreement for its office space in Jamaica Plain, Massachusetts expiring on May 1, 2019.
- On February 1, 2016, the Organization entered into a lease agreement for its office space in San Francisco, California. The agreement commenced February 1, 2016 with a term of five months expiring June 30, 2016 with a monthly payment amounting to \$1,050, payable in advance. For the remainder of 2016 and 2017 the Organization has been leasing the office space on a month-to-month basis under the same terms of the previous agreement.
- The Organization had been leasing shared office space in Brooklyn, New York on a month-to-month basis. The agreement commenced April 1, 2016 under a month-to-month tenant at-will term with a monthly payment amounting to \$495, payable in advance. The Organization stopped leasing space in June 2016.
- On December 29, 2016, the Organization entered into a lease agreement for its office space in New York, New York. The agreement commenced February 1, 2017 with a term of 1 month expiring on March 1, 2017 with a monthly payment amounting to \$1,760, payable in advance. The Organization continues to lease the office space on a month-to-month basis as a tenant at will.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Rent expense incurred during the years ended December 31, 2017 and 2016 amounted to \$101,779 and \$86,223, respectively.

Future minimum lease payments as of December 31, 2017 is as follows:

2018	\$	67,920
2019		<u>22,640</u>
	\$	<u>90,560</u>

On August 15, 2017, the Organization entered into a grant agreement with Legacy Heritage Programming VII LLC for participating in Project Accelerate over a two-year term beginning September 2017 and ending in September 2019. The Organization shall identify a capacity-building initiative in accordance with the guidelines set forth in the grant agreement. The project will be funded on a 1:2 match basis, in an amount between \$50,000 and \$250,000. As of December 31, 2017, no funds have been matched.

NOTE 9 - PENSION PLAN

The Organization participates in a defined contribution pension plan as defined under Section 401(k) of the U.S. Internal Revenue Code. The Organization offers the plan to all of its employees, and funding of the plan is provided solely by employee contributions. The Organization incurred \$3,065 and \$2,340 in relation to the maintenance of the plan for the years ended December 31, 2017 and 2016, respectively.

NOTE 10 - SPECIAL EVENTS

Special events consist of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Gross special event revenue	\$ 269,731	\$ 179,560
Cost of direct benefits to donors	<u>106,245</u>	<u>66,647</u>
Special events revenue, net of expenses	<u>\$ 163,486</u>	<u>\$ 112,913</u>