

**AMERICAN FRIENDS OF NEVE SHALOM/  
WAHAT AL-SALAM, INC.**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED AUGUST 31, 2018 AND 2017**

**AMERICAN FRIENDS OF NEVE SHALOM/WAHAT AL-SALAM, INC.  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
American Friends of Neve Shalom/Wahat Al-Salam, Inc.  
Glendale, California

We have audited the accompanying financial statements of the American Friends of Neve Shalom/Wahat Al-Salam, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities and changes in net assets 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.

### **Auditor's 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 audits 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 American Friends of Neve Shalom/Wahat Al-Salam, Inc. as of August 31, 2018 and 2017 and the changes in its net assets, its functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page thirteen is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



James W. Vanstrom & Company  
Jamestown, New York

November 7, 2018

**AMERICAN FRIENDS OF NEVE SHALOM/WAHAT AL-SALAM, INC.  
STATEMENTS OF FINANCIAL POSITION**

**Page 2**

	August 31,	
	2018	2017
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 98,721	\$ 98,180
Investments - other	-	3,296
Prepaid expenses	1,160	1,909
<b>Total current assets</b>	<b>99,881</b>	<b>103,385</b>
<b>BOARD DESIGNATED ASSETS</b>		
Investments - board designated	233,285	214,553
<b>DONOR RESTRICTED ASSETS</b>		
Investments held for endowment purposes	522,949	517,115
<b>OTHER ASSETS</b>		
Promises to give	50,000	50,000
Security deposits	800	800
<b>Total assets</b>	<b>\$ 906,915</b>	<b>\$ 885,853</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 2,036
Accrued retirement contribution	980	2,147
Accrued payroll	-	-
<b>Total current liabilities</b>	<b>980</b>	<b>4,183</b>
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	149,701	150,002
Board designated	233,285	214,553
Temporarily restricted	159,168	153,334
Permanently restricted	363,781	363,781
<b>Total net assets</b>	<b>905,935</b>	<b>881,670</b>
<b>Total liabilities and net assets</b>	<b>\$ 906,915</b>	<b>\$ 885,853</b>

See accompanying independent auditor's report and notes to financial statements.

**AMERICAN FRIENDS OF NEVE SHALOM/WAHAT AL-SALAM, INC.  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

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	Year Ended August 31,	
	2018	2017
<b>UNRESTRICTED NET ASSETS</b>		
Operating revenues and other support:		
Contributions	\$ 505,861	\$ 357,540
Interest and dividends, net of investment fees	9,335	6,544
Other operating revenue	30	203
	<hr/>	<hr/>
<b>Total operating revenues and other support</b>	515,226	364,287
Operating expenses:		
Program services	425,434	369,995
Support	62,718	70,823
Fundraising	46,503	51,847
	<hr/>	<hr/>
<b>Total operating expenses</b>	534,655	492,665
<b>Operating loss</b>	(19,429)	(128,378)
Other :		
Realized and unrealized gains (losses) on investments	7,860	14,653
Net assets released from restrictions	30,000	30,000
	<hr/>	<hr/>
<b>Increase (decrease) in unrestricted net assets</b>	18,431	(83,725)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Investment income (expense) from donor restricted investments	35,834	47,726
Net assets released from restrictions	(30,000)	(30,000)
	<hr/>	<hr/>
<b>Increase in temporarily restricted net assets</b>	5,834	17,726
<b>Change in net assets</b>	24,265	(65,999)
<b>Net assets at beginning of year</b>	<hr/>	<hr/>
	881,670	947,669
<b>Net assets at end of year</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ 905,935	\$ 881,670

See accompanying independent auditor's report and notes to financial statements.

**AMERICAN FRIENDS OF NEVE SHALOM/WAHAT AL-SALAM, INC.  
STATEMENTS OF CASH FLOWS**

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	<u>Year Ended August 31,</u>	
	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 24,265	\$ (65,999)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized (gains) losses on investments	(16,150)	(45,300)
Noncash contributions	(20,361)	(50,068)
Interest and dividends restricted for long-term purposes, net of investment fees	(36,879)	(23,623)
(Increase) decrease in prepaid expenses	749	(1,909)
(Increase) decrease in promises to give	-	-
Increase (decrease) in accounts payable	(2,036)	(1,079)
Increase (decrease) in accrued retirement contribution	(1,167)	2,147
Increase (decrease) in accrued payroll	-	(15,463)
<b>Net cash used in operating activities</b>	<b>(51,579)</b>	<b>(201,294)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from investments - other	18,824	49,685
(Increase) decrease in investments - other	3,296	(3,221)
Proceeds from investments - board designated	-	75,000
Purchases of investments - board designated	(9,336)	(6,544)
Proceeds from investments held for endowment purposes	30,000	30,000
Purchases of investments held for endowment purposes	(27,543)	(17,079)
<b>Net cash provided by investing activities</b>	<b>15,241</b>	<b>127,841</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest and dividends restricted for long-term purposes, net of investment fees	36,879	23,623
<b>Net cash provided by financing activities</b>	<b>36,879</b>	<b>23,623</b>
<b>Net increase (decrease) in cash</b>	<b>541</b>	<b>(49,830)</b>
<b>Cash at beginning of year</b>	<b>98,180</b>	<b>148,010</b>
<b>Cash at end of year</b>	<b>\$ 98,721</b>	<b>\$ 98,180</b>

See accompanying independent auditor's report and notes to financial statements.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Neve Shalom/Wahat al-Salam (NS/WAS), the "Oasis of Peace" in Hebrew and Arabic, is the only community in Israel where Jews and Palestinians choose to live, work, and raise their children in equality and mutual respect. The Village started with a handful of individuals in the 1970's, and is now home to approximately sixty families - half Jewish, half Palestinian.

For more than thirty years, NS/WAS has been dedicated to dialogue, cooperation and a genuine and durable peace between Arabs and Jews, Palestinians and Israelis. The "Oasis of Peace" is uniquely designed to fulfill this mission, through its institutions such as the bilingual, bi-national, K-6 Primary School; the School for Peace, where young adults and university students participate in conflict management programs and cross-culture encounter workshops; and the Pluralistic Spiritual Center, where adults and youth engage in interfaith, intercultural dialogue, study and leadership programs. The Peace College and Friendship Library offer continuing education and graduate-level courses of study in peace education and conflict resolution. These institutions also serve as resource and research centers for peace-promoting projects that extend throughout the Israel/Palestine region.

The American Friends of Neve Shalom/Wahat al-Salam is a nonprofit corporation formed in 1986 under Section 501(c)(3) of the Internal Revenue Code, to provide support to the Oasis of Peace and awareness to the American public. The American Friends of Neve Shalom/Wahat Al-Salam encourages, supports, and publicizes the projects of NS/WAS. The Organization is supported primarily through donor contributions, as well as foundation grants. In addition, the Organization has been awarded certain grants from the United States Agency for International Development (USAID), as further disclosed in Note E to the financial statements.

Display of Net Assets by Class

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of Financial Accounting Standards Board (FASB) ASC 958, *Not-for-Profit Entities*. ASC 958 requires that resources be classified for reporting purposes into three net asset categories as temporarily restricted, permanently restricted and unrestricted net assets according to the existence or absence of donor-imposed restrictions.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of temporary cash investments. The Organization maintains its cash balances in one financial institution. Balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation. As of August 31, 2018 and 2017, the Organization had no uninsured funds.

Revenue Recognition

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition (Continued)

It is, normally, the Organization's policy not to accept donor-restricted contributions. Donors may request that their contributions be used for specific purposes, and the board of directors may designate the funds for use in accordance with the donor's request. However, in order to maintain discretion and control over the contributions in accordance with Internal Revenue Service regulations, the board of directors reserves the right to redirect the use of such funds at any time, and the final decision on the use of such funds is made by the board of directors. Accordingly, all contributions received by the Organization are, normally, considered for unrestricted use. During the year ended August 31, 2004, the board of directors made an exception to this policy with the establishment of the Jesse Zel Lurie Endowment Fund, which is further disclosed in Note C.

Donated material, equipment and services are not recorded if their value cannot be objectively measured or valued under FASB ASC 958-605, *Revenue Recognition*.

Expense Allocations

The 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization achieves some of its programmatic goals in direct mail campaigns, and travel and tour activities that include requests for contributions. For the years ended August 31, 2018 and 2017, the costs of conducting those activities included a total of \$34,869 and \$59,124, respectively, of joint costs that are not directly attributable to either the program, support, or fundraising components of the activities. Those joint costs were allocated as follows:

	<u>2018</u>	<u>2017</u>
Program services	\$ 19,185	\$ 33,329
Support	3,923	6,727
Fundraising	11,761	19,068
	<u>\$ 34,869</u>	<u>\$ 59,124</u>

Accounting for Investments

The Organization has adopted FASB ASC 958-320, *Investments – Debt and Equity Securities*. ASC 958-320 requires not-for-profit organizations to record certain investments at fair value with unrealized gains and losses being recorded in the statements of activities and changes in net assets. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. The cost of specific securities sold is used to compute realized gains or losses on sales.

Investments - other consist of mutual fund investments. The funds are stated at fair value, which approximates their cost.

Investment income (expense) includes interest, dividends and realized and unrealized gains and losses on investments, net of investment fees.



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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Furniture and Equipment

The Organization capitalizes all expenditures for furniture and equipment in excess of \$1,000.

Purchased furniture and equipment are carried at cost. Donated furniture and equipment are carried at the approximate fair value at the date of donation.

The Organization has no capitalized furniture and equipment as of August 31, 2018 and 2017.

Income Taxes

American Friends of Neve Shalom/Wahat Al-Salam, Inc. has been granted tax-exempt status by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code, and is registered as a charity in all states in which it solicits contributions. Accordingly, no provision has been made for federal, state, or local income taxes.

The Organization has adopted FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. Accordingly, penalties and interest associated with uncertain tax positions are accrued as part of any income tax provision. For the years ended August 31, 2018 and 2017, there were no penalties or interest recognized related to uncertain tax positions.

The Organization files U.S. federal, as well as various state exempt organization returns. The returns for 2014 – 2017 are still open to review.

Grants Payable

Grants payable consist of grants approved by the board of directors as of year-end, to be paid in subsequent years.

Estimates

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

Subsequent Events

The Organization has evaluated events and transactions that occurred between September 1, 2018 and November 7, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTE B – BOARD DESIGNATED ASSETS**

The board of directors has determined that certain funds should remain in segregated board designated accounts. Such funds and the interest earned thereon are to be restricted for use, as approved by the Organization’s board of directors, for certain projects at NS/WAS.

For the years ended August 31, 2018 and 2017, activities related to board designated investments were as follows:

As of August 31, 2018 and 2017, board designated investments, which are stated at fair value, consisted of the following:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 214,553	\$ 267,973
Interest and dividend income earned	9,335	6,544
Realized gains (losses)	3,616	-
Unrealized gains (losses)	5,781	15,036
Withdrawals	-	(75,000)
Ending balance	<u>\$ 233,285</u>	<u>\$ 214,553</u>

	<u>2018</u>	
	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 171,721	141,707
Cash and cash equivalents	61,564	61,564
	<u>\$ 233,285</u>	<u>\$ 203,271</u>

	<u>2017</u>	
	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 211,148	186,915
Cash and cash equivalents	3,405	3,405
	<u>\$ 214,553</u>	<u>\$ 190,320</u>

**NOTE C – DONOR RESTRICTED ASSETS**

Donor restricted assets consist of the Jesse Zel Lurie Endowment Fund, which was established in May 2004. The agreement with the donor directs that the principal of the endowment remain intact. Income and appreciation from the endowment are expendable annually, first, to pay the salary and benefits of one or more school teachers at the Primary School and/or Secondary School in NS/WAS, Israel, and, if there are additional funds available in any year, for any other use identified by the Schools. The agreement also states that in extraordinary or emergency circumstances, the Organization may expend the principal of the endowment, but only upon the majority vote of the entire board of directors.

For the years ended August 31, 2018 and 2017, activities related to investments held for endowment purposes were as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 517,115	\$ 499,389
Interest and dividend income earned	27,544	17,079
Realized gains (losses)	13,833	-
Unrealized gains (losses)	(5,543)	30,647
Grant expenses	(30,000)	(30,000)
Ending balance	<u>\$ 522,949</u>	<u>\$ 517,115</u>

As of August 31, 2018 and 2017, investments held for endowment purposes, which are stated at fair value, consisted of the following:

	<u>2018</u>	
	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 502,357	450,500
Cash and cash equivalents	20,592	20,592
	<u>\$ 522,949</u>	<u>\$ 471,092</u>

	<u>2017</u>	
	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 446,352	\$ 388,953
Cash and cash equivalents	70,763	70,763
	<u>\$ 517,115</u>	<u>\$ 459,716</u>

**NOTE C – DONOR RESTRICTED ASSETS (CONTINUED)**

As of August 31, 2018 and 2017, investments held for endowment purposes were classified as follows:

	<u>2018</u>		<u>2017</u>
Temporarily restricted	\$ 159,168	\$	153,334
Permanently restricted	363,781		363,781
	<u>\$ 522,949</u>	<u>\$</u>	<u>517,115</u>

**NOTE D – PROMISES TO GIVE**

Promises to give consist of an unconditional gift dated March 2014, in the amount of \$50,000. The gift was directed by the donor's revocable trust, upon the death of the donor. As of the date of this report, the expected date of payment has not been determined.

**NOTE E – FAIR VALUE MEASUREMENTS**

The Organization has adopted the provisions of FASB ASC 820, *Fair Value Measurement*. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**NOTE E – FAIR VALUE MEASUREMENTS (CONTINUED)**

Fair values of assets measured on a recurring basis as of August 31, 2018 and 2017 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>August 31, 2018:</b>				
Investments, including endowment funds	\$ 756,234	\$ 756,234	\$ -	\$ -
<b>August 31, 2017:</b>				
Investments, including endowment funds	\$ 734,964	\$ 734,964	\$ -	\$ -

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

**NOTE F - INVESTMENT INCOME**

Investment income for the years ended August 31, 2018 and 2017 consisted of the following:

	2018	2017
Interest and dividend	\$ 36,879	\$ 23,623
Realized gains (losses)	15,912	(383)
Unrealized gains (losses)	238	45,683
	<u>\$ 53,029</u>	<u>\$ 68,923</u>

**NOTE G - GRANTS FOR NS/WAS PROJECTS**

Funds are granted to NS/WAS by the board of directors in response to specific proposals submitted by the directors of NS/WAS in Israel. During the years ended August 31, 2018 and 2017, approved grants included funding for primary school general support and special projects, School for Peace general support and special projects, and humanitarian aid projects. For the years ended August 31, 2018 and 2017, grant expenses for NS/WAS projects totaled \$269,756 and \$184,700, respectively, and are included in program services expenses.

**NOTE H - RENTAL ARRANGEMENTS**

The Organization leases office space in Glendale, California under a three year lease, expiring in November 2017. The lease agreement calls for monthly rent of \$800, and provides for automatic renewals of the lease for additional six month terms. The Organization may terminate this lease by providing sixty days written notice and paying a termination charge equal to one month's rent or the maximum allowable by law, whichever is less. Rent expense for the year ended August 31, 2018 and 2017 amounted to \$9,600 per year.

**NOTE I - RETIREMENT PLAN**

The Organization sponsors a savings incentive match plan (SIMPLE) covering employees who are reasonably expected to earn at least \$5,000 per calendar year. Employees may defer up to \$15,500 as a salary deferral contribution each year.

Prior to January 1, 2017, the Organization agreed to match employee contributions up to 3% of the employee's compensation. Effective January 1, 2017, the Organization amended the plan to provide a nonelective contribution of 2% of each eligible employee's compensation, as well as to eliminate the matching provision. The plan calls for the contribution to be made at the end of each calendar year.

Retirement expense for the years ended August 31, 2018 and 2017 amounted to \$2,053 and \$2,407, respectively. As of August 31, 2018 and 2017, accrued retirement contributions amounted to \$980 and \$2,147, respectively.

**NOTE J - COMMITMENTS AND CONTINGENCIES**

The Organization has, in prior years, been the recipient of certain grants from the United States Agency for International Development (USAID) to provide conflict management training for leaders of Israeli and Palestinian civilian society. The grants are subject to audit by agencies of the federal government and such audits could result in disallowances and a request for return of funds.

On October 24, 2017, the Organization received correspondence dated September 28, 2017 from USAID stating that the closeout of an audit covering the period from September 25, 2007 to June 30, 2008, which had identified questioned costs of approximately \$133,000 reported by one of the subrecipients of the grant, had been delayed and is expected to be finalized in the coming weeks. The Organization and the subrecipient, responded to this audit with additional supporting documentation in August 2014 and continue to believe that the audit will be finalized without a requirement to return funds. Accordingly, the Organization has not accrued any losses in the accompanying financial statements pertaining to this contingency.

**AMERICAN FRIENDS OF NEVE SHALOM/WAHAT AL-SALAM, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended August 31, 2018 and 2017**

	Year Ended August 31, 2018			
	Program Services	Support	Fundraising	Total
Bank and credit card charges	\$ 291	\$ 1,125	\$ 834	\$ 2,250
Computer expense	1,390	1,390	1,433	4,213
Conferences	1,100	-	-	1,100
Direct mail	9,195	-	9,024	18,219
Employee benefits	13,180	4,193	2,596	19,969
Grants for NS/WAS projects	269,756	-	-	269,756
Insurance	-	2,822	-	2,822
Miscellaneous	1,283	1,055	792	3,130
Office expense	2,251	1,125	1,125	4,501
Payroll	85,014	27,046	16,395	128,455
Payroll taxes	6,777	2,156	1,335	10,268
Postage and messenger	1,663	879	1,657	4,199
Printing and copying	-	-	-	-
Professional services	17,471	12,939	4,509	34,919
Rent	4,800	2,400	2,400	9,600
State registration fees	-	1,241	1,241	2,482
Telephone and facsimile	1,273	424	425	2,122
Travel and tour	9,990	3,923	2,737	16,650
<b>Total operating expenses</b>	<b>\$ 425,434</b>	<b>\$ 62,718</b>	<b>\$ 46,503</b>	<b>\$ 534,655</b>

See accompanying independent auditor's report.

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Year Ended August 31, 2017

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	Program			
	Services	Support	Fundraising	Total
Bank and credit card charges	\$ 263	\$ 647	\$ 1,737	\$ 2,647
Computer expense	1,386	1,386	1,428	4,200
Conferences	101	-	-	101
Direct mail	8,634	-	9,332	17,966
Employee benefits	15,550	5,031	2,287	22,868
Grants for NS/WAS projects	184,700	-	-	184,700
Insurance	-	2,765	-	2,765
Miscellaneous	1,116	1,179	790	3,085
Office expense	2,049	1,024	1,024	4,097
Payroll	103,527	34,087	15,290	152,904
Payroll taxes	9,110	2,947	1,340	13,397
Postage and messenger	734	367	734	1,835
Printing and copying	407	102	169	678
Professional services	10,105	11,222	2,988	24,315
Rent	4,800	2,400	2,400	9,600
State registration fees	-	-	1,653	1,653
Telephone and facsimile	2,818	939	939	4,696
Travel and tour	24,695	6,727	9,736	41,158
<b>Total operating expenses</b>	<b>\$ 369,995</b>	<b>\$ 70,823</b>	<b>\$ 51,847</b>	<b>\$ 492,665</b>

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