CENTER FOR ADVOCACY FOR THE RIGHTS AND INTERESTS OF THE ELDERLY

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

CliftonLarsonAllen LLP

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

CENTER FOR ADVOCACY FOR THE RIGHTS
AND INTERESTS OF THE ELDERLY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Advocacy for the Rights and Interests of the Elderly
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Center for Advocacy for the Rights and Interests of the Elderly (CARIE), (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

A member of Nexia International

Board of Directors
Center for Advocacy for the Rights and Interests of the Elderly

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CARIE as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 7, 2017

CENTER FOR ADVOCACY FOR THE RIGHTS
AND INTERESTS OF THE ELDERLY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 143,597	$ 147,561
Accounts Receivable	13,207	37,637
Contracts Receivable	124,179	56,985
Grants and Pledges Receivable	25,000	75,000
Prepaid Expenses	28,631	30,054
Total Current Assets	334,614	347,237
PROPERTY AND EQUIPMENT		
Office Equipment	93,532	86,025
Office Furniture	6,403	21,453
Leasehold Improvements	7,959	7,959
Website Development Costs	35,000	35,000
Total	142,894	150,437
Less: Accumulated Depreciation	85,145	74,206
Total Property and Equipment	57,749	76,231
OTHER NONCURRENT ASSETS		
Beneficial Interest in Community Foundation	38,858	23,400
Security Deposit and Other	33,102	23,716
Total Other Noncurrent Assets	71,960	47,116
Total Assets	$ 464,323	$ 470,584
LIABILITIES AND NET ASSETS		
LIABILITIES		
Capital Lease, Current Portion	$ 8,496	$ 7,981
Accounts Payable	41,466	30,526
Deferred Liabilities	27,945	29,358
Total Current Liabilities	77,907	67,865
LONG-TERM LIABILITIES		
Capital Lease, Long-Term Portion	8,269	16,766
Total Liabilities	86,176	84,631
NET ASSETS		
Unrestricted:		
Board-Designated	38,858	23,400
Undesignated	223,159	199,723
Total Unrestricted	262,017	223,123
Temporarily Restricted	116,130	162,830
Total Net Assets	378,147	385,953
Total Liabilities and Net Assets	$ 464,323	$ 470,584

See accompanying Notes to Financial Statements.

CENTER FOR ADVOCACY FOR THE RIGHTS AND INTERESTS OF THE ELDERLY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Grants and Contributions	$ 103,618	$ 109,000	$ 212,618	$ 108,407	$ 57,200	$ 165,607
Contract Revenue	1,011,627	-	1,011,627	874,577	-	874,577
Noncash Contributions	69,688	-	69,688	244,797	-	244,797
Special Events	106,059	-	106,059	88,432	-	88,432
Change in Beneficial Interest in Community Foundation	3,933	-	3,933	(1,069)	-	(1,069)
Interest and Other	403	-	403	4,500	-	4,500
Subtotal	1,295,328	109,000	1,404,328	1,319,644	57,200	1,376,844
NET ASSETS RELEASED FROM RESTRICTIONS	155,700	(155,700)	-	168,017	(168,017)	-
Total Revenue, Gains, and Other Support	1,451,028	(46,700)	1,404,328	1,487,661	(110,817)	1,376,844
PROGRAM AND SUPPORTING EXPENSES						
Program Services	1,291,042	-	1,291,042	1,320,056	-	1,320,056
Supporting Services:						
Fundraising	56,581	-	56,581	44,210	-	44,210
General and Administrative	64,511	-	64,511	63,411	-	63,411
Total Program and Supporting Services	1,412,134	-	1,412,134	1,427,677	-	1,427,677
CHANGES IN NET ASSETS	38,894	(46,700)	(7,806)	59,984	(110,817)	(50,833)
Net Assets - Beginning of Year	223,123	162,830	385,953	163,139	273,647	436,786
NET ASSETS - END OF YEAR	$ 262,017	$ 116,130	$ 378,147	$ 223,123	$ 162,830	$ 385,953

See accompanying Notes to Financial Statements.

CENTER FOR ADVOCACY FOR THE RIGHTS AND INTERESTS OF THE ELDERLY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services					Supporting Services		
	Ombudsman	CARIE Line	SMP-PA	Policy	Total Program Services	Fundraising	General and Administrative	Total Expenses
Salaries	$ 131,521	$ 348,678	$ 206,165	$ 26,356	$ 712,720	$ 19,166	$ 19,043	$ 750,929
Employee Benefits	14,208	44,218	30,999	5,451	94,876	1,955	2,644	99,475
Payroll Taxes	11,991	31,350	17,990	1,976	63,307	1,577	1,540	66,424
Subtotal	157,720	424,246	255,154	33,783	870,903	22,698	23,227	916,828
Occupancy	22,757	48,466	32,375	3,875	107,473	3,029	1,660	112,162
Insurance	2,168	5,632	3,333	429	11,562	314	308	12,184
Telephone	1,513	4,210	2,957	239	8,919	175	168	9,262
Postage	431	2,035	1,882	29	4,377	454	167	4,998
Printing and Duplicating	774	3,042	1,714	267	5,797	158	184	6,139
Books and Program Supplies	412	213	39,053	79	39,757	13	13	39,783
Office Supplies and Expense	1,782	6,641	6,131	247	14,801	155	608	15,564
Travel	4,040	2,216	5,900	1,698	13,854	140	279	14,273
Dues	824	747	712	61	2,344	43	292	2,679
Advertising	-	656	7,700	-	8,356	-	112	8,468
Staff Development	3,548	2,526	2,237	10	8,321	7	278	8,606
Training and Volunteer Expense	9,066	48	2,023	-	11,137	-	442	11,579
Professional Fees	17,932	50,415	49,785	3,589	121,721	2,612	2,455	126,788
Consulting	1,596	16,148	2,775	352	20,871	255	265	21,391
Payroll Service	1,382	3,617	2,139	268	7,406	197	228	7,831
Special Projects	4,666	23,135	5,575	-	33,376	24,455	2,430	60,261
Miscellaneous	12	36	19	2	69	1,876	1,462	3,407
Total Expenses Before Depreciation	230,623	594,029	421,462	44,928	1,291,042	56,581	34,578	1,382,201
Depreciation	-	-	-	-	-	-	28,608	28,608
Interest Expense and Fees	-	-	-	-	-	-	1,325	1,325
Total Functional Expenses	$ 230,623	$ 594,029	$ 421,462	$ 44,928	$ 1,291,042	$ 56,581	$ 64,511	$ 1,412,134

See accompanying Notes to Financial Statements.

CENTER FOR ADVOCACY FOR THE RIGHTS
AND INTERESTS OF THE ELDERLY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Program Services					Supporting Services		
	Ombudsman	CARIE Line	SMP-PA	Policy	Total Program Services	Fundraising	General and Administrative	Total Expenses
Salaries	$ 141,600	$ 273,345	$ 199,594	$ 20,236	$ 634,775	$ 17,826	$ 16,122	$ 668,723
Employee Benefits	12,772	36,245	30,184	4,131	83,332	2,239	2,656	88,227
Payroll Taxes	13,829	24,664	18,364	1,593	58,450	1,483	1,356	61,289
Subtotal	168,201	334,254	248,142	25,960	776,557	21,548	20,134	818,239
Occupancy	23,484	39,574	36,211	3,110	102,379	2,997	4,148	109,524
Insurance	2,301	4,297	3,207	330	10,135	290	259	10,684
Telephone	1,696	3,224	2,956	198	8,074	174	160	8,408
Postage	294	1,703	2,294	24	4,315	753	58	5,126
Printing and Duplicating	896	1,491	1,725	107	4,219	95	157	4,471
Books and Program Supplies	126	255	40,577	18	40,976	16	14	41,006
Office Supplies and Expense	1,377	3,345	3,025	265	8,012	589	266	8,867
Travel	4,408	2,497	5,343	1,080	13,328	50	40	13,418
Dues	866	656	817	49	2,388	43	291	2,722
Advertising	-	50	5,870	-	5,920	-	-	5,920
Staff Development	3,253	2,412	522	17	6,204	35	186	6,425
Training and Volunteer Expense	9,100	104	1,657	-	10,861	-	-	10,861
Professional Fees	18,429	38,553	47,234	2,642	106,858	2,327	2,144	111,329
Consulting	29,200	116,800	39,200	-	185,200	-	-	185,200
Payroll Service	1,762	3,557	2,519	257	8,095	226	242	8,563
Special Projects	4,177	15,015	6,375	-	25,567	15,067	2,500	43,134
Miscellaneous	113	64	101	-	278	-	6,690	6,968
Total Expenses Before Depreciation	269,683	567,851	447,775	34,057	1,319,366	44,210	37,289	1,400,865
Depreciation	-	-	-	-	-	-	24,172	24,172
Interest Expense and Fees	690	-	-	-	690	-	1,950	2,640
Total Functional Expenses	$ 270,373	$ 567,851	$ 447,775	$ 34,057	$ 1,320,056	$ 44,210	$ 63,411	$ 1,427,677

See accompanying Notes to Financial Statements.

CENTER FOR ADVOCACY FOR THE RIGHTS AND INTERESTS OF THE ELDERLY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (7,806)	$ (50,833)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	28,608	24,172
Loss on Disposal of Equipment	231	-
Change in Beneficial Interest in Community Foundation	(3,933)	1,069
(Increase) Decrease in:		
Accounts Receivable	24,430	(27,331)
Contracts Receivable	(67,194)	15,113
Grants and Pledges Receivable	50,000	130,317
Prepaid Expenses	1,423	(3,758)
Security Deposit and Other Assets	(9,386)	(5,196)
Increase (Decrease) in:		
Accounts Payable	10,940	(6,171)
Deferred Liabilities	(1,413)	954
Fiscal Sponsorship - LGBTEI	-	(2,812)
Other Liabilities	-	(2,500)
Net Cash Provided by Operating Activities	25,900	73,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Additional Beneficial Interest	(11,525)	-
Purchases of Equipment	(10,357)	(24,000)
Net Cash Used by Investing Activities	(21,882)	(24,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Leases	(7,982)	(7,497)
Net Repayments on Line of Credit	-	-
Net Cash Used by Financing Activities	(7,982)	(7,497)
NET INCREASE (DECREASE) IN CASH	(3,964)	41,527
Cash - Beginning of Year	147,561	106,034
CASH - END OF YEAR	$ 143,597	$ 147,561
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 1,325	$ 1,808

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Center for Advocacy for the Rights and Interests of the Elderly (CARIE) is a nonprofit organization, based in Philadelphia, dedicated to improving the quality of life for vulnerable older adults. Founded in 1977, CARIE has emerged as one of the region's leading resources on elder care issues. While serving the interests of all older adults, CARIE targets the most vulnerable elderly including the low income, very old, those with physical, cultural, or language barriers who have no one else to advocate for them. CARIE's core mission is: to improve the wellbeing, rights, and autonomy of older persons through advocacy, education, and action. It achieves its mission through a variety of activities including the following programs:

- The **CARIE LINE** is a unique client-centered, telephone consultation and advocacy service for older adults, caregivers, and professionals providing frail and vulnerable older adults and educates consumers, caregivers, and professionals about the rights of the elderly and their needs. In FY 2017, the CARIE LINE served 2,170 older adults and family caregivers and addressed 3,154 problems. Among problems, 99% were completely resolved. 991 older victims of crime and abuse were provided with comprehensive victim's services and 56 victims' homes were re-secured through the Elderly Victims Emergency Security Fund. CARIE LINE staff presented or participated in 95 educational programs and information fairs reaching 2,965 older persons, caregivers, and professionals with critical information.

- The **Long-Term Care Ombudsman Program** is a federally mandated program to provide advocates for long-term care consumers through which CARIE represents more than 4,000 residents of 150 settings in Philadelphia. In FY 2017, staff and volunteers handled 152 complaints from consumers, made 378 visits to long-term care programs, and provided information and consultation to 328 individuals. The ombudsman program worked with two "PEER" programs to empower long-term care consumers to serve as ombudsman for fellow residents. The Program planned CARIE's annual "Golden Games" athletic competition (pictured right) for long-term care consumers with more than 200 residents, staff and volunteers participating.

- The **Pennsylvania Senior Medicare Patrol (SMP)** recruits and trains a corps of retired professional volunteers statewide to educate their peers about health care fraud and how to report it. In FY 2017, SMP volunteers and staff conducted 238 presentations and participated in information fairs that reached a total of 9,856 persons; and assisted 985 individuals one-on-one throughout Pennsylvania.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

- CARIE's **Dorothy S. Washburn Legislative Committee** educates policy makers and monitors legislative and regulatory developments at the local, state, and national levels to promote the wellbeing of older adults. CARIE took the lead in opposing the inclusion of the Pennsylvania Department of Aging (PDA) in the Governor's proposed merger of the Departments of Human Services, Health, Aging, and Drug and Alcohol Programs into a new Department of Health and Human Services (DHHS). CARIE's advocacy was successful in having the Governor commit to maintaining the cabinet level status for the Secretary of Aging should the merger occur. More importantly, it appears that the PDA is excluded from the merger. CARIE continued successful advocacy on the state budget regarding line items impacting older Pennsylvanians by working in coalition with two organizations, the Senior Support Coalition (SSC) and the Disability Budget Coalition (DBC). For example, the Aging Waiver is budgeted to serve 1,788 more seniors. CARIE provided advocacy around Pennsylvania's Office of Long Term Living's (OLTL's) planning of Community HealthChoices (CHC) that will shift those eligible for both Medicaid and Medicare from a fee-for-service to a managed care system.

  After hearing a variety of complaints, CARIE dedicated advocacy to the Aging Waiver enrollment crisis. While many problems remain, CARIE's advocacy resulted in OLTL making improvements in its enrollment process. CARIE advocated around OLTL's changing of the assessment tool to determine an individual's clinical eligibility for Waiver services. CARIE had many other areas of advocacy including providing testimony at state and federal hearings, submitting comments to PA state agencies and the Centers for Medicare & Medicaid Services (CMS), and public education. CARIE staff serve on PA's Medical Assistance Advisory Committee (MAAC); the MAAC's Long Term Care Delivery Systems Subcommittee (CARIE serves as Chair); the PA Long Term Care Council; the PA Advisory Council for Elder Justice in the Courts; PCA's Long Term Care Advisory Committee; and the Montgomery County Elder Justice Roundtable among others.

CARIE's support is generously provided by foundations, contracts, contributions, and participants at its special events.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Financial Statement Presentation

CARIE reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board of directors.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met by actions of CARIE and/or the passage of time. When the stipulated time restriction ends, or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that are required to be maintained permanently by CARIE. There are no permanently restricted net assets as of June 30, 2017 and 2016.

Use of Estimates

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

Cash

Cash includes cash on hand and cash in checking and money market accounts.

Contract Revenue

CARIE considers all government awards to be exchange transactions in which each party receives and sacrifices commensurate value. Accordingly, government awards do not affect temporarily restricted or permanently restricted net assets, and funds received in advance are deferred revenue, and funds disbursed and not reimbursed represent receivables.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

CARIE reports gifts of cash and other assets as 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 statement of activities as net assets released from restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contracts and Accounts Receivable

CARIE provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Contracts and accounts receivable are unsecured. Accounts past due are individually analyzed for collectability. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off. At both June 30, 2017 and 2016, an allowance account was not warranted.

CARIE records grants and pledge receivable at the estimated present value of future cash flows, net of allowances, to include net realizable value based on management's analysis of specific grants. Management has determined that no allowance for uncollectible grants is warranted at June 30, 2017 and 2016.

Property and Equipment and Depreciation

Equipment with an estimated useful life in excess of one year and in excess of $1,000 is capitalized at cost if purchased and at fair market value if donated. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, ranging from 3 to 10 years. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2017 and 2016 was $28,608 and $24,172, respectively.

Income Taxes

CARIE is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly no provision for federal or state income taxes has been provided in the accompanying financial statements. Donors may deduct contributions to CARIE as provided by the Internal Revenue Service Code.

CARIE's informational tax returns are subject to review and examination by federal and state authorities. CARIE is not aware of any activities that would jeopardize its tax-exempt status.

Functional Allocation of Expenses

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

Advertising Expense

CARIE follows the policy of charging the costs of advertising to expense when the advertisements are first displayed or aired and consists primarily of newspaper and radio ads for CARIE's programs, mission, and fundraisers. Advertising expense for the years ended June 30, 2017 and 2016 was $8,468 and $5,920, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

CARIE measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The carrying amounts for cash equivalents approximate their fair value because of their short-term maturity.

Subsequent Events

In preparing these financial statements, CARIE has evaluated events and transactions for potential recognition or disclosure through December 7, 2017, the date the financial statements were available to be issued.

NOTE 2 CONTRACTS RECEIVABLE

Contracts receivable consists of the following at June 30:

	2017	2016
Administration on Aging	$ 29,998	$ 24,476
Philadelphia Corporation for Aging	37,371	21,234
Pennsylvania Commission on Crime and Delinquency	51,288	11,275
Other	5,522	-
Total Contracts Receivable	$ 124,179	$ 56,985

NOTE 3 BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

The board designated $10,000 in both June 2006 and June 2007, and the $20,000 was placed in a community foundation as an unrestricted endowment fund. All interest, appreciation (depreciation), and individual donations to the fund are considered board-designated. The balance of the unrestricted endowment fund as of June 30, 2017 and 2016 was $38,858 and $23,400, respectively.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30:

	2017	2016
Program Restriction:		
First Hospital Foundation	$ 12,500	$ 12,500
Independence Foundation	25,000	-
PEW Charitable Trust	54,630	129,630
Samuel S. Fels Fund	15,000	-
Western Association of Ladies	-	7,500
W.W. Smith Foundation	9,000	-
Total Program Restriction	116,130	149,630
Time Restriction	-	13,200
Total Temporarily Restricted Net Assets	$ 116,130	$ 162,830

NOTE 5 NONCASH CONTRIBUTIONS

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The following is a summary of the noncash contributions received by CARIE during both the years ended June 30, 2017 and 2016. The noncash contributions have been recorded as revenue and are also included as an expense in the statement of activities. The expenses are distributed among all applicable programs.

	2017	2016
Consulting Services/Staff Development/ Meeting Rooms	$ 39,125	$ 221,922
Advertising		
Other	30,563	22,875
Total	$ 69,688	$ 244,797

NOTE 6 OPERATING LEASE COMMITMENTS

CARIE conducts its operations from offices that are leased under an eight-year operating lease with an expiration date in 2022. Rent expense was $100,544 for each of the years ended June 30, 2017 and 2016, respectively.

The future minimum payments for the terms of these leases as of June 30, 2017 are as follows:

Year Ending June 30,	Amount
2018	$ 104,328
2019	106,498
2020	108,859
2021	108,859
2022	18,143
Total	$ 446,687

NOTE 7 CAPITAL LEASE OBLIGATION

CARIE has one copier under lease through June 2019, with monthly payments of $1,045. The lease meets the provisions of a capital lease. The fair value of the related equipment was recorded as an asset and is being amortized over the life of the related lease. The leased equipment has the following book value at June 30:

	2017	2016
Equipment	$ 39,834	$ 39,834
Less: Accumulated Depreciation	(26,711)	(20,237)
Total	$ 13,123	$ 19,597

The future minimum payments for the terms of the capital lease as of June 30, 2017 are as follows:

Year Ending June 30,	Amount
2018	$ 9,306
2019	8,531
Total Minimum Lease Payments	17,837
Less: Amount Representing Interest	(1,072)
Present Value of Minimum Lease Payments	$ 16,765

NOTE 8 PENSION PLANS

CARIE maintains a defined contribution 401(k) savings plan. CARIE matches the employee's contribution up to 3% of salary. Staff is 100% vested after having worked five months and one day per calendar year for three calendar years. Pension expense for the years ended June 30, 2017 and 2016 was $16,052 and $13,276, respectively.

NOTE 9 FAIR VALUE MEASUREMENT

CARIE uses fair value measurements to record fair value adjustments to investments. For additional information on how CARIE measures fair value refer to Note 1 – Summary of Significant Accounting Principles.

The following table presents CARIE's fair value hierarchy for those investments measured at fair value on a recurring basis as of June 30, 2017.

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Community Foundation	$ -	$ -	$ 38,858	$ 38,858

The change in Level 3 assets for the year ended June 30, 2017 is as follows:

Balance - July 1, 2016	$ 23,400
Contributions	11,525
Increase in Value of Beneficial Interest in Community Foundation	3,933
Balance - June 30, 2017	$ 38,858

The following table presents CARIE's fair value hierarchy for those investments measured at fair value on a recurring basis as of June 30, 2016.

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Community Foundation	$ -	$ -	$ 23,400	$ 23,400

The change in Level 3 assets for the year ended June 30, 2016 is as follows:

Balance - July 1, 2015	$ 24,469
Decrease in Value of Beneficial Interest in Community Foundation	(1,069)
Balance - June 30, 2016	$ 23,400

NOTE 10 LINE OF CREDIT

CARIE has a line of credit with a financial institution. During fiscal year 2016 the available line was increased from $50,000 to $75,000. Outstanding amounts will carry an interest rate of the prime rate plus 3.50%. The line of credit is collateralized by all business assets, callable on demand, and is reviewable annually. There was no outstanding balance on the line of credit as of June 30, 2017 and 2016.

NOTE 11 STRATEGIC ALLIANCE

CARIE maintains a strategic partnership with SeniorLAW Center for the purposes of enhanced client services, and a smoother flow of work for both organizations as projects, services, and client's needs are collaborative and unified in one location. The organizations share offices but maintain separate leases. Two receptionists are shared, each part-time with one in the employ of CARIE and the other in the employ of SeniorLAW Center. Common areas including conference rooms and the kitchen are shared as well.

CliftonLarsonAllen

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