

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

**FINANCIAL STATEMENTS
YEARS ENDED
JUNE 30, 2017 AND 2016
AND
INDEPENDENT AUDITOR'S REPORT**

WALSH & CO.

ACCOUNTANTS & CONSULTANTS

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

TABLE OF CONTENTS

Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 – 7
Notes to Financial Statements	8 - 15

WALSH & CO.

ACCOUNTANTS & CONSULTANTS

Board of Directors
National Tay-Sachs & Allied Diseases Association, Inc.
2001 Beacon Street, Suite 204
Boston, Massachusetts 02135

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of National Tay-Sachs & Allied Diseases Association, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 the 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.

1.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Tay-Sachs & Allied Diseases Association, Inc. as of June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

December 19, 2017

Wahle & Co.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS:	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash and cash equivalents	\$ 1,013,609	\$ 902,557
Accounts receivable	36,395	67,656
Prepaid expenses	380	4,795
Deposits	<u>900</u>	<u>900</u>
Total current assets	<u>1,051,284</u>	<u>975,908</u>
Property and equipment, net	<u>2,298</u>	<u>5,381</u>
Total Assets	<u>\$ 1,053,582</u>	<u>\$ 981,289</u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts payable	\$ 863	\$ 22,961
Accrued expenses	<u>49,891</u>	<u>53,456</u>
Total Current Liabilities	<u>50,754</u>	<u>76,417</u>
Commitment and contingencies		
Net Assets		
Unrestricted	155,688	142,536
Temporarily restricted	<u>847,140</u>	<u>762,336</u>
Total Net Assets	<u>1,002,828</u>	<u>904,872</u>
Total Liabilities and Net Assets	<u>\$ 1,053,582</u>	<u>\$ 981,289</u>

See accompanying notes.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>			<u>2016</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Support:					
Special events and gifts	\$ 107,128		\$ 107,128	\$ 97,536	\$ 97,536
Foundations and corporations	71,800		71,800	44,800	44,800
Mail solicitations and contributions	161,294	\$ 314,576	475,870	179,738	595,746
Revenue:					
Quality control fees	1,250		1,250	31,500	31,500
Sales	35		35	1,399	1,399
Annual conference	146,782		146,782	158,277	158,277
Membership dues					
Interest and dividend income	6,770		6,770	2,852	2,852
	495,059	314,576	809,635	416,008	932,110
Net Assets Released from Restrictions:					
Satisfaction of program restrictions	229,772	(229,772)		(378,803)	
Total Support and Revenue	724,831	84,804	809,635	37,205	932,110
Expenses:					
Program services	579,885		579,885	771,963	771,963
Administrative	45,459		45,459	49,197	49,197
Fundraising	86,335		86,335	102,307	102,307
Total Expenses	711,679		711,679	923,467	923,467
Changes in Net Assets	13,152	84,804	97,956	(28,562)	8,643
Net Assets, Beginning of year	142,536	762,336	904,872	171,098	896,229
Net Assets, End of Year	\$ 155,688	\$ 847,140	\$ 1,002,828	\$ 142,536	\$ 904,872

See accompanying notes.
4.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 97,956	\$ 8,643
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by operating activities:		
Depreciation	4,001	11,760
Accounts receivable	31,261	(37,070)
Prepaid expenses	4,415	(3,953)
Accounts payable	(22,098)	7,074
Accrued expenses	<u>(3,565)</u>	<u>(107,847)</u>
Net Cash Provided by (Used in) Operating Activities	<u>111,970</u>	<u>(121,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(918)</u>	<u> </u>
Net Cash Used in Investing Activities	<u>(918)</u>	<u> </u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	111,052	(121,393)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>902,557</u>	<u>1,023,950</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,013,609</u>	<u>\$ 902,557</u>

See accompanying notes.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Family Services	Education	Research	Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 66,169	\$ 25,450	\$ 66,169	\$ 17,815	\$ 175,603	\$ 22,905	\$ 55,990	\$ 78,895	\$ 254,498
Payroll taxes	5,181	1,992	5,181	1,395	13,749	1,793	4,384	6,177	19,926
Employee benefits	5,927	2,056	1,570	423	9,976	544	3,388	3,932	13,908
Total salaries and related expenses	<u>77,277</u>	<u>29,498</u>	<u>72,920</u>	<u>19,633</u>	<u>199,328</u>	<u>25,242</u>	<u>63,762</u>	<u>89,004</u>	<u>288,332</u>
Bank fees	3,314	663	3,693	284	7,954	464	1,136	1,600	9,554
Computer services	697	139	776	60	1,672	79	239	318	1,990
Conference	119,133				119,133				119,133
Depreciation	1,400	280	1,561	120	3,361	160	480	640	4,001
Dues and subscriptions			850		850	425	150	575	1,425
Equipment rental	1,454	291	1,620	125	3,490	166	499	665	4,155
Fundraising							12,127	12,127	12,127
Grants	16,306	6,268	170,065		192,639				192,639
Insurance	1,156	231	1,289	99	2,775	132	396	528	3,303
License and fees						296		296	296
Miscellaneous	2,191				2,191	501		501	2,692
Office expense	1,021	204	1,138	88	2,451	117	350	467	2,918
Postage and shipping	685				685	2,508		2,508	3,193
Printing and reproduction						658		658	658
Professional fees	702	270	702	189	1,863	11,303	3,594	14,897	16,760
Publications		9,241			9,241		350	350	9,591
Rent	8,914	2,884	8,390	786	20,974	2,622	2,622	5,244	26,218
Scholarship awards	4,500				4,500				4,500
Telephone	1,878	313	313	62	2,566	250	313	563	3,129
Travel and meetings	454	247	2,180	696	3,577	457	238	695	4,272
Utilities	270	87	254	24	635	79	79	158	793
	<u>164,075</u>	<u>21,118</u>	<u>192,831</u>	<u>2,533</u>	<u>380,557</u>	<u>20,217</u>	<u>22,573</u>	<u>42,790</u>	<u>423,347</u>
Total Expenses	<u>\$ 241,352</u>	<u>\$ 50,616</u>	<u>\$ 265,751</u>	<u>\$ 22,166</u>	<u>\$ 579,885</u>	<u>\$ 45,459</u>	<u>\$ 86,335</u>	<u>\$ 131,794</u>	<u>\$ 711,679</u>

See accompanying notes.
6.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Family Services	Education	Research	Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 70,392	\$ 28,678	\$ 59,964	\$ 15,643	\$ 174,677	\$ 23,464	\$ 62,571	\$ 86,035	\$ 260,712
Payroll taxes	5,549	2,260	4,727	1,233	13,769	1,850	4,932	6,782	20,551
Employee benefits	3,993	1,594	3,332	869	9,788	1,304	3,477	4,781	14,569
Total salaries and related expenses	<u>79,934</u>	<u>32,532</u>	<u>68,023</u>	<u>17,745</u>	<u>198,234</u>	<u>26,618</u>	<u>70,980</u>	<u>97,598</u>	<u>295,832</u>
Bank fees	3,320	1,074	3,125	293	7,812	1,042	977	2,019	9,831
Computer services	370	120	348	33	871	1,380	109	1,489	2,360
Conference	134,786				134,786				134,786
Depreciation	3,998	1,294	3,763	353	9,408	1,176	1,176	2,352	11,760
Dues and subscriptions	332	107	312	29	780	98	98	196	976
Equipment rental	1,717	582	1,570	166	4,035	469	501	970	5,005
Fundraising							15,894	15,894	15,894
Grants	14,043	26,500	311,002		351,545				351,545
Insurance	861	279	810	76	2,026	850	253	1,103	3,129
License and fees	188	61	177	16	442	142	55	197	639
Miscellaneous	94	30	89	8	221	28	28	56	277
Office expense	945	247	735	67	1,994	1,195	428	1,623	3,617
Postage and shipping	882				882	294	4,703	4,997	5,879
Printing and reproduction	1,855				1,855	467	214	681	2,536
Professional fees	15,663	273	794	75	16,805	11,939	3,478	15,417	32,222
Publications	1,076	7,106	49		8,231		489	489	8,720
Rent	8,679	2,808	8,169	766	20,422	2,553	2,553	5,106	25,528
Scholarship awards	5,500				5,500				5,500
Telephone	1,657	276	276	55	2,264	222	276	498	2,762
Travel and meetings			2,608	482	3,090	629		629	3,719
Utilities	323	104	304	29	760	95	95	190	950
	<u>196,289</u>	<u>40,861</u>	<u>334,131</u>	<u>2,448</u>	<u>573,729</u>	<u>22,579</u>	<u>31,327</u>	<u>53,906</u>	<u>627,635</u>
Total Expenses	<u>\$ 276,223</u>	<u>\$ 73,393</u>	<u>\$ 402,154</u>	<u>\$ 20,193</u>	<u>\$ 771,963</u>	<u>\$ 49,197</u>	<u>\$ 102,307</u>	<u>\$ 151,504</u>	<u>\$ 923,467</u>

See accompanying notes.
7.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 - ORGANIZATION

National Tay-Sachs & Allied Diseases Association, Inc. (the "Association") is a not-for-profit, voluntary health and welfare organization. It raises funds to support and implement charitable and educational programs that aid in the detection, treatment and prevention of Tay-Sachs & other related genetic diseases occurring in infants, children and adults. The Association also raises funds to support its family services, research and advocacy programs relating to these rare neurodegenerative genetic disorders. The national offices of the Association are located in Brighton, Massachusetts. In addition, there is an active chapter in Pennsylvania, as well as affiliates in Canada and Pennsylvania and a member organization in Florida.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Activities

The Association is supported primarily by donor contributions from the general public, either through direct donations or as a result of the Association's Annual Conference. Accordingly, approximately 81% and 79% of the Association's support and revenues for the years ended June 30, 2017 and 2016, respectively, came from donations from the general public, corporations and foundations.

(b.) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Fund and/or the passage of time. When a restriction expires, 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 they be maintained permanently by Organization. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes. No permanently restricted net assets were received or held during 2017 or 2016 and, accordingly, these financial statements do not reflect any activity related to this class of net assets for 2017 or 2016.

(c.) Revenue

The Association reports 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.

(d.) Contributions:

The Association's contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Many individuals volunteer their time and perform a variety of tasks that assist the Association in accomplishing its goals. During the years ended June 30, 2017 and 2016, there were no contributed services meeting the requirements for recognition in the financial statements.

(e.) Property and Equipment:

The Association capitalizes expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method. Maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Property and equipment purchased by the Association are stated at cost. Donations of property and equipment are stated at their estimated fair value at the date of donation and recorded as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

(f.) Income Taxes:

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There are no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2017 and 2016.

The Association's tax returns, form 990, for the years ending 2014, 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they are filed.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

- (g.) Functional Allocation of Expenses:
Directly identifiable expenses are charged to programs and supporting services accordingly. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.
- (h.) Cash Equivalents
For purposes of the statement of cash flows, the Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.
- (i.) Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Association does not charge interest on past due accounts receivable.
- (j.) Promises to Give
Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets. All promises to give are deemed to be collectible within one year.
- (k.) Advertising Costs
The Association follows the policy of charging the costs of advertising to expense as incurred.
- (l.) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (m.) Reclassifications
Certain items in the 2016 financial statements have been reclassified to conform to the current year presentation.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

(n.) Marketable Securities

The Association follows the principles of the Accounting Standards Codification for Not-for-Profit Organizations. Donated securities are recorded at their fair market values on the date of donation. Donated securities that are unrestricted as to use are recorded as a contribution in unrestricted net assets. Marketable securities are carried at fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

NOTE 3 – INVESTMENTS

The Organization records investments at market value. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date. Gains or losses on sales of investments and unrealized gains and losses, which result from changes in market value of investments held, are recorded independently in each net asset class.

NOTE 4 – PROPERTY AND EQUIPMENT

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

	<u>2017</u>	<u>2016</u>
Computer equipment	\$ 35,981	\$ 35,063
Furniture and fixtures	10,185	10,185
Website	<u>33,767</u>	<u>33,767</u>
	79,933	79,015
Less: Accumulated depreciation	<u>(77,635)</u>	<u>(73,634)</u>
	<u>\$ 2,298</u>	<u>\$ 5,381</u>

NOTE 5 – SPECIAL EVENTS

Net revenues for special events consists of the following:

	<u>2017</u>	<u>2016</u>
Gross revenues, including gifts	\$ 164,149	\$ 154,407
Less: Related expenses	<u>57,021</u>	<u>56,871</u>
	<u>\$ 107,128</u>	<u>\$ 97,536</u>

National Tay-Sachs & Allied
Diseases Association, Inc,
Notes to Financial Statements

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets as of June 30 are as follows:

	<u>2017</u>	<u>2016</u>
Research Initiative	\$ 242,411	\$ 233,471
Jones Fund	8,399	7,815
Emma's Fund	21,646	
Madsen Fund	33,020	32,782
Benton Fund	20,955	24,981
Maanas Memorial Fund	10,017	6,922
Katie & Allie Buryk Fund	233,448	175,108
Margolis Fund	17,130	15,710
Baker Fund	1,288	338
Gottlieb Fund	10,900	10,650
Jacob's Cure - Canavan	11,168	7,365
Connor's Way Fund	115	115
Hoffman Fund	15,948	14,823
Marion Yanovsky NY Fund	124,184	144,403
Evan Lee Ungerleider Fund	11,737	10,482
Heringer Family Fund	14,373	10,552
Vera Pestochinsky Fund	53,485	53,255
NTSAD Canada	7,161	7,161
Lord Foundation	5,375	2,125
Other	4,380	4,278
	<u>\$ 847,140</u>	<u>\$ 762,336</u>

NOTE 7 - PROMISES TO GIVE

There were no promises to give at June 30, 2017 and 2016.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Businesses are allowed unlimited coverage for one checking account at a financial institution while other accounts are covered to the FDIC limit of \$250,000. At June 30, 2017 and 2016, the Association's cash balance exceeding FDIC insurance limits amounted to approximately \$264,000 and \$152,000, respectively.

NOTE 9 - RETIREMENT PLAN

On January 1, 2000, the Association established a SIMPLE IRA pension plan, covering all full time employees who earned \$5,000 or more, per year, during any prior year of employment. The Association will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 1% of the employee's compensation for the calendar year. The Association also contributes 2% of each eligible employee's compensation regardless of whether the employee elects to make a pretax contribution.

Pension plan expense for the years ending June 30, 2017 and 2016 totaled \$6,040 and \$3,135, respectively.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Association has awarded grants for research and other services to independent parties in the scientific community before the end of the year. Generally, the grants are paid over one to two years in installments. These grants are not paid if interim progress reports are not submitted as required and no progress or unsatisfactory progress is made after the initial term. The amount of awards granted and not funded representing contingent liabilities at June 30, 2017 and 2016 approximate \$465,000 and \$410,000, respectively. The contingent liability amounts have not been included in the statements of activities. If the work by recipients of the awards is completed satisfactorily in the future, then the amounts paid will reduce net assets.

NOTE 11- LEASE OBLIGATION

As of June 30, 2017, the Association has a lease for the rental of office space for its administrative facilities.

<u>Year Ending</u> <u>June 30</u>	<u>Annual Amount</u>
2018	\$ 26,350
2019	26,650
2020	<u>4,450</u>
	<u>\$ 57,450</u>

Rent expense for the years ended June 30, 2017 and 2016 was \$26,218 and \$25,528, respectively.

NOTE 11 - FAIR VALUE MEASUREMENTS

The Association reports under the Fair Value Measurements pronouncements of the FASB Accounting Standards Codification, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 – Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodology used at June 30, 2017 and 2016.

Cash or cash equivalent including money market funds: Valued at acquisition cost.
Marketable securities: valued at market.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, with the fair value hierarchy, the Association's assets at fair value.

Assets at fair value as of June 30, 2017
(In thousands)

Level 1

Cash and cash equivalents	<u>\$ 1,014</u>
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Assets at fair value as of June 30, 2016
(In thousands)

Level 1

Cash and cash equivalents	<u>\$ 903</u>
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Valuation and Income Recognition

The Association's cash and cash equivalents and marketable securities as of June 30, 2017 and 2016 are stated at fair value.

NOTE 12 - SUBSEQUENT EVENTS

Association management has evaluated all subsequent events through December 19, 2017, the date the financial statements were available to be issued. There are no subsequent events that require adjustment to or disclosure in the financial statements.