BUILD CHANGE

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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YEARS ENDED DECEMBER 31, 2017 AND 2016

INDEPENDENT AUDITORS' REPORT

Board of Directors
Build Change
Denver, Colorado

We have audited the accompanying consolidated financial statements of Build Change, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Build Change

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Build Change as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
August 23, 2018

BUILD CHANGE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 861,773	$ 90,338
Accounts Receivable	846,921	696,752
Contributions and Grants Receivable - Short Term	819,155	1,627,048
Prepaid Expenses	57,157	24,768
Total Current Assets	2,585,006	2,438,906
PROPERTY AND EQUIPMENT		
Equipment and Furniture	399,771	399,771
Less: Accumulated Depreciation	(398,714)	(375,451)
Total Property and Equipment	1,057	24,320
OTHER LONG-TERM ASSETS		
Contributions and Grants Receivable - Long-Term	226,898	796,940
Deposits	19,847	19,030
Total Other Long-Term Assets	246,745	815,970
Total Long-Term Assets	247,802	840,290
Total Assets	$ 2,832,808	$ 3,279,196
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 37,986	$ 76,065
Related Party Payable	-	10,000
Line of Credit	-	40,331
Credit Cards Payable	4,008	29,706
Deferred Revenue	132,043	-
Accrued Liabilities	249,005	234,932
Total Current Liabilities	423,042	391,034
NET ASSETS		
Unrestricted	544,068	174,168
Temporarily Restricted	1,865,698	2,713,994
Total Net Assets	2,409,766	2,888,162
Total Liabilities and Net Assets	$ 2,832,808	$ 3,279,196

See accompanying Notes to consolidated Financial Statements.

BUILD CHANGE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Grants and Contributions	$ 2,128,992	$ 914,914	$ 3,043,906
Contract Income	3,645,900	-	3,645,900
Program Service Fees	18,833	-	18,833
Foreign Exchange Loss	(39,273)	-	(39,273)
Interest Income	303	-	303
Net Assets Released from Restrictions	1,763,210	(1,763,210)	-
Total Revenue and Support	7,517,965	(848,296)	6,669,669
EXPENSES			
Program Services:			
Indonesia	316,891	-	316,891
Innovations	242,150	-	242,150
Haiti	3,299,141	-	3,299,141
Latin America	435,362	-	435,362
Philippines	336,992	-	336,992
Nepal	1,437,857	-	1,437,857
Total Program Services	6,068,393	-	6,068,393
Management and General:			
Fundraising	598,208	-	598,208
General and Administrative	481,464	-	481,464
Total Management and General	1,079,672	-	1,079,672
Total Expenses	7,148,065	-	7,148,065
CHANGE IN NET ASSETS	369,900	(848,296)	(478,396)
Net Assets - Beginning of Year	174,168	2,713,994	2,888,162
NET ASSETS - END OF YEAR	$ 544,068	$ 1,865,698	$ 2,409,766

See accompanying Notes to consolidated Financial Statements.

BUILD CHANGE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Grants and Contributions	$ 2,163,999	$ 2,472,690	$ 4,636,689
Contract Income	2,078,976	-	2,078,976
Program Service Fees	-	-	-
Foreign Exchange Loss	(14,470)	-	(14,470)
Interest Income	255	-	255
Net Assets Released from Restrictions	1,078,831	(1,078,831)	-
Total Revenue and Support	5,307,591	1,393,859	6,701,450
EXPENSES			
Program Services:			
Indonesia	218,420	-	218,420
Innovations	125,365	-	125,365
Haiti	2,330,714	-	2,330,714
Latin America	291,811	-	291,811
Philippines	269,004	-	269,004
Nepal	1,132,451	-	1,132,451
Total Program Services	4,367,765	-	4,367,765
Mangement and General:			
Fundraising	670,495	-	670,495
General and Administrative	480,144	-	480,144
Total Management and General	1,150,639	-	1,150,639
Total Expenses	5,518,404	-	5,518,404
CHANGE IN NET ASSETS	(210,813)	1,393,859	1,183,046
Net Assets - Beginning of Year	384,981	1,320,135	1,705,116
NET ASSETS - END OF YEAR	$ 174,168	$ 2,713,994	$ 2,888,162

See accompanying Notes to Financial Statements.

BUILD CHANGE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Indonesia	Innovations	Haiti	Latin America	Philippines	Nepal	Total Program Expense	Fundraising	General and Administrative	Total
Salaries and Wages	$ 128,854	$ 156,983	$ 1,154,657	$ 199,512	$ 167,718	$ 518,479	$ 2,326,203	$ 393,759	$ 272,621	$ 2,992,583
Employee Benefits	50,050	13,798	206,493	69,124	46,608	257,546	643,619	48,237	33,938	725,794
Payroll Taxes	3,246	12,510	63,001	12,614	5,300	39,942	136,613	40,379	17,925	194,917
Professional Services	21,918	2,745	47,030	27,575	9,255	164,546	273,069	17,424	30,158	320,651
Office Supplies and Expenses	6,052	10,886	112,629	6,101	7,996	60,722	204,386	46,169	13,829	264,384
Rent, Facilities, and Equipment	5,256	8,116	122,744	21,535	23,211	102,833	283,695	3,976	38,057	325,728
Depreciation	3,413	-	17,030	1,896	-	-	22,339	-	924	23,263
IT Services and Computer Expenses	2,026	3,865	46,168	5,818	6,713	30,191	94,781	5,562	7,479	107,822
Travel and Meetings	18,370	30,082	60,685	17,355	20,740	39,662	186,894	30,781	33,966	251,641
General Business Expenses	1,857	9	12,128	3,615	9,382	19,873	46,864	5,849	32,177	84,890
Training Supplies and Equipment	62,210	2,169	14,302	67,426	373	33,105	179,585	-	-	179,585
Training and Outreach Materials	370	310	37,225	343	1,637	25,735	65,620	6	-	65,626
Transport and Freight	13,269	677	220,057	2,364	3,576	145,223	385,166	6,066	390	391,622
Housing Subsidies	-	-	1,184,992	84	34,483	-	1,219,559	-	-	1,219,559
Total Expenses	$ 316,891	$ 242,150	$ 3,299,141	$ 435,362	$ 336,992	$ 1,437,857	$ 6,068,393	$ 598,208	$ 481,464	$ 7,148,065

See accompanying Notes to Financial Statements.

BUILD CHANGE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Indonesia	Innovations	Haiti	Latin America	Philippines	Nepal	Total Program Expense	Fundraising	General and Administrative	Total
Salaries and Wages	$ 101,776	$ 59,973	$ 952,640	$ 140,935	$ 146,738	$ 363,034	$ 1,765,096	$ 468,578	$ 250,792	$ 2,484,466
Employee Benefits	37,708	11,692	230,737	49,508	42,754	162,925	535,324	66,901	21,151	623,376
Payroll Taxes	265	4,824	52,866	8,883	4,077	25,004	95,919	38,399	21,360	155,678
Professional Services	1,163	8,348	48,280	21,391	1,580	140,358	221,120	4,787	43,775	269,682
Office Supplies and Expenses	5,642	1,255	97,133	4,650	9,158	39,955	157,793	14,200	14,532	186,525
Rent, Facilities, and Equipment	6,483	3,575	118,343	10,344	26,753	75,752	241,250	10,742	40,943	292,935
Depreciation	20,262	-	73,766	11,375	-	-	105,403	-	4,501	109,904
IT Services and Computer Expenses	4,335	4,636	19,840	6,932	2,052	47,194	84,989	8,733	10,008	103,730
Travel and Meetings	7,926	27,419	44,587	21,177	22,083	72,126	195,318	43,824	37,193	276,335
General Business Expenses	1,526	-	8,273	1,605	2,249	5,018	18,671	852	32,464	51,987
Training Supplies and Equipment	17,374	15	32,481	11,592	798	46,866	109,126	971	-	110,097
Training and Outreach Materials	1,602	-	11,602	321	1,689	56,363	71,577	222	-	71,799
Transport and Freight	12,358	3,628	221,462	3,064	9,073	97,856	347,441	12,286	3,425	363,152
Housing Subsidies	-	-	418,704	34	-	-	418,738	-	-	418,738
Total Expenses	$ 218,420	$ 125,365	$ 2,330,714	$ 291,811	$ 269,004	$ 1,132,451	$ 4,367,765	$ 670,495	$ 480,144	$ 5,518,404

See accompanying Notes to Financial Statements.

BUILD CHANGE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ (478,396)	$ 1,183,046
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	23,263	109,904
Effects of Changes in Operating Assets and Liabilities:		
Accounts, Donations, and Grants Receivable	1,227,766	(1,725,398)
Prepaid Expenses	(32,389)	2,436
Deposits	(817)	(183)
Accounts Payable	(38,079)	102,844
Credit Card Payable	(25,698)	4,219
Accrued Liabilities	14,073	31,330
Deferred Revenue	132,043	-
Net Cash Provided (Used) by Operating Activities	821,766	(291,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Related Party Payable	-	10,000
Payments on Related Party Payable	(10,000)	-
Borrowings on Line of Credit	80,000	120,658
Payments on Line of Credit	(120,331)	(80,327)
Net Cash Provided (Used) by Financing Activities	(50,331)	50,331
NET INCREASE (DECREASE) IN CASH	771,435	(241,471)
Cash - Beginning of Year	90,338	331,809
CASH - END OF YEAR	$ 861,773	$ 90,338
NONCASH TRANSACTIONS		
Donated Software and Website Development Services	$ 18,781	$ -

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Build Change (the Organization) is a nonprofit, tax-exempt corporation formed September 2, 2004 in the state of California, as an international social enterprise that designs natural disaster-resistant houses and schools in developing countries and trains builders, homeowners, engineers, and governmental officials to build them. Build Change is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended; and accordingly, a provision for income taxes has not been made. The Internal Revenue Service has determined Build Change is not a private foundation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Build Change and Yayasan Bangunan Cemerlang Indonesia (YBCI). YBCI is an Indonesian tax-exempt entity that is controlled by Build Change. All material transactions between these entities have been eliminated in the consolidation.

Method of Accounting

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other assets and liabilities.

Financial Statement Presentation

Financial statement presentation follows the requirements under Generally Accepted Accounting Principles in the United States of America for nonprofit organizations. Under this presentation, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted net assets. Unrestricted net assets come primarily from donations, grants, service contracts, and contributions and are used by the Organization for program or supporting services. Temporarily restricted net assets are those net assets which use has been limited by donors to later periods of time, after specified dates or for specified purposes. Permanently restricted net assets must be maintained in perpetuity.

Revenue Recognition

The Organization records unconditional contributions in accordance with the requirements of Generally Accepted Accounting Principles in the United States of America for nonprofit entities. The Organization recognizes revenue for contributions (and grants considered to be contributions) based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenues are recognized at the time the Organization is notified of the contribution and that promise is verified, regardless of the timing of cash receipt. For contributions with donor-imposed conditions, revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

When a donor restriction expires, that is, when a 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 statements of activities as released from restrictions.

For exchange transactions, the Organization recognizes contract revenue as it is earned and expenses as they are incurred.

Payments received in advance of the performance of services deemed to be exchange transactions are deferred until such time as related expenditures are incurred and then revenue is recognized. Deferred revenue amounts are included under the caption "Deferred revenue" on the statements of financial position.

Estimates

The preparation of the consolidated 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.

Foreign Exchange

The Organization recognized foreign exchange losses of $39,273 and $14,470 for the years ended December 31, 2017 and 2016, respectively.

Contribution and Grants Receivable

The Organization receives grants from philanthropically focused organizations for investment in the Organization's mission related projects. Grants receivable consist of funding commitments from those organizations, which have not been received. The Organization does not charge interest on delinquent accounts. Long-term portions of accounts receivable are expected to be received after December 31, 2018. The allowance on contributions and grants receivable is based on specific identification of potential uncollectible pledges as well as past history of collection. Management believes that all receivable amounts are collectible as of year-end. For the years ended December 31, 2017 and 2016, there were no amounts written off as uncollectible receivables.

Donated Gifts and Services

Donated services are recognized as contributions in accordance with Generally Accepted Accounting Principles in the United States of America for nonprofit organizations, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended December 31, 2017 and 2016, the value of donated services and goods meeting the requirements for recognition in the consolidated financial statements was $23,091 and $49,745, respectively. However, a substantial number of volunteers have donated significant amounts of time to the Organization to carry out its mission but are not reflected in the consolidated financial statements because they do not meet the criteria for recognition as donated services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is carried at cost or fair-market value at date of purchase. Property and equipment acquired with an estimated useful life in excess of one year and cost in excess of $5,000 is capitalized and depreciated using the straight-line method over the estimated useful lives of the assets, which range from two to seven years.

Donations of assets are recorded at estimated fair market value. The net book values of these donated long-lived assets are classified as temporarily restricted net asset. The restrictions on long-lived assets will be released as the assets are depreciated over their useful life.

Depreciation expense charged to operations for the years ended December 31, 2017 and 2016 was $23,263 and $109,904, respectively.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. There were no impairments recognized by the Organization for the years ended December 31, 2017 and 2016.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Program activities are those that are conducted in accordance with the Organization’s nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to an organization’s existence. Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Salaries, benefits, and payroll tax expense are allocated to programs, management and general activities, and fundraising based on time recorded and classified by employees. All other expense is allocated to activities based on direct costs to those activities.

Accrued Vacation

Employees earn between 80 and 200 hours of paid time off (PTO) each year and may carry over up to two times their annual PTO accrual rate. Accrued hours carried over from year to year are recorded as accrued wages payable at year-end. As of December 31, 2017 and 2016, total accrued PTO was $73,696 and $57,010, respectively, which is included as a component of accrued liabilities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization may use advertising to promote among the audience it serves. The production costs of advertising are expensed as incurred. The Organization had advertising costs of $30,074 and $23,472 for the years ended December 31, 2017 and 2016, respectively.

Income Tax Status

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

In accordance with Generally Accepted Accounting Principles in the United States of America, a private entity is required to disclose any material uncertain tax positions that management believes does not meet a "more-likely-than-not" standard of being sustained under an income tax audit and to record a liability for any such taxes including penalty and interest. Management of the Organization has not identified any uncertain tax positions that require the recording of a liability mentioned above or further disclosure.

Reclassifications

Certain amounts for the year ended December 31, 2016 have been reclassified to conform with the presentation of the December 31, 2017 amounts. The reclassifications have no effect on net assets for the year ended December 31, 2016.

Subsequent Events

The Organization has evaluated subsequent events from the statement of financial position date through August 23, 2018, the date at which the consolidated financial statements were available to be issued.

NOTE 2 CONTRIBUTIONS AND GRANTS RECEIVABLE

Contribution and grants receivable are expected to be collected as follows:

	2017	2016
Amounts Due in		
2017	N/A	$ 1,627,048
2018	$ 819,155	632,567
2019	241,004	215,863
Gross Contribution and Grants Receivable	1,060,159	2,475,478
Less: Discount		
(4.50% and 3.75%, Respectively) on Receivable	(14,106)	(51,490)
Net Contribution and Grants Receivable	$ 1,046,053	$ 2,423,988

NOTE 3 SERVICE ACCRUAL

The Organization records a severance accrual for employees in Haiti and Indonesia to conform with legal requirements of those countries. Severance pay in Haiti is calculated as one-half of the monthly salary after three months of service, increases to 100% of the employee’s monthly salary after one year of service, and increases to two times the employee's monthly salary after three years of service. Severance pay for Indonesia is calculated as current monthly salary times years of service. The total severance accrual for Indonesia and Haiti as of December 31, 2017 was $27,900 and $3,551, respectively, and as of December 31, 2016 was $20,043 and $41,718, respectively. The severance accrual is reported in the accrued liabilities line on the statements of financial position. This represents management’s estimate of the severance liability due to current employees upon cessation of employment.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

The Organization receives contributions from various corporations, organizations, and individuals, which are temporarily restricted. At December 31, 2017 and 2016, temporarily restricted net assets are comprised of contributions related to future periods and contributions with a specific purpose as follows:

	2017	2016
Time Restrictions	$ 691,362	$ 1,620,292
Philippines	444,299	34,611
Haiti	380,083	486,159
Indonesia	273,080	421,639
Innovations	76,874	-
Nepal	-	95,019
Latin America	-	39,970
Donated Software	-	16,304
Total	$ 1,865,698	$ 2,713,994

Restrictions Released

Net assets released from restrictions were as follows for the years ended December 31:

	2017	2016
Time Restrictions	$ 890,492	$ 498,283
Purpose Restrictions	872,718	580,548
Total	$ 1,763,210	$ 1,078,831

NOTE 5 OPERATING LEASE

The Organization leases office space under noncancelable operating leases. The minimum future lease payments for the years ending December 31 are as follows:

2018	$	139,525
2019		39,837
Total	$	179,362

Rental expense related to operating leases was $195,121 and $162,715 for the years ended December 31, 2017 and 2016, respectively.

NOTE 6 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist primarily of the following:

Cash

At certain times throughout the year, the Organization had certain cash equivalent amounts in excess of the federally insured amounts for depository accounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on these balances.

Cash and investments held in foreign banks totaling $397,614 and $72,066 are uninsured and subject to credit risk and foreign currency risk as of December 31, 2017 and 2016, respectively. The Organization manages foreign currency risk by transferring cash to international accounts for immediate operating needs on a monthly basis.

Contribution and Grants Receivable

At December 31, 2017 and 2016, approximately 60% and 52% of the Organization's receivables were due from three parties and two parties, respectively. For the years ended December 31, 2017 and 2016, approximately 44% and 32% of the Organization's total revenue was concentrated with two parties, respectively.

NOTE 7 CONTINGENCIES

Based on the nature of the Organization's operations in post-disaster settings where funding may vary widely from one period to the next, the Organization must continually assess the amount of funding available for each of its programs and make contingency plans to work within the funds available.

In addition, the Organization has received several grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Management believes disallowances, if any, will be immaterial in relation to the Organization's consolidated financial statements.

NOTE 8 COMMITMENTS

The Organization maintains a line of credit with a bank with maximum borrowings of up to \$40,000. Borrowing on the line of credit accrues interest at a rate of 10.5%. At December 31, 2017 and 2016, the Organization had \$-0- and \$40,000, respectively, outstanding cash borrowing on the line of credit.

NOTE 9 RELATED PARTY TRANSACTIONS

A portion of the Organization's activities and transactions are with affiliated organizations who are related to the Organization. Significant related party transactions are described below.

During the years ending December 31, 2017 and 2016, payments were made to one board member totaling \$158,614 and \$154,550, respectively, for general and administrative services.

During 2016, an executive officer and board member loaned the organization \$10,000, the amount was outstanding as of December 31, 2016. The loan was repaid in full in January 2017. There was no outstanding board member loan as of December 31, 2017.

Contributions from board members during the years ending December 31, 2017 and 2016 totaled \$68,000 and \$61,200, respectively.

A board member that serves on the Organization's board of directors is affiliated with Risk Management Solutions (RMS). Total revenue recognized from RMS for the years ended December 31, 2017 and 2016 was \$5,157 and \$110,000, respectively. As of December 31, 2017 and 2016, there was \$-0- and \$100,000 included in accounts receivable from RMS, respectively.