

**LOS ANGELES MUSEUM OF THE HOLOCAUST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

LOS ANGELES MUSEUM OF THE HOLOCAUST  
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## INDEPENDENT AUDITORS' REPORT

September 29, 2017

To the Board of Directors of  
Los Angeles Museum of the Holocaust  
Los Angeles, California

We have audited the accompanying financial statements of Los Angeles Museum of the Holocaust (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 of 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.

## INDEPENDENT AUDITORS' REPORT (CONT.)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Los Angeles Museum of the Holocaust as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Los Angeles Museum of the Holocaust's 2015 financial statements, and our report dated December 21, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*NSBN LLP*

NSBN LLP  
Los Angeles, California

LOS ANGELES MUSEUM OF THE HOLOCAUST  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2015

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 343,065	\$ 520,642
Contributions receivable	58,898	31,615
Investments	1,860,841	1,426,612
Pledges receivables, net	422,323	106,000
Prepays and deposits	41,050	50,528
Property and equipment, net	14,399,249	15,188,251
<b>TOTAL ASSETS</b>	<b>\$ 17,125,426</b>	<b>\$ 17,323,648</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 21,564	\$ 39,037
Accrued expenses	51,584	21,419
Line of credit	901,530	831,530
<b>TOTAL LIABILITIES</b>	<b>974,678</b>	<b>891,986</b>
<b>NET ASSETS</b>		
Unrestricted	14,458,244	14,962,832
Temporarily restricted	552,242	328,568
Permanently restricted	1,140,262	1,140,262
<b>TOTAL NET ASSETS</b>	<b>16,150,748</b>	<b>16,431,662</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,125,426</b>	<b>\$ 17,323,648</b>

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>					
Contributions	\$ 1,616,055	\$ 344,700	\$ -	\$ 1,960,755	\$ 1,595,221
Special events	732,988	-	-	732,988	1,045,174
Investment gain (loss)	143,470	-	-	143,470	(53,940)
Interest income	340.00	55,175	-	55,515	39,729
Other income	57,648	-	-	57,648	(5,296)
Donated services	14,000	-	-	14,000	-
Net assets released from restrictions	176,201	(176,201)	-	-	-
<b>TOTAL REVENUE</b>	<u>2,740,702</u>	<u>223,674</u>	<u>-</u>	<u>2,964,376</u>	<u>2,620,888</u>
<b>EXPENSES</b>					
Program services	1,666,269	-	-	1,666,269	1,722,266
General and administrative	399,047	-	-	399,047	376,252
Fundraising	390,972	-	-	390,972	553,282
Expenses before depreciation	<u>2,456,288</u>	<u>-</u>	<u>-</u>	<u>2,456,288</u>	<u>2,651,800</u>
<i>Change in net assets before depreciation</i>	<i>284,414</i>	<i>223,674</i>	<i>-</i>	<i>508,088</i>	<i>(30,912)</i>
Depreciation expense	<u>789,002</u>	<u>-</u>	<u>-</u>	<u>789,002</u>	<u>861,359</u>
<b>TOTAL EXPENSES</b>	<u>3,245,290</u>	<u>-</u>	<u>-</u>	<u>3,245,290</u>	<u>3,513,159</u>
<b>CHANGE IN NET ASSETS</b>	<b>(504,588)</b>	<b>223,674</b>	<b>-</b>	<b>(280,914)</b>	<b>(892,271)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>14,962,832</u>	<u>328,568</u>	<u>1,140,262</u>	<u>16,431,662</u>	<u>17,323,933</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 14,458,244</u>	<u>\$ 552,242</u>	<u>\$ 1,140,262</u>	<u>\$ 16,150,748</u>	<u>\$ 16,431,662</u>

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2015

	Program Services	Supporting Services		2016	2015
		General and Administrative	Fundraising		
Salaries	\$ 642,897	\$ 125,240	66,794	\$ 834,931	\$ 666,635
Payroll taxes	45,929	9,393	5,010	60,332	54,091
Employee benefits	51,949	10,120	5,397	67,466	48,622
Total salary related expenses	<u>740,775</u>	<u>144,753</u>	<u>77,201</u>	<u>962,729</u>	<u>769,348</u>
Professional services	183,882	112,856	752	297,490	412,485
Occupancy	210,192	41,742	26,346	278,280	250,206
Special events	-	-	229,011	229,011	346,882
Equipment rental and maintenance	113,055	9,798	5,225	128,078	169,800
Program costs	108,180	-	6,100	114,280	148,621
Office supplies	62,092	29,499	3,025	94,616	90,436
Information technology	50,512	9,758	5,204	65,474	79,153
Postage, printing and copying	31,765	-	22,280	54,045	58,219
Sponsorship	53,649	-	-	53,649	65,000
Interest	-	48,084	-	48,084	64,685
Marketing and promotion	30,038	-	14,439	44,477	51,004
Event costs	21,471	-	-	21,471	51,654
Travel	20,991	-	25	21,016	23,538
Miscellaneous expense	19,103	-	-	19,103	28,179
Insurance	13,124	2,557	1,364	17,045	32,823
Donations	4,750	-	-	4,750	-
Scholarships	2,690	-	-	2,690	9,767
Expenses before depreciation	<u>1,666,269</u>	<u>399,047</u>	<u>390,972</u>	<u>2,456,288</u>	<u>2,651,800</u>
Depreciation	<u>607,532</u>	<u>118,350</u>	<u>63,120</u>	<u>789,002</u>	<u>861,359</u>
Total expenses 2016	<u>\$ 2,273,801</u>	<u>\$ 517,397</u>	<u>\$ 454,092</u>	<u>\$ 3,245,290</u>	
Total expenses 2015	<u>\$ 2,411,353</u>	<u>\$ 505,456</u>	<u>\$ 596,350</u>		<u>\$ 3,513,159</u>

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (280,914)	\$ (892,271)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	789,002	861,359
Investment (gain) loss	(143,470)	55,498
(Increase) decrease in assets:		
Contributions receivable	(27,283)	10,605
Pledges receivable	(316,323)	121,277
Prepays and deposits	9,478	(6,951)
Inventory	-	13,177
Archives	-	84,741
Increase (decrease) in liabilities:		
Accounts payable	(17,473)	18,053
Accrued expenses	30,165	956
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>43,182</u>	<u>266,444</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	691,792	310,675
Purchase of investments	(982,551)	(340,079)
Purchase of property and equipment	-	(18,689)
NET CASH USED IN INVESTING ACTIVITIES	<u>(290,759)</u>	<u>(48,093)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on line of credit	1,101,530	130,000
Principal payments on line of credit	(1,031,530)	(670,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	70,000	(540,000)
NET DECREASE IN CASH	(177,577)	(321,649)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>520,642</u>	<u>842,291</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 343,065</u>	<u>\$ 520,642</u>

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 1 ORGANIZATION

Los Angeles Museum of the Holocaust ("LAMOTH") is a nonprofit corporation organized under the laws of the State of California in 2002. LAMOTH operates a museum that was founded in 1961 by survivors of the Holocaust. LAMOTH fulfills its mission of Holocaust education and commemoration by maintaining an archives, presenting exhibits and programming to the public, and hosting school groups and members of the public to museum tours and survivor lectures. Its main source of revenue comes from contributions from individuals, corporations and foundations. LAMOTH also receives grants from other nonprofit groups and federal support for its museum operations.

Archives and Library

LAMOTH maintains archives of thousands of objects of relevance to the Holocaust. These objects include historical artifacts, documents and records from the Holocaust era and its aftermath, books, and artistic works depicting or responding to the Holocaust. The archives are available to scholars and members of the public with a serious interest in the subject matter. The archives also enhance the museum exhibits by rotating objects on public display.

Education

LAMOTH provides free educational programming about the Holocaust to school groups and members of the public. This program consists of museum tours and survivor lectures, as well as public lectures, movies screenings, special exhibits, discussion forums, and other special events.

Museum Operations

The museum was founded for the purpose of commemorating the Holocaust experience during the war, in the ghettos and in the death camps, and educating the public about these experiences. At the behest of the museum's founders, the museum is free of charge to visitors and under certain circumstances the museum has provided transportation for school trips to ensure that no visitor is turned away. The museum's operations are sustained by grants and contributions from the public.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-

The financial statements of LAMOTH have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Basis of Presentation-

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These standards require that LAMOTH report 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.

Unrestricted - The unrestricted class is the portion of the net assets of LAMOTH that are not subject to donor-imposed stipulations. The only limits on unrestricted net assets are broad limits resulting from the nature of LAMOTH and the purposes specified in its articles of incorporation or bylaws and, perhaps, limits resulting from contractual agreements.

Temporarily Restricted - The temporarily restricted class is the portion of the net assets of LAMOTH resulting from contributions and other inflows of assets whose use by LAMOTH is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of LAMOTH pursuant to those stipulations. The majority of contributions with restrictions are stipulated to be used as funding for specific projects.

Permanently Restricted - The permanently restricted class is the portion used to record resources received that are permanently restricted as to use by the donor or grantor.

Advertising-

Advertising costs are charged to operations when incurred and are included in functional expenses.

Cash and Cash Equivalents-

For the purposes of the financial statement, LAMOTH considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Contributions-

In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a 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.

Investments-

Investments are comprised of marketable securities, carried at fair value.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Archives

In accordance with accounting principles generally accepted in the United States of America, LAMOTH has opted not to capitalize its archive collection. The archives are held for exhibition to the public and for educational purposes, and not for financial gain. Archive items are protected, kept unencumbered, cared for, and preserved.

Functional Allocation of Expenses-

The costs of providing programs and supporting services have been summarized on a functional basis in the statement of activities, and in the statement of functional expenses. Accordingly, certain costs have been allocated between programs and supporting services in reasonable ratios determined by management.

Property and Equipment-

Property and equipment are recorded at historical cost and are being depreciated using the straight-line method over the estimated useful life of the assets. The following lives have been assigned:

Buildings and improvements	39 years
Equipment and furniture	5 - 7 years

Expenditures for maintenance, repairs, and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

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, disclosures 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.

Tax Status-

LAMOTH is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from California franchise taxes under Section 23701(d) of the State Revenue and Taxation Code.

LAMOTH files IRS Form 990 and State Forms 199 and RRF-1. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. LAMTOH recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of LAMOTH does not believe the financial statements include any uncertain tax positions. With few exceptions, LAMOTH is no longer subject to U.S. federal and state examinations by tax authorities for the years before 2013 and 2012, respectively.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Summarized Comparative Financial Information-

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with LAMOTH's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Reclassifications

Certain amounts from the December 31, 2015 financial statements have been reclassified, where appropriate, to conform with the December 31, 2016 financial statement presentation.

Subsequent Events-

Management has evaluated subsequent events through September 29, 2017, the date the financial statements were available to be issued.

Note 3 PLEDGES RECEIVABLE

Promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges receivable are deemed to be fully collectible. Accordingly, no allowance was established. Noncurrent pledges receivable are discounted at the rate of 1.96% to the present value of the future cash flows.

Receivable in less than one year	\$	357,738
Receivable in one year to five years		70,000
Less: Discount on pledges		<u>(5,415)</u>
Total pledges receivable, net	\$	<u><u>422,323</u></u>

Note 4 FIXED ASSETS

Fixed assets consists of the following:

Building	\$	17,046,361
Video wall		1,368,301
Audio guide system		577,392
Furniture and fixtures		555,413
Website		<u>15,600</u>
		19,563,067
Less: Accumulated depreciation		<u>(5,163,818)</u>
Total fixed assets, net	\$	<u><u>14,399,249</u></u>

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 5 INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments as of December 31, 2016 are as follows:

Exchange traded funds (ETFs)	\$	1,680,971
Bond funds		82,668
Municipal bonds		79,612
Equities		<u>17,590</u>
Total investments	\$	<u><u>1,860,841</u></u>

Generally accepted accounting principles establishes a framework for measuring fair value, and expands disclosure about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction, prioritizes the use of market based information over entity specific information and establishes a three level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Fair values determined by Level 1 inputs utilize quoted prices in active markets for identical assets. Fair values determined by level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ETFs	\$ 1,680,971	\$ 1,680,971	\$ -	\$ -
Bond funds	82,668	82,668		
Municipal bonds	79,612	79,612	-	-
Equities	<u>17,590</u>	<u>17,590</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 1,860,841</u></u>	<u><u>\$ 1,860,841</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Note 6 ENDOWMENT FUND

LAMOTH's endowment consists of investments that were donated. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 6      ENDOWMENT FUND (CONT.)

The donor imposed restrictions are that the donation (principal) be held in perpetuity and the income derived from such investments is to be used for the general support of LAMOTH. Unrealized and realized gains are recognized and reported as unrestricted net assets.

Endowment net assets composition by Type of Funds as of December 31, 2016 is as follows:

	Permanently Restricted
Donor-restricted endowment funds	\$ <u>1,140,262</u>
Total funds	\$ <u><u>1,140,262</u></u>

Changes in endowment net assets as of December 31, 2016 are as follows:

	Permanently Restricted
Endowment net assets, beginning of year	\$ 1,140,262
Contributions	-
Investment income	55,175
Net appreciation (depreciation)	-
Amounts appropriated for expenditure	<u>(55,175)</u>
Endowment net assets, end of year	\$ <u><u>1,140,262</u></u>

Note 7      TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Classroom education	\$ 344,700
Capital expenditures	115,899
Special event	80,000
Transportation	<u>11,643</u>
Total	\$ <u><u>552,242</u></u>

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 8 NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors.

Purpose Restrictions Accomplished:

Program	\$	108,112
Release of endowment income		55,175
Transportation		<u>12,914</u>
Total	\$	<u><u>176,201</u></u>

Note 9 COMMITMENTS

In the fall of 2008, LAMOTH entered into a 50 year, \$1 a year lease with the City of Los Angeles for the land on which LAMOTH building sits. LAMOTH will remain compliant with the lease requirements so long as it continues to operate as a Holocaust museum and maintains IRS tax exempt status as a 501(C)(3) organization.

Note 10 CASH IN BANK - CONCENTRATION OF CREDIT RISK

LAMOTH maintains its cash and cash equivalents at a bank which may, at times, exceed federally insured limits. LAMOTH has not experienced any losses in such accounts and believes that the solvency of the relevant financial institution is not of particular concern.

Note 11 RELATED PARTY TRANSACTIONS

The following related party transactions occurred during the year ended December 31, 2016:

LAMOTH is affiliated with the Jewish Federation Council of Greater Los Angeles (JFC) . JFC's affiliation with the museum's operations pre-dates LAMOTH's date of incorporation. Until January 1, 2005, JFC was the custodian of the LAMOTH's assets and also managed its financial affairs. Until 2005, JFC was historically the museum's largest donor, contributing goods, services, and guidance. JFC currently owns a large portion of the museum's archive. JFC also negotiates insurance coverage and rates and other services on behalf of its twenty-two affiliates, including LAMOTH, in order to gain reduced group rates and other benefits for its affiliates. These expenses are paid by JFC and then billed to LAMOTH as a reduction of its monthly contribution allocation.

LOS ANGELES MUSEUM OF THE HOLOCAUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 11 RELATED PARTY TRANSACTIONS (CONT.)

LAMOTH received payments from JFC on a monthly basis for the amount of the monthly contribution allocation reduced by expenses paid by JFC on behalf of LAMOTH. The total of these transactions for the year ending December 31, 2016, \$27,229.

LAMOTH paid \$53,649 for a fiscally sponsored project to an entity owned by a relative of LAMOTH's board President. There were no amounts outstanding at December 31, 2016.

Note 12 LINE OF CREDIT

LAMOTH has a \$2,000,000 revolving line of credit which bears interest at the bank's reference index plus 1.75% over the index. At December 31, 2016 the reference index interest rate was 5.25% and the outstanding balance was \$901,530. The line of credit matures on February 23, 2018.

The revolving line of credit is secured by personal guarantee of the Past President of Board of Directors of LAMOTH.