

LOS ANGELES MUSEUM OF THE HOLOCAUST
FINANCIAL STATEMENTS
DECEMBER 31, 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



LOS ANGELES MUSEUM OF THE HOLOCAUST
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INDEPENDENT AUDITORS' REPORT

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, 2017, 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, 2017, 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

The 2016 financial statements were audited by NSBN LLP, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2018, and whose report dated September 29, 2017, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP
Los Angeles, California
September 24, 2018

LOS ANGELES MUSEUM OF THE HOLOCAUST
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 477,047	\$ 343,065
Contributions receivable	380,000	58,898
Investments	2,139,593	1,860,841
Pledges receivables, net	133,000	422,323
Prepays and deposits	141,050	41,050
Property and equipment, net	<u>13,899,366</u>	<u>14,399,249</u>
TOTAL ASSETS	\$ <u>17,170,056</u>	\$ <u>17,125,426</u>
LIABILITIES		
Accounts payable	\$ 111,781	\$ 21,564
Accrued expenses	109,501	51,584
Line of credit	<u>1,001,530</u>	<u>901,530</u>
TOTAL LIABILITIES	1,222,812	974,678
NET ASSETS		
Unrestricted	14,271,884	14,458,244
Temporarily restricted	190,398	552,242
Permanently restricted	<u>1,484,962</u>	<u>1,140,262</u>
TOTAL NET ASSETS	<u>15,947,244</u>	<u>16,150,748</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>17,170,056</u>	\$ <u>17,125,426</u>

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, 2017
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2017</u>	<u>2016</u>
REVENUE					
Contributions	\$ 1,783,497	\$ 250,400	\$ -	\$ 2,033,897	\$ 1,960,755
Special events	640,630	-	-	640,630	732,988
Investment gain (loss)	210,497	-	-	210,497	143,470
Interest income	-	60,008	-	60,008	55,515
Other income	5,872	-	-	5,872	57,648
Donated services	-	-	-	-	14,000
Net assets released from restrictions	<u>327,552</u>	<u>(327,552)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>2,968,048</u>	<u>(17,144)</u>	<u>-</u>	<u>2,950,904</u>	<u>2,964,376</u>
EXPENSES					
Program services	1,581,588	-	-	1,581,588	1,666,269
General and administrative	478,189	-	-	478,189	399,047
Fundraising	<u>536,115</u>	<u>-</u>	<u>-</u>	<u>536,115</u>	<u>390,972</u>
Expenses before depreciation	<u>2,595,892</u>	<u>-</u>	<u>-</u>	<u>2,595,892</u>	<u>2,456,288</u>
<i>Change in net assets before depreciation</i>	<i>372,156</i>	<i>(17,144)</i>	<i>-</i>	<i>355,012</i>	<i>508,088</i>
Depreciation expense	<u>558,516</u>	<u>-</u>	<u>-</u>	<u>558,516</u>	<u>789,002</u>
TOTAL EXPENSES	<u>3,154,408</u>	<u>-</u>	<u>-</u>	<u>3,154,408</u>	<u>3,245,290</u>
CHANGE IN NET ASSETS	(186,360)	(17,144)	-	(203,504)	(280,914)
TRANSFERS BETWEEN NET ASSET CLASSES	-	(344,700)	344,700	-	-
NET ASSETS AT BEGINNING OF YEAR	<u>14,458,244</u>	<u>552,242</u>	<u>1,140,262</u>	<u>16,150,748</u>	<u>16,431,662</u>
NET ASSETS AT END OF YEAR	<u>\$ 14,271,884</u>	<u>\$ 190,398</u>	<u>\$ 1,484,962</u>	<u>\$ 15,947,244</u>	<u>\$ 16,150,748</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, 2017
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2016

	Program Services	Supporting Services		2017	2016
		General and Administrative	Fundraising		
Salaries and payroll tax	\$ 747,161	\$ 112,074	\$ 74,716	\$ 933,951	\$ 834,931
Payroll Taxes	54,209	8,132	5,421	67,762	60,332
Employee benefits	76,313	11,447	7,631	95,391	67,466
Total salary related expenses	<u>877,683</u>	<u>131,653</u>	<u>87,768</u>	<u>1,097,104</u>	<u>962,729</u>
Professional services	77,366	211,956	120,524	409,846	297,490
Special events	-	-	266,974	266,974	229,011
Occupancy	203,311	30,496	20,332	254,139	278,280
Information technology	86,306	12,946	8,631	107,883	65,474
Office supplies	69,997	14,774	15,887	100,658	94,416
Equipment rental and maintenance	74,674	11,202	7,467	93,343	128,078
Program costs	70,281	-	-	70,281	114,280
Interest	-	52,361	-	52,361	48,084
Insurance	31,017	4,653	3,102	38,772	17,045
Sponsorship	36,434	-	-	36,434	53,649
Dues and subscriptions	15,698	2,355	1,569	19,622	200
Marketing and promotion	14,084	2,113	1,408	17,605	44,477
Postage, printing and copying	9,028	1,354	903	11,285	54,045
Event costs	7,500	1,125	750	9,375	21,471
Travel	7,021	1,053	701	8,775	21,016
Miscellaneous expense	988	148	99	1,235	19,103
Scholarships	200	-	-	200	2,690
Donations	-	-	-	-	4,750
Expenses before depreciation	<u>1,581,588</u>	<u>478,189</u>	<u>536,115</u>	<u>2,595,892</u>	<u>2,456,288</u>
Depreciation	<u>446,813</u>	<u>67,022</u>	<u>44,681</u>	<u>558,516</u>	<u>789,002</u>
Total expenses 2017	<u>\$ 2,028,401</u>	<u>\$ 545,211</u>	<u>\$ 580,796</u>	<u>\$ 3,154,408</u>	
Total expenses 2016	<u>\$ 2,273,801</u>	<u>\$ 517,397</u>	<u>\$ 454,092</u>		<u>\$ 3,245,290</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, 2017
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (203,504)	\$ (280,914)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	558,516	789,002
Investment (gain) loss	(210,497)	(143,470)
(Increase) decrease in assets:		
Contributions receivable	(321,102)	(27,283)
Pledges receivable	289,323	(316,323)
Prepays and deposits	(100,000)	9,478
Increase (decrease) in liabilities:		
Accounts payable	90,217	(17,473)
Accrued expenses	57,917	30,165
NET CASH PROVIDED BY OPERATING ACTIVITIES	160,870	43,182
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	783,177	691,792
Purchase of investments	(851,432)	(982,551)
Purchase of property and equipment	(58,633)	-
NET CASH USED IN INVESTING ACTIVITIES	(126,888)	(290,759)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on line of credit	300,000	1,101,530
Principal payments on line of credit	(200,000)	(1,031,530)
NET CASH PROVIDED BY FINANCING ACTIVITIES	100,000	70,000
NET INCREASE (DECREASE) IN CASH	133,982	(177,577)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	343,065	520,642
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 477,047	\$ 343,065
SUPPLEMENTAL CASH FLOW INFORMATION		
CASH PAID DURING THE YEAR:		
Interest paid	\$ 52,361	\$ 48,084

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, 2017

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, 2017

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, 2017

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. LAMOTH 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 2014 and 2013, respectively.

LOS ANGELES MUSEUM OF THE HOLOCAUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2016, from which the summarized information was derived.

Reclassifications

Certain amounts from the December 31, 2016 financial statements have been reclassified, where appropriate, to conform with the December 31, 2017 financial statement presentation.

Subsequent Events-

Management has evaluated subsequent events through September 24, 2018, 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 2.18% to the present value of the future cash flows.

Receivable in less than one year	\$	81,000
Receivable in one year to five years		56,000
Less: Discount on pledges		<u>(4,000)</u>
Total pledges receivable, net	\$	<u><u>133,000</u></u>

Note 4 FIXED ASSETS

Fixed assets consists of the following:

Building	\$	17,062,121
Video wall		1,368,301
Audio guide system		598,286
Furniture and fixtures		577,392
Website		<u>15,600</u>
		19,621,700
Less: Accumulated depreciation		<u>(5,722,334)</u>
Total fixed assets, net	\$	<u><u>13,899,366</u></u>

LOS ANGELES MUSEUM OF THE HOLOCAUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 4 FIXED ASSETS (CONT.)

LAMOTH does not own the land on which the museum is located. LAMOTH has a 50 year, \$1 per year lease with the City of Los Angeles Department of Parks and Recreation to utilize the land. The lease is not recorded as a contribution due to multiple exchange elements as a condition of the lease.

Note 5 INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments as of December 31, 2017 are as follows:

Equities	\$	1,546,049
Exchange traded funds (ETFs)		527,414
Municipal bonds		<u>66,130</u>
Total investments	\$	<u><u>2,139,593</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)
Equities	\$ 1,546,049	\$ 1,546,049	\$ -	\$ -
ETFs	527,414	527,414	-	-
Municipal bonds	<u>66,130</u>	<u>66,130</u>	-	-
	<u><u>\$ 2,139,593</u></u>	<u><u>\$ 2,139,593</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.

LOS ANGELES MUSEUM OF THE HOLOCAUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

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.

The endowment is invested prudently and conservatively, and is supervised by the Finance Committee and the Executive Director. The Committee regularly reviews statements of the endowment to determine compliance with the guideline to preserve the real (i.e. inflation-adjusted) purchasing power of the endowment with a hope to achieve earnings of an average annual real total return of at least 5% per year, net of management fees, over the long-term (rolling five-year periods).

Each year, prior to finalizing the next year's budget, a spending rate is determined, not to exceed 5%, equal to the previous four years' average return on investment for the entire endowment portfolio.

Endowment net assets composition by Type of Funds as of December 31, 2017 is as follows:

		Permanently Restricted
Donor-restricted endowment funds	\$	1,484,962
Total funds	\$	1,484,962

Changes in endowment net assets as of December 31, 2017 are as follows:

		Temporarily Restricted		Permanently Restricted
Endowment net assets, beginning of year	\$	-	\$	1,140,262
Contributions		-		344,700
Investment income		60,008		-
Net appreciation (depreciation)		-		-
Amounts appropriated for expenditure		(60,008)		-
Endowment net assets, end of year	\$	-	\$	1,484,962

LOS ANGELES MUSEUM OF THE HOLOCAUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Special event	\$	60,000
Share our stories		56,445
Connecting Jewish students to Holocaust history		17,168
Free Holocaust education		16,012
Willesden read		24,600
Student tours		10,000
Capital expenditures		5,000
Virtual reality		<u>1,173</u>
Total	\$	<u><u>190,398</u></u>

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:

Capital expenditures	\$	110,899
Special event		20,000
Release of endowment income		60,008
Transportation		11,643
Share our stories		28,555
Free Holocaust education		13,988
Connecting Jewish students to Holocaust history		42,832
Virtual reality		23,827
Yom HaShoah		10,000
Voices of history		5,000
L'Dough V'Dough		<u>800</u>
Total	\$	<u><u>327,552</u></u>

Note 9 TRANSFERS BETWEEN NET ASSET CLASSES

During the year ended December 31, 2017, additional information was provided from a trust attorney that the donor intention was for funds received to be held as a permanent endowment. As such, \$344,700, was transfer from temporarily restricted to permanently restricted net assets.

LOS ANGELES MUSEUM OF THE HOLOCAUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 10 CONTINGENCIES

LAMOTH is a defendant in a lawsuit, the outcome of which is uncertain at this time, therefore no loss contingency has been accrued in the financial statements at December 31, 2017.

Note 11 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 12 RELATED PARTY TRANSACTIONS

LAMOTH paid \$36,434 for a fiscally sponsored project to an entity owned by a relative of one of LAMOTH's officers. There were no amounts outstanding at December 31, 2017.

Note 13 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, 2017 the reference index interest rate was 6.25% and the outstanding balance was \$1,001,530. The line of credit matures on February 23, 2020.

The revolving line of credit is secured by personal guarantee of a member of the Board of Directors of LAMOTH.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.