

**BELVEDERE-TIBURON  
JOINT RECREATION COMMITTEE  
(A California Joint Exercise of Powers Agency of the  
Town of Tiburon and the City of Belvedere)**

**BASIC  
FINANCIAL STATEMENTS**

**For the Years Ended  
February 28, 2017 and February 29, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Belvedere-Tiburon Joint Recreation Committee  
Tiburon, California

We have audited the accompanying financial statements of the Belvedere-Tiburon Joint Recreation Committee (a California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere) which comprise the balance sheets as of February 28, 2017 and February 29, 2016, and the related statements of revenues, expenses and fund equity and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *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 audits 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.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Belvedere-Tiburon Joint Recreation Committee as of February 28, 2017 and February 29, 2016, and the changes in its fund equity and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

The Management's Discussion and Analysis on pages 1 and 2 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bunker & Co LLP*

October 19, 2017

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
**(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the year ended February 28, 2017**

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**General Overview:**

It is the purpose of Belvedere-Tiburon Joint Recreation (BTJR) to enhance the experience of living in our community; to play an active role in helping it be a happier, healthier and more fulfilling place (and way) to live.

Our discussion and analysis of BTJR financial activities and performance provides an overview for the fiscal year ended February 28, 2017. Please read in conjunction with the agency's financial statements, which follow this discussion and analysis.

**Using This Annual Report:**

The first statement in the audit report, on page 3, is the Balance Sheet – Proprietary Enterprise Fund (“Balance Sheet”). The second statement, on page 4, is the Statement of Revenues, Expenses and Fund Equity – Proprietary Enterprise Fund (“Revenues and Expenses”). The third statement on page 5, is the statement of Cash Flows – Proprietary Enterprise Fund (“Cash Flow Statement”). Following these statements are the Notes to Financial Statements (“Notes”), which provide explanations of specific items and sections of the report. The notes are integral to the financial statements.

The Balance Sheet can be seen as a snapshot of BTJR's financial status effective February 28, 2017. It indicates the amount of cash and cash equivalents the agency had on hand at the end of the fiscal period, as well as the book value of the capital assets with accumulated depreciation and the deferred compensation. It also shows total liabilities, including current liabilities of accounts payable and accrued expenses, accrued vacation and deferred program fees. Again, liabilities include deferred compensation and finally, it shows fund equity, or the net worth of the Agency. Assets less liabilities equals fund equity.

The Balance Sheet contains references to the notes. The notes provide additional detail and or explanations for line items in the Balance Sheet. For example, under both Assets and Liabilities on page 3, there is a line item: Deferred Compensation (Note 3). On page 9, Note 3 explains the specifics regarding the Deferred Compensation figure, which is listed as both an Asset and a Liability.

The Statement of Revenues and Expenses outlines sources of income for the fiscal year, and the operational targets of expenditures. It also shows the non-operating revenue for the fiscal year. It indicates that BTJR had a change in fund equity of \$7,768 for the period ended February 28, 2017.

The Cash Flow Statement shows The Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities, this is a detailed picture of adjustments to and changes in the assets and liabilities, with net cash used by operating activities of \$21,622.

The Cash Flow Statement also shows changes in the agency's cash position for the fiscal period. The line items, Cash Flows from Operating Activities, Cash Flows from Investing Activities and Cash Flows from Capital And Related Financial Activities show a decrease in cash and cash equivalents of \$4,370 for a cash and cash equivalents balance of \$833,276 for the period ended February 28, 2017.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
**(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the year ended February 28, 2017**

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**Financial Highlights:**

The Fiscal Year ending February 28, 2017 shows total fund equity of \$339,705. This is an increase from the Fiscal Year ending February 29, 2016 of \$7,768. Total cash and cash equivalents decreased for the period ending February 28, 2017 by \$2,001.

This has been an exciting year of growth for us. The additional space provided by our new facility, Dairy Knoll, has given us the room to expand existing programs and grow new ones. This is especially true for our Adult and Teen programs. Additionally we continue to grow our Youth Programs, Summer Camp Program and Special Events.

For the first time since we have been operating from Dairy Knoll, we did not receive support for our Building expenses from the City of Belvedere and Town of Tiburon. This makes these financials appear less positive than they actually are. The combination of the past four years is a more accurate description of the growth we have experienced and hope to continue to experience in the coming years.

This financial report is designed to provide a general overview of the agencies fiscal situation for all those with an interest in BTJR's finances. Questions concerning any of the information in this report or request for additional financial information should be addressed to: Belvedere-Tiburon Recreation, Director, 600 Neds Way, Tiburon, CA 94920

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**

(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**BALANCE SHEETS - PROPRIETARY ENTERPRISE FUND**

**February 28, 2017 and February 29, 2016**

	2017	2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 813,654	\$ 837,646
Accounts receivable	2,132	647
Prepaid expenses	30,109	23,019
Total current assets	<u>845,895</u>	<u>861,312</u>
Capital assets, net of accumulated depreciation of \$77,034 in 2017 and \$119,838 in 2016 (Notes 1 and 2)	99,066	118,997
Deferred compensation (Note 3)	<u>787,212</u>	<u>677,643</u>
Total assets	<u><u>\$ 1,732,173</u></u>	<u><u>\$ 1,657,952</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 105,626	\$ 102,416
Accrued vacation	16,835	12,578
Deferred program fees	482,795	533,378
Total current liabilities	<u>605,256</u>	<u>648,372</u>
Deferred compensation liability (Note 3)	<u>787,212</u>	<u>677,643</u>
Total liabilities	<u>1,392,468</u>	<u>1,326,015</u>
Fund equity		
Invested in capital assets	99,066	118,997
Fund equity:		
Undesignated	240,639	212,940
Total fund equity	<u>339,705</u>	<u>331,937</u>
Total liabilities and fund equity	<u><u>\$ 1,732,173</u></u>	<u><u>\$ 1,657,952</u></u>

The accompanying notes are an integral part of these financial statements.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**STATEMENTS OF REVENUES, EXPENSES AND FUND EQUITY-  
PROPRIETARY ENTERPRISE FUND**

**For the years ended February 28, 2017 and February 29, 2016**

	2017	2016
<b>OPERATING REVENUE</b>		
Program service fees	\$ 1,735,792	\$ 1,606,236
Community center rental	7,109	7,736
Brochure advertising	2,800	2,050
Total operating revenue	<u>1,745,701</u>	<u>1,616,022</u>
<b>OPERATING EXPENSES</b>		
Program service expenses	1,066,106	976,626
Brochure expense	21,800	24,236
Management and general	627,114	586,705
Depreciation (Note 2)	24,025	23,759
Other expenses	612	4,435
Total operating expenses	<u>1,739,657</u>	<u>1,615,761</u>
Net operating income	6,044	261
<b>NON-OPERATING REVENUE</b>		
Contributions - new facility (Note 5)	-	46,780
Interest income	1,724	423
Change in fund equity	7,768	47,464
Total fund equity, beginning of year	<u>331,937</u>	<u>284,473</u>
Total fund equity, end of year	<u>\$ 339,705</u>	<u>\$ 331,937</u>

The accompanying notes are an integral part of these financial statements.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**STATEMENTS OF CASH FLOWS-  
PROPRIETARY ENTERPRISE FUND**  
For the years ended February 28, 2017 and February 29, 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 1,693,633	\$ 1,875,852
Cash paid to employees	(776,633)	(710,645)
Cash paid to suppliers	(919,001)	(837,823)
Net cash (used) provided by operating activities	<u>(2,001)</u>	<u>327,384</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	<u>1,725</u>	<u>423</u>
Net cash provided by investing activities	<u>1,725</u>	<u>423</u>
<b>CASH FLOWS OTHER NON-OPERATING ACTIVITIES</b>		
Contribution - new facility	-	46,780
Outlay - new facility	<u>(4,094)</u>	<u>(18,111)</u>
Net cash (used) provided by non-operating activities	<u>(4,094)</u>	<u>28,669</u>
Change in cash and cash equivalents	(4,370)	356,476
Cash and cash equivalents, beginning of year	<u>837,646</u>	<u>481,170</u>
Cash and cash equivalents, end of year	<u>\$ 833,276</u>	<u>\$ 837,646</u>
<b>RECONCILIATION OF NET OPERATING INCOME TO  NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Net operating income (loss)	\$ 6,044	\$ 261
Changes in assets and liabilities		
Depreciation	24,025	23,759
Accounts receivable	(1,485)	1,234
Prepaid expenses	(7,090)	18,379
Accounts payable and accrued expenses	3,210	25,306
Accrued vacation	4,257	(151)
Deferred program fees	<u>(50,583)</u>	<u>258,596</u>
Total adjustments	<u>(27,666)</u>	<u>327,123</u>
Net cash (used) provided by operating activities	<u>\$ (21,622)</u>	<u>\$ 327,384</u>

The accompanying notes are an integral part of these financial statements.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended February 28, 2017 and February 29, 2016**

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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Description of Committee - The Belvedere-Tiburon Joint Recreation Committee (the Committee) was formed under a joint powers agreement between the City of Belvedere and the Town of Tiburon in accordance with Government Code Section 6500 relating to joint exercise of powers. The Board of Directors of the Committee is composed of seven members: three from Belvedere, three from Tiburon and one from the Reed Unified School District. The purpose of the Committee is to formulate, administer and operate recreation and education programs and facilities for the residents of the Tiburon Peninsula. These programs are administered by the Recreation Department, which maintains separate funds and account groups. The Committee is subject to the laws, regulations and guidelines as set forth by the State Controller's Office.

The Reporting Entity - The financial statements consist of the Committee's proprietary enterprise fund. The operation of recreation and education programs and facilities are proprietary in nature and are maintained as an enterprise fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Method of Accounting - The proprietary enterprise fund financial statements required by Governmental Accounting Standards are reported using the "flow of economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Committee's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Balance Sheet. The Statement of Revenue, Expenses, and Fund Equity presents changes in fund equity. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

The Committee follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

Budgets and Budgetary Accounting - The Committee adopts an annual budget for the Enterprise Fund. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expense, and non-operating income and expense items are not considered.

Accounts Receivable - It is the practice of the Committee to expense uncollectibles only after exhausting all efforts to collect the amounts due. There is no allowance for doubtful accounts and management believes all amounts will be collected in full.

Capital Assets - Property and equipment are stated at cost of acquisition. Significant improvements or betterments to existing assets of \$750 or more are capitalized; maintenance and repairs that do not extend the useful lives of the assets are charged to operations. Depreciation is determined on the straight-line method over the estimated useful lives of the assets.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended February 28, 2017 and February 29, 2016

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Cash and cash equivalents at February 28, 2017 and February 29, 2016 are as follows:

	2017	2016
Bank of Marin	\$ 483,024	\$ 708,446
Local Agency Investment Fund	330,630	129,200
	\$ 813,654	\$ 837,646

The Local Agency Investment Fund was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the California State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with other State monies as a part of the Pooled Money Investment Account.

The law restricts the Treasurer to investments in the following categories: U.S. government securities; securities of federally-sponsored agencies; domestic corporate bonds; interest-bearing time deposits in California banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; bankers acceptances; negotiable certificates of deposit and loans to various bond funds.

Local Agency Investment Fund monies were invested in the following concentrations of securities:

<u>Type of Security</u>	<u>Percent of Portfolio Fiscal Year 2016-2017</u>	<u>Percent of Portfolio Fiscal Year 2015-2016</u>
U.S. Treasuries	47.09%	47.01%
Agencies	15.56	12.37
Loans	1.97	8.91
Mortgages	0.06	0.10
CDs/Bank Notes	17.13	16.33
Time Deposits	7.59	8.35
Commercial Paper	10.6	6.93
Total Portfolio	100.00%	100.00%

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
**(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended February 28, 2017 and February 29, 2016**

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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

Although the Board responsible for administering the Local Agency Investment Fund designates how much shall be invested in interest-bearing time accounts and securities, it is the responsibility of the State Treasurer to administer the investment program on a day-to-day basis in line with overall Board policy. This entails a daily determination of amounts available for investment, or the need for liquidating securities to meet warrant redemption requirements, while maintaining the approved compensating balance position. This means that the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect current available information.

California commercial banks, savings banks, and credit unions receiving these State deposits must secure them with approved securities having a market value of at least 110 percent of the deposits or with approved promissory notes secured by mortgages or deeds of trust having a market value of at least 150 percent of the deposits. The same collateral requirements also apply to the State's demand accounts.

Amounts invested with the Local Agency Investment Fund are invested in accordance with Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. These pooled investments are carried at fair value.

Cash deposits held at financial institutions can be categorized according to three levels of risk:

- 1) Deposits which are insured or collateralized with securities held by the Investment Pool or by its agent in the Committee's name.
- 2) Deposits which are collateralized with securities held by the pledging financial institution's trust department or agency in the Committee's name.
- 3) Deposits which are not collateralized or insured.

Based on these levels of risk, all of the Committee's cash deposits are classified as Category 1.

Fair Value Measurements - Accounting standards were created which established a framework for reporting fair value and expand disclosures about fair value measurements. The Committee adopted these standards thereby measuring the fair value of its cash and cash equivalents, investments, and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended February 28, 2017 and February 29, 2016

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

Level 3: Unobservable inputs for the asset or liability; Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

In accordance with the standard, BTJRC’s carrying amounts of its assets and liabilities, approximate fair value under Level 1 for the years ended February 28, 2017 and February 29, 2016.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs – It is the policy of the Committee to expense advertising costs as incurred.

**NOTE 2 CAPITAL ASSETS**

Capital assets consist of the following:

<u>Capital Assets, at Cost</u>	
Balance, February 28, 2015	\$ 220,724
Additions	<u>18,111</u>
Balance, February 29, 2016	238,835
Additions	4,094
Reduction	<u>(66,829)</u>
Balance, February 29, 2017	<u>176,100</u>
 <u>Accumulated Depreciation</u>	
Balance, February 28, 2015	96,079
Depreciation expense	<u>23,759</u>
Balance, February 29, 2016	119,838
Depreciation expense	24,025
Write-off fully appreciated	<u>(66,829)</u>
Balance, February 29, 2017	<u>77,034</u>
 Capital assets, net	 <u>\$ 99,066</u>

**NOTE 3 DEFERRED COMPENSATION PLAN**

The Committee has established a deferred compensation plan for employees under Section 457 of the Internal Revenue Code. Hartford Life Insurance is the administrator of the deferred compensation plan. The assets for the employee deferred compensation plan totaled \$787,212 and \$677,643 at February 28, 2017 and February 29, 2016, respectively. The assets of the deferred compensation plan remain the property of the Committee until made available to participants and all deferred amounts are withheld from employee payrolls and forwarded directly to the plan trustee. During the years ended February 28, 2017 and February 29, 2016, the Committee contributed \$109,569 and \$33,784, respectively, to the plan on behalf of its employees.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
**(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended February 28, 2017 and February 29, 2016**

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**NOTE 4 RELATED PARTY TRANSACTIONS**

The Committee is jointly insured through the City of Belvedere and the Town of Tiburon. Insurance premiums are paid by the City of Belvedere and the Town of Tiburon on behalf of the Committee.

The Committee manages all uses of the Tiburon Community Room. All fees collected from the use of the room are paid to the Town of Tiburon. In a memorandum of understanding with the Town of Tiburon, it is agreed that the administrative time used in managing the Tiburon Community Room and the fees collected will be considered the Committee's "rent and utility payment" to the Town. The Committee also reimburses the City of Belvedere for bookkeeping fees. As of February 28, 2017, the Committee owed \$385 to the City of Belvedere.

**NOTE 5 NEW FACILITY**

A new facility called "Dairy Knoll" was built by the town of Tiburon, which houses the Committee's recreation office and activity rooms. A campaign was started to raise \$150,000 in order to buy furniture and equipment for the facility, and at February 28, 2015, \$154,608 had been raised for that purpose. The building was completed in October, 2013 and the Committee moved into the facility on October 7, 2013. The Committee leases the facility from the town of Tiburon and will pay no rent for the first five years after occupancy. Thereafter, with one-year's notice, the rent will be \$2,500 per month.

**NOTE 6 LEASE COMMITMENTS**

During 1999 the Committee entered into a lease agreement with the City of Belvedere to lease the Belvedere Community Center for a period of ten years which ended on June 30, 2009. This lease had been extended for a period of 12 months, and was ended on June 30, 2012. The new lease is now on a month to month basis. Pursuant to the memorandum of understanding between the Committee and the City of Belvedere, a portion of each rental collected from third party usage of the Community Center is paid to the City of Belvedere by the Committee. The balance of each rental fee is retained by the Committee to defray administrative costs associated with the Community Center. This lease agreement shall terminate if, for any reason, the joint powers agreement between the City of Belvedere and the Town of Tiburon is terminated.

**BELVEDERE-TIBURON JOINT RECREATION COMMITTEE**  
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**NOTES TO FINANCIAL STATEMENTS**  
For the years ended February 28, 2017 and February 29, 2016

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**NOTE 6 LEASE COMMITMENTS (Continued)**

The Committee entered into a non-cancellable lease agreement with Inland Business Systems for the use of a Xerox copier. The 60 month lease expires in April, 2020 and requires monthly payments of \$197. Lease expense for the years ended February 28, 2017 and February 29, 2016 was \$5,098 and \$5,099, respectively.

The estimated future minimum payments on the lease are as follows:

<u>Years ending February:</u>	
2018	\$ 2,364
2019	2,364
2020	2,364
2021	<u>394</u>
	<u>\$ 7,486</u>

**NOTE 7 CONCENTRATION OF CREDIT RISK**

As of February 28, 2017, the Committee did not have any cash balances with financial institutions exceeding the \$250,000 Federal Deposit Insurance Corporation insured limit.

**NOTE 8 SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through the Auditor's Report date, the date the financial statements were available to be issued