

THE C.G. JUNG INSTITUTE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF FUNCTIONAL EXPENSES.....	5
STATEMENTS OF CASH FLOWS.....	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The C.G. Jung Institute

We audited the accompanying financial statements of The C.G. Jung Institute of San Francisco, a nonprofit California corporation (the "Institute"), which comprise the statements of financial position as of June 30, 2017 and 2016, and related statements of activities, functional expenses 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 the 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 the 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 the 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 auditors' 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 Institute as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Institute's 2016 financial statements, and our report dated November 4, 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 June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Buckley, Patchen, Riemann & Hall

December 5, 2017
Walnut Creek, California

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2017 AND 2016

ASSETS

	2017	2016
Current Assets:		
Cash and cash equivalents	\$ 435,780	\$ 178,588
Accounts receivable, net	116,904	197,951
Prepaid expenses	38,551	25,552
Total Current Assets	591,235	402,091
Non-Current Assets:		
Marketable securities (Note 3)	12,686,598	9,460,220
Property and equipment (Note 4)	332,320	300,415
Total Non-Current Assets	13,018,918	9,760,635
Total Assets	\$ 13,610,153	\$ 10,162,726

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 27,342	\$ 12,433
Deferred revenue	80,515	-
Accrued vacation	46,802	35,191
Total Current Liabilities	154,659	47,624
Net Assets:		
Unrestricted	7,893,948	7,416,642
Temporarily restricted (Note 6)	5,455,786	2,592,570
Permanently restricted endowment (Note 8)	105,760	105,890
Total Net Assets	13,455,494	10,115,102
Total Liabilities and Net Assets	\$ 13,610,153	\$ 10,162,726

The accompanying notes are an integral part of these financial statements.
 See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2017
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Contributions:					
Contributions	\$ 45,896	\$ 2,989,496	\$ -	\$ 3,035,392	\$ 988,916
ARAS	7,580	-	-	7,580	6,105
Total Contributions	53,476	2,989,496	-	3,042,972	995,021
Revenue and Earned Income:					
Member dues	183,858	-	-	183,858	200,280
Candidate tuition	83,182	-	-	83,182	66,190
Therapy income	137,517	-	-	137,517	158,000
Course fees	71,405	-	-	71,405	64,265
Royalties	6,038	-	-	6,038	6,629
Other income	24,504	-	-	24,504	13,305
Total Revenue and Earned Income	506,504	-	-	506,504	508,669
Investments Income:					
Dividends and interest	273,911	-	6,352	280,263	252,357
Net realized gain on disposition of securities on	182,125	-	-	182,125	217,434
Unrealized gain in marketable securities	442,699	-	-	442,699	57,087
Total Investments Income	898,735	-	6,352	905,087	526,878
Net assets released from restrictions	126,280	(126,280)	-	-	-
Total Contributions and Income	1,584,995	2,863,216	6,352	4,454,563	2,030,568
Expenses					
Program expenses	901,142	-	-	901,142	860,007
Management and general	113,434	-	6,482	119,916	105,232
Fundraising	93,113	-	-	93,113	101,262
Total Expenses	1,107,689	-	6,482	1,114,171	1,066,501
Change in Net Assets	477,306	2,863,216	(130)	3,340,392	964,067
Beginning Net Assets	7,416,642	2,592,570	105,890	10,115,102	9,151,035
Ending Net Assets	7,893,948	5,455,786	105,760	13,455,494	10,115,102

The accompanying notes are an integral part of these financial statements.
 See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	Library	Extended Education	Membership	Clinic	Training Institute	Jung Journal	Other Programs	Program Expenses	Management and General	Fundraising	2017 Total	2016 Total
Expenses:												
Salaries, wages, benefits and payroll taxes	\$ 69,714	\$ 71,227	\$ 58,329	\$ 118,123	\$ 38,889	\$ 8,042	\$ 10,782	\$ 375,106	\$ 11,170	\$ 45,137	\$ 431,413	\$ 424,831
Professional services	11,031	12,121	13,314	42,930	6,116	41,311	19,679	146,502	23,495	22,496	192,493	172,015
Honorarium, editorial asst. and president fee	-	11,325	10,000	900	-	15,093	525	37,843	-	1,818	39,861	38,985
Bank charges	-	2,077	1,796	-	642	-	321	4,836	2,300	928	8,064	7,525
Insurance	4,647	7,433	1,016	19,136	1,132	381	6,586	40,331	14,113	1,468	55,912	56,174
Retirement plan	4,168	-	708	3,204	2,722	-	200	11,002	11,946	1,361	24,309	25,350
Information technology	6,705	3,718	4,214	6,197	1,983	2,231	2,975	28,023	8,263	190	36,476	30,330
Supplies	1,074	1,680	-	507	91	403	10,303	14,058	9,656	3,754	27,468	24,118
Copier and other equipment	-	-	-	-	-	-	-	-	8,978	-	8,978	9,056
Printing and postage	-	13,041	-	-	914	-	5,814	19,769	5,998	13,729	39,496	29,857
Utilities	1,695	1,816	2,046	4,113	940	1,046	1,492	13,148	6,848	-	19,996	18,377
IAAP dues	-	-	23,751	-	-	-	-	23,751	-	-	23,751	24,358
Conferences and meeting expenses	-	6,259	62,430	692	-	-	18,609	87,990	177	100	88,267	67,805
Building expense	2,711	2,904	3,292	4,841	1,549	1,743	2,324	19,364	6,455	53	25,872	10,926
Bad debt/allowance for bad debt	-	-	-	-	-	-	-	-	-	-	-	4,900
Other expense	19,966	5,736	1,335	1,164	12,850	5,547	24,607	71,205	5,161	1,386	77,752	103,722
Total Expenses, Excluding Depreciation	121,711	139,337	182,231	201,807	67,828	75,797	104,217	892,928	114,560	92,419	1,099,907	1,048,329
Depreciation expense	1,840	1,574	265	3,424	1,020	-	91	8,214	5,356	694	14,264	18,172
Total Expenses	\$ 123,551	\$ 140,911	\$ 182,496	\$ 205,231	\$ 68,848	\$ 75,797	\$ 104,308	\$ 901,142	\$ 119,916	\$ 93,113	\$ 1,114,171	\$ 1,066,501

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF CASH FLOWS
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating Activities:		
Change in net assets	\$ 3,340,392	\$ 964,067
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	14,264	18,172
Net realized and unrealized (gain)/loss on investments	(624,824)	(274,521)
Stock donations	(2,693,247)	(74,561)
 (Increase)/Decrease in Operating Assets		
Accounts receivable	81,047	(122,571)
Prepaid expenses	(12,999)	(1,719)
Increase/(Decrease) in Operating Liabilities		
Accounts payable	14,909	(5,114)
Deferred revenue	80,515	(3,590)
Accrued liabilities	11,611	(4,591)
Net Cash Provided by/(used in) Operating Activities	<u>211,668</u>	<u>495,572</u>
 Investing Activities:		
Jung relocation related expenses (asset holding account)	(46,169)	(50,472)
Purchases of investments	(2,386,945)	(1,220,141)
Sales of investments	<u>2,478,638</u>	<u>775,638</u>
Net Cash Provided by/(used in) Investing Activities	<u>45,524</u>	<u>(494,975)</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	257,192	597
 Cash and Cash Equivalents - Beginning of Year	<u>178,588</u>	<u>177,991</u>
 Cash and Cash Equivalents - End of Year	<u>\$ 435,780</u>	<u>\$ 178,588</u>

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 1 Organization:

The C.G. Jung Institute of San Francisco (the "Institute") was founded to advance a viewpoint vital to the conscious, ethical practice and utilization of analytical psychology and to disseminate knowledge central to that end. The Institute trains psychotherapists to become Jungian analysts and maintains a collegial society to provide continuing education and ethical review for member analysts. It offers education and information to other professionals and the general public and promotes research about Jungian analysis and psychotherapy.

The Institute maintains the Virginia Allan Detloff Library and the Archive for Research in Archetypal Symbolism (ARAS) as educational resources. ARAS maintains an extensive library of slides, reproductions of slides and reproductions of art objects having symbolic cross-cultural significance. No dollar amounts have been included for the ARAS collection since a value for it cannot be established.

The Institute operates the James Goodrich Whitney clinic to provide access to Jungian psychotherapy to those who are unable to afford the cost of private treatment.

Note 2 Summary of Significant Accounting Policies:

Basis of accounting

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

Financial statement presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed stipulations. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

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

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met, by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets—Net assets subject to donor or board-imposed stipulations that they be maintained permanently by the Institute. Generally, the donors of these assets permit the Institute to use all or part of the income earned, if any, on any related investments for unrestricted purposes.

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 generally accepted accounting principles.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 2 Summary of Significant Accounting Policies (continued):

Cash equivalents

For purposes of the statement of cash flows, the Institute considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Tax-exempt status

The Institute is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. The Institute is subject to routine audits by taxing jurisdictions; however, currently, there are no audits in progress. The Institute is no longer subject to income tax examination for years prior to 2010. The Institute has no uncertain tax positions as of June 30, 2017 and 2016.

Property and equipment

The Institute capitalizes property and equipment with a cost of over \$5,000 and an estimated life of three years or more. Property and equipment are stated at cost and are being depreciated using the straight-line method over their estimated useful lives, which range from 5 to 40 years. Minor renewals or replacements and maintenance and repairs are expensed. Major replacements and improvements are capitalized.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure 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.

In-kind contributions

The Institute records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

The Institute's clinical program is operated by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 2 Summary of Significant Accounting Policies (continued):

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Institute provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Institute's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. For the years ended June 30, 2017 and 2016, allowance for doubtful accounts totaled \$5,400 and \$5,400, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Reclassifications

Certain 2017 balances have been reclassified to conform with 2016 presentation. These reclassifications have no impact on changes in net assets.

Note 3 Fair Value Measurements:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that provides the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 3 Fair Value Measurements (continued):

Level 2

Inputs to the valuation methodology include:

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

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

Level 3

Inputs to the valuation methodology include:

- Valuation methodology is unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Institute's assets at fair value as of June 30, 2017 and 2016:

	June 30, 2017			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	\$ 4,958,965	\$ 7,403,693	\$ -	\$ 7,403,693
Certificates of Deposit	1,650,000	1,651,037	-	1,651,037
Government Bonds	549,522	546,822	-	546,822
Corporate Bonds	3,092,333	3,085,046	-	3,085,046
Total Investments	<u>\$10,250,820</u>	<u>\$12,686,598</u>	<u>\$ -</u>	<u>\$12,686,598</u>
	June 30, 2016			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	\$ 2,873,531	\$ 4,993,866	\$ -	\$ 4,993,866
Certificates of Deposit	1,100,000	1,111,452	-	1,111,452
Government Bonds	99,609	100,572	-	100,572
Corporate Bonds	3,243,541	3,254,330	-	3,254,330
Total Investments	<u>\$ 7,316,681</u>	<u>\$ 9,460,220</u>	<u>\$ -</u>	<u>\$ 9,460,220</u>

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 3 Fair Value Measurements (continued):

The Institute paid investment management fees totaling \$54,378 and \$47,415 for the years ended June 30, 2017 and 2016, respectively.

Methodology Used to Determine Fair Value of Investments

Level 1 Investments – Quoted market price.

Although the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4 Property and Equipment:

Property and equipment consisted of the following as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 76,800	\$ 76,800
Improvements	455,754	455,754
Furniture and Equipment	<u>64,714</u>	<u>64,714</u>
Total, Gross	597,268	597,268
Less: Accumulated Depreciation	<u>(410,050)</u>	<u>(395,786)</u>
Institute Relocation	<u>145,102</u>	<u>98,933</u>
Total, Net	<u>\$ 332,320</u>	<u>\$ 300,415</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$14,264 and \$18,172, respectively.

Note 5 Risk and Uncertainties:

The Institute maintains cash and investment balances at various financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Throughout the year, the cash balances exceeded the FDIC insured limits. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash for the years ended June 30, 2017 and 2016.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 6 Temporarily Restricted Assets:

Temporarily restricted net assets consisted of the following for the year ended June 30, 2017 and 2016:

	2017	2016
Ayer Fund	\$ 28,210	\$ 27,549
Bradway - Child Fund	40,386	40,386
Bradway - Archive	5,554	5,554
SF Foundation	21,265	29,074
East Bay Foundation	70,000	75,000
Brickyard (Various)	47,762	60,397
Clinic	1,445,871	1,490,039
Other	-	1,287
Detloff Fund	915	3,178
Building Fund	3,648,660	697,354
International Student	43,693	57,282
Van Loben Sels	103,470	105,470
Total	\$ 5,455,786 ✓	\$ 2,592,570 ✓

Note 7 Retirement Plan:

The Institute adopted a 403(b) retirement plan (the "Plan"). The Institute's contribution to the plan is six percent of annual compensation for each participant, or ten percent if matched by the employee. Certain employees are presently covered by the retirement Plan. Funding is made on a monthly basis. Employer contributions to the Plan totaled \$24,309 and \$25,360 for the years ended June 30, 2017 and 2016, respectively.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 8 Endowment:

On July 1, 1990, a donor established the Friends of the ARAS endowment fund in honor of Joseph L. Henderson.

Interpretation of Relevant Law

The Board of Directors of the Institute has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Institute and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Institute.
- (7) The investment policies of the Institute.

Return Objectives and Risk Parameters

The Institute is in the process of adopting formal investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the endowment assets are invested assuming a conservative level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017 JUNE 30, 2017 AND 2016

Note 8 Endowment (continued):

Listed below is a summary of the endowment activity for the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Endowment Net Assets, Beginning of Year	\$ 105,890	\$ 110,325
Contributions	-	-
Investment Income	6,352	926
Expenditures	(6,482)	(5,361)
Transfers	<u>-</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 105,760</u> ✓	<u>\$ 105,890</u> ✓

Note 9 Jung Institute Relocation:

The Board approved the relocation of the Jung Institute to a site to be determined. The Institute has incurred various expenses in connection with relocation efforts. For the years ended June 30, 2017 and 2016, expenses associated with the relocation efforts totaled \$145,102 and \$98,933, respectively. These fees were capitalized and will be depreciated upon completion of the relocation. Of these expenses, \$138,396 was paid to a consultant to oversee the identification, acquisition and the relocation of the Institute. The consultant overseeing the relocation is also a non-voting member of the finance committee, a related party.

The Institute hopes the relocation will be finalized within the next two fiscal years.

Note 10 Subsequent Events:

Management has evaluated the impact of subsequent events through December 5, 2017, the date the financial statements were available to be issued. Management has not identified any subsequent events that would require an adjustment to the financial statements or disclosure as required under generally accepted accounting principles.