THE C.G. JUNG INSTITUTE

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO

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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, 2019 and 2018, 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, 2019 and 2018, 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.

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Report on Summarized Comparative Information

We have previously audited the Institute's 2018 financial statements, and our report dated October 17, 2018, 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, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Buckley Potchen

October 23, 2019
Walnut Creek, California

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
Current Assets:		
Cash and cash equivalents	$ 1,237,274	$ 105,424
Accounts receivable, net	1,060,206	104,134
Prepaid expenses	19,893	27,307
Total Current Assets	2,317,373	236,865
Non-Current Assets:		
Marketable securities (Note 4)	8,864,007	9,838,825
Property and equipment (Note 5)	6,274,427	5,834,976
Total Non-Current Assets	15,138,434	15,673,801
Total Assets	$ 17,455,807	$ 15,910,666

LIABILITIES AND NET ASSETS

	2019	2018
Current Liabilities:		
Accounts payable	$ 48,249	$ 62,923
Accrued vacation	53,019	61,200
Total Current Liabilities	101,268	124,123
Net Assets:		
Without Donor Restrictions		
Undesignated	15,551,595	13,737,523
With Donor Restrictions		
Subject to purpose restrictions	1,703,313	1,946,033
Perpetual in nature (Note 10)	99,631	102,987
Total Net Assets	17,354,539	15,786,543
Total Liabilities and Net Assets	$ 17,455,807	$ 15,910,666

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, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Without Restrictions	With Restrictions	Total	Total
Contributions:				
Contributions	$ 1,182,159	$ 323,770	$ 1,505,929	$ 2,292,514
ARAS	6,280	-	6,280	7,220
Total Contributions	1,188,439	323,770	1,512,209	2,299,734
Revenue and Earned Income:				
Member dues	183,162	-	183,162	181,989
Candidate tuition	80,252	-	80,252	72,341
Therapy income	173,202	-	173,202	178,305
Course fees	97,898	-	97,898	152,762
Royalties	5,549	-	5,549	7,210
Other income	24,351	-	24,351	571
Total Revenue and Earned Income	564,414	-	564,414	593,178
Investments Income:				
Dividends and interest	267,096	7,063	274,159	178,617
Net realized gain and unrealized gain in marketable securities	415,657	-	415,657	435,870
Total Investments Income	682,753	7,063	689,816	614,487
Net assets released from restrictions	566,490	(566,490)	-	-
Total Contributions and Income	3,002,096	(235,657)	2,766,439	3,507,399
Expenses				
Program expenses	942,369	-	942,369	937,936
Management and general	166,173	10,419	176,592	137,634
Fundraising	79,483	-	79,483	100,780
Total Expenses	1,188,025	10,419	1,198,444	1,176,350
Change in Net Assets	1,814,072	(246,076)	1,567,995	2,331,049
Beginning Net Assets	13,737,523	2,049,020	15,786,543	13,455,494
Ending Net Assets	15,551,595	1,802,944	17,354,539	15,786,543

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, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	Library	Extended Education	Membership	Clinic	Training Institute	Jung Journal	Other Programs	Program Expenses	Management and General	Fundraising	2019 Total	2018 Total
Expenses:												
Salaries, wages, benefits and payroll taxes	$ 69,506	$ 76,461	$ 68,080	$ 127,340	$ 43,759	$ 9,355	$ 22,414	$ 416,915	$ 17,341	$ 50,631	$ 484,888	$ 475,018
Professional services	11,771	17,074	15,567	44,013	6,902	24,334	19,192	138,853	41,674	2,000	182,527	165,142
Honorarium, editorial asst. and president fee	-	12,630	10,000	1,200	200	22,188	450	46,668	-	-	46,668	49,329
Bank charges	6	5,068	2,248	60	772	-	179	8,333	199	1,109	9,641	7,451
Insurance	2,732	7,765	1,175	13,825	1,208	370	5,387	32,462	30,660	1,218	64,340	50,903
Retirement plan	2,341	2,923	812	3,466	3,125	-	422	13,089	16,686	1,906	31,681	31,866
Information technology	3,515	-	-	-	-	-	240	3,755	22,654	-	26,409	29,639
Supplies	497	1,041	-	665	-	125	3,495	5,823	9,086	1,676	16,585	25,679
Copier and other equipment	1,149	1,647	2,068	2,636	917	799	1,626	10,842	-	-	10,842	12,351
Printing and postage	-	5,825	1,686	-	-	28	1,378	8,917	-	19,416	28,333	46,695
Utilities	1,088	1,534	1,926	3,751	854	744	1,514	11,411	2,582	666	14,659	16,804
IAAP dues	-	-	20,632	-	-	-	-	20,632	-	-	20,632	21,556
Conferences and meeting expenses	-	8,561	76,823	581	11,390	-	34,752	132,107	140	283	132,530	110,265
Building expense	5,569	3,121	3,918	4,995	1,737	1,514	3,081	23,935	17,454	-	41,389	29,718
Book and periodical purchases	7,164	-	-	-	-	-	-	7,164	-	-	7,164	7,030
Social event	-	-	-	-	-	-	7,668	7,668	-	-	7,668	27,065
Scholarship awards	-	-	-	-	-	-	19,632	19,632	-	-	19,632	12,353
Other expense	108	2,600	3,280	4,442	4,559	7,472	5,112	27,573	13,722	-	41,294	45,136
Total Expenses, Excluding Depreciation	105,446	146,250	208,215	206,974	75,423	66,929	126,542	935,779	172,198	78,905	1,186,882	1,164,000
Depreciation expense	1,503	1,272	231	2,659	809	-	116	6,590	4,394	578	11,562	12,350
Total Expenses	$ 106,949	$ 147,522	$ 208,446	$ 209,633	$ 76,232	$ 66,929	$ 126,658	$ 942,369	$ 176,592	$ 79,483	$ 1,198,444	$ 1,176,350

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, 2019 AND 2018

	2019	2018
Operating Activities:		
Change in net assets	$ 1,567,995	$ 2,331,049
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	11,562	12,350
Net realized and unrealized (gain)/loss on investments	(415,657)	(435,870)
Stock donations	(36,729)	(1,787,182)
(Increase)/Decrease in Operating Assets		
Accounts receivable	(956,072)	12,770
Prepaid expenses	7,414	11,244
Increase/(Decrease) in Operating Liabilities		
Accounts payable	(14,673)	35,582
Deferred revenue	-	(80,515)
Accrued liabilities	(8,181)	14,398
Net Cash Provided by/(used in) Operating Activities	155,659	113,826
Investing Activities:		
Jung relocation related expenses (asset holding account)	(451,103)	(5,515,006)
Purchases of investments	(4,928,349)	(6,582,829)
Sales of investments	6,355,643	11,653,653
Net Cash Provided by/(used in) Investing Activities	976,191	(444,182)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,131,850	(330,356)
Cash and Cash Equivalents - Beginning of Year	105,424	435,780
Cash and Cash Equivalents - End of Year	$ 1,237,274	$ 105,424

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

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or to other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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 2012. The Institute has no uncertain tax positions as of June 30, 2019 and 2018.

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 processing 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.

Note 2 Summary of Significant Accounting Policies (continued):

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

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, 2019 and 2018, allowance for doubtful accounts totaled $4,100 and $4,100, 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.

Allocations to Functional Expenses

Salaries and related employee expenses which apply to more than one functional category have been allocated between programs, management and administrative services and fundraising based on the time spent on these functions by specific employees as estimated by management. The remaining expenses are directly charged whenever practical, or are allocated based on other relevant factors.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for Profit- Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expense and investment return. We have implemented ASU 2016-14 and have adjusted presentation in these consolidated financial statements accordingly.

Reclassifications

Certain 2019 balances have been reclassified to conform with 2018 presentation. These reclassifications have no impact on changes in net assets.

Note 3 Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at June 30, 2019 and 2018:

	2019	2018
Cash and cash equivalent	$ 1,237,274	$ 105,424
Accounts receivable	1,060,206	104,134
Investment at Fair value	8,864,007	9,838,825
Restricted Assets	(1,802,944)	(2,049,020)
Total	$ 9,358,543	$ 7,999,363

Donor-restricted assets are not available for general expenditures. Investments are not classified as a current asset on the Statement of Financial Position; however, the Institute routinely liquidates investments and transfers funds for the general operating expenses.

Note 4 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.

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.

Note 4 Fair Value Measurements (continued):

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, 2019 and 2018:

	June 30, 2019			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	$ 3,200,708	$ 5,098,660	$ -	$ 5,098,660
Mutual Funds	904,582	904,582	-	904,582
Certificates of Deposit	470,000	470,080	-	470,080
Government Bonds	300,000	302,040	-	302,040
Corporate Bonds	2,086,590	2,088,645	-	2,088,645
Total Investments	$ 6,961,880	$ 8,864,007	$ -	$ 8,864,007

	June 30, 2018			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	$ 3,164,804	$ 4,886,141	$ -	$ 4,886,141
Mutual Funds	848,957	848,957	-	848,957
Certificates of Deposit	500,000	498,355	-	498,355
Government Bonds	1,291,761	1,295,648	-	1,295,648
Corporate Bonds	2,361,832	2,309,724	-	2,309,724
Total Investments	$ 8,167,353	$ 9,838,825	$ -	$ 9,838,825

The Institute paid investment management fees totaling $50,245 and $69,762 for the years ended June 30, 2019 and 2018, 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 5 Property and Equipment:

Property and equipment consisted of the following as of June 30, 2019 and 2018:

	2019	2018
Land	$ 3,573,800	$ 3,573,800
Improvements	2,346,843	2,346,843
Furniture and Equipment	64,714	64,714
Total, Gross	5,985,357	5,985,357
Less: Accumulated Depreciation	(433,962)	(422,400)
Institute Relocation (not in service)	723,032	272,019
Total, Net	$ 6,274,427	$ 5,834,976

Depreciation expense for the years ended June 30, 2019 and 2018 was $11,562 and $12,350, respectively.

Note 6 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, 2019 and 2018.

Note 7 Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Note 8 Net Assets With Donor Restrictions:

The following net assets are subject to purpose restrictions for the year ended June 30, 2019 and 2018:

	2019	2018
Ayer Fund	$ 29,731	$ 27,579
Bradway - Child Fund	38,369	40,386
Bradway - Archive	3,079	5,229
SF Foundation	7,087	20,000
East Bay Foundation	35,000	54,277
Brickyard (Various)	114,575	45,487
Library	10,400	10,400
Detloff Fund	2,500	912
Building Fund	1,321,202	1,608,146
International Student	33,633	38,793
Van Loben Sels	82,737	94,825
Anonymous Donation	5,000	-
Child Training	20,000	-
Endowment	99,631	102,987
Total	$ 1,802,944	$ 2,049,020

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2019 and 2018:

Purpose Restrictions:

	2019	2018
Ayer Fund	$ -	$ 632
Bradway - Child Fund	2,016	-
Bradway - Archive	2,150	325
SF Foundation	12,913	-
East Bay Foundation	19,277	36,991
Brickyard (Various)	10,910	2,975
Building Fund	499,592	5,528,595
International Student	5,160	4,900
Van Loben Sels	14,472	8,645
Total	$ 566,490	$ 5,583,063

Note 9 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 $31,682 and $31,864 for the years ended June 30, 2019 and 2018, respectively.

Note 10 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.

Note 10 Endowment (continued):

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.

Listed below is a summary of the endowment activity for the years ended June 30, 2019 and 2018:

	2019	2018
Endowment Net Assets, Beginning of Year	$ 102,987	$ 105,760
Contributions	-	-
Investment Income	7,063	5,373
Expenditures	(10,419)	(8,146)
Transfers	-	-
Endowment Net Assets, End of Year	$ 99,631	$ 102,987

Note 11 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, 2019 and 2018, accumulated expenses associated with the relocation efforts totaled $723,032 and $272,019, respectively. These fees were capitalized and will be depreciated upon completion of the relocation. Of these expenses, $39,766 was paid to a consultant to oversee the identification, acquisition and the relocation of the Institute for the fiscal year June 30, 2019. The consultant overseeing the relocation is also a non-voting member of the finance committee, a related party.

Note 12 Subsequent Events:

Management has evaluated the impact of subsequent events through October 23, 2019, the date the financial statements were available to be issued. Management has not identified any subsequent events that would require and adjustment to the financial statements or disclosure as required under generally accepted accounting principles.