CENTER FOR NONPROFIT MANAGEMENT, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 and 2017

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

CENTER FOR NONPROFIT MANAGEMENT, INC.

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Center for Nonprofit Management, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of Center for Nonprofit Management, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the 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 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 Center for Nonprofit Management, Inc. as of December 31, 2018 and 2017, 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.

Changes in Financial Statement Presentation

As discussed in Note 1, the Organization adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Cherry Bekaert LLP

Nashville, Tennessee
May 24, 2019

CENTER FOR NONPROFIT MANAGEMENT, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash	$ 375,771	$ 289,798
Investments	1,617,612	1,609,905
Client fees receivable	148,973	155,319
Prepaid expenses	501	15,006
Deposits	6,000	6,000
Property and equipment, net of accumulated depreciation of $302,605 and $288,983, respectively	59,801	57,330
Total Assets	$ 2,208,658	$ 2,133,358
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 55,688	$ 43,016
Deferred revenue and support	210,346	198,467
Total Liabilities	266,034	241,483
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,441,488	1,508,705
Board designated	1,161	2,661
Total Without Donor Restrictions	1,442,649	1,511,366
With Donor Restrictions	499,975	380,509
Total Net Assets	1,942,624	1,891,875
Total Liabilities and Net Assets	$ 2,208,658	$ 2,133,358

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Changes in Net Assets Without Donor Restrictions:		
Revenues and Other Support:		
Service fees	$ 1,242,887	$ 1,322,610
Association fee revenue	157,320	196,467
Grants	205,000	182,500
Contributions and ticket sales (including in-kind contributions of $45,978 and $46,240, respectively)	290,398	252,841
Other	29,557	25,152
Investment return, net	7,724	9,316
Released from restriction -satisfaction of purpose restrictions	452,747	405,364
Total Revenues and Other Support	2,385,633	2,394,250
Expenses:		
Consulting	852,063	1,131,769
Training and development	415,651	427,634
Salute to Excellence	413,351	327,821
Membership	124,331	105,910
Collective Impact	358,955	199,319
Management and general and fundraising	289,999	170,996
Total Expenses	2,454,350	2,363,449
Change in Net Assets Without Donor Restrictions	(68,717)	30,801
Changes in Net Assets With Donor Restrictions:		
Contributions and ticket sales	572,213	525,240
Released from restriction - satisfaction of purpose restrictions	(452,747)	(405,364)
Change in Net Assets With Donor Restrictions	119,466	119,876
Change in net assets	50,749	150,677
Net assets, beginning of year	1,891,875	1,741,198
Net assets, end of year	$ 1,942,624	$ 1,891,875

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Consulting	Training and Development	Salute to Excellence	Membership	Collective Impact	Total Program Services	Management and General and Fundraising	Total Expenses
Cost of services	$ 602,604	$ 142,177	$ 236,674	$ 1,219	$ 206,137	$ 1,188,811	$ -	$ 1,188,811
Salaries/benefits	197,799	136,311	113,896	92,978	123,363	664,347	171,503	835,850
Office rent	14,856	49,519	4,952	9,904	4,952	84,183	14,856	99,039
Insurance	1,360	4,533	453	906	453	7,705	1,360	9,065
Miscellaneous	-	5,821	48,078	5,821	-	59,720	1,008	60,728
Professional fees	10,995	33,699	575	5,657	1,150	52,076	14,299	66,375
Equipment rent	1,849	5,533	784	2,100	784	11,050	3,491	14,541
Depreciation	2,104	6,608	1,403	1,403	701	12,219	1,402	13,621
Repairs and maintenance	1,943	6,475	643	1,157	625	10,843	2,490	13,333
Office supplies	1,640	8,070	257	1,017	722	11,706	5,808	17,514
Telephone/internet	2,848	3,357	2,109	527	1,583	10,424	4,489	14,913
Meals/breaks	4,566	473	1,912	103	3,971	11,025	2,217	13,242
Audit/legal	-	-	-	-	-	-	25,354	25,354
Utilities	1,703	5,678	568	1,136	568	9,653	2,155	11,808
Printing	350	2,913	-	-	33	3,296	3,812	7,108
Travel	390	3,818	178	266	13,220	17,872	5,659	23,531
Postage/shipping	67	-	-	-	-	67	1,950	2,017
Advertising	-	-	-	-	-	-	10,020	10,020
Dues/subscriptions	-	-	319	-	-	319	11,172	11,491
Bad debt expense	5,960	-	-	-	-	5,960	-	5,960
License	-	-	-	-	-	-	913	913
Payroll services	1,029	666	550	137	693	3,075	4,951	8,026
Employee development	-	-	-	-	-	-	1,090	1,090
	$ 852,063	$ 415,651	$ 413,351	$ 124,331	$ 358,955	$ 2,164,351	$ 289,999	$ 2,454,350

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Consulting	Training and Development	Salute to Excellence	Membership	Collective Impact	Total Program Services	Management and General and Fundraising	Total Expenses
Cost of services	$ 764,621	$ 158,219	$ 193,847	$ 2,271	$ 105,906	$ 1,224,864	$ 1,846	$ 1,226,710
Salaries/benefits	273,107	136,554	34,138	68,277	68,277	580,353	102,415	682,768
Office rent	14,073	46,909	4,691	9,382	4,691	79,746	14,072	93,818
Insurance	1,275	4,251	425	850	425	7,226	1,275	8,501
Miscellaneous	2,897	6,533	48,103	1,473	874	59,880	9,492	69,372
Professional fees	38,346	19,173	4,793	9,587	9,587	81,486	14,380	95,866
Video production	-	-	25,738	-	-	25,738	-	25,738
Equipment rent	2,171	7,238	724	1,448	724	12,305	2,170	14,475
Depreciation	1,652	5,507	551	1,101	551	9,362	1,651	11,013
Repairs and maintenance	5,597	18,658	1,866	3,732	1,866	31,719	5,596	37,315
Office supplies	5,224	2,612	7,572	1,306	1,306	18,020	1,958	19,978
Telephone/internet	1,660	830	207	415	415	3,527	2,257	5,784
Meals/breaks	5,195	2,598	649	1,299	1,299	11,040	1,948	12,988
Audit/legal	4,534	2,267	567	1,133	1,133	9,634	1,700	11,334
Utilities	1,524	5,080	508	1,016	508	8,636	1,524	10,160
Printing	1,842	6,141	2,746	1,228	614	12,571	1,842	14,413
Travel	1,279	639	160	320	320	2,718	480	3,198
Postage/shipping	290	968	97	194	97	1,646	289	1,935
Advertising	-	-	-	-	-	-	2,096	2,096
Software	-	-	-	-	-	-	1,708	1,708
Dues/subscriptions	458	1,527	153	305	153	2,596	458	3,054
Bad debt expense	3,733	784	-	-	-	4,517	-	4,517
License	-	-	-	-	-	-	979	979
Payroll services	873	437	109	218	218	1,855	328	2,183
Employee development	1,418	709	177	355	355	3,014	532	3,546
	$ 1,131,769	$ 427,634	$ 327,821	$ 105,910	$ 199,319	$ 2,192,453	$ 170,996	$ 2,363,449

CENTER FOR NONPROFIT MANAGEMENT, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	$ 50,749	$ 150,677
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,621	11,013
Realized and unrealized gains on investments	(7,707)	(9,308)
Changes in operating assets and liabilities:		
Client fees receivable	6,346	(53,030)
Prepaid expenses	14,505	8,893
Inventory	-	4,645
Accounts payable and accrued expenses	12,672	22,012
Deferred revenue and support	11,879	(5,034)
Net cash provided by operating activities	102,065	129,868
Cash flows from investing activities:		
Purchase of property and equipment	(16,092)	(15,176)
Net cash used in investing activities	(16,092)	(15,176)
Increase in cash	85,973	114,692
Cash, beginning of year	289,798	175,106
Cash, end of year	$ 375,771	$ 289,798

Note 1—Nature of operations and summary of significant accounting policies

During 1986, the Management Development Center began operations through funding from the HCA Foundation and the United Way of Metropolitan Nashville. On May 5, 1992, the Management Development Center was incorporated as a not-for-profit organization and changed its name to the Center for Nonprofit Management, Inc. (the "Organization"). The purpose of the Organization is to enhance the ability of nonprofit organizations to manage their business by providing services and resources to the governing board, employees, and volunteers of those organizations, including, but not limited to, management education and training and management consultation services.

Financial Statement Presentation – In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

Contributions – In accordance with accounting principles generally accepted in the United States of America ("GAAP") for nonprofit organizations, unconditional contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

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

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion and/or designation of the Organization's management and the Board of Directors.
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> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Deferred Revenue and Support – Fees received in the current year for services to be performed in the subsequent years are shown as deferred revenue.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all cash funds, cash bank accounts, and highly liquid debt instruments with an original maturity when purchased of three months or less, to be cash and cash equivalents other than certain money market funds held by the Organization for investment.

Investments – Investments in money market funds and marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the accompanying statements of financial position. See further discussion of fair value measurements at Note 3. Investment income and realized and unrealized gains and losses are reported as changes in net assets without donor restrictions, or if from restricted sources, are reported as changes in net assets with donor restrictions if specified by the donor for a particular purpose.

Receivables – The Organization considers all receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been provided in the accompanying financial statements.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Property and Equipment – Property and equipment are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets or lease terms, if shorter, for leasehold improvements. Estimated useful lives of all major classes of assets are as follows:

Equipment and database	3 - 5 years
Furniture and fixtures	7 years
Leasehold improvements (remaining life of lease)	5 - 10 years

Income Taxes – The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income tax has been made.

The Organization follows FASB ASC guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements. Tax years that remain open for examination include years ended December 31, 2016 through 2018.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts 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 and allocation of functional expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncement – In August 2016, the 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 expenses and investment return. The ASU has been applied retrospectively to all periods presented.

Accounting Policies for Future Pronouncements – In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for the Organization for the year ending December 31, 2019. The Organization is currently evaluating the effect of the implementation of this new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending December 31, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU will have on the financial statements.

Note 1—Nature of operations and summary of significant accounting policies (continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The standard provides guidance on determining whether a transaction should be accounted for as contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. The standard will be effective for the fiscal year ending December 31, 2019. The Organization is currently in the process of evaluating the impact the adoption of this ASU will have on the financial statements.

In-Kind Contributions – Contributed services are recognized 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 market value when received.

Additionally, the Organization receives a significant amount of contributed time from volunteers which does not meet the recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Functional Expenses – Costs of providing the Organization's programs are summarized and reported on a functional basis. Expenses of each program include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates by management on an equitable basis. Expenses that are allocated consisted primarily of salaries and wages expense which was allocated based on time and effort. Fundraising expenses approximated $15,000 and $30,000 (primarily for salaries) in 2018 and 2017, respectively

Advertising Expense – The Organization expenses advertising costs as incurred. Advertising costs charged to expense totaled $10,020 and $2,096 in 2018 and 2017, respectively.

S*ubsequent Events* – The Organization evaluated subsequent events through May 24, 2019, when these financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statements of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

Note 2—Liquidity and availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of consulting services and trainings as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2018	2017
Financial Assets:		
Cash and cash equivalents	$ 375,771	$ 289,798
Investments	1,617,612	1,609,905
Accounts receivable	148,973	155,319
Total Financial Assets	2,142,356	2,055,022
Less amounts not available to be used within one year:		
Board-designated with liquidity horizons greater than one year:	1,161	2,661
Donor-restricted with liquidity horizons greater than one year:	499,975	380,509
Financial assets not available to be used within one year	501,136	383,170
Financial assets available to meet cash needs for general expenditures within one year	$ 1,641,220	$ 1,671,852

Note 3—Fair value measurements and investments

The Organization has adopted the fair value measurement topic of the FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include the following:

- 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; and
- 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 are unobservable and significant to the fair value measurement.

Note 3—Fair value measurements and investments (continued)

The asset's 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. A description of the valuation methodology used for assets measured at fair value is as follows:

Money Market, Mutual Funds, and Other – Valued primarily at the amounts reported at closing prices of shares in active markets held by the Organization at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31:

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 1,096,775	$ -	$ -	$ 1,096,775
Mutual funds:				
Low duration bond funds	509,829	-	-	509,829
Other funds	11,008	-	-	11,008
Total assets, at fair value	$ 1,617,612	$ -	$ -	$ 1,617,612

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 1,089,682	$ -	$ -	$ 1,089,682
Mutual funds:				
Low duration bond funds	509,302	-	-	509,302
Other funds	10,921	-	-	10,921
Total assets, at fair value	$ 1,609,905	$ -	$ -	$ 1,609,905

Note 4—Property and equipment

Property and equipment consists of the following at December 31:

	2018	2017
Equipment	$ 85,922	$ 85,922
Furniture and fixture	96,713	96,713
Leasehold improvements	13,285	4,689
Database	166,486	158,989
	362,406	346,313
Less accumulated depreciation	(302,605)	(288,983)
	$ 59,801	$ 57,330

Note 5—Board designated net assets

Board designated net assets are available for the following purposes at December 31:

	2018	2017
Nonprofit Excellence Funds (“Invest in Success”)	$ 1,161	$ 2,661

Note 6—Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2018	2017
Nonprofit Excellence Funds ("Invest in Success")	$ 245,356	$ 178,873
Collective Impact	210,622	155,702
Association of Nonprofit Executives Funds	43,698	43,698
MatchGrant Funds	299	2,236
Total net assets with donor restrictions	$ 499,975	$ 380,509

During 2007, the Organization received the remaining assets of the Association for Nonprofit Executives (“ANE”). Any funds received from ANE have been recorded as net assets with donor restrictions of the Organization. Restrictions are released when expenditures are approved by the ANE Advisory Board.

Note 7—Retirement plan

The Organization adopted a Simplified Employee Pension Plan (“SEP”) for all employees as of January 1, 1993, and as modified December 8, 1999. Contributions to the SEP begin after one year of qualifying employment if the employee is 21 years of age or older. Contributions were calculated at a rate of 6% of base salary for 2018 and 2017. Contributions to the SEP, or to alternative employee-elected payment options, amounted to $25,988 and $18,165 for the years ended December 31, 2018 and 2017, respectively.

Note 8—Lease contracts

During June 2011, the Organization entered into a new lease for office space with a start date of February 17, 2012, and expiring in June 2022. The lease requires monthly payments of $6,083 subject to annual increases calculated using the published consumer price index.

Expense for all leases was approximately $118,000 and $108,000 for the years ended December 31, 2018 and 2017, respectively. Future minimum lease commitments are as follows:

Years Ending December 31,	
2019	$ 84,084
2020	82,542
2021	74,373
2022	36,498
	$ 277,497

Note 9—Concentrations

The Organization recorded contributions from one major donor representing 15% of total revenues and other support for the years ended December 31, 2018 and 2017. A significant reduction in the support from this donor, if this were to occur, could have an adverse impact on the Organization's programs and services.

Certain investments are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency and are subject to investment risk, including loss of principal. Investments are insured by the Securities and Investor Protection Corporation, which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms. At times throughout the year, the Organization may maintain balances at financial institutions in excess of FDIC insured limits. Amounts in excess of these limits totaled $118,631 and $7,570 at December 31, 2018 and 2017, respectively.