CENTER FOR YOUTH MINISTRY TRAINING

AUDIT OF FINANCIAL STATEMENTS

JUNE 30, 2018

CENTER FOR YOUTH MINISTRY TRAINING
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Independent Auditor's Report

To the Board of Directors
Center for Youth Ministry Training
309 Franklin Road
Brentwood, Tennessee 37027

We have audited the accompanying financial statements of Center for Youth Ministry Training (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(continued)

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 Youth Ministry Training as of June 30, 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.

Other-matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such other information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

R. Scott Dixon

Nashville, Tennessee
June 12, 2019

CENTER FOR YOUTH MINISTRY TRAINING
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	June 30, 2018	*June 30, 2017*
ASSETS		
Cash and equivalents, unrestricted	$ 226,831	$ 134,314
Funds receivable from trustee, terminated pension plan (Note 11)	5,661	-
Accounts receivable, program services	42,895	16,736
Prepaid expenses	9,689	4,779
Unconditional promises to give, unrestricted	25,555	104,998
Investments in securities (Note 9)	442,114	909,333
Grant receivable (Note 4)	28,000	56,000
Receivable from employee (Note 6)	30,000	-
Investments in securities restricted to purpose of grant (Notes 5 and 9)	1,113,798	-
Property and equipment, net (Note 7)	25,031	26,561
TOTAL ASSETS	$ 1,949,574	$ 1,252,721
LIABILITIES AND NET ASSETS		
LIABILITIES		
Funds due participants, terminated pension plan (Note 11)	$ 3,380	$ -
Accounts payable	33,074	35,696
Payroll taxes payable	787	6,216
Accrued expenses	20,022	4,208
Deposits and other unearned revenue --		
Churches	6,000	7,000
Students	16,000	13,450
Deferred contract revenue	234,167	180,500
TOTAL LIABILITIES	313,430	247,070
NET ASSETS		
Unrestricted	494,346	949,651
Temporarily restricted (Notes 4 and 5)	1,141,798	56,000
Permanently restricted	-	-
TOTAL NET ASSETS	1,636,144	1,005,651
TOTAL LIABILITIES AND NET ASSETS	$ 1,949,574	$ 1,252,721

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

CENTER FOR YOUTH MINISTRY TRAINING
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	For the Year Ended June 30, 2018			*For the Year Ended June 30, 2017*		
	Unrestricted	*Temporarily Restricted*	*Total*	*Unrestricted*	*Temporarily Restricted*	*Total*
INCREASES IN NET ASSETS						
Contributions --						
Cash, pledges and securities	$ 202,276	$ 1,150,929	$ 1,353,205	$ 466,958	$ 84,000	$ 550,958
In-kind donations (Note 2)	55,000	-	55,000	54,500	-	54,500
Program services revenue, Theology Together	21,897	-	21,897	53,978	-	53,978
Program services revenue, Youth Ministry Academy	3,779	-	3,779	-	-	-
Program services revenue, churches	1,008,000	-	1,008,000	867,603	-	867,603
Program services revenue, students	77,897	-	77,897	80,775	-	80,775
Special event revenue	14,750	-	14,750	12,500	-	12,500
Publishing, book store and merchandise sales	1,260	-	1,260	1,446	-	1,446
Investment returns (Note 8)	45,651	-	45,651	39,096	-	39,096
Unrealized investment gains (loss)	9,968	-	9,968	62,540	-	62,540
Total support and revenue	1,440,478	1,150,929	2,591,407	1,639,396	84,000	1,723,396
Net assets released from restrictions	65,131	(65,131)	-	28,000	(28,000)	-
TOTAL INCREASES IN NET ASSETS	1,505,609	1,085,798	2,591,407	1,667,396	56,000	1,723,396
DECREASES IN NET ASSETS						
Program services	1,562,404	-	1,562,404	1,189,999	-	1,227,533
Management and general	359,898	-	359,898	356,037	-	318,503
Fundraising	38,612	-	38,612	25,360	-	25,360
TOTAL DECREASES IN NET ASSETS	1,960,914	-	1,960,914	1,571,396	-	1,571,396
CHANGE IN NET ASSETS	(455,305)	1,085,798	630,493	96,000	56,000	152,000
NET ASSETS, beginning of the year	949,651	56,000	1,005,651	853,651	-	853,651
NET ASSETS, end of the year	$ 494,346	$ 1,141,798	$ 1,636,144	$ 949,651	$ 56,000	$ 1,005,651

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

CENTER FOR YOUTH MINISTRY TRAINING
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	For the Year ended June 30,	
	2018	*2017*
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 630,493	$ 152,000
Adjustments to reconcile change in net assets		
Depreciation	5,827	6,025
Unrealized investment gains and losses	(9,968)	(62,540)
Funds receivable from plan trustee, terminated pension plan	(5,661)	-
Funds payable to employees, terminated pension plan	3,380	-
(Increase) decrease in operating assets		
Pledges receivable	79,443	21,861
Accounts receivable	(26,159)	5,023
Prepaid expenses	(4,910)	(3,503)
Grant receivable	28,000	(56,000)
Increase (decrease) in operating liabilities		
Accounts payable	(2,622)	31,809
Payroll taxes payable	(5,429)	5,887
Accrued expenses	15,814	(2,022)
Deferred contract revenue	53,667	15,200
Deposits and unearned revenue	1,550	(4,825)
NET CASH PROVIDED BY OPERATING ACTIVITIES	763,425	108,915
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to employee for housing assistance	(30,000)	-
Purchases of property and equipment	(4,297)	-
Sale of securities	400,631	307,466
Purchases of securities	(1,000,016)	(346,802)
Dividends and distributions received and reinvested	(37,226)	(25,962)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(670,908)	(65,298)
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,517	43,617
CASH AND CASH EQUIVALENTS, beginning of the year	134,314	90,697
CASH AND CASH EQUIVALENTS, end of the year	$ 226,831	$ 134,314
NONCASH INVESTING ACTIVITIES		
Amounts included in change in net assets --		
Donated securities, included as contributions	$ 3,711	$ 1,028

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

CENTER FOR YOUTH MINISTRY TRAINING
STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2018 AND 2017

	For the Year Ended June 30, 2018				*For the Year Ended June 30, 2017*			
	Program Services	*Management and General*	*Fundraising*	*Total*	*Program Services*	*Management and General*	*Fundraising*	*Total*
Payments to founding churches for executive staff	$ 75,771	$ 89,596	$ -	$ 165,367	$ 46,839	$ 94,593	$ -	$ 141,432
Salaries and benefits--								
Student compensation	440,163	-	-	440,163	382,182	-	-	382,182
Other salaries and benefits	295,577	159,595	-	455,172	147,939	150,356	-	298,295
Other employee support	51,564	-	-	51,564	32,024	-	-	32,024
Payroll taxes	52,562	9,146	-	61,708	41,429	8,773	-	50,202
Innovation Laboratory expenses	10,104	9,027	-	19,131	-	-	-	-
Theology Together expenses	43,747	-	-	43,747	72,016	-	-	72,016
Executive director business expenses	-	7,468	-	7,468	-	8,062	-	8,062
Regional and other director business expenses	6,596	2,782	-	9,378	6,270	2,701	-	8,971
Employees' business expenses	48,908	3,125	-	52,033	37,812	1,197	-	39,009
Other business and organizational expenses	-	2,989	-	2,989	-	1,529	-	1,529
Legal and accounting fees	-	10,000	-	10,000	-	10,000	-	10,000
Student and resource books and curriculum	22,559	-	-	22,559	33,031	-	-	33,031
Student class fees and tuition	223,579	-	-	223,579	179,062	-	-	179,062
Student scholarships	-	-	-	-	4,015	-	-	4,015
Office supplies, equipment and IT resources	2,675	8,180	-	10,855	2,287	7,004	-	9,291
Rent, office and student facilities	122,760	20,000	-	142,760	79,615	20,000	-	99,615
Telephone and internet	3,262	4,677	-	7,939	3,157	3,351	-	6,508
Training events, retreats and orientation expenses	67,179	1,060	-	68,239	53,025	-	-	53,025
Youth Ministry Academy and Cultivate expenses	39,902	-	-	39,902	35,686	-	-	35,686
Bad debt expense	-	-	-	-	-	19,950	-	19,950
Bank, brokerage and payroll fees	2,561	9,380	-	11,941	1,616	8,875	-	10,491
Insurance	4,201	12,191	-	16,392	2,466	12,438	-	14,904
Web development and resources	2,555	-	-	2,555	4,513	-	-	4,513
Publishing expenses	-	3,809	-	3,809	-	-	-	-
Marketing expenses	45,794	-	-	45,794	24,676	-	-	24,676
Fundraising expenses	-	-	23,286	23,286	-	-	11,754	11,754
Special event direct costs	-	-	15,326	15,326	-	-	13,606	13,606
Depreciation	-	5,827	-	5,827	-	6,025	-	6,025
Miscellaneous expenses	385	1,046	-	1,431	339	1,183	-	1,522
	$ 1,562,404	$ 359,898	$ 38,612	$ 1,960,914	$ 1,189,999	$ 356,037	$ 25,360	$ 1,571,396

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

NOTE 1 -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Who We Are and What We Do -- Center for Youth Ministry Training is an organization exempt from income tax incorporated under the laws of the state of Tennessee on February 27, 2006. The Center is the creation from a shared vision of Brentwood United Methodist Church and First Presbyterian Church in Nashville for an institute to provide training of youth ministers, particularly those entering their first youth ministry positions. In May, 2015, the Center granted founding church status to Bethany United Methodist Church in Austin, Texas, to extend the area served by the Center's mission. The Center accepts graduate level students who participate in a curriculum earning credits for a degree of Master of Arts in Youth Ministry. The Center provides theological and practical training for churches with established youth ministry programs and their youth leaders, but the primary focus is that of an educational institution developing dynamic partnerships between the Center's Graduate Residents and participating Partner Churches which culminates in the establishment of sustainable and vibrant youth ministry programs. CYMT trains and educates. CYMT builds foundations. CYMT creates life-changing youth ministries.

The Center is governed by a board of directors. The Center's support comes primarily through donor contributions, grants, student residency fees, and fees from churches participating in the Center's youth ministry program.

Basis of Accounting and Presentation -- The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Financial statement presentation follows the recommendations and requirements of the Financial Accounting Standards Board in its Accounting Standards Codification No. 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Recognition of Donor Contributions and Support -- Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Unrestricted support is recognized as revenues and an increase in unrestricted net assets in the period it is earned. Temporarily restricted support is reported as an increase in temporarily restricted net assets. When net assets are released from the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Center has no permanently restricted net assets.

NOTE 1 -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of 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.

Cash and Cash Equivalents -- For purposes of the statement of cash flows, the Center considers money market funds and all highly liquid investments purchased and available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable -- Accounts receivable are recorded when invoices are issued and are presented in the balance sheet net of any allowance for doubtful accounts. Management estimates accounts receivable that will not be collected based on the financial condition of its customers, prior experience, and existing economic conditions. Accounts receivable are written off when they are determined to be uncollectible. No allowance for doubtful accounts has been recorded at June 30, 2018 or 2017, because conditions for accrual of a loss contingency pursuant to the *Recognition* subtopic of ASC 450, *Contingencies*, have not been met. The Center currently does not charge interest on any past due accounts.

Investments -- Investments in marketable securities with readily determinable market values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities (See additionally, Notes 8 and 9).

Property and Equipment -- Property and equipment is reported at cost or, if donated, at the approximate fair value at the time of donation, and include improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense as incurred. Depreciation is provided for using the straight-line method over estimated useful lives of 5 years for office equipment and 10 years for furniture and leasehold improvements (See additionally, Note 7). Donations of property and equipment are recorded as support at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The Center has not adopted a policy for implying time restrictions that expire over the useful lives of donated property and equipment if those donated assets are received without stipulations about how long the assets must be used, or are acquired with gifts restricted for those acquisitions.

NOTE 1 -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes -- The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code an
d similar state income tax laws.

The Center's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Advertising Costs -- Costs incurred for advertising and marketing are expensed when incurred. Advertising and marketing expenses are allocated to the Center's program services if primarily benefited or, if primarily benefiting the Center in nature, to management and general expenses.

Shipping and Handling Costs -- Shipping and handling costs are included in functional expenses as part of the expense classification in which the costs arose and are not separately stated or included elsewhere in the financial statements.

Reclassifications -- Certain reclassifications have been made to the June 30, 2017 financial statements to conform to the current year's presentation. Net assets and change in nets assets are unaffected due to these reclassifications.

NOTE 2 -- DONATED SERVICES, MATERIALS AND FACILITIES

The Center receives donated services from unpaid volunteers assisting in its administration and in its program services. The Center recognizes donated services in the accompanying statement of activities if the criteria for recognition of such volunteer effort under FASB ASC 958 have been satisfied.

The Center received donated legal services from an attorney. Management has estimated the fair value of these donated services to be $5,000 and $4,500, respectively, for the years ended June 30, 2018 and 2017, based on the approximate amount of time the attorney devoted to providing the services and the attorney's customary hourly fee. This amount is included as in-kind donations and management and general expenses in the statement of activities.

NOTE 2 -- DONATED SERVICES, MATERIALS AND FACILITIES (continued)

The Center utilizes approximately 1,428 square feet of office facilities owned by Brentwood United Methodist Church. For each of the years ended June 30, 2018 and 2017, management has estimated the fair value of the donated use of the facilities to be $21 per square foot with a discount of 15% for limited use, for an approximate total of $25,000 on an annual basis. This amount is included as in-kind donations and allocated $5,000 to program services expenses and $20,000 to management and general expenses in the statement of activities.

The Center utilizes a house owned by First Presbyterian Church for use as student housing. The house contains approximately 2,350 square feet. For each of the years ended June 30, 2018 and 2017, management has estimated the fair value of the donated housing to be $.90 per square foot on a monthly basis, or approximately $25,000 annually. This amount is included as in-kind donations and program service expenses in the statement of activities.

NOTE 3 -- FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Center's youth ministry program and the costs of administration have been presented in the separate statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

NOTE 4 -- GRANT RECEIVABLE

The grant receivable, in the amount of $28,000 and $56,000, respectively, at June 30, 2018 and 2017, is from a foundation and was awarded to support the educational costs of the 2016 class of Texas residents in the Center's youth ministry program. The grant is receivable in the amount of $28,000 in each of the years ended June 30, 2018 and 2019.

NOTE 5 – RESTRICTED SECURITIES

The Center received proceeds of a grant from a private foundation during the year ended June 30, 2018, for the creation of the Innovation Laboratory for Youth Ministry, a new project of the Center. The grant period is from October 1, 2017, through June 30, 2021, which is the period during which the Center must expend or appropriate the grant funds.

The grant stipulates the use of the grant funds be restricted to the purpose of the grant. Unexpended funds from the grant were $1,113,798 at June 30, 2018, and are shown as investments in securities restricted to purpose of the grant at that date.

NOTE 6 – RECEIVABLE FROM EMPLOYEE

The receivable from employee, in the amount of $30,000, represents a loan for the purpose of purchasing a residence pursuant to the policies and procedures of the Center's Employer Assisted Housing Program Agreement. The Center's intention is to forgive the loan ratably over a three-year period beginning in year two of the four-year loan agreement. During the four-year loan term the employee must remain in the employment of the Center and the home must remain the primary residence of the employee. Certain terminating events may cause the loan to become immediately due and payable.

NOTE 7 -- PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2018 and 2017:

	2018	*2017*
Office equipment	$ 28,882	$ 25,370
Furniture and fixtures	12,042	11,257
Leasehold improvements	36,123	36,123
	77,047	72,750
Less: accumulated depreciation	(52,016)	(46,189)
Property and equipment, net	$ 25,031	$ 26,561

NOTE 8 -- INVESTMENT RETURNS

The following schedule summarizes investment returns and their classification in the statement of activities for the years ended June 30, 2018 and 2017:

	2018	*2017*
Interest income	$ 8,439	$ 12
Dividends and capital gain distributions	37,226	25,962
Realized gains (loss) on sale of investments	(14)	13,122
Total investment returns	$ 45,651	$ 39,096

NOTE 9 -- FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, program service receivables and payables reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

NOTE 9 -- FAIR VALUES OF FINANCIAL INSTRUMENTS, continued

Investments in securities are reported at fair value on a recurring basis by reference to quoted market prices and other relevant information generated by market transactions.

There are no assets for which significant observable inputs other than quoted prices for identical investments in active markets (Level 2), or significant unobservable inputs (Level 3) were used as a measurement of fair value at June 30, 2018 and 2017.

The fair value measurements at June 30, 2018 and 2017 are as follows, based on quoted prices in established and active markets (Level 1):

	2018	*2017*
Equities	$ 20,113	$ 21,267
Corporate/Government Bonds	858,503	-
Mutual Funds	677,296	888,066
Total investments in securities	$1,555,912	$ 909,333

Total investments in securities are shown on the statement of financial position as follows:

	2018	*2017*
Unrestricted as to use	$ 442,114	$ 909,333
Restricted to purpose of grant	1,113,798	-
	$1,555,912	$ 909,333

The Center recognizes transfers of assets into and out of levels within the fair value hierarchy of those measurements as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2018 and 2017.

NOTE 10 -- CASH AND CONCENTRATIONS OF CREDIT RISK

The cash accounts are held by financial institutions that at times may exceed amounts that are federally insured. It is the opinion of management that the solvency of the referenced financial institutions is not of concern currently.

NOTE 11 -- SUBSEQUENT EVENTS, TERMINATED PENSION PLAN AND CONTINGENCY

On June 28, 2017, the Center's Board of Directors approved the sponsorship of a Savings Incentive Match Plan for Employees (SIMPLE) IRA pension plan. On July 18, 2017, the Center executed the adoption agreement for the plan.

On May 10, 2019, after discovery of various plan errors, the plan trustee informed the Organization and participating employees that the plan had not been implemented properly that led to employer contributions made to participants' individual accounts in an incorrect manner. These actions effectively invalidated the tax-deferred nature of the plan retroactive to July 18, 2017, the date of execution of the adoption agreement, and the trustee commenced procedures to terminate the plan.

During the year ended June 30, 2018, the Center withheld a total of $3,380 from employees' salaries through salary reduction agreements, to be paid into the plan. As part of the plan termination, employees were reimbursed this amount subsequent to June 30, 2018, and the amount is reflected in the statement of financial position as funds due participants, terminated pension plan.

During the year ended June 30, 2018, the Center paid the plan trustee $5,661, consisting of employees' salary reduction amounts, described above, together with employer contributions. This total amount was received from the plan trustee subsequent to June 30, 2018, and is reflected in the statement of financial position as funds receivable from trustee, terminated pension plan. Other amounts in the total of $12,280, representing amounts paid into the plan subsequent to June 30, 2018, will also be reimbursed by the plan trustee to participating employees and the Organization.

As a result of plan termination retroactive to July 18, 2017, the Organization has agreed to facilitate the preparation of plan participants' amended Federal Forms 1040, U.S. Individual Income Tax Return, for all years affected by termination of the plan, and has furthermore agreed to pay any resulting increase in individual income tax owed by participants as a result of the plan termination. No amounts relating to participants' tax return preparation or resulting increase in participants' individual tax liabilities have been determined and are not reflected in the financial statements.

NOTE 11 -- SUBSEQUENT EVENTS, TERMINATED PENSION PLAN AND CONTINGENCY, continued

The extensive corrective efforts undertaken by the Center, outlined above, are not in compliance with remediation procedures stipulated by the Internal Revenue Service for SIMPLE IRA plan deficiencies. It is the opinion of management that the extensive corrective procedures carried out by the Center will prove sufficient to the Service for concluding the terminated plan's operations and that the Center will incur no further liability relating to the terminated plan. However, if the remediation procedures stipulated by the Service were complied with, the Center could incur an additional pension plan liability of approximately $17,300, together with an additional amount equal to investment earnings for the period from July 18, 2017, through June 30, 2018.

The Center has evaluated subsequent events through June 12, 2019, the date which the financial statements were available to be issued.

END OF NOTES