Cancer Wellness Center

Financial Statements

Years Ended December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cancer Wellness Center
Northbrook, Illinois

We have audited the accompanying financial statements of the Cancer Wellness Center which comprise the statement of financial position as of December 31, 2016 and 2015, 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 U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 on the previous page present fairly, in all material respects, the financial position of the Cancer Wellness Center as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Mann Weitz & Associates LLC

MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois
October 20, 2017

CANCER WELLNESS CENTER

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
Assets		
Cash	$ 170,171	$ 288,301
Pledges and contributions receivable - Note 2	148,265	178,335
Beneficial interest in charitable remainder trust - Notes 3, 7 and 10	345,965	324,678
Prepaid expenses	41,054	37,093
Investments - Notes 3, 4 and 5	1,561,045	1,543,020
Property and Equipment - Notes 5 and 6	886,304	803,155
Total Assets	$ 3,152,804	$ 3,174,582

LIABILITIES AND NET ASSETS

	2016	2015
Liabilities		
Loan - Note 5	$ -	$ 533,306
Line of credit - Note 5	181,441	
Accounts payable and accrued liabilities - Note 13	106,491	44,752
Deferred revenue	7,500	7,500
Total Liabilities	295,432	585,558
Net Assets		
Unrestricted - Note 9	1,760,059	1,566,620
Temporarily restricted - Notes 7 and 9	597,313	553,451
Permanently restricted - Note 9	500,000	468,953
Total Net Assets	2,857,372	2,589,024
Total Liabilities and Net Assets	$ 3,152,804	$ 3,174,582

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER

STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015			
	Unrestricted General and Board Designated	Temporarily Restricted	Permanently Restricted	Total	Unrestricted General and Board Designated	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support								
Contributions - Notes 11 and 14	$ 597,758	$ 334,575	$ -	$ 932,333	$ 589,758	$ 370,875	$ -	$ 960,633
Special events revenue	989,942	43,485		1,033,427	670,495	41,323		711,818
Less: Direct cost of special events	(364,600)	(16,288)		(380,888)	(285,147)	(17,420)		(302,567)
Offsite services	32,262			32,262	29,903			29,903
Interest and dividends - Note 4	9,201		4,425	13,626	3,657		11,275	14,932
Other	16,952			16,952	8,675			8,675
Total Revenues	1,281,515	361,772	4,425	1,647,712	1,017,341	394,778	11,275	1,423,394
Net assets released from restrictions - Note 8	346,144	(346,144)			219,777	(219,777)		
Total Revenues and Other Support	1,627,659	15,628	4,425	1,647,712	1,237,118	175,001	11,275	1,423,394
Expenses								
Program services					1,043,999			1,043,999
Management and general					126,313			126,313
Fundraising	1,504,026			1,504,026	96,033			96,033
Total Expenses	1,504,026			1,504,026	1,266,345			1,266,345
Change in Net Assets from Operations	123,633	15,628	4,425	143,686	(29,227)	175,001	11,275	157,049
Other Changes								
Increase in value of charitable remainder trust - Notes 3 and 10		21,287		21,287		13,981		13,981
Realized and unrealized gains (losses) on investments - Note 4	69,806	6,947	26,622	103,375	(20,200)		(42,322)	(62,522)
Total Other Changes	69,806	28,234	26,622	124,662	(20,200)	13,981	(42,322)	(48,541)
Change in Net Assets	193,439	43,862	31,047	268,348	(49,427)	188,982	(31,047)	108,508
Net Assets								
Beginning of year	1,566,620	553,451	468,953	2,589,024	1,616,047	364,469	500,000	2,480,516
End of year	$ 1,760,059	$ 597,313	$ 500,000	$ 2,857,372	$ 1,566,620	$ 553,451	$ 468,953	$ 2,589,024

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER

STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015			
	Unrestricted General and Board Designated	Temporarily Restricted	Permanently Restricted	Total	Unrestricted General and Board Designated	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support								
Contributions - Notes 11 and 14	$ 597,758	$ 334,575	$ -	$ 932,333	$ 589,758	$ 370,875	$ -	$ 960,633
Special events revenue	989,942	43,485		1,033,427	670,495	41,323		711,818
Less: Direct cost of special events	(364,600)	(16,288)		(380,888)	(285,147)	(17,420)		(302,567)
Offsite services	32,262			32,262	29,903			29,903
Interest and dividends - Note 4	9,201		4,425	13,626	3,657		11,275	14,932
Other	16,952			16,952	8,675			8,675
Total Revenues	1,281,515	361,772	4,425	1,647,712	1,017,341	394,778	11,275	1,423,394
Net assets released from restrictions - Note 8	346,144	(346,144)			219,777	(219,777)		
Total Revenues and Other Support	1,627,659	15,628	4,425	1,647,712	1,237,118	175,001	11,275	1,423,394
Expenses								
Program services	1,220,995			1,220,995	1,043,999			1,043,999
Management and general	178,672			178,672	126,313			126,313
Fundraising	104,359			104,359	96,033			96,033
Total Expenses	1,504,026			1,504,026	1,266,345			1,266,345
Change in Net Assets from Operations	123,633	15,628	4,425	143,686	(29,227)	175,001	11,275	157,049
Other Changes								
Increase in value of charitable remainder trust - Notes 3 and 10		21,287		21,287		13,981		13,981
Realized and unrealized gains (losses) on investments - Note 4	69,806	6,947	26,622	103,375	(20,200)		(42,322)	(62,522)
Total Other Changes	69,806	28,234	26,622	124,662	(20,200)	13,981	(42,322)	(48,541)
Change in Net Assets	193,439	43,862	31,047	268,348	(49,427)	188,982	(31,047)	108,508
Net Assets								
Beginning of year	1,566,620	553,451	468,953	2,589,024	1,616,047	364,469	500,000	2,480,516
End of year	$ 1,760,059	$ 597,313	$ 500,000	$ 2,857,372	$ 1,566,620	$ 553,451	$ 468,953	$ 2,589,024

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Program Services	Management and General	Fundraising	Total
Salaries	$ 640,867	$ 76,437	$ 65,436	$ 782,740
Payroll taxes and benefits	64,913	11,374	10,487	86,774
Wellness program	32,010			32,010
Professional fees	234,391	7,481	7,481	249,353
Printing	6,924		4,616	11,540
Supplies and computer software	10,293	328	328	10,949
Telephone	9,889	316	316	10,521
Accounting fees		61,519		61,519
Postage	3,367		2,245	5,612
Insurance	17,547	560	560	18,667
Dues, subscriptions, and seminars	7,221		7,221	14,442
Utilities and maintenance	62,245	1,986	1,986	66,217
Community and outreach program	109		109	218
Interest	13,519	431	431	14,381
Miscellaneous	18,998	607	607	20,212
Library expenses	19,250			19,250
Lease expense	2,290	73	73	2,436
Loss on disposal of library materials		15,097		15,097
Depreciation	77,162	2,463	2,463	82,088
Total Functional Expenses	$ 1,220,995	$ 178,672	$ 104,359	$ 1,504,026

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services	Management and General	Fundraising	Total
Salaries	$ 549,317	$ 82,822	$ 41,199	$ 673,338
Payroll taxes and benefits	54,908	7,753	3,697	66,358
Wellness program	26,999			26,999
Professional fees	188,062	1,010	32,795	221,867
Printing	8,458		5,638	14,096
Supplies and computer software	8,255	263	263	8,781
Telephone	10,788	344	344	11,476
Accounting fees		26,414		26,414
Postage	3,550		2,366	5,916
Insurance	18,024	575	575	19,174
Dues, subscriptions, and seminars	1,060		1,060	2,120
Utilities and maintenance	71,907	2,294	2,294	76,495
Community and outreach program	2,994		2,994	5,988
Interest	26,534	847	847	28,228
Miscellaneous	2,690	86	86	2,862
Library expenses	11,714			11,714
Lease expense		2,030		2,030
Depreciation	58,739	1,875	1,875	62,489
Total Functional Expenses	$ 1,043,999	$ 126,313	$ 96,033	$ 1,266,345

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER

STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	$ 268,348	$ 108,508
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	82,088	62,489
Net (gains) losses on investments	(103,375)	62,522
Contributed property and equipment	(44,700)	(1,712)
Loss on disposal of library materials	15,096	
Net (increase) decrease in assets		
Pledges and contributions receivable	30,070	(165,101)
Beneficial interest in charitable remainder trust	(21,287)	(13,981)
Accounts receivable		4,466
Prepaid expenses	(3,961)	(19,768)
Net increase (decrease) in liabilities		
Accounts payable and accrued liabilities	61,739	(382)
Deferred revenue		(7,686)
Net Cash Provided by Operating Activities	284,018	29,355
Cash Flows from Investing Activities		
Purchase of property and equipment	(135,633)	(9,433)
Proceeds from sale of investments	629,523	239,360
Purchase of investments	(544,173)	(254,004)
Net Cash Used for Investing Activities	(50,283)	(24,077)
Cash Flows from Financing Activities		
Proceeds from line of credit	531,441	
Repayments of line of credit	(350,000)	
Repayments of loan	(533,306)	(43,483)
Net Cash Used for Financing Activities	(351,865)	(43,483)
Net Decrease in Cash	(118,130)	(38,205)
Cash		
Beginning of year	288,301	326,506
End of year	$ 170,171	$ 288,301
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 14,381	$ 28,228
Supplemental Disclosure of Noncash Investing Activities		
Contribution of:		
Stock	$ 30,171	$ -
Property and equipment	$ 44,700	$ 1,712

The accompanying notes are an integral part of this statement.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Organization

The Cancer Wellness Center (Center) was incorporated as an Illinois nonprofit organization on March 30, 1988, and commenced operations on June 1, 1988. The Center is headquartered in Northbrook, Illinois and has another location in Grayslake. The Center, through supportive care and education, seeks to empower those affected by cancer to enhance the quality of their lives. Funding is derived primarily from contributions and special events.

With over two and a half decades of experience, the Cancer Wellness Center has developed an expertise in meeting the needs of individuals impacted by cancer. Through a variety of programs encompassing support, education and wellness, cancer patients and survivors and their loved ones are able to access services free of charge. The Center primarily serves the N/NW Cook and Lake County and programming is provided by a clinical staff of licensed mental health professionals, as well as professional volunteers who donate their time and expertise.

Cancer Wellness Center, Program and Services

The Center currently provides programming in the three core service areas:

Support Services – The emotional adjustment to a cancer diagnosis is an important component to managing the stress related to the experience. Unaddressed emotional distress in cancer patients can negatively impact cancer recovery and has been correlated with lower quality of life. Through the Center's Support Services – which includes Counseling and Group Support – individuals receive professional support, helping them to develop and strengthen coping strategies which assist in the adjustment to a diagnosis.

Educational Programming – The Center regularly hosts presentations and classes on a variety of topics and for specific cancer populations. These *Lectures + Workshops* are presented by experts in their field who donate their time to the Center and by the Center's professional clinical staff. Research has found that information seeking increases an individual's sense of control and improves his/her ability to make decisions. It can also reduce anxiety and make communication with healthcare providers easier.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Nature of Activities and Organization - Continued

Wellness Programming – At the Center, participants are able to attend *Classes for Mind Body Health* and *Services by Appointment* which assist in the management of stress, side effects from treatment and symptoms related to cancer. The modalities used in these classes and services have been found to produce a physiological relaxation response which has a counteracting effect on the physical impact of stress. In addition, the Center offers classes and programs aimed at helping people adopt positive health behaviors – such as increased physical activity and nutritious eating habits – which have been linked to positive health outcomes and improved quality of life. These classes, services, and programs are taught or provided by professionals with experience working with the cancer community and have been specifically adapted for cancer patients and survivors.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Information regarding the financial position and activities of the Center are reported in three classes of net assets (as applicable): unrestricted, temporarily restricted and permanently restricted, which are based on the existence or absence of externally (donor) imposed restrictions on contributions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- Unrestricted general net assets - Unrestricted general net assets are not subject to donor-imposed stipulations. They include all activities of the Center, except for those amounts that are temporarily or permanently restricted by external donors or Board designated.

- Unrestricted, Board designated – Unrestricted, Board designated net assets represent unrestricted amounts specifically designated by the Board.

- Temporarily restricted net assets - Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Center (purpose restrictions).

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

- Permanently restricted net assets - Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income be expended.

Concentration of Credit Risk

The Center maintains cash balances in one financial institution that at certain times exceeded the insured limits provided by the Federal Deposit Insurance Corporation (FDIC).

Uncollectible Accounts

The Center uses the direct write-off method in recording uncollectible amounts. This method does not result in amounts that differ materially from the allowance method required by U.S. generally accepted accounting principles.

Property and Equipment

Property and equipment is recorded at historical cost. The Center capitalizes fixed asset additions over $1,000. Depreciation is computed by use of the straight-line method for all property and equipment.

The estimated useful lives used in computing depreciation are as follows:

Description	Years
Building and building improvements	10 - 39.5
Furniture and equipment	3 - 7
Library and reference materials	10

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statement of activities.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class or in permanently restricted net assets if such contributions are non-expendable.

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Promises to give payable over more than one year are recorded at present value.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the program and supporting services benefited based on time devoted to the functional areas and other appropriate allocation methods.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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, gains and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Center is a nonprofit corporation which has been granted a tax-exempt status as a public charity under Section 501(c)(3) of the Internal Revenue Code for all business income related to the organization's tax-exempt purpose. The Center had no unrelated business income during 2016 or 2015.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Evaluation of Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of December 31, 2016 and 2015, the Center had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Effect of Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. generally accepted accounting principles when it becomes effective. In July 2015, the FASB approved a one year deferral of this standard, with a revised effective date for fiscal years beginning after December 15, 2018. Early adoption is permitted, although not prior to fiscal years beginning after December 15, 2016. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures and has not yet selected a transition method.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public entities, the standard is effective for fiscal years beginning after December 15, 2019 and interim periods beginning the following year. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Effect of Recently Issued Accounting Standards - Continued

Also on August 18, 2016, FASB issued new rules for nonprofit organizations under ASU 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (NFP). This ASU changes the financial reporting format for nonprofit organization financial statements to simplify the way in which NFPs quantify and qualify their financial performance, their liquidity and cash flows, and their classification of net assets. Some of the changes in ASU 2016-14 include:

- The existing three-class system of classifying net asset as unrestricted, temporarily restricted and permanently restricted will be replaced with a simpler two-class structure. Going forward, NFPs will differentiate net assets solely between those net assets with donor restriction and net assets without donor restrictions. NFPs will still be required to disclose the nature and amounts of donor-imposed restrictions.

- NFPs will be required to present an analysis of expenses by both function and natural classification on a separate statement, on the face of the statement of activities, or in the footnotes. Additional disclosures will also be required regarding specific methodologies used to allocate costs among program and support functions.

- The presentation of required disclosure of underwater endowment funds will change. When the fair market value of a donor-restricted endowment is less than the original gift amount or the amount the NFP is required to maintain by the donor or by law, NFPs will be required to also report the amount of the deficiency and their governing boards' policies or decisions to reduce or spend from these funds.

- NFPs will be required to disclose in financial statement notes qualitative information regarding how they will manage available liquid resources to meet cash needs for general expenses for the year following the balance sheet date. In addition, NFPs will be required to provide on the face of financial statements or in disclosure notes detailed quantitative information regarding their availability of financial assets at the balance sheet date to meet cash needs for the next year.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Effect of Recently Issued Accounting Standards - Continued

The effective date for ASU 2016-14 will be for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in this ASU is permitted. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures.

Subsequent Events

The Center has evaluated subsequent events for potential recognition and/or disclosures October 20, 2017, the date the financial statements were available to be issued.

2. PLEDGES AND CONTRIBUTIONS RECEIVABLE

Pledges and contributions receivable at December 31, 2016 and 2015, are due as follows:

	2016	2015
Due within one year	$ 98,265	$ 78,335
Due in two or three years	50,000	100,000
Total Pledges and Contributions Receivable	$ 148,265	$ 178,335

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements under FASB ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. FASB ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

3. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Level 1 – Valuations based on adjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets, and;

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

At December 31, 2016 and 2015, the Center has level 1 assets consisting of investments for which fair market value is determined by reference to quoted market transactions. At December 31, 2016 and 2015, the Center has a level 3 asset consisting of a beneficial interest in charitable remainder trust, whose fair value is determined by calculating the present value of future cash flows as expected to be received by management, using a discount rate of 4.5%.

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (level 3) inputs for the years ended December 31, 2016 and 2015.

Beneficial interest in charitable remainder trust:	
Balance at January 1, 2015	$ 310,697
Change in value of charitable remainder trust	13,981
Balance at December 31, 2015	324,678
Change in value of charitable remainder trust	21,287
Balance at December 31, 2016	$ 345,965

4. INVESTMENTS

At December 31, 2016 and 2015, investments consist of the following:

	2016	2015
Mutual funds and ETFs	$ 667,183	$ 615,097
Common stocks	499,309	459,996
Preferred stocks	98,942	119,653
Money market	145,201	267,191
Total Investments at Fair Value - Level 1	1,410,635	1,461,937
Certificates of Deposit	150,410	81,083
Total Investments	$ 1,561,045	$ 1,543,020

Interest and dividends, as well as realized and unrealized gains and losses, are included in the statement of activities. Interest and dividends and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. The following is a summary of the Center's investment income for the years ended December 31:

	2016	2015
Interest and dividend income	$ 31,481	$ 34,319
Investment fees	(17,855)	(19,387)
Net realized and unrealized gains (losses)	103,375	(62,522)
Total Investment Income	$ 117,001	$ (47,590)

5. LOAN AND LINE OF CREDIT

The Center had a term loan at 1% over the prime rate, with a minimum rate of 5% extended through May 5, 2016. The loan was paid in full on May 19, 2016. The outstanding balance and interest rate at December 31, 2015 were $533,306 and 5%. The term loan was secured by the Center's building.

On May 17, 2016, the Center obtained a line of credit with an advance limit of $846,000. Each advance shall be a variable rate advance. The interest rate on each advance is set on the first business day of the week as the variable rate index plus the interest rate spread. The interest rate is the LIBOR plus 2.5%. As of December 31, 2016, the outstanding balance on the line of credit is $181,441, leaving available credit at $664,559. The interest rate was 3.26%. The line of credit is secured by the endowment investment fund. This agreement expires January 31, 2018.

6. PROPERTY AND EQUIPMENT

A summary of fixed assets and accumulated depreciation at December 31, 2016 and 2015, is as follows:

	2016	2015
Building	$ 632,426	$ 632,426
Land	271,040	271,040
Building improvements	696,507	525,363
Furniture and equipment	335,188	325,998
Library and reference materials		60,384
	1,935,161	1,815,211
Less: Accumulated depreciation	1,048,857	1,012,056
Net Property and Equipment	$ 886,304	$ 803,155

Depreciation expense was $82,088 and $62,489 for 2016 and 2015, respectively.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose or periods at December 31:

	2016	2015
Child specialist	$ 52,919	$ 15,000
New Trier township residents	3,334	3,335
Nutritionists	12,710	10,000
Support and discussion groups	20,000	20,000
Charitable remainder trust - time restriction	345,965	324,678
Young adult program	100,000	150,000
Kitchen construction	25,000	
Accumulated endowment earnings	37,385	30,438
Total Temporarily Restricted Net Assets	$ 597,313	$ 553,451

8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years by incurring expenses satisfying the following restricted purposes specified by donors.

	2016	2015
2015 operations	$ -	$ 29,000
2016 operations	26,700	
Support group facilitators	105,000	105,000
Tai Chi Chih Fund	375	4,375
Barbara Pritikin Memorial Library Fund	27,197	23,902
Young adult program	50,000	
Kitchen construction	25,000	
Nutritionist	27,290	15,000
Child specialist	77,082	15,000
Woman's health	7,500	7,500
Strategic plan		20,000
Total Net Assets Released from Restrictions	$ 346,144	$ 219,777

9. ENDOWMENTS

The Center’s endowments consist of two funds. In 2000, the Center received a $500,000 contribution to establish an endowment fund. The permanently restricted fund is to be held in perpetuity. In December 2003, the Center received a letter from the donor of the endowment funds releasing the Center of its obligation to restore the endowment to its original principle when market fluctuations bring the balance below the original gift amount of $500,000. When the principle in the endowment account exceeds $500,000, earnings on permanently restricted net assets are available to support the operations of the Center.

During 2001, the Board approved the establishment of a second endowment fund, a quasi-endowment fund in the amount of $75,000 from an unrestricted contribution bequeathed to the Center. In December 2013, the Board approved an addition of $750,000 to the quasi-endowment fund.

9. ENDOWMENTS - Continued

Endowment net assets by type of fund at December 31 consist of the following:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment fund	$ -	$ 37,385	$ 500,000	$ 537,385
Quasi-endowment fund	973,553			973,553
Total Funds	$ 973,553	$ 37,385	$ 500,000	$ 1,510,938

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment fund	$ -	$ 30,438	$ 468,953	$ 499,391
Quasi-endowment fund	894,546			894,546
Total Funds	$ 894,546	$ 30,438	$ 468,953	$ 1,393,937

9. ENDOWMENTS - Continued

Changes in endowment net assets for the years ended December 31, 2016 and 2015, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at January 1, 2015	$ 911,089	$ 30,438	$ 500,000	$ 1,441,527
Interest and dividends	3,657		11,275	14,932
Realized/ unrealized losses	(20,200)		(42,322)	(62,522)
Balance at December 31, 2015	894,546	30,438	468,953	1,393,937
Interest and dividends	9,201		4,425	13,626
Realized/unrealized gains	69,806	6,947	26,622	103,375
Balance at December 31, 2016	$ 973,553	$ 37,385	$ 500,000	$ 1,510,938

Return Objectives and Risk Parameters

The Investment Committee's general policy shall be to diversify investments within both equity and fixed income securities so as to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class of investment category.

Strategies Employed for Achieving Objectives

The Investment Committee is expected to develop and adopt expressed guidelines for broad allocations on a long-term basis, in light of current and projected investment. To ensure broad diversification asset allocation as a percent of total market value of the total long-term portfolio will be set so that equity securities will range from 55% - 80% and fixed securities, including cash, will range from 20% - 45%. A comfortable range of 25% has been built around each target to insure the investment discipline is adhered to. The Committee will evaluate the asset allocation once a year.

9. ENDOWMENTS - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

Beginning in 2015, if the earnings from the quasi-endowment and the donor restricted endowment are not required to meet operating expenses, the board has chosen to keep the earnings on the endowment funds in the endowment investment accounts.

At times when the earnings on the endowment accounts are necessary to fund operations, the Center's Board of Directors will establish a spending percentage of the portfolio assets, net of fees, that will be made available annually for support of operations. To preserve the long-term purchasing power of the Center's endowment, this spending percentage will be evaluated and periodically adjusted to an amount that is equal to or less than the expected long-term portfolio total return, less fees and inflation. To adjust for volatility in portfolio market values, the average of the prior twelve quarters ending portfolio market values is used as the principle base.

The spending percentage target as approved by the Board of Directors is 5%. So long as the market value of the original endowment gifts are maintained, each year's actual spending budget is determined by taking the average quarter end portfolio market value balances for the most recent twelve quarterly periods, net of all investment fees, multiplied by the spending percentage.

For the donor restricted endowment, the Center may only spend income when the investment fund exceeds $500,000.

10. BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUST

The Center is the beneficiary of a split-interest gift from the estate of a charitable donor. Upon the death of the remaining family beneficiary, the trust, managed by Merrill Lynch, will be distributed in equal shares to the four residual beneficiaries.

The trust account's fair value was $2,798,674 and $2,705,296 at December 31, 2016 and 2015, respectively. The Center's 25% share at December 31, 2016 and 2015, was $699,668 and $676,324, respectively. Based upon the projected investment remaining constant and a discount rate of 4.5%, the net present value of the Center's prospective share of this gift was $345,965 and $324,678 as of December 31, 2016 and 2015, respectively. This amount is included in the statement of financial position in beneficial interest in charitable remainder trust at December 31, 2016 and 2015.

11. DONATED SERVICES

The value of contributed professional services is included in the financial statements as contribution revenue and program service expenses. The amounts for the years ended December 31, 2016 and 2015, were $128,445 and $114,615, respectively.

In addition to the contributed professional services in the preceding paragraph, a significant amount of donated services is contributed to the Center to support its program and supporting services. These volunteer activities include participating on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements.

12. EMPLOYEE BENEFIT PLAN

The Center maintains a 401(k) employee benefit plan, whereby the Center may, at its sole discretion, make a matching contribution for each eligible employee commencing on the date of their eligibility. No contributions were made in 2016 or 2015.

13. RELATED PARTIES

A board member (through September 2016) was affiliated with the company which began providing accounting services to the Center in July 2015. Total accounting fees incurred in 2016 and 2015 were $42,000 and $8,795, respectively. At December 31, 2016 and 2015, $3,500 and $3,000, respectively, were due to this company and were included in accounts payable.

During 2016, the Center purchased $42,312 of flooring from a business associated with a board member.

14. CONDITIONAL GRANT

A challenge grant was received during 2015. The grant is for $60,000 over two years. For each year, $30,000 is for funding a Board-Certified Oncology Dietitian Nutritionist. During 2016, $30,000 was earned and recorded as revenue. If the designated challenge provisions are met, the remaining $30,000 will be recorded in 2017.