

CHO-YEH CAMP AND
CONFERENCE CENTER, INC.
Livingston, Texas

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cho-Yeh Camp and Conference
Center, Inc.
Livingston, Texas

We have audited the accompanying financial statements of Cho-Yeh Camp and Conference Center, Inc. (a nonprofit organization) which comprise the statements 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 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 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.

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 Cho-Yeh Camp and Conference Center, Inc. at December 31, 2016 and 2015, and the statement of activities, functional expenditures, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
May 19, 2017

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

	UNRESTRICTED		TEMPORARILY RESTRICTED	
	2016	2015	2016	2015
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1 328 081	\$ 1 028 341	\$ 27 331	\$ 47 158
Accounts receivable	48 182	8 422	-	-
Inventory	22 620	25 897	-	-
Prepaid expenses	1 062	100 615	-	-
Unconditional promises to give		-	1 789 707	237 660
Other receivables	1 966	816	-	-
TOTAL CURRENT ASSETS	1 401 911	1 164 091	1 817 038	284 818
Property, plant and equipment	9 287 371	7 240 239	-	-
Other Assets:				
Investments	-	-	-	-
Cash restricted for property, plant and equipment	-	-	1 349 828	1 559 484
TOTAL OTHER ASSETS	-	-	1 349 828	1 559 484
TOTAL ASSETS	\$ 10 689 282	\$ 8 404 330	\$ 3 166 866	\$ 1 844 302
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 173 995	\$ 134 139	\$ -	\$ -
Accrued expenses	55 704	90 873	-	-
Advance deposits	299 728	245 782	-	-
Current portion of long-term debt	108 757	208 107	-	-
TOTAL CURRENT LIABILITIES	638 184	678 901	-	-
Long-term debt	949 898	1 215 299	-	-
TOTAL LIABILITIES	1 588 082	1 894 200	-	-
Net Assets:				
Unrestricted	9 101 200	6 510 130	-	-
Temporarily Restricted:				
Scholarships	-	-	27 331	47 158
For purchase of property, plant and equipment	-	-	3 139 535	1 797 144
Permanently restricted	-	-	-	-
TOTAL NET ASSETS	9 101 200	6 510 130	3 166 866	1 844 302
TOTAL LIABILITIES AND NET ASSETS	\$ 10 689 282	\$ 8 404 330	\$ 3 166 866	\$ 1 844 302

See independent auditors' report and accompanying notes to financial statements.

PERMANENTLY RESTRICTED		TOTAL	
2016	2015	2016	2015
\$ -	\$ -	\$ 1 355 412	\$ 1 075 499
-	-	48 182	8 422
-	-	22 620	25 897
-	-	1 062	100 615
-	-	1 789 707	237 660
-	-	1 966	816
-	-	<u>3 218 949</u>	<u>1 448 909</u>
-	-	<u>9 287 371</u>	<u>7 240 239</u>
23 332	21 596	23 332	21 596
-	-	1 349 828	1 559 484
<u>23 332</u>	<u>21 596</u>	<u>1 373 160</u>	<u>1 581 080</u>
\$ <u><u>23 332</u></u>	\$ <u><u>21 596</u></u>	\$ <u><u>13 879 480</u></u>	\$ <u><u>10 270 228</u></u>
\$ -	\$ -	\$ 173 995	\$ 134 139
-	-	55 704	90 873
-	-	299 728	245 782
-	-	108 757	208 107
-	-	<u>638 184</u>	<u>678 901</u>
-	-	<u>949 898</u>	<u>1 215 299</u>
-	-	<u>1 588 082</u>	<u>1 894 200</u>
-	-	9 101 200	6 510 130
-	-	27 331	47 158
-	-	3 139 535	1 797 144
<u>23 332</u>	<u>21 596</u>	<u>23 332</u>	<u>21 596</u>
<u>23 332</u>	<u>21 596</u>	<u>12 291 398</u>	<u>8 376 028</u>
\$ <u><u>23 332</u></u>	\$ <u><u>21 596</u></u>	\$ <u><u>13 879 480</u></u>	\$ <u><u>10 270 228</u></u>

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2016 and 2015

	UNRESTRICTED		TEMPORARILY RESTRICTED	
	2016	2015	2016	2015
Operating Revenues:				
Retreats and conferences	\$ 1 738 649	\$ 1 468 189	\$ -	\$ -
Camp	2 917 175	2 547 861	-	-
Trading post	250 204	209 514	-	-
Other	58 264	26 108	-	-
TOTAL OPERATING REVENUES	4 964 292	4 251 672	-	-
Operating Expenses:				
Program	4 121 387	3 762 305	-	-
Management and general	400 797	405 842	-	-
Fundraising	98 637	49 070	-	-
TOTAL OPERATING EXPENSES	4 620 821	4 217 217	-	-
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	343 471	34 455	-	-
Other Revenues (Expenses);				
Contributions	14 445	48 507	3 594 817	1 765 395
Interest and dividends	5 703	3 374	-	-
Other revenue	16 991	78 483	-	-
Interest expense	(61 793)	(77 856)	-	-
Net assets released from restrictions	2 272 253	792 364	(2 272 253)	(792 364)
TOTAL OTHER REVENUES (EXPENSES)	2 247 599	844 872	1 322 564	973 031
CHANGE IN NET ASSETS	2 591 070	879 327	1 322 564	973 031
Net assets - Beginning of year	6 510 130	5 630 803	1 844 302	871 271
NET ASSETS - END OF YEAR	\$ 9 101 200	\$ 6 510 130	\$ 3 166 866	\$ 1 844 302

See independent auditors' report and accompanying notes to financial statements.

PERMANENTLY RESTRICTED		TOTAL	
2016	2015	2016	2015
\$ -	\$ -	\$ 1 738 649	\$ 1 468 189
-	-	2 917 175	2 547 861
-	-	250 204	209 514
-	-	58 264	26 108
-	-	4 964 292	4 251 672
-	-	4 121 387	3 762 305
-	-	400 797	405 842
-	-	98 637	49 070
-	-	4 620 821	4 217 217
-	-	343 471	34 455
-	-	3 609 262	1 813 902
1 736	-	7 439	3 374
-	-	16 991	78 483
-	-	(61 793)	(77 856)
-	-	-	-
1 736	-	3 571 899	1 817 903
1 736	-	3 915 370	1 852 358
21 596	21 596	8 376 028	6 523 670
\$ 23 332	\$ 21 596	\$ 12 291 398	\$ 8 376 028

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended December 31, 2016 and 2015

	2016			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND- RAISING	TOTAL EXPENSES
Salaries	\$ 1 533 152	\$ 118 911	\$ 60 116	\$ 1 712 179
Taxes	128 416	7 713	3 803	139 932
Health insurance	77 019	6 425	4 866	88 310
Other benefits	65 222	7 034	3 554	75 810
TOTAL SALARY AND RELATED EXPENSES	<u>1 803 809</u>	<u>140 083</u>	<u>72 339</u>	<u>2 016 231</u>
Food	446 366	-	-	446 366
Kitchen - Non-food	36 795	-	-	36 795
Repairs and maintenance	181 375	-	-	181 375
Utilities	192 837	-	-	192 837
Trading post	162 035	-	199	162 234
Advertising	133 094	-	14 587	147 681
Scholarships	346 741	-	-	346 741
Staff development	57 003	-	-	57 003
Housekeeping	22 214	-	-	22 214
Program activities	213 081	-	-	213 081
Credit card fees	80 189	-	860	81 049
Miscellaneous	35 979	-	6 359	42 338
Insurance	-	149 256	-	149 256
Professional services	-	60 599	3 857	64 456
Postage	-	8 654	224	8 878
Supplies	-	42 205	87	42 292
Travel expenses	26 770	-	125	26 895
TOTAL EXPENSES BEFORE DEPRECIATION AND BAD DEBT	<u>1 934 479</u>	<u>295 650</u>	<u>26 298</u>	<u>2 221 491</u>
Depreciation	383 099	-	-	383 099
Bad debt expense	-	-	-	-
TOTAL EXPENSES	<u>\$ 4 121 387</u>	<u>\$ 400 797</u>	<u>\$ 98 637</u>	<u>\$ 4 620 821</u>

See independent auditors' report and accompanying notes to financial statements.

2015

PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND-RAISING	TOTAL EXPENSES
\$ 1 426 185	\$ 66 410	\$ 31 409	\$ 1 524 004
113 079	4 746	2 180	120 005
79 569	3 562	2 507	85 638
63 297	3 422	1 143	67 862
<u>1 682 130</u>	<u>78 140</u>	<u>37 239</u>	<u>1 797 509</u>
399 941	-	89	400 030
31 426	-	-	31 426
156 409	-	190	156 599
194 019	-	-	194 019
145 875	-	-	145 875
133 502	-	6 313	139 815
303 182	-	-	303 182
45 177	-	-	45 177
22 792	-	-	22 792
183 056	-	-	183 056
69 127	-	1 585	70 712
48 440	-	87	48 527
-	196 901	-	196 901
-	88 601	2 885	91 486
-	7 048	496	7 544
-	35 152	76	35 228
20 235	-	110	20 345
<u>1 753 181</u>	<u>327 702</u>	<u>11 831</u>	<u>2 092 714</u>
326 994	-	-	326 994
-	-	-	-
<u>\$ 3 762 305</u>	<u>\$ 405 842</u>	<u>\$ 49 070</u>	<u>\$ 4 217 217</u>

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Change in net assets	\$ 3 915 370	\$ 1 852 358
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	383 099	326 994
Unconditional promises to give - Net	(1 552 047)	(212 660)
Other revenue, noncash	-	1 500
(Increase) Decrease in Current Assets:		
Accounts receivable	(39 760)	3 442
Inventory	3 277	(296)
Prepaid expenses	99 553	10 012
(Gain) loss on sale of assets	(16 991)	22 358
Other receivables	(1 150)	5 475
Increase (Decrease) in Current Liabilities:		
Accounts payable	39 586	13 612
Accrued expenses	(35 169)	54 585
Advance deposits	53 946	48 551
NET CASH PROVIDED BY OPERATING ACTIVITIES	2 849 984	2 125 931
Cash Flows from Investing Activities:		
Change in cash restricted for:		
Scholarships	(1 736)	-
Property, plant and equipment	209 656	(750 090)
Purchase of property, plant and equipment	(2 433 240)	(940 797)
Proceeds from sale of property, plant and equipment	20 000	-
Interest income	7 439	-
NET CASH USED FOR INVESTING ACTIVITIES	(2 205 320)	(1 690 887)
Cash Flows from Financing Activities:		
Short-term debt, net	-	(2 379)
Payments on long-term debt	(364 751)	(155 079)
Proceeds from issuance of long-term debt	-	180 000
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	(364 751)	22 542
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	279 913	457 586
Cash and cash equivalents - Beginning of year	1 075 499	617 913
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1 355 412	\$ 1 075 499
Supplemental Disclosures:		
Amount paid for interest	\$ 62 174	\$ 78 247
Noncash Financing Activities:		
Note payable issued to finance prepaid insurance	\$ -	\$ 138 013

See independent auditors' report and accompanying notes to financial statements.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Cho-Yeh Camp and Conference Center, Inc. (the Organization) was established in 1947 by the Presbytery of New Covenant, Presbyterian Church U.S.A. as an integrated auxiliary. The Organization incorporated and received separate 501(c)(3) status in 2002. Currently, the mission of the Organization is to be "a place where Jesus Christ transforms lives through meaningful relationships and outdoor adventures". This is achieved through various programs and facilities the Organization makes available, such as summer camp, retreats and conferences, Elderhostel, and related facilities.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine the uncollectible portion of unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Accounts Receivable

Accounts receivable consist of those amounts that are due from various individuals or groups that utilize the Organization's services and facilities. Management believes that these amounts are fully collectible; therefore, no allowances for doubtful accounts have been provided. Management is not aware of any significant concentrations of credit or market risks related to receivables or other financial instruments reported in these financial statements.

Contributed Services

Unpaid volunteers have made contributions of their time to develop the Organization's programs. During the year ended December 31, 2016 and 2015, the value of contributed services meeting the requirements for recognition under Financial Accounting Standards Board Codification Section 958, was not material and has not been recorded.

Inventory

Inventory is carried at the lower of cost (determined by the use of the first in, first out method) or market and consists of books, clothing, gifts, etc. Food is expensed as purchased.

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.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

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

Property, Plant and Equipment

Property, plant and equipment is carried at cost, if purchased, or fair market value at date of acquisition, if received as a donation, with depreciation being taken by the straight-line method over the following estimated useful lives:

Buildings and improvements	30 years
Furniture, fixtures and equipment	7 years
Vehicles	5 years

Interest costs related to building construction are capitalized as part of the building cost.

Maintenance and repairs, as well as minor betterments, are charged to expense as incurred. Major betterments are capitalized. The cost and related accumulated depreciation for property disposals are removed from the accounts and any gains or losses are included in income.

Donations of property, plant, and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant, and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated or acquired assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization then reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fair Values of Financial Instruments

Current professional standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk. Management assesses the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted market prices for identical instruments in an active market that the entity has the ability to access and are the most observable. Level 2 inputs include quoted market prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and accounts receivable: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments. (Level 1)

Investments: The fair values of investments are based on quoted market prices for those or similar investments. (Level 1)

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

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

Long-term unconditional promises to give: The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using a current risk free rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period. (Level 2)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Federal Income Tax

The Organization is classified as a nonprofit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

Financial Accounting Standards Board Codification Section 740 requires recognition, measurement and disclosure of uncertain tax positions. The Organization currently accounts for uncertain tax positions based on the estimated likelihood of assessment and has not determined that any tax positions require an accrual based on current standards of accounting. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

Statements of Cash Flows

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash restricted for purchase of property, plant and equipment and designated cash is not included in cash and cash equivalents.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on previously reported net assets.

NOTE 2 - UNINSURED CASH BALANCES

The Organization's cash is deposited with three institutions. The amount on deposit in each of these institutions may exceed the \$250,000 federally insured limit from time to time. At December 31, 2016 and 2015, cash exceeded federally insured limits by \$1,889,397 and \$2,130,333, respectively.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2016 and 2015

NOTE 3 - INVESTMENTS

Investments as of December 31, 2016 and 2015 consist of deposits with The Texas Presbyterian Foundation and are categorized as follows:

	COST		FAIR VALUE		CARRYING VALUE	
	2016	2015	2016	2015	2016	2015
Unrestricted:						
Undesignated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Temporarily restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permanently restricted	\$ -	\$ 18 091	\$ 23 332	\$ 21 596	\$ 23 332	\$ 21 596

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2016 and 2015.

	UNRESTRICTED		PERMANENTLY RESTRICTED	
	2016	2015	2016	2015
Interest and dividends	\$ 7 439	\$ 3 374	\$ -	\$ -
Realized and unrealized gains (losses)	\$ -	\$ -	\$ -	\$ -

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2016 and 2015 are as follows:

	2016	2015
Receivable in less than one year	\$ 1 789 707	\$ 237 660
Receivable in one to five years	-	-
Receivable in more than five years	-	-
TOTAL UNCONDITIONAL PROMISES TO GIVE	1 789 707	237 660
Less discounts to net present value	-	-
Less allowance for uncollectable promises	-	-
NET UNCONDITIONAL PROMISES TO GIVE	\$ 1 789 707	\$ 237 660

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, is summarized by major classification as follows:

	2016	2015
Land	\$ 1 440 984	\$ 1 440 984
Buildings and improvements	10 455 014	8 519 203
Furniture and equipment	1 262 900	1 198 063
Construction in progress	594 329	287 329
Vehicles	234 268	132 767
	13 987 495	11 578 346
Less accumulated depreciation	(4 700 124)	(4 338 107)
	\$ 9 287 371	\$ 7 240 239

Depreciation expense totaled \$383,099 and \$326,994 for the years ended December 31, 2016 and 2015, respectively.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

NOTE 6 - EMPLOYEE BENEFIT PLANS

The Organization participates in a 401(k) salary reduction plan, which covers all regular full-time employees who have completed twelve consecutive months of service. Contributions to the plan were \$46,418 and \$24,862 for the years ended December 31, 2016 and 2015, respectively.

NOTE 7 - NOTES PAYABLE

At December 31, 2016 and 2015, the Organization was liable for the following notes payable:

	2016	2015
Note payable - Premium Convenience Services Inc., due in 3 quarterly installments of \$33,184 including interest at 5.00%. Matures in September 2016.	\$ -	\$ 99 554
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$3,936 including interest at 5.50%, collateralized by deed of trust and real estate lien on a 345 acre tract of land in Polk County, Texas. Matures in August 2024.	287 139	314 356
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$2,150, including interest at 5.50%, secured by a building. Matures in April 2031.	91 289	104 830
Note payable - First National Bank of Livingston, due in 180 monthly installments of \$8,006, interest due at 5.50%, secured by buildings and equipment. Matures in May of 2026.	680 227	736 768
Note payable - Edwards, due in 120 monthly installments of \$1,865, including interest at 4.5%, secured by 11.079 acres on three tracts of land in Polk County, Texas. Matures in February 2025.	-	167 898
	1 058 655	1 423 406
Less current maturities	108 757	208 107
	\$ 949 898	\$ 1 215 299

The annual requirements for the five subsequent years are as follows:

2017	\$	108 757
2018		115 350
2019		122 343
2020		126 513
2021		110 591
Thereafter		475 101
	\$	1 058 655

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated for potential recognition or disclosure through the date of this report which is also the date the report was available to be issued.

NOTE 9 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Organization purchases commercial insurance to cover general liabilities.

NOTE 10 - RELATED PARTY TRANSACTIONS

The Organization received contributions from related parties that approximated \$83,000 and \$1,010,000 for each year ending December 31, 2016 and 2015, respectively.