

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

USA CARES, INC.

DECEMBER 31, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
USA Cares, Inc.

We have audited the accompanying financial statements of USA Cares, Inc., (a not-for-profit 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 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 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 USA Cares, Inc. 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 accounting principles generally accepted in the United States of America.

Baldwin CPAs, PLLC

Louisville, Kentucky
March XX, 2017

STATEMENTS OF FINANCIAL POSITION
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash	\$ 703,485	\$ 774,704
Accounts receivable	-	8,394
Promises to give, net	30,000	93,875
Prepaid expenses	6,492	7,022
Inventory	16,087	10,635
Investments	117,929	109,133
Cash surrender value of life insurance	7,473	-
Property and equipment, net	314,660	321,945
Total assets	\$ 1,196,126	\$ 1,325,708
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 57,809	\$ 45,758
Accrued expenses and other liabilities	45,911	40,957
Total liabilities	103,720	86,715
NET ASSETS		
Unrestricted	780,626	694,246
Temporarily restricted	230,752	463,719
Permanently restricted	81,028	81,028
Total net assets	1,092,406	1,238,993
Total liabilities and net assets	\$ 1,196,126	\$ 1,325,708

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

STATEMENTS OF ACTIVITIES
USA CARES, INC.
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support:								
Contributions and grants	\$ 1,778,724	\$ 145,857	\$ -	\$ 1,924,581	\$ 1,933,403	\$ 162,770	\$ -	\$ 2,096,173
Special event revenue	419,500	-	-	419,500	453,002	-	-	453,002
Special event direct costs	(150,875)	-	-	(150,875)	(130,271)	-	-	(130,271)
Investment income	323	5,475	-	5,798	146	4,154	-	4,300
Unrealized gain (loss)	-	3,321	-	3,321	-	(9,979)	-	(9,979)
Total revenue and support	2,047,672	154,653	-	2,202,325	2,256,280	156,945	-	2,413,225
Net assets released from restrictions								
Satisfaction of restrictions	387,620	(387,620)	-	-	208,754	(208,754)	-	-
Total revenue, support and reclassifications	2,435,292	(232,967)	-	2,202,325	2,465,034	(51,809)	-	2,413,225
Expenses:								
Program services	1,997,312	-	-	1,997,312	1,578,463	-	-	1,578,463
Management and general	150,426	-	-	150,426	208,618	-	-	208,618
Fund raising	201,174	-	-	201,174	264,650	-	-	264,650
Total expenses	2,348,912	-	-	2,348,912	2,051,731	-	-	2,051,731
Increase (decrease) in net assets	86,380	(232,967)	-	(146,587)	413,303	(51,809)	-	361,494
Net assets at beginning of year	694,246	463,719	81,028	1,238,993	280,943	515,528	81,028	877,499
Net assets at end of year	<u>\$ 780,626</u>	<u>\$ 230,752</u>	<u>\$ 81,028</u>	<u>\$ 1,092,406</u>	<u>\$ 694,246</u>	<u>\$ 463,719</u>	<u>\$ 81,028</u>	<u>\$ 1,238,993</u>

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

STATEMENTS OF FUNCTIONAL EXPENSES
USA CARES, INC.
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015			
	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>
Assistance	\$ 1,133,277	\$ 1,133,277	\$ -	\$ -	\$ 551,110	\$ 551,110	\$ -	\$ -
Business development	27,940	14,084	1,133	12,723	37,549	16,942	1,043	19,564
Wages and benefits	788,895	573,098	95,350	120,447	948,780	663,890	130,977	153,913
Occupancy	62,230	53,104	6,150	2,976	75,160	66,245	5,942	2,973
Other expenses	11,606	1,932	779	8,895	15,524	636	4,351	10,537
Depreciation	7,285	5,292	881	1,112	9,129	6,388	1,260	1,481
Office supplies	21,562	13,569	4,525	3,468	14,292	7,745	4,816	1,731
Conventions/meetings	24,729	24,413	-	316	36,342	36,327	-	15
Taxes, licenses and fees	5,001	-	274	4,727	14,152	-	9,559	4,593
Interest expense	425	-	425	-	4,409	-	4,409	-
Bank charges	1,347	-	1,347	-	5,071	-	5,071	-
Postage and shipping	15,337	10,554	1,270	3,513	15,460	8,929	1,299	5,232
Printing, media and publicity	13,789	12,737	838	214	26,813	14,704	-	12,109
Professional costs	137,732	89,805	23,879	24,048	125,080	85,379	20,971	18,730
Insurance	13,992	5,103	2,558	6,331	24,907	6,067	5,340	13,500
Technology	28,374	21,012	2,377	4,985	21,973	15,160	2,316	4,497
Telecommunications	21,567	12,754	6,106	2,707	28,332	17,524	7,435	3,373
Travel	33,824	26,578	2,534	4,712	97,648	81,417	3,829	12,402
Total expenses	<u>\$ 2,348,912</u>	<u>\$ 1,997,312</u>	<u>\$ 150,426</u>	<u>\$ 201,174</u>	<u>\$ 2,051,731</u>	<u>\$ 1,578,463</u>	<u>\$ 208,618</u>	<u>\$ 264,650</u>
Percent of total	<u>100.00%</u>	<u>85.03%</u>	<u>6.40%</u>	<u>8.57%</u>	<u>100.00%</u>	<u>76.93%</u>	<u>10.17%</u>	<u>12.90%</u>

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

STATEMENTS OF CASH FLOWS
USA CARES, INC.
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (146,587)	\$ 361,494
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	7,285	9,129
Unrealized (gain) loss	(3,321)	9,979
(Increase) decrease in operating assets:		
Accounts receivable	8,394	(8,394)
Promises to give	63,875	161,871
Prepaid expenses	530	1,703
Inventory	(5,452)	(4,072)
Cash surrender value of life insurance	(7,473)	-
Increase (decrease) in operating liabilities:		
Accounts payable	12,051	(67,052)
Accrued expenses and other liabilities	<u>4,954</u>	<u>(10,252)</u>
Net cash provided (used) by operating activities	<u>(65,744)</u>	<u>454,406</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(26,509)
Purchase of investments	<u>(5,475)</u>	<u>(4,154)</u>
Net cash provided (used) by investing activities	<u>(5,475)</u>	<u>(30,663)</u>
Net increase (decrease) in cash	(71,219)	423,743
Cash at beginning of year	<u>774,704</u>	<u>350,961</u>
Cash at end of year	<u>\$ 703,485</u>	<u>\$ 774,704</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	<u>\$ 425</u>	<u>\$ 4,409</u>

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

NOTES TO FINANCIAL STATEMENTS
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Cares, Inc. is a not-for-profit, tax-exempt organization formed to provide financial support to American military service members (both active service members and veterans that have been honorably discharged after September 11, 2001) and their families. These services are funded primarily by contributions and grants.

The Organization is a national organization that currently has eleven chapters located throughout the United States.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) with regards to financial statements of Not-for-Profit Organizations. Under this guidance, USA Cares, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net assets categories follows:

Unrestricted Net Assets: include the portion of expendable funds that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: include gifts for which donor-imposed restrictions have not been met.

Permanently Restricted Net Assets: include amounts which the donor has stipulated that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash

USA Cares, Inc. considers all cash in deposit accounts as cash for financial statement purposes.

Accounts Receivable

Accounts receivable at December 31, 2015 consists of a refund due from a financial institution. There is no allowance for uncollectible accounts at December 31, 2016 or 2015. USA Cares, Inc. writes off uncollectible receivables after the exhaustion of all collection efforts.

Promises to Give

Promises to give are recognized when the donor makes a promise to give to USA Cares, Inc. that is, in substance, unconditional. Promises to give becoming due in the next year are recorded at net realizable value. Promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventory

Inventory consists of gift cards valued at their cash value.

Investments

The ASC establishes a framework for measuring fair value based upon a hierarchy that prioritizes observable and unobservable inputs used to measure fair value as follows:

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

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, although 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.

Property and Equipment

Property and equipment are recorded at cost if purchased and fair market value if donated and are depreciated based on the straight-line method over the estimated useful life of the respective assets (5-40 years). The cost of property and equipment purchased in excess of \$2,500 is capitalized.

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 unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support 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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

In-kind Materials, Equipment, and Services

In-kind materials, equipment and certain services are reflected as contributions and assets or expense in the accompanying statements at their estimated fair values on the date of contribution.

Expense Allocation

Expenses are allocated based on estimated time allocation to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Tax Status

USA Cares, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. USA Cares, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position.

NOTE 2. CONCENTRATIONS OF CREDIT RISK

Cash – USA Cares, Inc. maintains its cash balances and marketable securities in several financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation. At various times the cash balances exceed amounts federally insured. The risk is managed by maintaining all deposits in high quality financial institutions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

Investments – Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Organization. To address the risk, USA Cares, Inc. maintains a formal investment policy that sets out investment guidelines, asset allocation guidelines and requires review of the investment manager’s performance. The finance committee oversees the entire process.

NOTE 3. PROMISES TO GIVE

Promises to give consisted of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Program expense	<u>\$ 30,000</u>	<u>\$ 95,000</u>
Receivable in less than one year	\$ 30,000	\$ 65,000
Receivable in one to five years	<u>-</u>	<u>30,000</u>
Total promises to give	30,000	95,000
Less discounts to net present value	<u>-</u>	<u>(1,125)</u>
Net promises to give	<u>\$ 30,000</u>	<u>\$ 93,875</u>

Promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 2%. No allowance for uncollectibles is considered necessary because of the type of donors that have made promises to give.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

NOTE 4. INVESTMENTS

Investments consist of cash and mutual funds and are presented in the financial statements at fair value based on quoted market prices in active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes in market prices of the various investments held. Cost, fair values and unrealized gain at December 31, 2016 and 2015 are as follows:

<u>December 31, 2016</u>	<u>Cost Basis</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and cash equivalents	\$ 185	\$ 185	\$ -
Mutual funds - equity	68,316	73,414	5,098
Mutual funds - fixed income	<u>44,562</u>	<u>44,330</u>	<u>(232)</u>
	<u>\$ 113,063</u>	<u>\$ 117,929</u>	<u>\$ 4,866</u>
<u>December 31, 2015</u>	<u>Cost Basis</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and cash equivalents	\$ 438	\$ 438	\$ -
Mutual funds - equity	66,788	64,715	(2,073)
Mutual funds - fixed income	<u>45,540</u>	<u>43,980</u>	<u>(1,560)</u>
	<u>\$ 112,766</u>	<u>\$ 109,133</u>	<u>\$ (3,633)</u>

Investment management fees paid for the years ending December 31, 2016 and 2015 were \$1,129 and \$1,127, respectively.

NOTE 5. CASH VALUE OF LIFE INSURANCE

USA Cares, Inc. is the beneficiary of two life insurance policies whereby the donor of the policy makes a donation annually in the amount of the insurance premium. FASB ASC 325-30-35-1 and 35-2 requires that the investment element of a cash value policy is an asset and should be reported at the amount that could be realized under the insurance contract at the statement of financial position date. Management believes that the cash surrender value of the donated insurance policies approximates their fair value.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

NOTE 6. PROPERTY AND EQUIPMENT

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over the estimated useful lives on a straight-line basis. The cost and accumulated depreciation of such assets at December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 247,500	\$ 247,500
Construction in progress	63,640	63,640
Furniture and fixtures	69,078	69,078
Equipment	122,892	124,037
Vehicles	11,834	11,834
Website	<u>63,373</u>	<u>63,373</u>
	578,317	579,462
Less accumulated depreciation	<u>(263,657)</u>	<u>(257,517)</u>
Property and equipment, net	<u>\$ 314,660</u>	<u>\$ 321,945</u>
Depreciation expense	<u>\$ 7,285</u>	<u>\$ 9,129</u>

NOTE 7. LINE OF CREDIT

The Organization has available a line of credit for \$250,000. Interest is payable monthly at a rate of prime plus 1%. The line of credit expires May 15, 2017, and is secured by the Organization's Hilliard Lyons Investment account and land. There was no outstanding balance at December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

NOTE 8. LEASES/RELATED PARTY

USA Cares, Inc. leases office space from a board member under a month to month operating lease agreement in the amount of \$3,825 per month; however, in 2015 three months of rent were donated. USA Cares, Inc. also received donated office space in Louisville, KY under a month to month agreement. The amount of donated rent expense for the Louisville office for years ended December 31, 2016 and 2015 was \$0 and \$12,600 respectively. Total lease expense was \$45,905 and \$58,505 for the years ended December 31, 2016 and 2015, respectively.

NOTE 9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2016	2015
Endowment income	\$ 36,901	\$ 28,104
Programs	193,851	435,615
	\$ 230,752	\$ 463,719

NOTE 10. PERMANENTLY RESTRICTED NET ASSETS

USA Cares, Inc. follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA eliminates the requirement to maintain the historic dollar value of donor restricted endowments and instead focuses on donor intent and spending practices that are prudent for the uses, benefits, purposes and duration for which the endowment fund is established. UPMIFA also places a time restriction on the earnings retained in the endowment fund. The Organization has adopted FASB ASC 958-205, which provides guidance and additional disclosures on the net asset classification of endowment funds.

USA Cares, Inc.'s endowment fund consists of donor restricted endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

The Board of Directors for USA Cares, Inc. has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, USA Cares, Inc. classifies as permanently restricted net assets (a) the original value of gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets. In accordance with UPMIFA, USA Cares, Inc. considered the following factors: (1) the duration and preservation of the fund, (2) the purposes of the organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the investment policies of the organization.

The Organization has not adopted a spending policy.

Endowment net asset composition by type at December 31, 2016 and 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, December 31, 2016	\$ -	\$ 36,901	\$ 81,028	\$ 117,929
Balance, December 31, 2015	\$ -	\$ 28,105	\$ 81,028	\$ 109,133

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

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

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Balance, December 31, 2014	\$ -	\$ 33,930	\$ 81,028	\$ 114,958
Dividend income	-	3,223	-	3,223
Realized gain (loss)	-	931	-	931
Unrealized gain (loss)	-	(9,979)	-	(9,979)
Balance, December 31, 2015	\$ -	\$ 28,105	\$ 81,028	\$ 109,133
Dividend income	-	4,441	-	4,441
Realized gain (loss)	-	1,034	-	1,034
Unrealized gain (loss)	-	3,321	-	3,321
Balance, December 31, 2016	\$ -	\$ 36,901	\$ 81,028	\$ 117,929

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

Effective January 1, 2014, the Organization began offering a 403(b) plan. Employees are eligible on the first day of the month following employment. The Organization does not currently offer a match on employee deferrals.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
USA CARES, INC.
DECEMBER 31, 2016 AND 2015

NOTE 12. IN-KIND DONATIONS

USA Cares, Inc. records various types of in-kind support, including materials and other tangible assets. Contributed in-kind support is recognized in accordance with FASB ASC 958-605-25, which governs the presentation of financial statements of not-for-profit organizations. This pronouncement requires recognition of professional services received if those services (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. Most of the services received by USA Cares, Inc. do not meet these criteria. In 2016 and 2015, USA Cares, Inc. did not recognize any in-kind professional services.

Contributions of tangible assets are recognized at fair market value when received. The amounts are reflected in the accompanying financial statements as support and are offset by like amounts included in expenses or assets. In-kind donations for the years ended December 31, 2016 and 2015 were \$23,330 and \$95,320, respectively.

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition or disclosure in the financial statements through March XX, 2017, which was the date at which the financial statements were available to be issued.