



REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS

CELEBRITY FIGHT NIGHT FOUNDATION, INC.

May 31, 2018 and 2017

Table of Contents

	PAGE
Report of Independent Auditors	1–2
Financial Statements	
Statements of financial position	3
Statements of activities and changes in net assets	4–5
Statements of functional expenses	6–7
Statements of cash flows	8
Notes to financial statements	9–16

Report of Independent Auditors

To the Board of Directors
Celebrity Fight Night Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Celebrity Fight Night Foundation, Inc. (the "Organization"), which is comprised of the statements of financial position as of May 31, 2018 and 2017, and the related statements of activities and changes in net assets, 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 Organization'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 Organization'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 Celebrity Fight Night Foundation, Inc. as of May 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Scottsdale, Arizona
March 4, 2019

Celebrity Fight Night Foundation, Inc.
Statements of Financial Position

ASSETS

	May 31,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 992,500	\$ 602,471
Investments	12,775	192,967
Special events receivable	215,114	15,000
Related-party receivable	160,000	-
Prepaid and other	32,444	33,094
Total assets	\$ 1,412,833	\$ 843,532

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 35,216	\$ 34,838
Accrued liabilities	89,232	166,232
Agency liabilities	1,054,100	10,000
Deferred revenue	6,000	6,000
Total liabilities	1,184,548	217,070
NET ASSETS		
Unrestricted	228,285	626,462
Total net assets	228,285	626,462
Total liabilities and net assets	\$ 1,412,833	\$ 843,532

Celebrity Fight Night Foundation, Inc.
Statements of Activities and Changes in Net Assets

	Year Ended May 31, 2018		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
REVENUES AND SUPPORT			
Special events revenue	\$ 3,090,254	\$ -	\$ 3,090,254
Special events revenue designated as agency transactions	(962,125)	-	(962,125)
Special events revenue, net	2,128,129	-	2,128,129
Contributions	1,137,275	-	1,137,275
Contributions designated as agency transactions	(470,000)	-	(470,000)
Contributions, net	667,275	-	667,275
In-kind donations	867,000	-	867,000
Total revenues and support	3,662,404	-	3,662,404
EXPENSES			
Program expenses	38,125	-	38,125
Management and general expenses	181,728	-	181,728
Fundraising expenses	3,845,908	-	3,845,908
Total expenses	4,065,761	-	4,065,761
OTHER CHANGES IN NET ASSETS			
Investment income	4,514	-	4,514
Interest income	666	-	666
Total other changes in net assets	5,180	-	5,180
Change in net assets	(398,177)	-	(398,177)
Net assets, beginning of year	626,462	-	626,462
Net assets, end of year	\$ 228,285	\$ -	\$ 228,285

Celebrity Fight Night Foundation, Inc.
Statements of Activities and Changes in Net Assets (Continued)

	Year Ended May 31, 2017		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
REVENUES AND SUPPORT			
Special events revenue	\$ 3,266,539	\$ -	\$ 3,266,539
Special events revenue designated as agency transactions	(125,000)	-	(125,000)
Special events revenue, net	3,141,539	-	3,141,539
Contributions	817,432	-	817,432
Contributions designated as agency transactions	(180,000)	-	(180,000)
Contributions, net	637,432	-	637,432
In-kind donations	824,800	-	824,800
Net assets released from restrictions	141,864	(141,864)	-
Total revenues and support	4,745,635	(141,864)	4,603,771
EXPENSES			
Program expenses	1,159,598	-	1,159,598
Management and general expenses	191,426	-	191,426
Fundraising expenses	3,718,004	-	3,718,004
Total expenses	5,069,028	-	5,069,028
OTHER CHANGES IN NET ASSETS			
Investment loss	(12,089)	-	(12,089)
Interest income	8,987	-	8,987
Promises to give written off	-	(633,362)	(633,362)
Total other changes in net assets	(3,102)	(633,362)	(636,464)
Change in net assets	(326,495)	(775,226)	(1,101,721)
Net assets, beginning of year	952,957	775,226	1,728,183
Net assets, end of year	\$ 626,462	\$ -	\$ 626,462

Celebrity Fight Night Foundation, Inc.
Statements of Functional Expenses

	Year Ended May 31, 2018			
	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Direct costs of special events	\$ -	\$ -	\$ 2,787,207	\$ 2,787,207
Contributions made	38,125	-	-	38,125
Salaries and payroll taxes	-	52,658	482,082	534,740
Rent	-	17,260	34,520	51,780
Public relations and advertising	-	42,864	385,773	428,637
Accounting and legal	-	13,917	27,835	41,752
Contract labor	-	15,194	30,388	45,582
Miscellaneous	-	-	29,789	29,789
Postage and shipping	-	1,499	2,999	4,498
Insurance	-	5,601	50,411	56,012
Office supplies	-	-	7,672	7,672
Website	-	1,318	2,636	3,954
Telephone	-	10,029	-	10,029
Subscriptions	-	21,388	-	21,388
Travel	-	-	4,596	4,596
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	\$ 38,125	\$ 181,728	\$ 3,845,908	\$ 4,065,761

Celebrity Fight Night Foundation, Inc.
Statements of Functional Expenses (continued)

	Year Ended May 31, 2017			
	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Direct costs of special events	\$ -	\$ -	\$ 2,653,935	\$ 2,653,935
Contributions made	1,159,598	-	-	1,159,598
Salaries and payroll taxes	-	51,442	462,048	513,490
Rent	-	17,616	35,231	52,847
Public relations and advertising	-	43,367	390,302	433,669
Accounting and legal	-	15,522	31,043	46,565
Contract labor	-	21,290	42,580	63,870
Miscellaneous	-	-	15,523	15,523
Postage and shipping	-	2,174	4,349	6,523
Insurance	-	4,714	42,429	47,143
Office supplies	-	-	8,002	8,002
Website	-	2,304	4,608	6,912
Telephone	-	10,022	-	10,022
Subscriptions	-	11,337	-	11,337
Travel	-	-	24,678	24,678
Accounts receivable written off	-	10,000	-	10,000
Depreciation	-	1,638	3,276	4,914
Total expenses	\$ 1,159,598	\$ 191,426	\$ 3,718,004	\$ 5,069,028

Celebrity Fight Night Foundation, Inc.
Statements of Cash Flows

	Years Ended May 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (398,177)	\$ (1,101,721)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	-	4,914
Accounts receivable and promises to give written off	-	643,362
Donated investments	(52,814)	(835,618)
Unrealized (gains) losses on investments	(2,094)	21,300
Change in assets and liabilities		
Accounts receivable	(200,114)	67,700
Promises to give	-	141,864
Related-party receivable	(160,000)	105,023
Prepaid and other assets	650	(650)
Accounts payable	378	18,716
Accrued liabilities	(77,000)	(30,400)
Agency liabilities	1,044,100	(239,000)
Deferred revenue	-	6,000
Net cash provided by (used in) operating activities	<u>154,929</u>	<u>(1,198,510)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(1,210)
Proceeds from sale of investments	235,100	890,594
Net cash provided by investing activities	<u>235,100</u>	<u>889,384</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	390,029	(309,126)
CASH AND CASH EQUIVALENTS, beginning of year	<u>602,471</u>	<u>911,597</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 992,500</u>	<u>\$ 602,471</u>

Celebrity Fight Night Foundation, Inc.

Notes to Financial Statements

Note 1 – Nature of Business

Celebrity Fight Night Foundation, Inc. (the “Organization”) is an Arizona not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization’s primary purpose is to plan and administer the annual “Celebrity Fight Night” charity event (“Phoenix event”). Celebrity Fight Night is a star-studded evening presented in honor of its featured guest, Muhammad Ali. Celebrities and professional athletes from all over the country participate in a night filled with incredible live auction items, and live musical performances by many of today’s brightest stars. The Muhammad Ali Parkinson Center at the Barrow Neurological Institute is a significant beneficiary of donations collected from this annual charity event.

The Organization collects donations for this charity event through a live auction, silent auction, table sales, event sponsors, general donations, and in-kind donations. The Organization also raises money through its “Founders Club” which is comprised of 54 and 22 couples as of May 31, 2018 and 2017, respectively. The members of the Founders Club contribute \$20,000 per year. Half of this money is for the benefit of charities specified by each Founders Club member.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The Organization 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. Net asset classifications are defined as follows:

Unrestricted – Unrestricted net assets represent resources that are not subject to donor-imposed restrictions and are available to support the Organization’s activities.

Temporarily restricted – Temporarily restricted net assets represent contributions that are limited in use in accordance with donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Organization according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and reported as unrestricted.

Permanently restricted net assets – Permanently restricted net assets represent contributions restricted by the donor for endowment that require the funds be invested permanently with the income or investment return to be made available for future use.

All 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 or permanently restricted. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

As of May 31, 2018 and 2017, the Organization did not have any temporarily or permanently restricted net assets.

Celebrity Fight Night Foundation, Inc.

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Accounting estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – The Organization considers all short-term highly liquid investments that are readily convertible to known amounts of cash, and have original maturities of three months or less as cash equivalents. At times, the Organization's cash and cash equivalent balances in financial institutions may exceed FDIC limits. The Organization has not experienced any losses in such accounts.

Investments – Investments are reported at fair value, with realized and unrealized gains and losses included in the statements of activities. Investments consist solely of domestic common stock. Fair value for these investments is based upon the closing price reported on the active market on which the individual securities are traded. Realized gains or losses are recorded using the specific identification method. Investment transactions, including transfers between the levels of fair value inputs, are recognized as of the date of the end of the year.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Accounts receivable – Accounts receivable are stated at the amount management expects to collect under the terms of the agreements. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. The Organization did not deem any accounts uncollectible during the year ended May 31, 2018. The Organization wrote off \$10,000 of accounts receivable deemed to be uncollectible during the year ended May 31, 2017. All accounts receivable at May 31, 2018 and 2017, are considered by management to be fully collectible and accordingly, an allowance for uncollectible accounts has not been provided.

Promises to give – Promises to give represent an unconditional promise to give by donors and are subject to credit risk of the individual donor. Promises to give are recorded as contribution revenue when received. Management reviews promises to give periodically for collectability. Promises to give are written off when deemed uncollectible in the statements of activities. A conditional promise to give occurs when a donor promises to contribute assets to an organization only if specified future and uncertain events occur. A conditional promise to give is unconditional if the possibility that the condition will not be met is remote. Conditional promises to give are not recorded in the financial statements.

Unconditional promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are initially reported at fair value.

Celebrity Fight Night Foundation, Inc. Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

There were no write-offs of promises to give during the year ended May 31, 2018. The Organization wrote off \$633,362 of promises to give deemed to be uncollectible during the year ended May 31, 2017 (See Note 4).

Property, equipment, and depreciation – The Organization capitalizes all expenditures in excess of \$500 for property and equipment at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed. At the time assets are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to changes in net assets. Depreciation is computed on a straight-line basis over terms ranging from five to seven years for financial reporting purposes.

As of May 31, 2018 and 2017, there was \$29,390 of office equipment which was fully depreciated.

Agency transactions – The Organization collects contributions (including promises to give) on behalf of unrelated not-for-profit entities and remits such contributions directly to these entities as directed by donors. The Organization records these transactions as an increase in cash (or promises to give if cash is not collected during the event) and agency liabilities in the statements of financial position. The cash received in connection with these agency transactions is not required to be segregated in a separate account. The Organization does not guarantee the collectability of promises to give as they are subject to the credit risk of the individual donor. To the extent promises to give are not ultimately collected, the Organization will reduce the amount of its agency liability by this amount.

Deferred revenue – Deferred revenue consists of cash received in advance for the Celebrity Fight Night event in the following fiscal year and will be recognized as revenue upon occurrence of the event.

Special events revenue – Special events revenue is comprised of proceeds from table sales, the live and silent auction, and sponsorship for the annual Celebrity Fight Night fundraising event. Special events revenue is recorded net of proceeds from the live auction that represent agency transactions. These agency transaction amounts totaled \$104,000 and \$125,000 for the years ended May 31, 2018 and 2017, respectively. During the year ended May 31, 2018, the Organization also raised donations during the event for the Alzheimer's and Memory Disorders Program at Barrow Neurological Institute totaling \$858,125, recorded as agency transactions. The direct costs associated with organizing and conducting special events are recorded as fundraising expenses on the statements of activities and changes in net assets.

Celebrity Fight Night Foundation, Inc.

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Contribution revenue and support – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets less contributions representing agency transactions. These agency transaction amounts totaled \$470,000 and \$180,000 for the years ended May 31, 2018 and 2017, respectively. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the discounted present value of future contributions. Gifts of goods and equipment are reported at fair value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Absent donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services – A substantial number of volunteers donate time to the Organization's program services and fund-raising campaigns; however, these donated services are not reflected in the financial statements since these services do not require specialized skills. A number of entertainers donate their time and skills to the Organization for the night of the Organization's main event. The Organization recognizes amounts as in-kind donation revenue and entertainment expense. As of May 31, 2018 and 2017, in-kind donations in the amount of \$867,000 and \$824,800, respectively, represent donated live auction items and event sponsorships.

Allocation of expenditures – The costs of providing the various program services and supporting activities of the Organization have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program services and supporting activities based upon the nature of the services provided or allocated based on management's estimates. Program expenses consist of donations made to various charitable organizations based on available funds. Management and general expenses and fundraising expenses consist primarily of general overhead expenses as summarized in the statements of functional expenses.

Public relations and advertising – Advertising and promotional costs are charged to operations as incurred. Advertising and promotional expenses totaled \$428,637 and \$433,669, for the years ended May 31, 2018 and 2017, respectively.

Income tax status – The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and under Section 43, 1201(4) of the Arizona Revised Statutes. The Organization files an exempt organization return in the United States federal jurisdiction and with the State of Arizona. The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. As of May 31, 2018, the Organization had no uncertain tax positions.

Note 2 – Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. This guidance was scheduled to be effective at the beginning of the Organization's 2019 fiscal year and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. However, on July 9, 2015, the FASB approved a proposal to defer the effective date of the new revenue standard by one year, but will permit entities to adopt one year earlier if they choose (i.e., the original effective date). The deferral results in the new revenue standard being effective at the beginning of the Organization's 2020 fiscal year. The Organization will continue to evaluate the impact, if any, of adopting this new accounting standard on its financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* during August 2016. The ASU revises the current net asset classification requirements and information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The ASU is effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. Management is evaluating the effect that implementation of the ASU will have on the financial statements of the Organization.

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after the statement of financial position date and before financial statements are available to be issued.

The Organization has evaluated subsequent events through March 4, 2019, which is the date the financial statements are available to be issued.

Reclassifications – Certain amounts were reclassified in the 2017 financial statements to conform to the 2018 presentation. Such reclassifications had no impact on previously reported change in net assets.

Celebrity Fight Night Foundation, Inc.

Notes to Financial Statements

Note 3 – Investments and Fair Value of Assets

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table summarizes the valuation of the Organization's assets and liabilities measured at fair value on a recurring basis as of May 31:

	2018 (Level 1)	2017 (Level 1)
Domestic common stock	\$ 12,775	\$ 192,967

Note 4 – Promises to Give

In May 2015, the Organization received a conditional promise to give from a donor. The Organization would receive \$200,000 per annum for five years consisting of quarterly payments of \$50,000 starting August 31, 2015. The promise to give was restricted for the purpose of offsetting the current CEO's salaries. The donor reserved the right to revoke or amend the promise to give if the status of the current CEO changes. The Organization believed that a change in the status of the current CEO over the next five years was remote and therefore the promise was treated as an unconditional promise to give.

During the fiscal year ended May 31, 2017, the donor notified the Organization that it would cease making the quarterly payments even though the status of the current CEO did not change. The Organization wrote off the remaining uncollected balance of \$633,362.

Celebrity Fight Night Foundation, Inc. Notes to Financial Statements

Note 5 – Agency Liabilities

Agency liabilities consist of contributions received on behalf of unrelated nonprofit entities, but not yet paid by the Organization. As of May 31, 2018, total agency liabilities were \$1,054,100, of which \$889,100 was due to the Alzheimer's and Memory Disorders Program at Barrow Neurological Institute and the remainder due to various charities selected by Founders Club members and auction item donors. Total agency liabilities were \$10,000 as of May 31, 2017, due to a charity selected by a Founders Club member.

Note 6 – Retirement Plan

The Organization has established a defined contribution plan as authorized under Internal Revenue Code Section 401(k). The Plan requires the Organization to match 50% of employee contributions up to 6% of the employee's salary. The Organization made contributions of \$9,478 and \$10,873 for the years ended May 31, 2018 and 2017, respectively.

Note 7 – Related-Party Transactions

Celebrity Fight Night Foundation International, Inc. (CFNF Int'l) was established in January 2015, and granted status as a 501(c)(3) entity in January 2016. A member of the board of directors for the Organization serves on the board of directors of CFNF Int'l. The Organization does not have a majority voting interest, economic interest, or control over CFNF Int'l. Therefore, the operations of CFNF Int'l are not consolidated with the Organization, and are not presented within these financial statements.

The Organization pays certain expenses on behalf of CFNF Int'l for which it is subsequently reimbursed. As of May 31, 2018, the Organization had \$160,000 due from CFNF Int'l. There was no receivable balance from CFNF Int'l as of May 31, 2017. The Organization contributed \$171,798 to CFNF Int'l during the year ended May 31, 2017, included in program expenses. There were no such contributions during the year ended May 31, 2018.

Note 8 – Commitments

The Organization has a commercial rental agreement to lease a facility in Phoenix, Arizona for a 39-month period ending February 28, 2020. The monthly rent payments start at \$3,683 per month and increases by \$110 every 12 months. Rent expense for the facilities was approximately \$51,780 and \$52,847 for the years ended May 31, 2018 and 2017, respectively.

Future minimum rental payments due under the lease are as follows:

Year ending May 31,	
2019	\$ 53,072
2020	<u>40,843</u>
	<u>\$ 93,915</u>

Celebrity Fight Night Foundation, Inc.

Notes to Financial Statements

Note 9 – Concentrations

Table sales and live auction sales represent a significant portion of gross revenue for the Arizona event as set forth in the table below for the years ended:

	<u>2018</u>	<u>2017</u>
Table sales	61%	54%
Live auction sales	32%	32%

During the year ended May 31, 2018, there was no concentration within table sales and live auction sales. During the years ended May 31, 2017, approximately 13% of total table sales and live auction sales was contributed by one individual. During the year ended May 31, 2018 and 2017, 53% and 67%, respectively, of in-kind donations of services and merchandise were received from three individuals.

Note 10 – Charitable Support

In addition to contributions made directly to nonprofit entities, included in program expenses, the Organization raises certain funds on behalf of unrelated not-for-profit entities (See Note 2). The Organization also makes contributions to unrelated nonprofit entities in exchange for certain auction items and celebrity performances during the event, included in fundraising expenses on the statements of activities and changes in net assets. The table below summarizes all sources of support for unrelated nonprofit entities for the years ended May 31:

	<u>2018</u>	<u>2017</u>
Contributions made	\$ 38,125	\$ 1,159,598
Special events revenue designated by donors for other nonprofit entities	962,125	125,000
Founders Club contributions designated for other nonprofit entities	470,000	180,000
Payments made to nonprofit entities in exchange for celebrity performances	145,000	135,000
Payments made to nonprofit entities for the purchase of auction items	-	51,825
Total charitable support	<u>\$ 1,615,250</u>	<u>\$ 1,651,423</u>