

TULSA OPERA, INC.
Combined Financial Statements
Years Ended June 30, 2015 And 2014
With
Independent Auditor's Report

TULSA OPERA, INC.

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Independent Auditor's Report

To the Board of Directors
Tulsa Opera, Inc.

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Tulsa Opera, Inc., which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities, and combined cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Tulsa Opera, Inc. as of June 30, 2015 and 2014, 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.

MORSE & CO., PLLC

Tulsa, Oklahoma
April 21, 2016

TULSA OPERA, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 182,672	\$ 122,820	\$ 305,492
Accounts receivable	16,491	-	16,491
Deferred production costs and other prepaid expenses	60,614	-	60,614
Property and equipment, net	242,303	-	242,303
Endowment investments	-	3,503,573	3,503,573
Beneficial interest in assets held by others	-	281,122	281,122
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 502,080</u>	<u>\$ 3,907,515</u>	<u>\$ 4,409,595</u>

LIABILITIES AND NET ASSETS

Liabilities			
Accounts payable and accrued expenses	\$ 106,971	\$ -	\$ 106,971
Deferred revenues	266,604	-	266,604
Line of credit	160,000	-	160,000
Note payable	1,000,000	-	1,000,000
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,533,575</u>	<u>-</u>	<u>1,533,575</u>
Net assets			
Unrestricted	(1,033,603)	2,297,048	1,263,445
Temporarily restricted	-	-	-
Permanently restricted	2,108	1,610,467	1,612,575
	<u> </u>	<u> </u>	<u> </u>
Total net assets	<u>(1,031,495)</u>	<u>3,907,515</u>	<u>2,876,020</u>
Total liabilities and net assets	<u>\$ 502,080</u>	<u>\$ 3,907,515</u>	<u>\$ 4,409,595</u>

See independent auditor's report and accompanying notes to combined financial statements.

TULSA OPERA, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 33,550	\$ -	\$ 33,550
Accounts receivable	24,160	-	24,160
Deferred production costs and other prepaid expenses	6,722	-	6,722
Property and equipment, net	274,979	-	274,979
Endowment investments	-	3,518,429	3,518,429
Beneficial interest in assets held by others	-	304,983	304,983
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 339,411</u>	<u>\$ 3,823,412</u>	<u>\$ 4,162,823</u>

LIABILITIES AND NET ASSETS

Liabilities			
Accounts payable and accrued expenses	\$ 116,897	\$ -	\$ 116,897
Deferred revenues	221,524	-	221,524
Line of credit	142,184	-	142,184
Note payable	1,000,000	-	1,000,000
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,480,605</u>	<u>-</u>	<u>1,480,605</u>
Net assets			
Unrestricted	(1,143,302)	2,233,434	1,090,132
Temporarily restricted	-	79,510	79,510
Permanently restricted	2,108	1,510,468	1,512,576
	<u> </u>	<u> </u>	<u> </u>
Total net assets	<u>(1,141,194)</u>	<u>3,823,412</u>	<u>2,682,218</u>
Total liabilities and net assets	<u>\$ 339,411</u>	<u>\$ 3,823,412</u>	<u>\$ 4,162,823</u>

See independent auditor's report and accompanying notes to combined financial statements.

TULSA OPERA, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Contributions and grants	\$ 1,754,577	\$ 130,000	\$ 99,999	\$ 1,984,576
In-kind	37,850	-	-	37,850
Subscriptions and ticket sales	329,578	-	-	329,578
Special events	429,760	-	-	429,760
Gain (loss) on investments (realized and unrealized), net of investment advisory fees of \$26,178	28,402	-	-	28,402
Dividends and interest	62,159	-	-	62,159
Other	37,465	-	-	37,465
Net assets released from restriction	209,510	(209,510)	-	-
Total revenue	<u>2,889,301</u>	<u>(79,510)</u>	<u>99,999</u>	<u>2,909,790</u>
Expenses				
Artistic productions and education	1,532,156	-	-	1,532,156
Management and general	692,697	-	-	692,697
Marketing and ticket office	206,610	-	-	206,610
Development	90,475	-	-	90,475
Special events	194,050	-	-	194,050
Total expenses	<u>2,715,988</u>	<u>-</u>	<u>-</u>	<u>2,715,988</u>
Increase in net assets	173,313	(79,510)	99,999	193,802
Net assets, beginning of year	<u>1,090,132</u>	<u>79,510</u>	<u>1,512,576</u>	<u>2,682,218</u>
Net assets, end of year	<u>\$ 1,263,445</u>	<u>\$ -</u>	<u>\$ 1,612,575</u>	<u>\$ 2,876,020</u>

See independent auditor's report and accompanying notes to combined financial statements.

TULSA OPERA, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Contributions and grants	\$ 1,112,936	\$ 362,350	\$ -	\$ 1,475,286
Subscriptions and ticket sales	330,706	-	-	330,706
Special events	179,450	-	-	179,450
Gain (loss) on investments (realized and unrealized), net of investment advisory fees of \$25,384	489,580	-	-	489,580
Dividends and interest	84,069	-	-	84,069
Loss on disposal of assets	(13,035)	-	-	(13,035)
Other	34,959	-	-	34,959
Net assets released from restriction	362,350	(362,350)	-	-
Total revenue	<u>2,581,015</u>	<u>-</u>	<u>-</u>	<u>2,581,015</u>
Expenses				
Artistic productions and education	1,433,408	-	-	1,433,408
Management and general	456,116	-	-	456,116
Marketing and ticket office	201,564	-	-	201,564
Development	200,375	-	-	200,375
Special events	84,123	-	-	84,123
Total expenses	<u>2,375,586</u>	<u>-</u>	<u>-</u>	<u>2,375,586</u>
Increase (decrease) in net assets	205,429	-	-	205,429
Net assets, beginning of year	<u>884,703</u>	<u>79,510</u>	<u>1,512,576</u>	<u>2,476,789</u>
Net assets, end of year	<u>\$ 1,090,132</u>	<u>\$ 79,510</u>	<u>\$ 1,512,576</u>	<u>\$ 2,682,218</u>

See independent auditor's report and accompanying notes to combined financial statements.

TULSA OPERA, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 193,802	\$ 205,429
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,676	31,292
Loss on disposal of equipment and production assets	-	13,035
Net investment losses (gains)	(54,580)	(514,956)
Change in assets and liabilities:		
Accounts receivable	7,670	(18,167)
Contributions and grants receivable	-	51,870
Deferred production costs and other prepaid expenses	(53,892)	2,883
Accounts payable and accrued expenses	(9,926)	42,974
Deferred revenues	45,080	14,836
Total adjustments	<u>(32,972)</u>	<u>(376,233)</u>
Net cash provided by (used in) operating activities	<u>160,830</u>	<u>(170,804)</u>
Cash flows from investing activities		
Purchase of equipment and production assets	-	(62,478)
Change in investments, net	93,296	41,350
Net cash provided by (used in) investing activities	<u>93,296</u>	<u>(21,128)</u>
Cash flows from financing activities		
Cash proceeds from line of credit	160,000	642,635
Repayment of line of credit	(142,184)	(915,451)
Repayment of note payable	-	446,468
Net cash provided by (used in) financing activities	<u>17,816</u>	<u>173,652</u>
Change in cash and cash equivalents	271,942	(18,280)
Cash and cash equivalents, beginning of year	<u>33,550</u>	<u>51,830</u>
Cash and cash equivalents, end of year	<u>\$ 305,492</u>	<u>\$ 33,550</u>
Supplemental disclosure of cash flows:		
Cash paid for interest	<u>\$ 31,499</u>	<u>\$ 39,984</u>

See independent auditor's report and accompanying notes to combined financial statements.

TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization - Tulsa Opera, Inc. ("Opera") is an Oklahoma nonprofit corporation formed for the purpose of furthering the appreciation of music, particularly opera, for the general public. Tulsa Opera reaches the general public through opera performances, education, and outreach. The majority of gifts are received from a broad base of contributors who are committed to supporting the arts in the Tulsa area.

Principles of Combination - The accompanying financial statements include the combined accounts of Tulsa Opera, Inc. and its related endowment account, Tulsa Opera Endowment Trust I. All significant related transactions have been eliminated.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principals. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Temporarily restricted - Net assets subject to donor-imposed restrictions which can be fulfilled, either by actions of the Opera and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets in the period such restrictions are satisfied and reported in the statement of activities as net assets released from restrictions.

Permanently restricted - Net assets subject to donor-imposed restrictions whereby the donor has explicitly expressed that the income earned on their donations may be expended for Opera activities while the corpus is to remain intact.

Cash and Cash equivalents - Cash and cash equivalents include cash on hand, cash in bank accounts, and investments with initial maturities of three months or less, except for deposits from contributions that have donor-imposed restrictions limiting their use to long-term investments.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statement of financial position, with investment income, gains, and losses included in the statement of activities.

The fair values of investments are generally determined based on quoted market prices or estimates of fair value provided by external investment managers. The amounts the Opera will ultimately realize could differ materially, and significant fluctuations in fair values could occur from year to year. Investment gains and losses generally increase or decrease the Opera's unrestricted net assets unless the terms of the gift or applicable law impose restrictions on the use of income or gains and losses.

(Continued)

TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants Receivable - Contributions and grants are recorded at fair value at the time an unconditional promise is made. Conditional promises to give are not recorded until the condition is substantially met. Receivables are generally collectible within one year and management believes that no material losses will be incurred from receivables. Amounts the Opera will ultimately realize could materially differ from management's estimates.

Property and Equipment - Property and equipment are recorded at cost if purchased. Donations of property and equipment are recorded as support at the estimated fair market 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 and equipment are reported as restricted support. Unless the donor has stipulated how long donated assets must be maintained, Opera reports the expiration of donor restrictions when the donated or acquired assets are placed in service; at that time, the assets are transferred from restricted net assets to unrestricted net assets. Property and equipment are depreciated using the straight-line method. The Opera follows the practice of capitalizing expenditures for property and equipment in excess of \$2,500 with a useful life of more than one year.

The Opera records impairments to its property and equipment when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by the Opera based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were recorded in 2015 or 2014.

Beneficial Interest in Assets Held by Others - Beneficial interest in assets held by others represents amounts contributed by the Opera to establish certain donor-advised philanthropic funds ("Funds") within the Tulsa Community Foundation ("Foundation"). The Funds are intended for the benefit of the Opera. While the Opera has the right to recommend distributions from the funds, distributions from the funds will be made at the sole discretion of the Foundation's Board of Trustees. The funds are carried at fair market value. Unrealized gains and losses are included in the Statement of Activities.

The Organization has additional investments with the Tulsa Community Foundation of \$323,282 and \$329,560 at June 30, 2015 and 2014, respectively, which includes contributions made by others for the benefit of Tulsa Opera, Inc. The Foundation has the power to modify the donor's stipulations under certain conditions as the Foundation monitors the changing needs of the community. As such, this amount is not included as an asset, but distributions are recorded when received.

Artistic Productions - Opera subscriptions, individual ticket sales, and related productions costs are recognized in the fiscal year in which the performances are presented. Proceeds from advance ticket sales are recorded as deferred revenues.

(Continued)

TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses - The costs of providing programs and other supporting activities have been summarized on a functional basis in the statement of activities.

Income Taxes - The most recent determination letter from the Internal Revenue Service states that the Opera is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Opera will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred. The Opera is no longer subject to Federal and State tax examinations by tax authorities for years before 2012.

Advertising Costs - The Opera expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2015 and 2014, was \$129,227 and \$114,373, respectively.

Estimates - The preparation of financial statements in conformity with accounting principals 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 revenue and expense during the reported period. Actual results could differ from those estimates.

Contributed Services and Assets - During the years ended June 30, 2015 and 2014, Opera received services contributed by volunteers. A significant amount of those donated services are not reflected in the financial statements because they do not meet the criteria for recognition of such volunteer efforts. Additionally, the value of contributed services which did meet the requirements for recognition in the financial statements was not material and has not been recorded. Opera did not maintain adequate accounting records during 2014 to allow the recording of in-kind donations.

Fair Value Measurements - The Organization has determined the fair value of certain assets and liabilities. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Opera employs valuation techniques which maximize the use of observable inputs and minimize the use of unobservable inputs.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Subsequent Events - The Opera has evaluated subsequent events through April 21, 2016, the date the financial statements were available to be issued.

(Continued)

TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 2 -ENDOWMENT INVESTMENTS

The fair value of endowment investments is as follows:

	2015	2014
Equity investments	\$ 2,435,926	\$ 2,246,393
Fixed income	1,067,647	1,027,499
Land	-	82,500
Short-term investments	104,750	162,037
	<u>\$ 3,608,323</u>	<u>\$ 3,518,429</u>

The cost of endowment investments is as follows:

	2015	2014
Equity investments	\$ 1,437,947	\$ 1,306,769
Fixed income	1,064,662	1,005,230
Land	-	82,500
Short-term investments	104,750	162,037
	<u>\$ 2,607,359</u>	<u>\$ 2,556,536</u>

NOTE 3 - FAIR VALUE MEASUREMENTS

Assets measured at fair value on a recurring basis are as follows:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets of Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2015			
Endowment Investments	\$ 3,503,573	\$ -	-
Beneficial interest in assets held by others	-	281,122	-
Total Assets	<u>\$ 3,503,573</u>	<u>\$ 281,122</u>	<u>-</u>
December 31, 2014			
Endowment Investments	\$ 3,273,892	\$ -	-
Beneficial interest in assets held by others	-	304,983	-
Total Assets	<u>\$ 3,273,892</u>	<u>\$ 304,983</u>	<u>\$ -</u>

The beneficial interest in assets held by Tulsa Community Foundation are carried at fair value, which is based upon quoted market prices at December 31, 2015 and 2014. Amounts subject to the variance power of the Tulsa Community Foundation are not recorded as an asset of the Opera.

(Continued)

TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 4 - INVESTMENTS

Investment income and gains and losses on investments consist of the following for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 62,159	\$ 84,069
Realized gain/loss on investments	54,580	159,918
Net change in unrealized gains (losses) on investments	<u>-</u>	<u>355,046</u>
Net investment gain	<u>\$ 116,739</u>	<u>\$ 599,033</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Buildings and improvements	\$ 347,286	\$ 347,286
Land	106,837	106,837
Furniture, fixtures, and equipment	354,546	354,546
Automobiles	<u>42,615</u>	<u>42,615</u>
Total property and equipment	851,284	851,284
Less accumulated depreciation	<u>(608,981)</u>	<u>(576,305)</u>
Net property and equipment	<u>\$ 242,303</u>	<u>\$ 274,979</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Contributed land	<u>\$ -</u>	<u>\$ 79,510</u>

The land was purchased by Tulsa Opera Endowment from Tulsa Opera, Inc. during 2014.

During the years ended June 30, 2015 and 2014, net assets in the amount of \$209,510, and \$362,350, respectively, were released from donor restrictions by incurring expenses for the purchase of a vehicle, computers, artistic productions and education.

Permanently restricted net assets consist of the following:

	<u>2015</u>	<u>2014</u>
Perpetual Endowment	<u>\$ 1,612,575</u>	<u>\$ 1,512,576</u>

(Continued)

TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 7 - LINE OF CREDIT

The Opera has a line-of-credit agreement which allows for maximum borrowings of \$200,000 with a local bank. The line is non collateralized and requires monthly interest payments of 3 percent. The line of credit was modified and issued on April 29, 2014. The modification decreased the maximum borrowing amount from \$600,000 to \$200,000. As of June 30, 2015 and June 30, 2014 the balances were, \$160,000 and \$142,184, respectively. Subsequent to year end, a modification was made to the agreement that decreased maximum borrowings to \$160,000.

NOTE 8 - NOTE PAYABLE

The note payable consists of a long-term note with an original balance of \$600,075 and an interest rate of 4.6%. The term is 35 months with a balloon payment in the 36th month. The note commenced in January of 2011 and matured in January, 2014. In April, 2014, Opera entered into a new agreement with the lender increasing the note balance to \$1,000,000 and granted a security interest to all future cash proceeds and non-cash proceeds of all nature and kinds, including without limitation, all rights to payment, all stock rights, dividends and stock splits, and anything acquired upon the sale, lease, license, exchange or other disposition of any of the foregoing. As of June 30, 2015 and 2014 commitments by year were, \$1,000,000 and \$1,000,000, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

During 2014, the Opera updated the structure of artists contracts and set and costume rentals. Contracts must be signed and returned to the Opera by March 15. Contracts received by the Opera subsequent to March 15 are null and void. The Opera received contracts during June and July of 2014, which according to Organizational policy are not recorded as commitments. There were no commitment balances outstanding for the years ended June 30, 2015 and 2014.

NOTE 10 - LEASES

The Opera leases various equipment and a storage facility under non-cancellable operating lease agreements which expired at various dates through 2014. No new lease agreements were entered into by Tulsa Opera during 2015. Total rent expense was \$77,270 and \$93,654 for the years ended June 30, 2015 and 2014, respectively.

NOTE 11 - EMPLOYEE BENEFIT PLANS

Tulsa Opera, Inc. has adopted a 403(b) retirement plan which allows certain employees, based on eligibility, the option to make tax deferred contributions. Matching contributions from Tulsa Opera, Inc. are discretionary for employees with more than one year of service. The board has suspended matching contributions for 2015 and 2014.

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TULSA OPERA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 12 - CONCENTRATIONS OF CREDIT RISK

The Opera had agreements with the local American Federation of Musicians Union for performances in Opera productions during fiscal years 2015 and 2014.

The Opera's financial instruments exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains its cash balances at local banks. At June 30, 2015 and 2014, the balances were insured by the Federal Deposit Insurance Corporation. At times, the Opera's deposits may exceed insured amounts. Management believes the risk related to these deposits are minimal.