

**HELEN WOODWARD ANIMAL CENTER
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

HELEN WOODWARD ANIMAL CENTER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Helen Woodward Animal Center

We have audited the accompanying financial statements of Helen Woodward Animal Center, a nonprofit organization, which comprise the statements of financial position as of December 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 audit. We conducted our audit 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 from 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 Helen Woodward Animal Center, a nonprofit organization, as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature in cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE
An accountancy corporation

July 30, 2019

**HELEN WOODWARD ANIMAL CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

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	2018	2017
ASSETS		
Cash and cash equivalents	\$ 7,312,302	\$ 7,303,620
Accounts receivable	73,468	62,349
Inventory	25,958	24,544
Prepaid expenses	66,111	54,544
Contributions receivable (note 3)	5,817,927	7,521,963
Investments (note 4)	7,383,194	8,259,610
Beneficial interest in trusts (note 5)	1,611,447	1,942,144
Life insurance premium account (note 6)	-	525,019
Property and equipment (note 8)	15,463,175	9,669,280
Investment in San Diego Foundation (note 9)	15,812	16,718
Investment in Rancho Santa Fe Foundation (note 10)	21,835	23,310
Other assets	10,600	10,600
	37,801,829	35,413,701
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	1,212,577	377,473
Accrued payroll	160,602	152,200
Accrued compensated absences	288,588	268,724
Deferred compensation (note 11)	-	15,000
Security deposits	3,320	3,520
	1,665,087	816,917
TOTAL LIABILITIES	1,665,087	816,917
NET ASSETS		
Net assets without donor restrictions		
Undesignated	19,621,004	16,153,189
Board designated	4,513,200	4,150,678
	24,134,204	20,303,867
Net assets with donor restrictions (note 14)		
Purpose restricted	4,549,659	5,136,002
Time restricted for future periods	5,817,927	7,521,963
Perpetual in nature	1,634,952	1,634,952
	12,002,538	14,292,917
TOTAL NET ASSETS	36,136,742	34,596,784
TOTAL LIABILITIES AND NET ASSETS	\$ 37,801,829	\$ 35,413,701

See accompanying notes

**HELEN WOODWARD ANIMAL CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE			
Contributions	\$ 2,370,723	\$ 4,420,507	\$ 6,791,230
Fees	5,022,396	-	5,022,396
Investment return (note 4)	(578,295)	-	(578,295)
Special events (less: direct benefit to donors of \$18,600)	1,319,388	-	1,319,388
Sales	633,471	-	633,471
Other income	127,356	-	127,356
Rents	31,881	-	31,881
Contributed goods	186,627	-	186,627
Change in value of split-interest agreements	-	8,673	8,673
	<u>9,113,547</u>	<u>4,429,180</u>	<u>13,542,727</u>
NET ASSETS RELEASED FROM RESTRICTION	6,719,559	(6,719,559)	-
EXPENSES:			
Program	8,439,005	-	8,439,005
Fundraising	2,415,755	-	2,415,755
Management and general	993,837	-	993,837
	<u>11,848,597</u>	<u>-</u>	<u>11,848,597</u>
COST OF SALES	<u>154,172</u>	<u>-</u>	<u>154,172</u>
TOTAL EXPENSES	<u>12,002,769</u>	<u>-</u>	<u>12,002,769</u>
CHANGE IN NET ASSETS	3,830,337	(2,290,379)	1,539,958
NET ASSETS, BEGINNING OF YEAR	<u>20,303,867</u>	<u>14,292,917</u>	<u>34,596,784</u>
NET ASSETS, END OF YEAR	<u>\$ 24,134,204</u>	<u>\$ 12,002,538</u>	<u>\$ 36,136,742</u>

See accompanying notes

HELEN WOODWARD ANIMAL CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE			
Contributions	\$ 1,624,333	\$ 4,325,654	\$ 5,949,987
Fees	5,146,766	-	5,146,766
Investment return (note 4)	1,251,212	-	1,251,212
Special events (less: direct benefit to donors of \$22,140)	1,136,725	-	1,136,725
Sales	632,670	-	632,670
Other income	148,133	-	148,133
Rents	31,761	-	31,761
Contributed goods	157,654	-	157,654
Change in value of split-interest agreements	-	26,486	26,486
	10,129,254	4,352,140	14,481,394
NET ASSETS RELEASED FROM RESTRICTION	3,889,046	(3,889,046)	-
EXPENSES:			
Program	8,130,956	-	8,130,956
Fundraising	2,599,867	-	2,599,867
Management and general	936,274	-	936,274
	11,667,097	-	11,667,097
COST OF SALES	181,590	-	181,590
TOTAL EXPENSES	11,848,687	-	11,848,687
CHANGE IN NET ASSETS	2,169,613	463,094	2,632,707
NET ASSETS, BEGINNING OF YEAR	18,134,254	13,829,823	31,964,077
NET ASSETS, END OF YEAR	\$ 20,303,867	\$ 14,292,917	\$ 34,596,784

See accompanying notes

**HELEN WOODWARD ANIMAL CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	PROGRAM SERVICES										FUNDRAISING ACTIVITIES			
	COMPANION ANIMAL HOSPITAL	EQUINE HOSPITAL	ADOPTIONS	BOARDING	EDUCATION	THERAPEUTIC RIDING	PET ENCOUNTER THERAPY	ANIMALS	PROGRAM SERVICES	FUNDRAISING	SPECIAL EVENTS	TOTAL FUNDRAISING ACTIVITIES	MANAGEMENT AND GENERAL	TOTAL
EXPENSES														
Salaries, wages and related benefits	\$ 1,060,015	\$ 511,989	\$ 1,519,690	\$ 983,333	\$ 655,579	\$ 338,752	\$ 258,521	\$ 45,163	\$ 5,373,042	\$ 1,231,078	\$ -	\$ 1,231,078	\$ 596,129	\$ 7,200,249
Operating supplies and expenses	573,567	230,097	368,248	237,053	130,847	58,446	25,940	75,542	1,699,740	219,001	15,830	234,831	170,393	2,104,964
Printing, advertising, and postage	1,564	2,407	11,410	2,104	26,110	1,131	1,140	1,105	46,971	173,430	127,608	301,038	972	348,981
Outside services	6,647	30,098	237,333	104,267	17,613	4,755	497	-	401,210	81,828	82,346	164,174	1,032	566,416
Other	28,298	26,516	22,971	41,050	33,458	5,974	79	-	158,346	55,139	56,457	111,596	4,299	274,241
Maintenance, repairs and equipment rental	20,812	6,403	6,357	1,803	4,437	1,871	1,700	411	43,794	3,907	25,821	29,728	190	73,712
Donated goods and services	130	1,070	148,386	1,378	6,811	10,225	200	13,153	181,353	1,229	118,380	119,609	4,045	305,007
Office expenses	3,124	529	7,641	2,330	709	269	159	220	14,981	4,455	766	5,221	300	20,502
Capital campaign expenses	-	-	-	-	-	-	-	-	-	139,281	-	139,281	-	139,281
Total expenses before depreciation	1,694,157	809,109	2,322,036	1,373,318	875,564	421,423	288,236	135,594	7,919,437	1,909,348	427,208	2,336,556	777,360	11,033,353
Depreciation	331,542	62,859	41,046	33,127	16,328	12,882	19,978	1,806	519,568	97,799	-	97,799	216,477	833,844
TOTAL EXPENSES	2,025,699	871,968	2,363,082	1,406,445	891,892	434,305	308,214	137,400	8,439,005	2,007,147	427,208	2,434,355	993,837	11,867,197
Less: Direct benefits to donors at special events	-	-	-	-	-	-	-	-	-	-	-	(18,600)	-	(18,600)
Included in revenue	-	-	-	-	-	-	-	-	-	-	-	(18,600)	-	(18,600)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 2,025,699	\$ 871,968	\$ 2,363,082	\$ 1,406,445	\$ 891,892	\$ 434,305	\$ 308,214	\$ 137,400	\$ 8,439,005	\$ 2,007,147	\$ 408,608	\$ 2,415,755	\$ 993,837	\$ 11,848,597

See accompanying notes

**HELEN WOODWARD ANIMAL CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	PROGRAM SERVICES										FUNDRAISING ACTIVITIES			
	COMPANION ANIMAL HOSPITAL	EQUINE HOSPITAL	ADOPTIONS	BOARDING	EDUCATION	THERAPEUTIC RIDING	PET ENCOUNTER THERAPY	ANIMALS	TOTAL PROGRAM SERVICES	FUNDRAISING	SPECIAL EVENTS	TOTAL FUNDRAISING ACTIVITIES	MANAGEMENT AND GENERAL	TOTAL
EXPENSES														
Salaries, wages and related benefits	\$ 891,052	\$ 544,692	\$ 1,561,609	\$ 902,176	\$ 625,019	\$ 358,527	\$ 242,059	\$ 42,604	\$ 5,167,738	\$ 1,233,657	\$ -	\$ 1,233,657	\$ 538,885	\$ 6,940,280
Operating supplies and expenses	470,187	284,585	371,143	226,223	135,581	63,582	23,494	66,017	1,640,812	204,556	22,828	227,384	166,564	2,034,760
Printing, advertising, and postage	3,000	1,684	6,395	1,979	21,519	1,019	1,101	994	37,691	130,764	140,719	271,483	924	310,098
Outside services	8,562	30,044	277,575	85,052	17,125	8,262	98	5	426,723	59,225	84,991	144,216	947	571,886
Other	31,158	30,339	29,639	35,838	29,510	5,182	1,353	-	163,019	65,111	45,556	110,667	5,198	278,884
Maintenance, repairs and equipment rental	13,141	8,770	6,326	1,396	3,862	2,194	708	400	36,797	5,414	29,957	35,371	152	72,320
Donated goods and services	250	90	117,573	1,604	7,418	7,830	-	16,794	151,559	1,361	131,108	132,469	4,734	288,762
Office expenses	5,394	586	8,150	2,120	652	68	154	8	17,132	3,293	2,504	5,797	244	23,173
Capital campaign expenses	-	-	-	-	-	-	-	-	-	364,132	-	364,132	-	364,132
Total expenses before depreciation	1,422,744	900,790	2,378,410	1,256,388	840,686	446,664	268,967	126,822	7,641,471	2,067,513	457,663	2,525,176	717,648	10,884,295
Depreciation	317,858	55,284	37,601	31,419	13,871	12,238	19,328	1,886	489,485	96,831	-	96,831	218,626	804,942
TOTAL EXPENSES	1,740,602	956,074	2,416,011	1,287,807	854,557	458,902	288,295	128,708	8,130,956	2,164,344	457,663	2,622,007	936,274	11,689,237
Less: Direct benefits to donors at special events	-	-	-	-	-	-	-	-	-	-	-	(22,140)	-	(22,140)
Included in revenue	-	-	-	-	-	-	-	-	-	-	-	(22,140)	-	(22,140)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	<u>\$ 1,740,602</u>	<u>\$ 956,074</u>	<u>\$ 2,416,011</u>	<u>\$ 1,287,807</u>	<u>\$ 854,557</u>	<u>\$ 458,902</u>	<u>\$ 288,295</u>	<u>\$ 128,708</u>	<u>\$ 8,130,956</u>	<u>\$ 2,164,344</u>	<u>\$ 435,523</u>	<u>\$ 2,599,867</u>	<u>\$ 936,274</u>	<u>\$ 11,667,097</u>

See accompanying notes

**HELEN WOODWARD ANIMAL CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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	2018	2017
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 1,539,958	\$ 2,632,707
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Depreciation	833,844	804,942
Net realized and unrealized (loss)/gain on investments	686,635	(1,163,071)
Change in value of split-interest agreements	(8,673)	(26,486)
Change in operating assets and liabilities:		
Accounts receivable	(11,119)	93,522
Inventory	(1,414)	3,639
Prepaid expenses, deposits, and other assets	(11,567)	(19,811)
Contributions receivable	1,712,709	(208,402)
Beneficial interest in trusts	196,102	(157,182)
Life insurance premium	525,019	(69,679)
Accounts payable and accrued expenses	835,104	103,622
Accrued payroll	8,402	25,375
Accrued compensated absences	19,864	7,556
Deferred compensation and benefits	(15,000)	(28,880)
Security deposit	(200)	
	4,769,706	(634,855)
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,309,664	1,997,852
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of property and equipment	(6,627,739)	(724,756)
Proceeds from sale of investments	790,821	893,266
Purchase of investments	(598,659)	(743,146)
Distribution received from beneficial interest in trusts	134,595	124,004
Principal payments on note receivable from related party	-	55,847
	(6,300,982)	(394,785)
CASH FLOWS USED BY FINANCING ACTIVITIES		
Debt forgiveness on note payable	-	(13,800)
Payments on capital leases	-	(10,874)
	-	(24,674)
NET INCREASE IN CASH	8,682	1,578,393
CASH, BEGINNING OF YEAR	7,303,620	5,725,227
CASH, END OF YEAR	\$ 7,312,302	\$ 7,303,620

See accompanying notes

**HELEN WOODWARD ANIMAL CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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NOTE 1 THE CENTER

Helen Woodward Animal Center (the "Center") is a nonprofit organization formed in California in June 1972. The Center was renamed in 1987 for Helen Woodward, the Center's founder and benefactor. The Center serves primarily San Diego County, California.

The Center conducts a variety of programs which benefit the community. The Center's pet placement service finds new homes for cats and dogs surrendered by their owners or rescued from organizations and cares for these animals prior to adoption. The Therapeutic Riding program benefits disabled children and adults, both physically and emotionally. The Pet Encounter Therapy program brings the joy of animals to persons confined in such facilities as homes for abused or homeless children, hospitals, and senior centers, and provides the same experience for groups that choose to visit the Center.

The Center also provides humane educational programs for children and adults on a variety of topics, including proper animal care and animal behavior, in hopes that participants gain greater respect and appreciation for all living things. In addition, the Center holds seminars for other animal welfare organizations, locally, nationally, and globally. The seminars are geared towards helping workers in the animal welfare industry apply business principles to saving animals. They learn how to grow and maintain their organizations. The Center's auxiliary services include AniMeals pet food supplements for the pets of homebound adults and tours for children and seniors.

The Center maintains a community equine hospital and animal boarding facilities. The hospital serves as a surgical and diagnostic facility for horses and other large exotic animals. The Center grants hospital privileges to large animal veterinarians in the County. The Center's pet boarding facility provides care and individual attention for small animals, primarily cats and dogs.

The Center also operates a small animal hospital open to all cats, dogs and small exotic animals. The hospital offers a variety of services including pet vaccinations, pet dentistry and emergency care.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The accompanying financial statements are prepared using the accrual method of accounting in conformity with generally accepted accounting principles.

Basis of presentation - The Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. New standards were issued regarding classification of endowment funds of nonprofits subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and enhanced disclosures for endowment. The State of California adopted UPMIFA in October 2008. The Center follows the new standards effective January 1, 2009.

Net assets without donor restrictions - Net assets without donor restrictions consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Center to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

**HELEN WOODWARD ANIMAL CENTER
NOTES TO THE FINANCIAL STATEMENTS
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Net assets with donor restrictions - Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Center may spend the funds. At December 31, 2018 and 2017, the Center had net assets with donor restrictions of \$12,007,548 and \$14,292,917, respectively.

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. Actual results could differ from estimates.

Cash and cash equivalents - The Center considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. The Center maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts. The Center believes it is not exposed to any significant credit risk on cash and cash equivalents. Included in cash as of December 31, 2018 and 2017 are balances of \$240,483 and \$464,881, respectively, held in money market accounts.

Accounts receivable - Accounts receivable totaling \$73,468 and \$62,349, net of an allowance for uncollectible accounts of \$243 and \$750 for the years ended December 31, 2018 and 2017, respectively, consist primarily of accounts receivable related to services performed at the equine hospital. Bad debts are accounted for using the specific identification method and are written-off after all collection attempts have been exhausted. Accordingly, bad debt expense is charged to operations in the year in which an account is determined uncollectible.

Inventory - Inventory consists of mainly pet supplies held for resale and is stated at the lower of cost or market. Cost is determined by the specific identification method.

Contributions - Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions unless specifically restricted by the donor or subject to other legal restrictions.

Contributions receivable - Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Conditional promises are not recognized until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows. The Center provides for probable losses on contributions receivable using the allowance method. The allowance is determined based on management's experience and collection efforts.

The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The interest rate used in computing the discount of estimated future cash flows was 4% for pledges received in 2018 and 2017.

**HELEN WOODWARD ANIMAL CENTER
NOTES TO THE FINANCIAL STATEMENTS
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Investments - The Center reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities. Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Fair value measurement - The Center follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Property and equipment - Land, building and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment is depreciated using the straight-line method over the estimated useful asset lives as follows:

Land improvements	7 - 25	years
Building and improvements	3 - 25	years
Equipment	3 - 18	years
Furniture and fixtures	3 - 20	years
Vehicles	5	years

The Center is currently raising funds for a capital campaign to renovate the Center. During 2011, the first of four construction phases was completed and placed in service. During 2018, the second phase was started and is expected to be completed by 2019. The Center has capitalized the costs related to the construction of the unfinished phases and will not begin depreciating those assets until they are placed in service. Construction in progress costs totaled \$7,205,723 and \$1,012,588 as of December 31, 2018 and 2017, respectively.

Maintenance, repairs and minor renewals are charged to operations as incurred. Upon sale or disposition of land, buildings and equipment, the asset account is relieved of the cost and the accumulated depreciation account is relieved of any depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings.

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Net assets without donor restrictions - It is policy of the Board of Directors of the Center to review its plans for future operating funds, equipment acquisitions and other reserves from time to time and to designate appropriate sums to assure adequate financing of such items. At December 31, 2018 and 2017, net assets without donor restrictions totaling \$4,513,200 and \$4,150,678, respectively, have been designated by the Board of Directors as an endowment for the purpose of securing the Center's long term financial viability.

Contributed services, materials, equipment, and food - The Center has received substantial donations of materials, equipment, food, and professional services. The donations of materials, food and other assets are recorded at their fair market value. The value of the donations received not relating to special events totaled \$186,627 and \$157,654 for the years ended December 31, 2018 and 2017, respectively.

The nature and extent of donated and contributed services received by the Center ranges from the limited participation of many individuals in fundraising activities to active participation in the Center's management and service programs during 2018 and 2017. The value of contributed time is not reflected in these statements since they do not require specialized skills.

Functional allocation of expenses - The Center allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Center's management.

The Center achieves some of its programmatic, management, and general goals in direct mail campaigns that consist of a newsletter that includes a request for contributions. The costs of conducting these campaigns include a total of \$29,153 and \$29,967 of joint costs for the years ended December 31, 2018 and 2017, respectively, not directly attributable to either program or management and general components or the fundraising component of the activities. These joint costs were allocated as follows:

	2018	2017
Adoptions	\$ 11,002	\$ 5,494
Fundraising	9,351	16,481
Companion animal hospital	1,100	999
Equine hospital	1,100	999
Boarding	1,100	999
Education	1,100	999
Therapeutic Riding	1,100	999
Pet Encounter Therapy	1,100	999
AniMeals	1,100	999
Management and general	1,100	999
	\$ 29,153	\$ 29,967

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NOTES TO THE FINANCIAL STATEMENTS
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Income taxes - The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Center follows accounting standards which provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt organization tax returns are more likely than not to be sustained upon examination. As of December 31, 2018 and 2017, the Center has not accrued interest or penalties related to uncertain tax positions. The Center files tax returns in the U.S. Federal jurisdiction and the State of California.

In August 2016, FASB issued Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). The update addresses the complexity and understandability of the net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Center’s management elected to adopt ASU 2016-14 effective in the year ending December 31, 2018.

The new standards change the following aspects of the Center’s financial statements:

- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (note 16). In the year of adoption, disclosure for prior year is not required.
- The net asset disclosures were expanded.

Reclassifications – Certain reclassifications were made to comply with the adoption of ASU 2016-14.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31:

	2018	2017
* Bequests	\$ 3,254,773	\$ 3,764,046
Temporarily restricted pledges	3,565,352	5,028,817
	6,820,125	8,792,863
Less: discount	(1,002,198)	(1,270,900)
	\$ 5,817,927	\$ 7,521,963

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The following is a schedule by years of future receipts for pledges with donor restrictions as of December 31:

2019	\$ 1,111,528
2020	788,425
2021	788,425
2022	784,099
2023	71,425
Thereafter	21,450
	<u>\$ 3,565,352</u>

* Bequests are usually received within a two-year period following the death of donor, and are typically subject to court proceedings and the probate process. The Center has also received irrevocable bequests from donors who wish to make a contribution upon their death. These bequests have been discounted based on the life expectancy of the donors and using U.S. Treasury yield curve rates ranging from 2.4% to 2.87% for the years ended December 31, 2018 and 2017.

NOTE 4 INVESTMENTS

Investments are stated at fair value and consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Common stocks	\$ 5,306,571	\$ 5,986,810
Mutual funds	1,251,538	1,320,040
Managed funds	447,622	520,315
Municipal funds	249,896	291,690
Preferred stock	127,567	140,755
	<u>\$ 7,383,194</u>	<u>\$ 8,259,610</u>

The following schedule summarizes the investment return of the assets held by the Center for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Net realized and unrealized gain on investments	\$ (686,635)	\$ 1,163,071
Interest and dividend income	108,340	88,141
	<u>\$ (578,295)</u>	<u>\$ 1,251,212</u>

The Center paid investment fees of \$82,129 and \$79,985 related to these investments during the years ended December 31, 2018 and 2017, respectively.

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NOTE 5 BENEFICIAL INTEREST IN TRUSTS

The Center is the beneficiary of a charitable remainder trust administered by an outside trustee. The trust provides for the payment of distributions to a beneficiary over the term of the trust. At the end of the trust's term, the remaining assets are available for the Center's unrestricted use. The trust's assets consist of cash and investments and were valued using a discount rate of 3.6% and 2.6% for the years ended December 31, 2018 and 2017, respectively. At December 31, 2018, the trust had a value of \$384,741 and was shown net of a discount of \$294,884. At December 31, 2017, the trust had a value of \$431,789, and was shown net of a discount of \$350,606.

The Center has a beneficial interest in a trust setup by a donor. The trust provides for the payment of distributions to the Center over a period of fifteen years beginning in 2016. At the conclusion of year fifteen the remaining distributions will be paid to the beneficiaries and the trust will be terminated. The trust's assets consist of cash and equity investments in a managed portfolio that is administered by an outside trustee. The trust is valued using a rate of return of 4% and a discount rate of 3% for the years ended December 31, 2018 and 2017. At December 31, 2018 and 2017, the present value of the future distributions expected to be paid over the term of the trust was \$1,521,590 and \$1,860,961, respectively.

NOTE 6 LIFE INSURANCE PREMIUM ACCOUNT

The Center maintained a life insurance policy with a face value of \$469,000 on a former key employee. The policy was originated under a split-dollar insurance agreement with the insured. In accordance with the agreement, the Center was to be repaid an amount equal to the cumulative total of its share of premiums on the policy. During 2006, the agreement was amended and the Center agreed to pay all premiums for the remainder of the policy, and in exchange, the former employee assigned his beneficiary interest in the policy to the Center. In 2017, the former employee passed away. The Center received policy proceeds of \$525,019 during 2018.

NOTE 7 FAIR VALUE MEASUREMENT

The Company follows the methods of fair value measurement to value its financial assets. Fair value is based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

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Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets and liabilities carried at fair value at December 31, 2018 and 2017 are classified below in one of three categories described above. The tables below present the balances of assets measured at fair value on a recurring basis.

Assets	2018 Level 1	2018 Level 2	2018 Level 3	2018 Total
Common stocks:				
US large cap	\$ 3,584,720	\$ -	\$ -	\$ 3,584,720
US small-mid cap	411,171	-	-	411,171
International	1,310,680	-	-	1,310,680
Mutual funds:				
Multi-strategy funds	514,035	-	-	514,035
Fixed income funds	591,002	-	-	591,002
Bond funds	146,501	-	-	146,501
Privately managed funds:				
US small-mid cap	-	205,210	-	205,210
International	-	242,412	-	242,412
Government bonds	-	249,896	-	249,896
Preferred stock	-	127,567	-	127,567
Beneficial interest in trusts	-	1,611,447	-	1,611,447
	<u>\$ 6,558,109</u>	<u>\$ 2,436,532</u>	<u>\$ -</u>	<u>\$ 8,994,641</u>

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Assets	2017 Level 1	2017 Level 2	2017 Level 3	2017 Total
Common stocks:				
US large cap	\$ 3,945,376	\$ -	\$ -	\$ 3,945,376
US small-mid cap	468,408	-	-	468,408
International	1,573,025	-	-	1,573,025
Mutual funds:				
Multi-strategy funds	546,417	-	-	546,417
Fixed income funds	604,329	-	-	604,329
Bond funds	149,453	-	-	149,453
Privately managed funds:				
US small-mid cap	-	242,204	-	242,204
International	-	278,111	-	278,111
Government bonds	-	311,531	-	311,531
Preferred stock	-	140,756	-	140,756
Beneficial interest in trusts	-	1,942,144	-	1,942,144
Life insurance premium account	525,019	-	-	525,019
	<u>\$ 7,812,027</u>	<u>\$ 2,914,746</u>	<u>\$ -</u>	<u>\$ 10,726,773</u>

The investments in marketable securities and mutual funds are valued at market prices in active markets and are classified as Level 1. The investments in corporate bonds, privately managed funds and government obligations are valued using a bid-evaluation method which compares the corroborated indicative quotes and other observable market-based data. These investments are classified as Level 2.

The beneficial interest in trusts assets are valued using a valuation model that calculates the net present value of estimated future cash flows and are classified as Level 2 (see note 5).

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Assets and liabilities recorded at fair value on a nonrecurring basis - The Center may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with GAAP. The adjustments to fair value usually result from the discounting of pledges to present value or write-downs of individual assets. For assets measured at fair value on a nonrecurring basis in 2018 and 2017 that were still held in the balance sheet at each respective year end, the following table provides the fair value hierarchy and the carrying value of the related individual assets or portfolios at year end.

	2018 Level 1	2018 Level 2	2018 Level 3	2018 Total
Assets				
Contributions receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,817,927</u>	<u>\$ 5,817,927</u>

	2017 Level 1	2017 Level 2	2017 Level 3	2017 Total
Assets				
Contributions receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,521,963</u>	<u>\$ 7,521,963</u>

The contributions receivable are valued using discounted cash flow and life expectancy models and are classified as a Level 3.

The following summarizes fair value measurements using significant Level 3 inputs, and changes therein, for the year ended December 31, 2018:

	<u>Contributions receivable</u>
Balance at January 1, 2018	\$ 7,521,963
New pledges received	2,211,783
Collections	(4,184,520)
Discount on pledges	<u>268,701</u>
Balance at December 31, 2018	<u>\$ 5,817,927</u>

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The following summarizes fair value measurements using significant Level 3 inputs, and changes therein, for the year ended December 31, 2017:

	<u>Contributions receivable</u>
Balance at January 1, 2017	\$ 7,287,075
New pledges received	2,060,959
Collections	(2,012,193)
Discount on pledges	<u>186,122</u>
Balance at December 31, 2017	<u><u>\$ 7,521,963</u></u>

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2018	2017
Buildings and improvements	\$ 16,284,575	\$ 16,144,393
Equipment	2,874,995	2,636,631
Furniture and fixtures	860,761	854,823
Land and improvements	776,502	766,502
Vehicles	<u>614,072</u>	<u>573,951</u>
	21,410,905	20,976,300
Accumulated depreciation	<u>(13,153,453)</u>	<u>(12,319,608)</u>
	8,257,452	8,656,692
Construction in progress	<u>7,205,723</u>	<u>1,012,588</u>
	<u><u>\$ 15,463,175</u></u>	<u><u>\$ 9,669,280</u></u>

Depreciation expense was \$833,844 and \$804,942 for the years ended December 31, 2018 and 2017, respectively.

NOTE 9 INVESTMENT IN SAN DIEGO FOUNDATION

The Center has investments held by the San Diego Foundation, which are classified as with donor restriction as the investments must be maintained in perpetuity. The income from these investments is kept inside the account as part of an endowment. The investments are carried at fair value and totaled \$15,812 and \$16,718 at December 31, 2018 and 2017, respectively.

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NOTE 10 INVESTMENT IN RANCHO SANTA FE FOUNDATION

The Center has investments held by the Rancho Santa Fe Foundation, which are classified as with donor restriction as the investments must be maintained in perpetuity. The income from these investments is kept inside the account as part of an endowment. The investments are carried at fair value and totaled \$21,835 and \$23,310 at December 31, 2018 and 2017, respectively.

NOTE 11 DEFERRED COMPENSATION

In April 1987, the Center entered into an employment agreement with a former key employee, which included the establishment of an unfunded nonqualified deferred compensation arrangement that included health insurance premiums. Generally accepted accounting principles require that the Center recognize a liability for the cost of unfunded deferred compensation arrangements and post-employment health insurance benefits. During 2018, the beneficiary passed away. The liability at the end of each year represents the present value of the benefits expected to be paid and totaled \$0 and \$15,000 at December 31, 2018 and 2017, respectively. Each year the Center recognizes an expense equal to the change in the liability based on a 5% discount factor. This agreement terminated in 2018. Total expenses related to this agreement were \$1,809 and \$259 for the years ended December 31, 2018 and 2017, respectively

NOTE 12 COMMITMENTS

The Center entered into lease agreements for a vehicle and a copier that expire in March 2020 and June 2023, respectively. Minimum future payments under non-cancelable operating leases having remaining terms in excess of one year for the years ended December 31, are as follows:

2019	\$	21,295
2020		16,012
2021		14,251
2022		14,251
2023		7,126
	\$	<u>72,935</u>

Vehicle lease expense for the years ended December 31, 2018 and 2017 was \$6,605 and \$11,390, respectively. Copier lease expense for the years ended December 31, 2018 and 2017 was \$7,126 and \$0, respectively.

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NOTE 13 RETIREMENT PLAN

The Center maintains a tax deferred qualified plan under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute a percentage of their compensation to the plan. Beginning in January 2018, the Center matched a portion of the contribution from all eligible employees. Prior to 2018, the Center matched a portion of the contribution from all eligible employees hired before January 1, 2013. The Center also pays all of the administrative and investment fees for the plan. The total expenses related to the plan for the years ended December 31, 2018 and 2017 were approximately \$118,000 and \$76,000, respectively.

While the Center expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

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NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

	<u>2018</u>	<u>2017</u>
Purpose restricted		
Equine hospital operations	\$ 2,428,015	\$ 2,879,673
Beneficial interests in trusts	1,611,447	1,942,144
General obligations and equipment	178,807	28,609
CAH Pets Without Walls	105,756	18,747
AniMeals operations	89,036	110,883
Therapeutic Riding operations	44,878	64,168
Equine hospital equipment	38,137	21,140
Adoptions operations and supplies	18,324	10,830
Adoptions emergency medical fund	12,668	3,642
Equipment hospital emergency services	7,330	3,831
Club Pet equipment	6,619	9,435
Education operations and programs	6,255	40,511
Equine hospital funds	2,282	2,282
Companion animal hospital operations	105	105
Companion animal hospital military fund	-	2
	<u>4,549,659</u>	<u>5,136,002</u>
Time restricted for future periods		
Contributions receivable (net of discounts)	5,817,927	7,521,963
Perpetual in nature	<u>1,634,952</u>	<u>1,634,952</u>
	<u>\$ 12,002,538</u>	<u>\$ 14,292,917</u>

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Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restriction specified by donors as follows:

	<u>2018</u>	<u>2017</u>
Adoptions operations and supplies	\$ 691,027	\$ 466,732
General obligations and equipment	594,032	199,593
Adoptions emergency medical fund	234,676	261,939
Therapeutic Riding operations	201,365	148,744
Equine hospital equipment	183,005	-
Beneficial interests in trusts	162,113	130,982
Adoptions training and grants	148,203	152,579
Equine hospital operations	104,128	7,194
AniMeals operations	64,740	63,839
CAH Pets Without Walls	54,052	149,318
Education operations and programs	39,494	74,535
Pet Encounter Therapy operations	34,668	150,304
Companion animal hospital military fund	13,163	57,189
Club Pet equipment	5,000	5,565
Foster-a-Horse program	4,116	3,725
Education scholarship	938	737
Companion animal hospital operations	179	1,165
Club Pet operations	140	990
Adoptions equipment	-	1,723
Contributions receivable in future years:		
Capital campaign	1,854,031	1,560,193
General operations	450,000	450,000
Bequests	1,880,489	2,000
	<u>\$ 6,719,559</u>	<u>\$ 3,889,046</u>

At December 31, 2018 and 2017, net assets with donor restrictions totaling \$1,634,952 resulted from donations received in prior years with the stipulation that they be invested to provide a permanent source of income.

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The accounting pronouncement changes had the following effect on net assets at December 31, 2017:

	As originally presented	After adoption of ASU 2016-14
Net asset class:		
Unrestricted	\$ 16,153,189	\$ -
Unrestricted - board designated	4,150,678	-
Temporarily restricted	12,657,965	-
Permanently restricted	1,634,952	-
Net assets without donor restrictions	-	20,303,867
Net assets with donor restrictions	-	14,292,917
	\$ 34,596,784	\$ 34,596,784

NOTE 15 ENDOWMENT FUND

The Center is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Center's Board of Directors has interpreted the UPMIFA as permitting the expenditure or accumulation of as much of permanent endowment funds as the Center determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund was established, even if this results in the occasional invasion of the endowments historical gift value. Thus, at times, the value of donor-restricted assets may fall below the level that a donor requires the Center to maintain as permanently restricted net assets. As of December 31, 2018 and 2017, the value of the donor-restricted assets had not fallen below the original donated level.

Donor-restricted endowment net assets of \$1,634,952 are held in perpetuity at December 31, 2018 and 2017, the distributions from which are to be used for general operations of the Center. The center classifies as net assets with donor restrictions (to be held in perpetuity) (a) the original value of gifts used to establish permanent endowments and (b) the original value of subsequent gifts to permanent endowments: collectively known as "historical gift value". Board designated endowment funds are classified as net assets without donor restrictions, available to be appropriated for expenditure by the Center.

Included in investments on the Statement of Financial Position are donor restricted and board designated long-term investments held in an endowment fund. The objective of the endowment fund is to support the continuing operations of the Center. The Center's Board of Directors have delegated authority over the investment of the Endowment Fund to the Investment Committee (the "Committee"). The Committee is responsible for the oversight of the investments of the Endowment Fund and for reporting on the Fund's performance to the Board. The Committee is authorized to retain an investment manager to make investment decisions.

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To achieve the desired objective, the Center has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to meet the annual distribution policy rules while growing the fund if possible. Investment risk is measured in terms of the total endowment fund, investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment payout is defined as a fixed percentage currently set at 5% of the market value of the Endowment Funds. This amount will be available for center wide operating purposes, including investment management fees for the Endowment Fund.

The portion of the Endowment Fund that is classified as with donor restrictions (to be held in perpetuity) is not reduced by losses on the investments of the fund. Losses on the investments of the funds reduce the net assets with donor restrictions to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining losses reduce net assets without donor restrictions.

During 2018, the Center had the following endowment related activities:

	With donor restrictions	Without donor restrictions	Total
Investment income	\$ 34,218	\$ 120,811	\$ 155,029
Unrealized gain on investments	128,420	425,976	554,396
Amounts appropriated for expenditures	(64,428)	(227,469)	(291,897)
Investment and trustee fees	(12,141)	(42,865)	(55,006)
Total change in endowment funds	<u>\$ 86,069</u>	<u>\$ 276,453</u>	<u>\$ 362,522</u>

During 2017, the Center had the following endowment related activities:

	With donor restrictions	Without donor restrictions	Total
Investment income	\$ 72,158	\$ 254,764	\$ 326,922
Unrealized gain on investments	118,342	389,643	507,985
Payments received on notes receivable	-	56,317	56,317
Amounts appropriated for expenditures	(61,234)	(216,196)	(277,430)
Investment and trustee fees	(11,819)	(41,727)	(53,546)
Total change in endowment funds	<u>\$ 117,447</u>	<u>\$ 442,801</u>	<u>\$ 560,248</u>

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Endowment net asset composition by type of fund as of December 31, 2018:

	<u>With donor restrictions</u>	<u>Without donor restrictions</u>	<u>Endowment net assets</u>
Donor-restricted endowment funds	\$ 1,634,952	\$ -	\$ 1,634,952
Board-designated endowment funds	-	4,513,200	\$ 4,513,200
Total funds	<u>\$ 1,634,952</u>	<u>\$ 4,513,200</u>	<u>\$ 6,148,152</u>

Changes in endowment net assets as of December 31, 2018 are as follows:

	<u>With donor restrictions</u>	<u>Without donor restrictions</u>	<u>Total endowment net assets</u>
Endowment net assets, beginning of year	\$ 1,634,952	\$ 4,150,678	\$ 5,785,630
Investment income	-	155,029	155,029
Unrealized gain on investments	-	554,396	554,396
Amounts appropriated for expenditure	-	(291,897)	(291,897)
Investment and trustee fees	-	(55,006)	(55,006)
Endowment net assets, end of year	<u>\$ 1,634,952</u>	<u>\$ 4,513,200</u>	<u>\$ 6,148,152</u>

Endowment net asset composition by type of fund as of December 31, 2017:

	<u>With donor restrictions</u>	<u>Without donor restrictions</u>	<u>Endowment net assets</u>
Donor-restricted endowment funds	\$ 1,634,952	\$ -	\$ 1,634,952
Board-designated endowment funds	-	4,150,678	\$ 4,150,678
Total funds	<u>\$ 1,634,952</u>	<u>\$ 4,150,678</u>	<u>\$ 5,785,630</u>

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Changes in endowment net assets as of December 31, 2017 are as follows:

	With donor restrictions	Without donor restrictions	Total endowment net assets
Endowment net assets, beginning of year	\$ 1,634,952	\$ 3,590,430	\$ 5,225,382
Investment income	-	326,922	326,922
Unrealized gain on investments	-	507,985	507,985
Payments received on notes receivable	-	56,317	56,317
Amounts appropriated for expenditure	-	(277,430)	(277,430)
Investment and trustee fees	-	(53,546)	(53,546)
Endowment net assets, end of year	<u>\$ 1,634,952</u>	<u>\$ 4,150,678</u>	<u>\$ 5,785,630</u>

NOTE 16 LIQUIDITY AND AVAILABILITY

The Center is substantially supported by contributions without donor restrictions and program fees. The support, fee revenue, and program expenses are monitored on a monthly basis by the Center's management and board. The level of assets are monitored on an annual basis. The Center's goal is to be able to function within the boundaries of the income received throughout the year.

Although the Center does not currently have any credit lines established, they have enough liquid resources to last ten months of normal expenditures with no income. Also, the Center owns real property that can be leveraged in the event that a line of credit needs to be established.

As part of the Center's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center manages its liquidity following three guiding principles: operating within a prudent range of financial stewardship and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient funds to provide reasonable assurance that long-term obligations will be discharged.

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The following reflects the Center's financial assets as of the December 31, 2018 balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets, at year-end:	
Cash	\$ 7,312,302
Accounts receivable	73,468
Contributions receivable	5,817,927
Investments	7,383,194
Beneficial interest in trusts	1,611,447
Investment in San Diego Foundation	15,812
Investment in Rancho Santa Fe Foundation	<u>21,835</u>
Total financial assets	22,235,985
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:	
Restricted by purpose	(10,366,596)
Foundation investments	(37,647)
Restricted by time	<u>(1,634,952)</u>
Total amounts not available to be used within one year	(12,039,195)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,196,790</u>

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 30, 2019 the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.