Animal Rescue League of Iowa, Inc.

Financial Statements
With Independent Auditor’s Report Thereon

December 31, 2019 and 2018
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Independent Auditor’s Report

To the Board of Directors of
Animal Rescue League of Iowa, Inc.

We have audited the accompanying financial statements of Animal Rescue League of Iowa, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our 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 Animal Rescue League of Iowa, Inc. as of December 31, 2019 and 2018, 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.

Pittman & Company, LLP
August 10, 2020
Animal Rescue League of Iowa, Inc.
Statement of Financial Position
December 31, 2019 and 2018

<table>
<thead>
<tr>
<th>Assets</th>
<th>Operating</th>
<th>Foundation</th>
<th>Total 2019</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$357,102</td>
<td>$289,209</td>
<td>$646,311</td>
<td>$888,931</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>11,308,713</td>
<td>11,308,713</td>
<td>10,150,983</td>
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<tr>
<td>Investments - deferred</td>
<td>488,230</td>
<td>-</td>
<td>488,230</td>
<td>377,689</td>
</tr>
<tr>
<td>compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>88,160</td>
<td>-</td>
<td>88,160</td>
<td>132,134</td>
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<tr>
<td>Pledges receivable</td>
<td>56,000</td>
<td>-</td>
<td>56,000</td>
<td>72,500</td>
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<tr>
<td>Inventory</td>
<td>81,214</td>
<td>-</td>
<td>81,214</td>
<td>67,103</td>
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<tr>
<td>Prepaid expenses</td>
<td>55,383</td>
<td>-</td>
<td>55,383</td>
<td>50,964</td>
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<tr>
<td>Total Current Assets</td>
<td>1,126,089</td>
<td>11,597,922</td>
<td>12,724,011</td>
<td>11,740,304</td>
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<tr>
<td>Restricted Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spay/neuter fund</td>
<td>110,488</td>
<td>-</td>
<td>110,488</td>
<td>95,302</td>
</tr>
<tr>
<td>Total Restricted Assets</td>
<td>110,488</td>
<td>-</td>
<td>110,488</td>
<td>95,302</td>
</tr>
<tr>
<td>Property &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property &amp; equipment</td>
<td>13,219,528</td>
<td>-</td>
<td>13,219,528</td>
<td>13,275,338</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&amp; amortization</td>
<td>(4,706,780)</td>
<td>-</td>
<td>(4,706,780)</td>
<td>(4,445,231)</td>
</tr>
<tr>
<td>Total Property &amp; Equipment</td>
<td>8,512,748</td>
<td>-</td>
<td>8,512,748</td>
<td>8,830,107</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$9,749,325</td>
<td>$11,597,922</td>
<td>$21,347,247</td>
<td>$20,665,713</td>
</tr>
</tbody>
</table>

| Liabilities & Net Assets      |           |            |            |            |
| Current Liabilities           |           |            |            |            |
| Accounts payable & accrued    | $240,117  | -          | $240,117   | $182,082   |
| expenses                      |           |            |            |            |
| Accrued payroll & benefits    | 195,764   | -          | 195,764    | 153,028    |
| Deferred revenue              | 28,667    | -          | 28,667     | 52,084     |
| Deferred compensation         | 488,230   | -          | 488,230    | 377,689    |
| Total Current Liabilities     | 952,778   | -          | 952,778    | 764,883    |
| Total Liabilities             | 952,778   | -          | 952,778    | 764,883    |
| Net Assets                    |           |            |            |            |
| Without donor restrictions:   |           |            |            |            |
| Undesignated                  | 8,656,978 | -          | 8,656,978  | 9,172,484  |
| Board designated              | -         | 11,597,922 | 11,597,922 | 10,574,414 |
| With donor restrictions       | 139,569   | -          | 139,569    | 153,932    |
| Total Net Assets              | 8,796,547 | 11,597,922 | 20,394,469 | 19,900,830 |
| Total Liabilities & Net Assets| $9,749,325| $11,597,922| $21,347,247| $20,665,713|

See accompanying notes to the financial statements.
Animal Rescue League of Iowa, Inc.
Statement of Activities
For the Years Ended December 31, 2019 and 2018

<table>
<thead>
<tr>
<th>Revenue &amp; Support</th>
<th>Operating</th>
<th>Foundation</th>
<th>Total 2019</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public support:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>$2,140,736</td>
<td>$</td>
<td>$2,140,736</td>
<td>$1,730,165</td>
</tr>
<tr>
<td>Bequests &amp; grants</td>
<td>321,810</td>
<td>321,810</td>
<td>626,510</td>
<td>626,510</td>
</tr>
<tr>
<td>Direct mail &amp; newsletter</td>
<td>701,244</td>
<td>701,244</td>
<td>887,062</td>
<td>887,062</td>
</tr>
<tr>
<td>Special events</td>
<td>539,951</td>
<td>539,951</td>
<td>532,484</td>
<td>532,484</td>
</tr>
<tr>
<td>Program revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adoptions &amp; admissions</td>
<td>593,537</td>
<td>593,537</td>
<td>501,689</td>
<td>501,689</td>
</tr>
<tr>
<td>Animal control &amp; housing contracts</td>
<td>952,681</td>
<td>952,681</td>
<td>924,072</td>
<td>924,072</td>
</tr>
<tr>
<td>Other supporting services</td>
<td>208,906</td>
<td>208,906</td>
<td>218,028</td>
<td>218,028</td>
</tr>
<tr>
<td>Other income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise sales</td>
<td>240,810</td>
<td>240,810</td>
<td>200,286</td>
<td>200,286</td>
</tr>
<tr>
<td>Financial income</td>
<td>18,110</td>
<td>2,284,801</td>
<td>2,302,911</td>
<td>(663,495)</td>
</tr>
<tr>
<td>Other income</td>
<td>29,508</td>
<td>29,508</td>
<td>21,040</td>
<td>21,040</td>
</tr>
<tr>
<td>Interfund transfers</td>
<td>1,261,293</td>
<td>(1,261,293)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenue &amp; Support</td>
<td>7,008,586</td>
<td>1,023,508</td>
<td>8,032,094</td>
<td>4,777,841</td>
</tr>
</tbody>
</table>

| Expenses                                   |           |            |            |            |
| Program services                           | 5,680,778 | -          | 5,680,778  | 5,626,426  |
| Management & general                       | 602,189   | -          | 602,189    | 385,706    |
| Fundraising                                | 1,255,488 | -          | 1,255,488  | 666,844    |
| Total Expenses                             | 7,538,455 | -          | 7,538,455  | 6,678,976  |

| Change in Net Assets                       |           |            |            |            |
| Without donor restrictions                 | (529,869) | 1,023,508  | 493,639    | (1,901,135) |
| With donor restrictions                    | -         | -          | -          | (45,861)   |
| Total Change in Net Assets                 | (529,869) | 1,023,508  | 493,639    | (1,946,996) |

| Net Assets - Beginning                     | 9,326,416 | 10,574,414 | 19,900,830 | 21,847,826 |
| Net Assets - Ending                        | $8,796,547| $11,597,922| $20,394,469| $19,900,830|

See accompanying notes to the financial statements.
Animal Rescue League of Iowa, Inc.
Statement of Functional Expenses
For the Years Ended December 31, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management &amp; General</th>
<th>Fundraising</th>
<th>Total</th>
<th></th>
<th>Program Services</th>
<th>Management &amp; General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries &amp; Related Expenses</strong></td>
<td>$2,695,625</td>
<td>$326,020</td>
<td>$329,256</td>
<td>$3,350,901</td>
<td><strong>2019</strong></td>
<td>$2,416,875</td>
<td>$178,825</td>
<td>$167,446</td>
<td>$2,763,146</td>
</tr>
<tr>
<td>Salaries &amp; wages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$754,826</td>
<td>$87,526</td>
<td>$109,036</td>
<td>$951,388</td>
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<td>Employee benefits</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Salaries &amp; Related Expenses</strong></td>
<td>$3,450,451</td>
<td></td>
<td>$438,292</td>
<td>$4,302,289</td>
<td></td>
<td>$3,048,140</td>
<td></td>
<td>$221,694</td>
<td>$3,269,834</td>
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<tr>
<td><strong>Other Expenses</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>AP discounts</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General insurance</td>
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<td></td>
<td></td>
<td></td>
<td>$75,673</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>$265,252</td>
<td>$2,312</td>
<td>$2,881</td>
<td>$270,445</td>
<td></td>
<td>$268,497</td>
<td>$4,137</td>
<td>$2,126</td>
<td>$274,760</td>
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<td>Supplies</td>
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<td>$10,480</td>
<td>$80,609</td>
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<td>$58,627</td>
<td>8,598</td>
<td>$6,130</td>
<td>$73,355</td>
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<td>Repairs &amp; maintenance</td>
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<td></td>
<td></td>
<td>$188,579</td>
<td>-</td>
<td></td>
<td>$188,579</td>
</tr>
<tr>
<td>Rental</td>
<td>$2,881</td>
<td>-</td>
<td>116</td>
<td>$2,997</td>
<td></td>
<td>$6,308</td>
<td>-</td>
<td></td>
<td>$6,308</td>
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<tr>
<td>Animal care</td>
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<td>-</td>
<td></td>
<td>$525,359</td>
<td></td>
<td>$541,190</td>
<td>-</td>
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<td>$541,190</td>
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<td>Shelter supplies</td>
<td>$208,532</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>$178,227</td>
<td>-</td>
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<td>$178,227</td>
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<tr>
<td>Auction goods</td>
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<td>110,294</td>
<td>$110,294</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other fundraising &amp; marketing</td>
<td>-</td>
<td></td>
<td>30,282</td>
<td>$30,282</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Printing, postage, &amp; shipping</td>
<td>$61,362</td>
<td>-</td>
<td>484,802</td>
<td>$546,164</td>
<td></td>
<td>$309,804</td>
<td>-</td>
<td>$163,582</td>
<td>$473,386</td>
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<tr>
<td>Professional fees</td>
<td>$76,364</td>
<td>88,097</td>
<td>-</td>
<td>$164,461</td>
<td></td>
<td>$174,228</td>
<td>76,946</td>
<td>-</td>
<td>$251,174</td>
</tr>
<tr>
<td>Merchandise</td>
<td>$152,704</td>
<td>-</td>
<td></td>
<td>$152,704</td>
<td></td>
<td>$120,155</td>
<td>-</td>
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<td>$120,155</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$62,397</td>
<td>89,278</td>
<td>3,634</td>
<td>$155,309</td>
<td></td>
<td>$93,545</td>
<td>70,029</td>
<td>4,558</td>
<td>$168,132</td>
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<tr>
<td>Special events</td>
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<td></td>
<td>119,559</td>
<td>$119,559</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>$28,441</td>
<td>8,039</td>
<td>3,817</td>
<td>$40,297</td>
<td></td>
<td>$26,945</td>
<td>5,280</td>
<td>3,726</td>
<td>$35,951</td>
</tr>
<tr>
<td>Bad debt</td>
<td>$1,084</td>
<td>-</td>
<td></td>
<td>1,084</td>
<td></td>
<td>$730</td>
<td>-</td>
<td></td>
<td>$730</td>
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<tr>
<td>Radio program</td>
<td>$16,150</td>
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<td></td>
<td>$16,150</td>
<td></td>
<td>$14,550</td>
<td>-</td>
<td></td>
<td>$14,550</td>
</tr>
<tr>
<td>Volunteer orientation</td>
<td>$5,580</td>
<td>-</td>
<td></td>
<td>$5,580</td>
<td></td>
<td>$8,913</td>
<td>-</td>
<td></td>
<td>$8,913</td>
</tr>
<tr>
<td>Subscriptions</td>
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<td></td>
<td>51,331</td>
<td>$56,730</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>$1,756,290</td>
<td>188,643</td>
<td>817,196</td>
<td>$2,762,129</td>
<td></td>
<td>$2,106,428</td>
<td>164,012</td>
<td>433,435</td>
<td>$2,703,875</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>$474,037</td>
<td></td>
<td></td>
<td>$474,037</td>
<td></td>
<td>$471,858</td>
<td></td>
<td></td>
<td>$471,858</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$5,680,778</td>
<td>$602,189</td>
<td>$1,255,488</td>
<td>$7,538,455</td>
<td></td>
<td>$5,626,426</td>
<td>$385,706</td>
<td>$666,844</td>
<td>$6,678,976</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
Animal Rescue League of Iowa, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>Operating</th>
<th>Foundation</th>
<th>Total 2019</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>(529,869)</td>
<td>1,023,508</td>
<td>493,639</td>
<td>(1,946,996)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>474,037</td>
<td></td>
<td>474,037</td>
<td>471,858</td>
</tr>
<tr>
<td>(Gain)/Loss on disposal of fixed assets</td>
<td>1,922</td>
<td></td>
<td>1,922</td>
<td>281</td>
</tr>
<tr>
<td>Interest &amp; dividends</td>
<td>280,670</td>
<td></td>
<td>280,670</td>
<td>280,909</td>
</tr>
<tr>
<td>(Increase)/Decrease in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>(70,541)</td>
<td>(2,354,245)</td>
<td>(2,424,786)</td>
<td>1,281,931</td>
</tr>
<tr>
<td>Receivables</td>
<td>60,474</td>
<td></td>
<td>60,474</td>
<td>(59,284)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(14,111)</td>
<td></td>
<td>(14,111)</td>
<td>11,460</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(4,419)</td>
<td></td>
<td>(4,419)</td>
<td>23,574</td>
</tr>
<tr>
<td>Construction in progress</td>
<td></td>
<td></td>
<td></td>
<td>50,815</td>
</tr>
<tr>
<td>(Increase)/Decrease in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables &amp; accruals</td>
<td>58,035</td>
<td></td>
<td>58,035</td>
<td>44,920</td>
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<tr>
<td>Payroll &amp; benefits</td>
<td>42,736</td>
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<td>42,736</td>
<td>15,993</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(23,417)</td>
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<td>(23,417)</td>
<td>12,139</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>110,541</td>
<td></td>
<td>110,541</td>
<td>18,530</td>
</tr>
<tr>
<td>Net Cash Provided/(Used) by Operating Activities</td>
<td>105,388</td>
<td>(1,050,067)</td>
<td>(944,679)</td>
<td>206,130</td>
</tr>
</tbody>
</table>

Cash Flows from Investing Activities

| Capital expenditures                  | (158,600) |            | (158,600) | (144,919) |
| Proceeds from sale of investments     | -         | 3,818,953  | 3,818,953 | 443,395   |
| Purchase of investments               | (40,000)  | (2,903,108) | (2,943,108) | (1,285,162) |
| Change in spay/neuter fund            | (15,186)  |            | (15,186)  | 11,795    |
| Net Cash Provided/(Used) by Investing Activities | (213,786) | 915,845 | 702,059 | (974,891) |

Net Increase/(Decrease) in Cash & Cash Equivalents

| Net Increase/(Decrease) in Cash & Cash Equivalents | (108,398) | (134,222) | (242,620) | (768,761) |
| Cash & Cash Equivalents - Beginning | 465,500   | 423,431   | 888,931   | 1,657,692 |
| Cash & Cash Equivalents - Ending      | 357,102   | 289,209   | 646,311   | 888,931   |

See accompanying notes to the financial statements.
Note 1. The Organization and its Significant Accounting Policies

Nature of the Organization
Animal Rescue League of Iowa, Inc. (Organization), a nonprofit organization founded in 1926, is dedicated to the welfare of animals.

The Organization, which is the largest nonprofit animal shelter in Iowa, operates four adoption centers and two animal shelters in the Greater Des Moines area. The Organization operates the City of Des Moines animal shelter on a contractual basis. The majority of its funding is from adoption fees and charitable contributions.

Basis of Presentation
The accompanying financial statements have been prepared in conformity with the accounting principles appropriate for not-for-profit entities. The accrual basis of accounting is used by the Organization. Under this method, revenue is recognized in the period earned and expenses are recognized in the period incurred.

Financial statement presentation follows the guidelines set forth by the Financial Accounting Standards Board (FASB) in Not-for-Profit Entities – Presentation of Financial Statements. As part of the FASB guidelines, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

*With donor restrictions* – assets that are required to be used in a later period or after a specified date (time restrictions), or that are required to be used for a specific purpose (purpose restriction), or both.
*Without donor restrictions* – assets without any donor-imposed restrictions; although, a portion of these assets may have self-imposed limits (board-designated net assets).

Liquidity
The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$646,311</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>88,160</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$734,471</strong></td>
</tr>
</tbody>
</table>

The Organization considers cash and cash equivalents to be investments and other assets that can be converted to cash within three months. Of the cash and cash equivalents, $62,516 exceeded federally insured limits as of December 31, 2019.
Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

Note 1. Nature of the Organization and its Significant Accounting Policies (continued)

Investments
Investments are managed with a total return approach, which includes objectives to balance moderate income generation and capital appreciation. The portfolio is managed with a lower risk level appropriate for a long-term investment horizon.

Accounts Receivable
Accounts receivable primarily consists of amounts due from local governments under service contracts. All receivables are considered fully collectible; therefore, no allowance for doubtful accounts is required.

Promises to Give
Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible promises to give. The Organization considers all promises to give fully collectible; therefore, an allowance has not been recorded.

Inventories
Inventories are carried at the lower of cost or market value, utilizing the first-in first-out (FIFO) flow assumption.

Property, Equipment, & Depreciation
The capitalization limit for the organization is $2,000. Property and equipment is valued at cost and depreciated using the straight-line method over the estimated useful lives, as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>2 – 20 years</td>
</tr>
<tr>
<td>Buildings</td>
<td>40 years</td>
</tr>
</tbody>
</table>

Property and equipment contributed to the Organization is recorded at the fair market value on the date of the contribution. Maintenance costs are expensed when incurred.

Compensated Absences
The cost of compensated vacation time to employees is accrued in the period in which it vests.

Contributions
Contributions which have donor restrictions expiring in the current year are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases net assets with donor restrictions.
Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

Note 1. Nature of the Organization and its Significant Accounting Policies (continued)

Donated Assets & Services
Donated property or equipment is generally reflected as a contribution in the financial statements at its estimated fair value at the date of receipt. If the item is determined to be one that should be capitalized, it is recorded as part of property and equipment and depreciated accordingly.

A number of volunteers donate a significant amount of time to various functions of the Organization. Only amounts that have a determinable basis and are in connection with specialized skills are recorded.

Donations of property consisted mainly of supplies totaling $148,153 and $163,181 in 2019 and 2018, respectively. In addition, the Organization received $104,799 and $79,765 of donated goods for the benefit auction in 2019 and 2018, respectively.

Allocation of Functional Expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting service benefited.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain 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.

Income Taxes
The Organization is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code except to the extent of taxes on unrelated business income. As required by the FASB Income Taxes topic, the Organization has evaluated their material tax positions and determined no income tax affects with respect to the financial statements. The Organization is no longer subject to U.S. Federal or State income tax examinations by tax authorities for years prior to 2016. The Organization has not been notified of any impending examinations by tax authorities, and no examinations are in process.
Note 2. **Fair Value Measurements**

The Organization has adopted the provisions of the FASB *Fair Value Measurement* topic, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Professional standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to level 1 inputs and the lowest priority to level 3 inputs. The three levels of the hierarchy are described as follows:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** – unobservable inputs for the asset or liability.

The following table presents financial instruments that are measured at fair value on a recurring basis as of December 31, 2019:

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Foundation of Greater Des Moines</td>
<td>$110,488</td>
<td>$110,488</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foundation money market</td>
<td>289,209</td>
<td>289,209</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foundation fixed income</td>
<td>1,811,788</td>
<td>1,811,788</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foundation stocks, real estate, &amp; alternatives</td>
<td>9,496,925</td>
<td>9,496,925</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital campaign pledges receivable</td>
<td>56,000</td>
<td>-</td>
<td>-</td>
<td>56,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$11,764,410</td>
<td>$11,708,410</td>
<td>-</td>
<td>$56,000</td>
</tr>
</tbody>
</table>

Changes in assets are measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as follows:

<table>
<thead>
<tr>
<th>Pledges Receivable</th>
<th>$72,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value - 12/31/2018</td>
<td></td>
</tr>
<tr>
<td>Additional pledges</td>
<td>-</td>
</tr>
<tr>
<td>Payments received</td>
<td>(16,500)</td>
</tr>
<tr>
<td>Write off</td>
<td>-</td>
</tr>
<tr>
<td>Change in present value discount</td>
<td>-</td>
</tr>
<tr>
<td>Fair value - 12/31/2019</td>
<td>$56,000</td>
</tr>
</tbody>
</table>
Note 2.  Fair Value Measurements (continued)

The following table presents financial instruments that are measured at fair value on a recurring basis as of December 31, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Foundation of Greater Des Moines</td>
<td>$ 95,302</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Foundation money market</td>
<td>423,431</td>
<td>423,431</td>
<td>-</td>
</tr>
<tr>
<td>Foundation fixed income</td>
<td>1,652,709</td>
<td>1,652,709</td>
<td>-</td>
</tr>
<tr>
<td>Foundation stocks, real estate, &amp; alternatives</td>
<td>8,498,274</td>
<td>8,498,274</td>
<td>-</td>
</tr>
<tr>
<td>Capital campaign pledges receivable</td>
<td>72,500</td>
<td>-</td>
<td>72,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,742,216</td>
<td>$10,669,716</td>
<td>$72,500</td>
</tr>
</tbody>
</table>

Changes in assets are measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as follows:

<table>
<thead>
<tr>
<th></th>
<th>Pledges Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value - 12/31/2017</td>
<td>$76,550</td>
</tr>
<tr>
<td>Additional pledges</td>
<td>25,000</td>
</tr>
<tr>
<td>Payments received</td>
<td>(28,050)</td>
</tr>
<tr>
<td>Write off</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Change in present value discount</td>
<td>-</td>
</tr>
<tr>
<td>Fair value - 12/31/2018</td>
<td>$72,500</td>
</tr>
</tbody>
</table>

Note 3.  Property & Equipment

Components of property and equipment at December 31, 2019 and 2018 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$34,637</td>
<td>$34,637</td>
</tr>
<tr>
<td>Buildings</td>
<td>11,544,573</td>
<td>11,475,376</td>
</tr>
<tr>
<td>Furniture &amp; equipment</td>
<td>1,020,605</td>
<td>1,082,272</td>
</tr>
<tr>
<td>Vehicles</td>
<td>556,397</td>
<td>594,857</td>
</tr>
<tr>
<td>Web site design</td>
<td>63,316</td>
<td>88,196</td>
</tr>
<tr>
<td><strong>Total property &amp; equipment</strong></td>
<td>13,219,528</td>
<td>13,275,338</td>
</tr>
<tr>
<td>Accumulated depreciation &amp; amortization</td>
<td>(4,706,780)</td>
<td>(4,445,231)</td>
</tr>
<tr>
<td><strong>Total property &amp; equipment - net</strong></td>
<td>$8,512,748</td>
<td>$8,830,107</td>
</tr>
</tbody>
</table>
Note 4. Investments

At December 31, 2019, the Organization had the following investments:

<table>
<thead>
<tr>
<th>Foundation:</th>
<th>Cost</th>
<th>Gain/Loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted - board designated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>$289,209</td>
<td>$-</td>
<td>$289,209</td>
</tr>
<tr>
<td>Fixed income</td>
<td>$1,809,999</td>
<td>$1,789</td>
<td>$1,811,788</td>
</tr>
<tr>
<td>Stocks, real estate, &amp; alternatives</td>
<td>$7,098,772</td>
<td>$2,398,153</td>
<td>$9,496,925</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$9,197,980</td>
<td>$2,399,942</td>
<td>$11,597,922</td>
</tr>
</tbody>
</table>

At December 31, 2018, the Organization had the following investments:

<table>
<thead>
<tr>
<th>Foundation:</th>
<th>Cost</th>
<th>Gain/Loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted - board designated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>$423,431</td>
<td>$-</td>
<td>$423,431</td>
</tr>
<tr>
<td>Fixed income</td>
<td>$1,702,654</td>
<td>$(49,945)</td>
<td>$1,652,709</td>
</tr>
<tr>
<td>Stocks, real estate, &amp; alternatives</td>
<td>$7,748,513</td>
<td>$749,761</td>
<td>$8,498,274</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$9,874,598</td>
<td>$699,816</td>
<td>$10,574,414</td>
</tr>
</tbody>
</table>

Note 5. Financial income

At December 31, 2019, financial income consisted of the following:

<table>
<thead>
<tr>
<th>Operating</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest &amp; dividends</td>
<td>$2,660</td>
</tr>
<tr>
<td>Realized gain/(loss)</td>
<td>$510</td>
</tr>
<tr>
<td>Unrealized gain/(loss)</td>
<td>$14,940</td>
</tr>
<tr>
<td>Trust fees</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$18,110</td>
</tr>
</tbody>
</table>
Note 5.  Financial Income (continued)

At December 31, 2018, financial income consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest &amp; dividends</td>
<td>$2,436</td>
<td>$280,909</td>
</tr>
<tr>
<td>Realized gain/loss</td>
<td>1,058</td>
<td>215,137</td>
</tr>
<tr>
<td>Unrealized gain/loss</td>
<td>(9,834)</td>
<td>(1,069,794)</td>
</tr>
<tr>
<td>Trust fees</td>
<td>(513)</td>
<td>(82,894)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (6,853)</td>
<td>$ (656,642)</td>
</tr>
</tbody>
</table>

Note 6.  Promises to Give

Promises to give consisted of the following at December 31, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Due</td>
<td>$17,000</td>
<td>$16,500</td>
</tr>
<tr>
<td>Receivable in less than one year</td>
<td>17,000</td>
<td>-</td>
</tr>
<tr>
<td>Receivable in two to five years</td>
<td>22,000</td>
<td>56,000</td>
</tr>
<tr>
<td>Total</td>
<td>$56,000</td>
<td>$72,500</td>
</tr>
</tbody>
</table>

Note 7.  Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of assets available for operating purposes and amounts designated by the Board of Directors for a specific purpose. Board designated amounts are not legally restricted, but require Board action to be expended. The Foundation has board designated amounts at December 31, 2019 and 2018, of $11,597,922 and $10,574,414, respectively, whose earnings are designated for operating purposes.
Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2019:

<table>
<thead>
<tr>
<th>Fund/Program</th>
<th>12/31/18 Balance</th>
<th>Additional Revenue</th>
<th>Release from Restrictions</th>
<th>12/31/19 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Foundation Spay/Neuter Fund</td>
<td>$92,708</td>
<td>$4,553</td>
<td>$25,175</td>
<td>$21,841</td>
</tr>
<tr>
<td>Spay Des Moines</td>
<td>(219)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ringworm Treatment Room</td>
<td>6,518</td>
<td>173</td>
<td>(6,691)</td>
<td></td>
</tr>
<tr>
<td>Electricity to Catty Shack</td>
<td>600</td>
<td></td>
<td>(600)</td>
<td></td>
</tr>
<tr>
<td>Reclaim Assistance ACCC</td>
<td>2,982</td>
<td>6,608</td>
<td>(4,879)</td>
<td>4,711</td>
</tr>
<tr>
<td>Cat Scratchers</td>
<td>1,151</td>
<td></td>
<td>(600)</td>
<td>551</td>
</tr>
<tr>
<td>Veterinary Assistance</td>
<td>23,157</td>
<td>99</td>
<td>(23,175)</td>
<td>81</td>
</tr>
<tr>
<td>TNR Resources</td>
<td>8,139</td>
<td>351</td>
<td>(8,490)</td>
<td></td>
</tr>
<tr>
<td>Reclaims, Cat Scratchers, Dog Enrichment</td>
<td>-</td>
<td>20,140</td>
<td>(18,193)</td>
<td>1,947</td>
</tr>
<tr>
<td>Erma Hawkins Memorial Fund for Seniors</td>
<td>1,735</td>
<td>7,550</td>
<td>(8,300)</td>
<td>985</td>
</tr>
<tr>
<td>Renard Purr Project</td>
<td>1,187</td>
<td>2,330</td>
<td>(180)</td>
<td>3,337</td>
</tr>
<tr>
<td>Iowa Hay Bank</td>
<td>1,000</td>
<td></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Madison Co TNR</td>
<td>104</td>
<td></td>
<td></td>
<td>104</td>
</tr>
<tr>
<td>ER Vet Fund</td>
<td>-</td>
<td>2,863</td>
<td>(5,863)</td>
<td>(3,000)</td>
</tr>
<tr>
<td>Pet Therapy</td>
<td>-</td>
<td>4,413</td>
<td>(4,413)</td>
<td></td>
</tr>
<tr>
<td>Banfield Foundation</td>
<td>-</td>
<td>10,000</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Humane Ed Scholarships</td>
<td>1,350</td>
<td>2,700</td>
<td>(1,850)</td>
<td>2,200</td>
</tr>
<tr>
<td>Prison Pets for Vets</td>
<td>8,261</td>
<td>200</td>
<td>(639)</td>
<td>7,822</td>
</tr>
<tr>
<td>Hawkins Fund for Medical Care of Senior Pets</td>
<td>2,754</td>
<td>3,015</td>
<td>(1,013)</td>
<td>4,756</td>
</tr>
<tr>
<td>Wal-Mart Public Assistance</td>
<td>53</td>
<td>4,250</td>
<td>(343)</td>
<td>3,959</td>
</tr>
<tr>
<td>Prairie Meadows Casino - Microchip Scanners</td>
<td>-</td>
<td>3,599</td>
<td>(3,599)</td>
<td></td>
</tr>
<tr>
<td>Grey Muzzle Grant</td>
<td>2,451</td>
<td>7,350</td>
<td>(6,728)</td>
<td>3,074</td>
</tr>
<tr>
<td>Community Outreach DSM Petco Foundation</td>
<td>-</td>
<td>31,420</td>
<td>(31,056)</td>
<td>364</td>
</tr>
<tr>
<td>TNR for DSM - Petco Foundation</td>
<td>-</td>
<td>19,887</td>
<td>(19,887)</td>
<td></td>
</tr>
<tr>
<td>ACCC Training - Petco Foundation</td>
<td>-</td>
<td>6,050</td>
<td>(4,341)</td>
<td>1,709</td>
</tr>
<tr>
<td>Crisis Foster PetSmart Charities</td>
<td>-</td>
<td>10,400</td>
<td>(5,528)</td>
<td>4,872</td>
</tr>
<tr>
<td>TNR Supplies</td>
<td>-</td>
<td>7,500</td>
<td></td>
<td>7,500</td>
</tr>
<tr>
<td>Barbour Foundation Operation Catsnip TNR</td>
<td>-</td>
<td>9,000</td>
<td>(1,270)</td>
<td>7,730</td>
</tr>
<tr>
<td>Windsor Veterinary Assistance</td>
<td>-</td>
<td>10,000</td>
<td>(5,000)</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$153,932</strong></td>
<td><strong>$174,450</strong></td>
<td><strong>($188,813)</strong></td>
<td><strong>$139,569</strong></td>
</tr>
</tbody>
</table>
Note 8. **Net Assets With Donor Restrictions (continued)**

Net assets with donor restrictions consisted of the following at December 31, 2018:

<table>
<thead>
<tr>
<th>Fund/Membership</th>
<th>12/31/17 Balance</th>
<th>Additional Revenue</th>
<th>Release from Restrictions</th>
<th>12/31/18 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Foundation Spay/Neuter Fund</td>
<td>$92,708</td>
<td></td>
<td>$92,708</td>
<td></td>
</tr>
<tr>
<td>ARL Grants</td>
<td>$(5,856)</td>
<td>9,674</td>
<td>(3,818)</td>
<td></td>
</tr>
<tr>
<td>PetSmart Crisis Foster</td>
<td>8,231</td>
<td></td>
<td>(8,231)</td>
<td></td>
</tr>
<tr>
<td>PetSmart Veterinary Assist</td>
<td>33,225</td>
<td>250</td>
<td>(33,475)</td>
<td></td>
</tr>
<tr>
<td>Reclaim Assistance</td>
<td>703</td>
<td></td>
<td>(703)</td>
<td></td>
</tr>
<tr>
<td>Camp Purr Feral - Bernice Barbour</td>
<td>6,300</td>
<td>274</td>
<td>(6,574)</td>
<td></td>
</tr>
<tr>
<td>Spay Des Moines</td>
<td>-</td>
<td>1,000</td>
<td>(1,219)</td>
<td></td>
</tr>
<tr>
<td>Ringworm Treatment Room</td>
<td>-</td>
<td>26,348</td>
<td>(19,830)</td>
<td></td>
</tr>
<tr>
<td>Multi-Purpose Room Dividers for Behavior</td>
<td>-</td>
<td>5,334</td>
<td>(5,334)</td>
<td></td>
</tr>
<tr>
<td>Kitten Incubators - Prairie Meadows</td>
<td>-</td>
<td>5,006</td>
<td>(5,006)</td>
<td></td>
</tr>
<tr>
<td>Flood Crisis Foster</td>
<td>-</td>
<td>5,002</td>
<td>(5,002)</td>
<td></td>
</tr>
<tr>
<td>Electricity to Catty Shack - Jack &amp; Mary Houven</td>
<td>-</td>
<td>600</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Reclaim Assistance ACCC - Jack &amp; Mary Houven</td>
<td>-</td>
<td>3,150</td>
<td>(168)</td>
<td></td>
</tr>
<tr>
<td>Cat Scratchers - Jack &amp; Mary Houven</td>
<td>-</td>
<td>3,000</td>
<td>(1,849)</td>
<td></td>
</tr>
<tr>
<td>Veterinary Assistance - SL Gimbel Grant</td>
<td>-</td>
<td>24,200</td>
<td>(1,043)</td>
<td></td>
</tr>
<tr>
<td>TNR Resources - Bernice Barbour Found.</td>
<td>-</td>
<td>8,139</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Public Assistance</td>
<td>167</td>
<td></td>
<td>(167)</td>
<td></td>
</tr>
<tr>
<td>Erma Hawkins Memorial Fund for Seniors</td>
<td>5,558</td>
<td>4,926</td>
<td>(8,748)</td>
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</tr>
<tr>
<td>Renard Purr Project</td>
<td>1,726</td>
<td>1,500</td>
<td>(2,039)</td>
<td></td>
</tr>
<tr>
<td>Iowa Hay Bank</td>
<td>100</td>
<td>1,000</td>
<td>(100)</td>
<td></td>
</tr>
<tr>
<td>Madison Co TNR</td>
<td>104</td>
<td></td>
<td>-</td>
<td></td>
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<tr>
<td>ER Vet Fund</td>
<td>(3,933)</td>
<td>14,793</td>
<td>(10,860)</td>
<td></td>
</tr>
<tr>
<td>Pet Therapy</td>
<td>30,389</td>
<td>279,281</td>
<td>(309,671)</td>
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<tr>
<td>Share the Love Adoption Event</td>
<td>-</td>
<td>4,000</td>
<td>(4,000)</td>
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</tr>
<tr>
<td>Banfield Foundation</td>
<td>49</td>
<td></td>
<td>(49)</td>
<td></td>
</tr>
<tr>
<td>Humane Ed Scholarships - West Bank</td>
<td>-</td>
<td>1,500</td>
<td>(150)</td>
<td></td>
</tr>
<tr>
<td>Prison Pets for Vets</td>
<td>9,136</td>
<td></td>
<td>(875)</td>
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<tr>
<td>Petco Target Zone Grant</td>
<td>467</td>
<td></td>
<td>(467)</td>
<td></td>
</tr>
<tr>
<td>Windsor Charitable S/N</td>
<td>4,153</td>
<td>538</td>
<td>(4,690)</td>
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</tr>
<tr>
<td>Hawkins Fund for Medical Care of Senior Pets</td>
<td>9,249</td>
<td></td>
<td>(6,495)</td>
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</tr>
<tr>
<td>PetSmart Red Zone</td>
<td>1,537</td>
<td>323</td>
<td>(1,860)</td>
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<tr>
<td>Walmart Public Assistance</td>
<td>1,286</td>
<td>2,750</td>
<td>(3,983)</td>
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<tr>
<td>Grey Muzzle Grant</td>
<td>4,493</td>
<td>6,600</td>
<td>(8,642)</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$199,793</strong></td>
<td><strong>$409,187</strong></td>
<td><strong>(455,048)</strong></td>
<td></td>
</tr>
</tbody>
</table>

Animal Rescue League of Iowa, Inc.

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Note 10.  Related Parties

A senior member of management is related to a member of the Board of Directors and Executive Committee. The board member abstains from any discussions and/or voting related to the employee’s performance review and salary negotiations.

Note 11.  Deferred Compensation Plan

In 2007, the Organization funded a non-qualified deferred compensation plan under the terms of Section 457(e)(15) of the Internal Revenue Code. Only employees designated by the Board are eligible to participate, and as of December 31, 2019, only one member of management was participating. The plan calls for discretionary employer contributions, which vest based on years of services.

As of December 31, 2019, the employer has contributed $40,000 to the plan. At December 31, 2019 and 2018, the plan had gains/losses of $70,541 and ($21,470), respectively. At December 31, 2019 and 2018, the plan was fully vested with a balance of $488,230 and $377,689, respectively.

Note 12.  Risks & Uncertainties

The Organization invests in various investments as described in Note 4 to the financial statements. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and those changes could materially affect the value of investments reported on the statement of financial position.

Note 13.  Subsequent Events

Management has reviewed and evaluated material subsequent events from the Statement of Financial Position date of December 31, 2019 through the financial statements issue date of August 10, 2020.

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and people throughout the United States. Further, financial markets have recently experienced a significant decline attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional, and national economies. The extent to which the coronavirus impacts the Organization’s results will depend on further developments, which are highly uncertain and cannot be predicted. Accordingly, management cannot presently estimate the impact to the Organization, but such an impact could have a material adverse effect on the Organization’s financial condition.