

Animal Rescue League of Iowa, Inc.

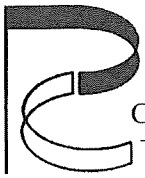
Financial Statements
With Independent Auditor's Report Thereon

December 31, 2017 and 2016

Animal Rescue League of Iowa, Inc.

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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, 2017 and 2016, 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, 2017 and 2016, 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
October 17, 2018

Animal Rescue League of Iowa, Inc.
Statement of Financial Position
December 31, 2017 and 2016

Assets	Operating	Foundation	Total 2017	Total 2016
Current Assets				
Cash & cash equivalents	\$ 804,741	\$ 852,951	\$ 1,657,692	\$ 715,493
Investments	-	10,890,586	10,890,586	10,794,657
Investments - deferred compensation	359,159	-	359,159	278,056
Accounts receivable	68,800	-	68,800	64,735
Pledges receivable	76,550	-	76,550	38,766
Inventory	78,563	-	78,563	62,709
Prepaid expenses	74,538	-	74,538	71,758
Total Current Assets	1,462,351	11,743,537	13,205,888	12,026,174
Restricted Assets				
Spay/neuter fund	107,097	-	107,097	96,126
Total Restricted Assets	107,097	-	107,097	96,126
Property & Equipment				
Property & equipment	13,130,700	-	13,130,700	12,160,833
Construction in process	50,815	-	50,815	179,081
Less - accumulated depreciation & amortization	(3,973,373)	-	(3,973,373)	(3,569,644)
Total Property & Equipment	9,208,142	-	9,208,142	8,770,270
Total Assets	\$ 10,777,590	\$ 11,743,537	\$ 22,521,127	\$ 20,892,570
Liabilities & Net Assets				
Current Liabilities				
Accounts payable & accrued expenses	137,162	-	\$ 137,162	\$ 268,070
Accrued payroll & benefits	137,035	-	137,035	129,612
Deferred revenue	39,945	-	39,945	-
Deferred compensation	359,159	-	359,159	278,056
Total Current Liabilities	673,301	-	673,301	675,738
Total Liabilities	673,301	-	673,301	675,738
Net Assets				
Unrestricted				
Operating	9,904,496	-	9,904,496	9,188,005
Board designated	-	11,743,537	11,743,537	10,834,406
Temporarily restricted	107,085	-	107,085	101,713
Permanently restricted	92,708	-	92,708	92,708
Total Net Assets	10,104,289	11,743,537	21,847,826	20,216,832
Total Liabilities & Net Assets	\$ 10,777,590	\$ 11,743,537	\$ 22,521,127	\$ 20,892,570

See accompanying notes to the financial statements.

Animal Rescue League of Iowa, Inc.
Statement of Activities
For the Years Ended December 31, 2017 and 2016

	<u>Operating</u>	<u>Foundation</u>	<u>Total 2017</u>	<u>Total 2016</u>
Public Support & Revenue				
Public support:				
Donations	\$ 1,811,691	\$ 44,521	\$ 1,856,212	\$ 1,241,203
Bequests & grants	1,867,525	-	1,867,525	727,441
Direct mail & newsletter	643,610	-	643,610	747,807
Special events	509,599	-	509,599	540,340
Program revenue:				
Adoptions & admissions	476,660	-	476,660	452,835
Animal control & housing contracts	886,524	-	886,524	831,891
Other supporting services	194,865	-	194,865	155,374
Other income:				
Merchandise sales	219,127	-	219,127	202,448
Financial income	24,895	1,366,757	1,391,652	1,055,678
Other income	29,696	-	29,696	11,584
Interfund transfers	450,000	(502,147)	(52,147)	(42,981)
Total Revenue & Support	<u>7,114,192</u>	<u>909,131</u>	<u>8,023,323</u>	<u>5,923,620</u>
Expenses				
Program services	5,268,650	-	5,268,650	4,517,098
Management & general	402,951	-	402,951	566,645
Fundraising	726,099	-	726,099	891,715
Total Expenses	<u>6,397,700</u>	<u>-</u>	<u>6,397,700</u>	<u>5,975,458</u>
Change in Net Assets				
Unrestricted	716,492	909,131	1,625,623	(51,838)
Temporarily Restricted	5,371	-	5,371	(128,922)
Permanently Restricted	-	-	-	-
Total Change in Net Assets	<u>721,863</u>	<u>909,131</u>	<u>1,630,994</u>	<u>(180,760)</u>
Net Assets - Beginning	<u>9,382,426</u>	<u>10,834,406</u>	<u>20,216,832</u>	<u>20,397,592</u>
Net Assets - Ending	<u>\$10,104,289</u>	<u>\$11,743,537</u>	<u>\$21,847,826</u>	<u>\$20,216,832</u>

See accompanying notes to the financial statements.

Animal Rescue League of Iowa, Inc.
Statement of Functional Expenses
For the Years Ended December 31, 2017 and 2016

	2017			2016				
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
Salaries & Related Expenses								
Salaries & wages	\$ 2,220,869	\$ 132,392	\$ 232,631	\$ 2,585,892	\$ 2,146,110	\$ 253,058	\$ 279,607	\$ 2,678,775
Employee benefits	760,427	44,559	89,141	894,127	540,900	59,263	77,301	677,464
Total Salaries & Related Expenses	2,981,296	176,951	321,772	3,480,019	2,687,010	312,321	356,908	3,356,239
Other Expenses								
AP discounts	-	(5,815)	-	(5,815)	-	(767)	-	(767)
General insurance	67,998	-	-	67,998	66,938	-	-	66,938
Utilities	245,246	2,331	1,253	248,830	208,166	2,121	3,567	213,854
Supplies	44,859	8,780	4,606	58,245	47,027	13,610	8,026	68,663
Repairs & maintenance	171,737	-	-	171,737	161,864	-	-	161,864
Rental	6,173	-	-	6,173	6,582	-	-	6,582
Animal care	628,735	-	-	628,735	531,107	-	-	531,107
Shelter supplies	158,545	-	-	158,545	128,373	-	-	128,373
Auction goods	-	-	85,350	85,350	-	-	91,813	91,813
Other fundraising & marketing	77,063	-	-	77,063	-	-	70,138	70,138
Printing, postage, & shipping	154,516	407	179,337	334,260	40,393	94	220,009	260,496
Professional fees	-	143,722	-	143,722	-	164,421	-	164,421
Merchandise	131,338	-	-	131,338	115,659	-	-	115,659
Other expenses	100,864	64,847	5,427	171,138	86,972	66,967	61,341	215,280
Special events	4,058	-	75,467	79,525	-	-	78,360	78,360
Travel	21,670	4,465	4,249	30,384	18,551	7,878	1,553	27,982
Bad debt	1,074	-	-	1,074	1,836	-	-	1,836
Radio program	13,800	-	-	13,800	-	-	-	-
Volunteer orientation	10,014	-	-	10,014	-	-	-	-
Subscriptions	-	7,263	48,638	55,901	-	-	-	-
Total Other Expenses	1,837,690	226,000	404,327	2,468,017	1,413,468	254,324	534,807	2,202,599
Depreciation & amortization	449,664	-	-	449,664	416,620	-	-	416,620
Total Expenses	\$ 5,268,650	\$ 402,951	\$ 726,099	\$ 6,397,700	\$ 4,517,098	\$ 566,645	\$ 891,715	\$ 5,975,458

See accompanying notes to the financial statements.

Animal Rescue League of Iowa, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2017 and 2016

	<u>Operating</u>	<u>Foundation</u>	<u>Total 2017</u>	<u>Total 2016</u>
Cash Flows from Operating Activities				
Change in net assets	\$ 721,863	\$ 909,131	\$ 1,630,994	\$ (180,760)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation & amortization	449,664	-	449,664	416,620
Unrealized (gain)/loss on investments		(939,928)	(939,928)	(942,927)
Realized gain/(loss) on investments		243,375	243,375	(194,478)
(Increase)/Decrease in receivables	(41,849)	-	(41,849)	(1,312)
(Increase)/Decrease in inventory	(15,854)	-	(15,854)	(20,154)
(Increase)/Decrease in prepaid expenses	(2,780)	-	(2,780)	1,153
(Increase)/Decrease in construction in process	128,266	-	128,266	(116,395)
Increase/(Decrease) in payables & accruals	(130,908)	-	(130,908)	104,761
Increase/(Decrease) in payroll & benefits	7,423	-	7,423	26,195
Increase/(Decrease) in deferred revenue	39,945	-	39,945	-
Increase/(Decrease) in deferred compensation	81,103	-	81,103	47,498
Net Cash Provided/(Used) by Operating Activities	<u>1,236,873</u>	<u>212,578</u>	<u>1,449,451</u>	<u>(859,799)</u>
Cash Flows from Investing Activities				
Capital expenditures	(1,015,802)	-	(1,015,802)	(232,997)
Proceeds from sale of investments	-	1,169,965	1,169,965	1,297,226
Purchase of investments	(81,103)	(569,341)	(650,444)	(171,447)
Change in spay/neuter fund	(10,971)	-	(10,971)	(507)
Net Cash Provided/(Used) by Investing Activities	<u>(1,107,876)</u>	<u>600,624</u>	<u>(507,252)</u>	<u>892,275</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	128,997	813,202	942,199	32,476
Cash & Cash Equivalents - Beginning	<u>675,744</u>	<u>39,749</u>	<u>715,493</u>	<u>683,017</u>
Cash & Cash Equivalents - Ending	<u><u>804,741</u></u>	<u><u>852,951</u></u>	<u><u>\$ 1,657,692</u></u>	<u><u>\$ 715,493</u></u>
Supplemental Disclosures				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-
Total Supplemental Disclosures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 1. Nature of 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 Accounting

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB ASC 958-205, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted – assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. The Organization’s governing board may earmark portions of its unrestricted net assets as board-designated for various purposes

Temporarily restricted – assets resulting from contributions and other inflows of assets whose use by the Organization is limited to donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization meeting the purpose of the restriction

Permanently restricted – assets resulting from contributions which are permanently restricted by donors. Although such assets may not be expended, the investment income earned on them is to be expended for operating purposes

Cash & Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all demand deposit accounts and certificates of deposit with an initial maturity of three months or less to be cash equivalents.

Investments

In accordance with the Financial Accounting Standards Board, FASB ASC 820, *Fair Value Measurements*, assets are measured at fair value on a recurring basis using quoted prices in active markets for identical assets (Level 1), quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; modeling with inputs that have observable inputs (Level 2), and valuation generated from model-based techniques that use significant assumptions not observable in the market (Level 3).

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

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

Accounts Receivable

Accounts receivable at December 31, 2017 and 2016 consist mainly of amounts due from local governments under service contracts. All receivables are considered fully collectible; accordingly, 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

Property and equipment is valued at cost and depreciated using straight-line and accelerated methods over the estimated useful lives, as follows:

Vehicles	5 years
Equipment	2 – 20 years
Buildings	40 years

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 unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

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 \$284,277 and \$179,706 in 2017 and 2016, respectively. In addition, the Organization received \$80,958 and \$86,867 of donated goods for the benefit auction in 2017 and 2016, 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.

Concentration of Credit Risk

At December 31, 2017, cash deposits exceeded federally insured limits by \$434,689.

Income Taxes

The Animal Rescue League of Iowa, Inc. and the Animal Rescue League Foundation are exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. No unrelated business income was earned by the Organization. Further, the Organization and related Foundation have been designated as organizations which are not a private foundation as defined in Section 509(a) of the Internal Revenue Code.

The Organization has adopted the provisions of FASB ASC 740-10, which requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include (or reflect) any uncertain tax positions. The Organization is no longer subject to examinations by federal or state authorities for years ending before December 31, 2013 nor has the Organization been notified of any impending examinations and no examinations are currently in process.

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. Accordingly, actual results could differ from those estimates.

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 2. Fair Value Measurements

The Organization has adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosure*, which defines fair value to be 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 and emphasizes that fair value hierarchy and expands disclosures about fair value measurements in both interim and annual periods.

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 unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; modeling with inputs that have observable inputs (i.e. interest rates observable at commonly quoted intervals)

Level 3 – valuation is generated from model-based techniques that use significant assumptions not observable in the market

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents financial instruments that are measured at fair value on a recurring basis as of December 31, 2017:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Community Foundation of Greater Des Moines	\$ 107,374	\$ 107,374	\$ -	\$ -
Foundation money market	852,951	852,951	-	-
Foundation fixed income	1,531,758	1,531,758	-	-
Foundation stocks, real estate, & alternatives	9,358,828	9,358,828	-	-
Capital campaign pledges receivable	76,550	-	-	76,550
Total	<u>\$ 11,927,461</u>	<u>\$ 11,850,911</u>	<u>\$ -</u>	<u>\$ 76,550</u>

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 2. Fair Value Measurements (continued)

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

	Pledges Receivable
Fair value - 12/31/2016	\$ 40,750
Additional pledges	60,000
Payments received	(24,200)
Change in present value discount	-
Fair value - 12/31/2017	\$ 76,550

The following table presents financial instruments that are measured at fair value on a recurring basis as of December 31, 2016:

	Fair Value	Level 1	Level 2	Level 3
Community Foundation of Greater Des Moines	\$ 96,126	\$ 96,126	\$ -	\$ -
Foundation money market	39,749	39,749	-	-
Foundation fixed income	1,875,947	1,875,947	-	-
Foundation stocks, real estate, & alternatives	8,918,710	8,918,710	-	-
Capital campaign pledges receivable	40,750	-	-	40,750
Total	\$ 10,971,282	\$ 10,930,532	\$ -	\$ 40,750

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

	Pledges Receivable
Fair value - 12/31/2015	\$ 44,230
Additional pledges	-
Payments received	(3,648)
Change in present value discount	168
Fair value - 12/31/2016	\$ 40,750

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 3. Property & Equipment

Components of property and equipment at December 31, 2017 and 2016 are as follows:

	2017	2016
Land	\$ 34,637	\$ 34,637
Buildings	11,468,478	10,592,694
Furniture & equipment	1,035,039	1,032,573
Vehicles	504,350	432,233
Web site design	88,196	68,696
Total depreciable assets	<u>13,130,700</u>	<u>12,160,833</u>
Construction in progress	50,815	179,081
Total property & equipment	<u>13,181,515</u>	<u>12,339,914</u>
Accumulated depreciation & amortization	<u>(3,973,373)</u>	<u>(3,569,644)</u>
Total property & equipment - net	<u>\$ 9,208,142</u>	<u>\$ 8,770,270</u>

Note 4. Investments

At December 31, 2017, the Organization had the following investments:

	Cost	Gain/Loss	Total
Foundation:			
Unrestricted - board designated			
Money market funds	\$ 852,951	\$ -	\$ 852,951
Fixed income	1,527,822	3,936	1,531,758
Stocks, real estate, & alternatives	7,593,155	1,765,673	9,358,828
Total Investments	<u>\$ 9,973,928</u>	<u>\$ 1,769,609</u>	<u>\$ 11,743,537</u>

At December 31, 2016, the Organization had the following investments:

	Cost	Gain/Loss	Total
Foundation:			
Unrestricted - board designated			
Money market funds	\$ 39,749	\$ -	\$ 39,749
Fixed income	1,898,007	(22,060)	1,875,947
Stocks, real estate, & alternatives	8,066,970	851,740	8,918,710
Total Investments	<u>\$ 10,004,726</u>	<u>\$ 829,680</u>	<u>\$ 10,834,406</u>

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 5. Financial Income

At December 31, 2017, financial income consisted of the following:

	Operating			Foundation
	Unrestricted	Restricted	Total	
Interest & dividends		\$ 657	\$ 657	\$ 283,753
Unrealized gain/loss		3,149	3,149	939,928
Realized gain/loss		130	130	243,375
Trust fees		(503)	(503)	(100,299)
Total	\$ -	\$ 3,433	\$ 3,433	\$ 1,366,757

At December 31, 2016, financial income consisted of the following:

	Operating			Foundation
	Unrestricted	Restricted	Total	
Interest & dividends	\$ 9,876	\$ 2,186	\$ 12,062	\$ 307,658
Unrealized gain/loss	7,622	(807)	6,815	935,305
Realized gain/loss	-	4,044	4,044	(113,180)
Trust fees	-	(472)	(472)	(79,528)
Total	\$ 17,498	\$ 4,951	\$ 22,449	\$ 1,050,255

Note 6. Unrestricted Net Assets

Unrestricted net assets 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, 2017 and 2016, of \$11,743,537 and \$10,834,406, respectively, whose earnings are designated for operating purposes.

Note 7. Promises to Give

Promises to give consisted of the following at December 31, 2017 and 2016:

	2017	2016
Past Due	\$ 28,550	\$ 40,750
Receivable in less than one year	12,000	-
Receivable in two to five years	36,000	-
Total	\$ 76,550	\$ 40,750

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at December 31, 2017:

	12/31/16 Balance	Additional Revenue	Release from Restrictions	12/31/17 Balance
ARL Grants	\$ -	\$ 335	\$ (6,191)	\$ (5,856)
Petfinder Animal Safety Grant	-	3,045	(3,045)	-
PetSmart Crisis Foster	-	10,000	(1,769)	8,231
PetSmart Veterinary Assist	-	35,633	(2,408)	33,225
Reclaim Assistance	-	1,500	(797)	703
Camp Purr Feral - Bernice Barbour	-	6,300	-	6,300
Hawkins Dog-Snip	687	140	(827)	-
Public Assistance	465	-	(297)	167
Erma Hawkins Memorial Fund for Seniors	20	10,000	(4,462)	5,558
Union Park Project	-	100	(100)	-
Renard Purr Project	1,720	1,500	(1,494)	1,726
Iowa Hay Bank	100	-	-	100
Madison Co TNR	104	-	-	104
Walmart Assistance	296	5	(301)	-
Uno Coyle Fund	1,938	730	(2,668)	-
ER Vet Fund	(455)	18,955	(22,433)	(3,933)
Pet Therapy	8,599	70,999	(49,209)	30,389
Banfield Foundation	-	10,249	(10,200)	49
Cat Cabin Project	5,000	-	(5,000)	-
Chardonnay Foundation	-	2,000	(2,000)	-
No-Cost Purr Project - Principal	1,198	1,293	(2,490)	-
Prison Pets for Vets	11,873	-	(2,737)	9,136
Baker Grant	18,864	4,044	(22,908)	-
Petco Target Zone Grant	34,306	170	(34,009)	467
Windsor Charitable S/N	10,000	-	(5,848)	4,153
Hawkins Fund for Medical Care of Senior Pets	7,000	5,491	(3,242)	9,249
ASPCA Target Zone	-	10,700	(10,700)	-
Petfinder Cat Adoption Kennels	-	10,000	(10,000)	-
PetSmart Red Zone	-	40,700	(39,162)	1,537
Walmart Public Assistance	-	2,800	(1,514)	1,286
Prairie Meadows Casino - Microchip Scanners	-	4,542	(4,542)	-
Grey Muzzle Grant	-	7,000	(2,507)	4,493
Total	<u>\$ 101,713</u>	<u>\$ 258,230</u>	<u>\$ (252,858)</u>	<u>\$ 107,085</u>

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 8. Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets consisted of the following at December 31, 2016:

	12/31/15 Balance	Additional Revenue	Release from Restrictions	12/31/16 Balance
Animal Farm	\$ 470	\$ 2,772	\$ (3,242)	\$ -
Baker Grant	-	30,500	(11,636)	18,864
Banfield Foundation	7,789	-	(7,789)	-
Cat Cabin Project	5,000	-	-	5,000
Chardonnay Foundation	-	2,148	(2,148)	-
Public Assistance	476	-	(11)	465
Equine Rescue	4,313	2,475	(6,788)	-
ER Vet Fund	(2,149)	10,905	(9,211)	(455)
Hawkins Dog-Snip	10,450	220	(9,983)	687
Erma Hawkins Memorial Fund for Seniors	5,281	4,375	(9,636)	20
Hawkins Fund for Medical Care of Senior Pets	-	7,000	-	7,000
HE Scholarships	2,300	-	(2,300)	-
Help a Horse Day	-	1,568	(1,568)	-
Incline Rescue Equipment	-	3,156	(3,156)	-
Iowa Hay Bank	100	-	-	100
Low Cost S/N	-	290	(290)	-
Madison Co TNR	104	-	-	104
Managed Admissions	87,497	1,141	(88,638)	-
No-Cost Purr Project - Principal	-	5,000	(3,803)	1,197
Off-Site Adoption	28,309	5,635	(33,944)	-
Paws on the Pavement	23	-	(23)	-
Pet Therapy	12,880	49,311	(53,592)	8,599
Petco Target Zone Grant	-	35,000	(695)	34,305
Prison Pets for Vets	-	22,686	(10,813)	11,873
Purr Project	4,083	2,432	(6,515)	-
Renard Purr Project	805	1,000	(85)	1,720
Share the Love Adoption Event	-	2,000	(2,000)	-
Union Park	56,591	500	(57,091)	-
Uno Coyle Fund	5,688	-	(3,750)	1,938
Walmart Assistance	628	2,500	(2,832)	296
Windsor Charitable S/N	-	10,000	-	10,000
Total	<u>\$ 230,638</u>	<u>\$ 202,614</u>	<u>\$ (331,539)</u>	<u>\$ 101,713</u>

Animal Rescue League of Iowa, Inc.
Notes to the Financial Statements
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Note 9. Permanently Restricted Net Assets

Permanently restricted net assets account had a balance of \$92,708 as of December 31, 2017 and 2016.

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, 2017, 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, 2017, the employer has contributed \$35,000 to the plan. At December 31, 2017 and 2016, the plan had gains of \$81,103 and \$17,498, respectively. At December 31, 2017 and 2016, the plan was fully vested with a balance of \$359,159 and \$278,056, 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, 2017 through the financial statements issue date of October 17, 2018. All appropriate subsequent event disclosures, if any, have been made to the financial statements.