

**Animal Rescue League of Iowa, Inc.**

Financial Statements  
With Independent Auditor's Report Thereon

December 31, 2018 and 2017

**Animal Rescue League of Iowa, Inc.**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 – 15

**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, 2018 and 2017, 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, 2018 and 2017, 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 14, 2019

**Animal Rescue League of Iowa, Inc.**  
Statement of Financial Position  
December 31, 2018 and 2017

Assets	Operating	Foundation	Total 2018	Total 2017
<b>Current Assets</b>				
Cash & cash equivalents	\$ 465,500	\$ 423,431	\$ 888,931	\$ 1,657,692
Investments	-	10,150,983	10,150,983	10,890,586
Investments - deferred compensation	377,689	-	377,689	359,159
Accounts receivable	132,134	-	132,134	68,800
Pledges receivable	72,500	-	72,500	76,550
Inventory	67,103	-	67,103	78,563
Prepaid expenses	50,964	-	50,964	74,538
<b>Total Current Assets</b>	<b>1,165,890</b>	<b>10,574,414</b>	<b>11,740,304</b>	<b>13,205,888</b>
<b>Restricted Assets</b>				
Spay/neuter fund	95,302	-	95,302	107,097
<b>Total Restricted Assets</b>	<b>95,302</b>	<b>-</b>	<b>95,302</b>	<b>107,097</b>
<b>Property &amp; Equipment</b>				
Property & equipment	13,275,338	-	13,275,338	13,130,700
Construction in process	-	-	-	50,815
Less - accumulated depreciation & amortization	(4,445,231)	-	(4,445,231)	(3,973,373)
<b>Total Property &amp; Equipment</b>	<b>8,830,107</b>	<b>-</b>	<b>8,830,107</b>	<b>9,208,142</b>
<b>Total Assets</b>	<b>\$ 10,091,299</b>	<b>\$ 10,574,414</b>	<b>\$ 20,665,713</b>	<b>\$ 22,521,127</b>
<b>Liabilities &amp; Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable & accrued expenses	\$ 182,082	\$ -	\$ 182,082	\$ 137,162
Accrued payroll & benefits	153,028	-	153,028	137,035
Deferred revenue	52,084	-	52,084	39,945
Deferred compensation	377,689	-	377,689	359,159
<b>Total Current Liabilities</b>	<b>764,883</b>	<b>-</b>	<b>764,883</b>	<b>673,301</b>
<b>Total Liabilities</b>	<b>764,883</b>	<b>-</b>	<b>764,883</b>	<b>673,301</b>
<b>Net Assets</b>				
Without donor restrictions:				
Undesignated	9,172,484	-	9,172,484	9,904,496
Board designated	-	10,574,414	10,574,414	11,743,537
With donor restrictions	153,932	-	153,932	199,793
<b>Total Net Assets</b>	<b>9,326,416</b>	<b>10,574,414</b>	<b>19,900,830</b>	<b>21,847,826</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 10,091,299</b>	<b>\$ 10,574,414</b>	<b>\$ 20,665,713</b>	<b>\$ 22,521,127</b>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
Statement of Activities  
For the Years Ended December 31, 2018 and 2017

	<u>Operating</u>	<u>Foundation</u>	<u>Total 2018</u>	<u>Total 2017</u>
Revenue & Support				
Public support:				
Donations	\$ 1,730,165	\$ -	\$ 1,730,165	\$ 1,856,212
Bequests & grants	626,510	-	626,510	1,867,525
Direct mail & newsletter	687,062	-	687,062	643,610
Special events	532,484	-	532,484	509,599
Program revenue:				
Adoptions & admissions	501,689	-	501,689	476,660
Animal control & housing contracts	924,072	-	924,072	886,524
Other supporting services	218,028	-	218,028	194,865
Other income:				
Merchandise sales	200,286	-	200,286	219,127
Financial income	(6,853)	(656,642)	(663,495)	1,391,652
Other income	21,040	-	21,040	29,696
Interfund transfers	512,481	(512,481)	-	(52,147)
Total Revenue & Support	<u>5,946,964</u>	<u>(1,169,123)</u>	<u>4,777,841</u>	<u>8,023,323</u>
Expenses				
Program services	5,626,426	-	5,626,426	5,268,650
Management & general	385,706	-	385,706	402,951
Fundraising	666,844	-	666,844	726,099
Total Expenses	<u>6,678,976</u>	<u>-</u>	<u>6,678,976</u>	<u>6,397,700</u>
Change in Net Assets				
Without donor restrictions	(732,012)	(1,169,123)	(1,901,135)	1,625,623
With donor restrictions	<u>(45,861)</u>	<u>-</u>	<u>(45,861)</u>	<u>5,371</u>
Total Change in Net Assets	<u>(777,873)</u>	<u>(1,169,123)</u>	<u>(1,946,996)</u>	<u>1,630,994</u>
Net Assets - Beginning	<u>10,104,289</u>	<u>11,743,537</u>	<u>21,847,826</u>	<u>20,216,832</u>
Net Assets - Ending	<u>\$ 9,326,416</u>	<u>\$ 10,574,414</u>	<u>\$ 19,900,830</u>	<u>\$ 21,847,826</u>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
Statement of Functional Expenses

For the Years Ended December 31, 2018 and 2017

	2018			2017				
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
<b>Salaries &amp; Related Expenses</b>								
Salaries & wages	\$ 2,416,875	\$ 178,825	\$ 167,446	\$ 2,763,146	\$ 2,220,869	\$ 132,392	\$ 232,631	\$ 2,585,892
Employee benefits	631,265	42,869	65,963	740,097	760,427	44,559	89,141	894,127
<b>Total Salaries &amp; Related Expenses</b>	<b>3,048,140</b>	<b>221,694</b>	<b>233,409</b>	<b>3,503,243</b>	<b>2,981,296</b>	<b>176,951</b>	<b>321,772</b>	<b>3,480,019</b>
<b>Other Expenses</b>								
AP discounts	-	(6,363)	-	(6,363)	-	(5,815)	-	(5,815)
General insurance	75,693	-	-	75,693	67,998	-	-	67,998
Utilities	268,497	4,137	2,126	274,760	245,246	2,331	1,253	248,830
Supplies	58,627	8,598	6,130	73,355	44,859	8,780	4,606	58,245
Repairs & maintenance	188,579	-	-	188,579	171,737	-	-	171,737
Rental	6,308	-	-	6,308	6,173	-	-	6,173
Animal care	541,190	-	-	541,190	628,735	-	-	628,735
Shelter supplies	178,227	-	-	178,227	158,545	-	-	158,545
Auction goods	-	-	85,686	85,686	-	-	85,350	85,350
Other fundraising & marketing	37,866	-	549	38,415	77,063	-	-	77,063
Printing, postage, & shipping	309,804	-	163,582	473,386	154,516	407	179,337	334,260
Professional fees	174,228	76,946	-	251,174	-	143,722	-	143,722
Merchandise	120,155	-	-	120,155	131,338	-	-	131,338
Other expenses	93,545	70,029	4,558	168,132	100,864	64,847	5,427	171,138
Special events	2,571	-	114,911	117,482	4,058	-	-	79,525
Travel	26,945	5,280	3,726	35,951	21,670	4,465	4,249	30,384
Bad debt	730	-	-	730	1,074	-	-	1,074
Radio program	14,550	-	-	14,550	13,800	-	-	13,800
Volunteer orientation	8,913	-	-	8,913	10,014	-	-	10,014
Subscriptions	-	5,385	52,167	57,552	-	7,263	-	55,901
<b>Total Other Expenses</b>	<b>2,106,428</b>	<b>164,012</b>	<b>433,435</b>	<b>2,703,875</b>	<b>1,837,690</b>	<b>226,000</b>	<b>404,327</b>	<b>2,468,017</b>
<b>Depreciation &amp; amortization</b>	<b>471,858</b>	<b>-</b>	<b>-</b>	<b>471,858</b>	<b>449,664</b>	<b>-</b>	<b>-</b>	<b>449,664</b>
<b>Total Expenses</b>	<b>\$ 5,626,426</b>	<b>\$ 385,706</b>	<b>\$ 666,844</b>	<b>\$ 6,678,976</b>	<b>\$ 5,268,650</b>	<b>\$ 402,951</b>	<b>\$ 726,099</b>	<b>\$ 6,397,700</b>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
Statement of Cash Flows  
For the Years Ended December 31, 2018 and 2017

	<u>Operating</u>	<u>Foundation</u>	<u>Total 2018</u>	<u>Total 2017</u>
<b>Cash Flows from Operating Activities</b>				
Change in net assets	\$ (777,873)	\$ (1,169,123)	\$ (1,946,996)	\$ 1,630,994
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation & amortization	471,858	-	471,858	449,664
Loss on disposal of asset	281	-	281	-
Interest & dividends	-	280,909	280,909	-
Realized gain/(loss) on investments	-	215,137	215,137	243,375
Unrealized (gain)/loss on investments	-	1,066,794	1,066,794	(939,928)
(Increase)/Decrease in receivables	(59,284)	-	(59,284)	(41,849)
(Increase)/Decrease in inventory	11,460	-	11,460	(15,854)
(Increase)/Decrease in prepaid expenses	23,574	-	23,574	(2,780)
(Increase)/Decrease in construction in process	50,815	-	50,815	128,266
Increase/(Decrease) in payables & accruals	44,920	-	44,920	(130,908)
Increase/(Decrease) in payroll & benefits	15,993	-	15,993	7,423
Increase/(Decrease) in deferred revenue	12,139	-	12,139	39,945
Increase/(Decrease) in deferred compensation	18,530	-	18,530	81,103
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(187,587)</b>	<b>393,717</b>	<b>206,130</b>	<b>1,449,451</b>
<b>Cash Flows from Investing Activities</b>				
Capital expenditures	(144,919)	-	(144,919)	(1,015,802)
Proceeds from sale of investments	-	443,395	443,395	1,169,965
Purchase of investments	(18,530)	(1,266,632)	(1,285,162)	(650,444)
Change in spay/neuter fund	11,795	-	11,795	(10,971)
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>(151,654)</b>	<b>(823,237)</b>	<b>(974,891)</b>	<b>(507,252)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(339,241)</b>	<b>(429,520)</b>	<b>(768,761)</b>	<b>942,199</b>
Cash & Cash Equivalents - Beginning	804,741	852,951	1,657,692	715,493
Cash & Cash Equivalents - Ending	<u>\$ 465,500</u>	<u>\$ 423,431</u>	<u>\$ 888,931</u>	<u>\$ 1,657,692</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, 2018 and 2017

**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:

Cash & cash equivalents	\$ 888,931
Accounts receivable	132,134
	<u>\$ 1,021,065</u>

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, \$146,274 exceeded federally insured limits as of December 31, 2018.



**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**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

Property and equipment is valued at cost and depreciated using the straight-line method 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 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, 2018 and 2017

**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 \$163,181 and \$284,277 in 2018 and 2017, respectively. In addition, the Organization received \$79,765 and \$80,958 of donated goods for the benefit auction in 2018 and 2017, 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 2015. The Organization has not been notified of any impending examinations by tax authorities, and no examinations are in process.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**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, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Community Foundation of Greater Des Moines	\$ 95,302	\$ 95,302	\$ -	\$ -
Foundation money market	423,431	423,431	-	-
Foundation fixed income	1,652,709	1,652,709	-	-
Foundation stocks, real estate, & alternatives	8,498,274	8,498,274	-	-
Capital campaign pledges receivable	72,500	-	-	72,500
Total	<u>\$ 10,742,216</u>	<u>\$ 10,669,716</u>	<u>\$ -</u>	<u>\$ 72,500</u>

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

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

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**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, 2017:

	Fair Value	Level 1	Level 2	Level 3
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
<b>Total</b>	<b>\$ 11,927,461</b>	<b>\$ 11,850,911</b>	<b>\$ -</b>	<b>\$ 76,550</b>

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	<u>\$ 76,550</u>

**Note 3. Property & Equipment**

Components of property and equipment at December 31, 2018 and 2017 are as follows:

	2018	2017
Land	\$ 34,637	\$ 34,637
Buildings	11,475,376	11,468,478
Furniture & equipment	1,082,272	1,035,039
Vehicles	594,857	504,350
Web site design	88,196	88,196
Total depreciable assets	<u>13,275,338</u>	<u>13,130,700</u>
Construction in progress	-	50,815
Total property & equipment	13,275,338	13,181,515
Accumulated depreciation & amortization	<u>(4,445,231)</u>	<u>(3,973,373)</u>
Total property & equipment - net	<u>\$ 8,830,107</u>	<u>\$ 9,208,142</u>

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**Note 4. Investments**

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

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

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

	<u>Cost</u>	<u>Gain/Loss</u>	<u>Total</u>
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>

**Note 5. Financial Income**

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

	<u>Operating</u>	<u>Foundation</u>
Interest & dividends	\$ 2,436	\$ 280,909
Realized gain/loss	1,058	215,137
Unrealized gain/loss	(9,834)	(1,069,794)
Trust fees	(513)	(82,894)
Total	<u>\$ (6,853)</u>	<u>\$ (656,642)</u>

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**Note 5. Financial Income (continued)**

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

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

**Note 7. Promises to Give**

Promises to give consisted of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Past Due	\$ 16,500	\$ 28,550
Receivable in less than one year	-	12,000
Receivable in two to five years	56,000	36,000
Total	<u>\$ 72,500</u>	<u>\$ 76,550</u>

**Note 6. 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, 2018 and 2017, of \$10,574,414 and \$11,743,537, respectively, whose earnings are designated for operating purposes.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**Note 8. Net Assets With Donor Restrictions**

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

	12/31/17 Balance	Additional Revenue	Release from Restrictions	12/31/18 Balance
Community Foundation Spay/Neuter Fund	\$ (92,708)	\$ -	\$ -	\$ (92,708)
ARL Grants	5,856	(9,674)	3,818	-
PetSmart Crisis Foster	(8,231)	-	8,231	-
PetSmart Veterinary Assist	(33,225)	(250)	33,475	-
Reclaim Assistance	(703)	-	703	-
Camp Purr Feral - Bernice Barbour	(6,300)	(274)	6,574	-
Spay Des Moines	-	(1,000)	1,219	219
Ringworm Treatment Room	-	(26,348)	19,830	(6,518)
Multi-Purpose Room Dividers for Behavior	-	(5,334)	5,334	-
Kitten Incubators- Prairie Meadows	-	(5,006)	5,006	-
Flood Crisis Foster	-	(5,002)	5,002	-
Electricity to Catty Shack- Jack & Mary Hovden	-	(600)	-	(600)
Reclaim Assistance ACCC- Jack & Mary Hovden	-	(3,150)	168	(2,982)
Cat Scratchers- Jack & Mary Hovden	-	(3,000)	1,849	(1,151)
Veterinary Assistance- SL Gimbel Grant	-	(24,200)	1,043	(23,157)
TNR Resources- Bernice Barbour Found.	-	(8,139)	-	(8,139)
Public Assistance	(167)	-	167	-
Erma Hawkins Memorial Fund for Seniors	(5,558)	(4,926)	8,748	(1,735)
Renard Purr Project	(1,726)	(1,500)	2,039	(1,187)
Iowa Hay Bank	(100)	(1,000)	100	(1,000)
Madison Co TNR	(104)	-	-	(104)
ER Vet Fund	3,933	(14,793)	10,860	-
Pet Therapy	(30,389)	(279,281)	309,671	-
Share the Love Adoption Event	-	(4,000)	4,000	-
Banfield Foundation	(49)	-	49	(0)
Humane Ed Scholarships - West Bank	-	(1,500)	150	(1,350)
Prison Pets for Vets	(9,136)	-	875	(8,261)
Petco Target Zone Grant	(467)	-	467	(0)
Windsor Charitable S/N	(4,153)	(538)	4,690	-
Hawkins Fund for Medical Care of Senior Pets	(9,249)	-	6,495	(2,754)
PetSmart Red Zone	(1,537)	(323)	1,860	-
Walmart Public Assistance	(1,286)	(2,750)	3,983	(53)
Grey Muzzle Grant	(4,493)	(6,600)	8,642	(2,451)
Total	<u>\$ (199,793)</u>	<u>\$ (409,187)</u>	<u>\$ 455,048</u>	<u>\$ (153,932)</u>

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**Note 8. Net Assets With Donor Restrictions (continued)**

Net assets with donor restrictions consisted of the following at December 31, 2017:

	12/31/16 Balance	Additional Revenue	Release from Restrictions	12/31/17 Balance
Community Foundation Spay/Neuter Fund	\$ (92,708)	\$ -	\$ -	\$ (92,708)
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)
<b>Total</b>	<b>\$ (194,421)</b>	<b>\$ (258,230)</b>	<b>\$ 252,858</b>	<b>\$ (199,793)</b>



**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**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, 2018, 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, 2018, the employer has contributed \$40,000 to the plan. At December 31, 2018 and 2017, the plan had gains/losses of (\$21,470) and \$81,103, respectively. At December 31, 2018 and 2017, the plan was fully vested with a balance of \$377,689 and \$359,159, 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, 2018 through the financial statements issue date of August 14, 2019. All appropriate subsequent event disclosures, if any, have been made to the financial statements.