

**SPRING FARM
CENTER ALTERNATIVE RESEARCH
EDUCATION SANCTUARY**

FINANCIAL STATEMENTS

December 31, 2018

SPRING FARM CENTER
ALTERNATIVE RESEARCH EDUCATION SANCTUARY

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Spring Farm Center Alternative Research Education Sanctuary
3364 Route 12
Clinton, NY 13323

We have audited the accompanying financial statements of Spring Farm Center Alternative Research Education Sanctuary (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018 and 2017, and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 an audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring Farm Center Alternative Research Education Sanctuary, 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 the accounting principles generally accepted in the United States of America.



GUSTAFSON & WARGO CPAs LLP
Utica • New York

November 8, 2019

SPRING FARM CENTER ALTERNATIVE RESEARCH EDUCATION SANCTUARY
STATEMENT OF FINANCIAL POSITION
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 424,356	\$ 317,346
Accrued interest and dividends	69,977	39,761
Prepaid insurance	19,902	18,619
Total current assets	514,235	375,726
INVESTMENTS	24,052,089	26,152,216
PROPERTY AND EQUIPMENT, net	1,655,098	1,796,139
COLLECTIONS	142,580	144,794
Total assets	26,364,002	28,468,875
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	26,614	4,694
Accrued expenses	22,376	307
Total liabilities	48,990	5,001
NET ASSETS:		
Without donor restrictions	9,165,012	11,313,874
With donor restrictions	17,150,000	17,150,000
Total net assets	26,315,012	28,463,874
Total liabilities and net assets	\$ 26,364,002	\$ 28,468,875

SPRING FARM CENTER ALTERNATIVE RESEARCH EDUCATION SANCTUARY
STATEMENT OF ACTIVITIES
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND GAINS:		
Contributions-including in-kind donations of \$31,008 and \$48,246 for 2018 and 2017, respectively	\$ 415,992	\$ 377,346
Program service fees	7,425	7,615
Investment income	1,277,820	1,178,755
Net realized and unrealized gain/(loss) on securities	(2,161,395)	1,276,316
Sale items	5,024	679
Miscellaneous	1,788	-
Total revenues and gains without donor restrictions	<u>(453,346)</u>	<u>2,840,711</u>
EXPENSES:		
Program services	1,467,024	1,483,525
Management and general	139,767	113,707
Fundraising expenses	17,830	18,507
Impairment loss	70,895	-
Total expenses	<u>1,695,516</u>	<u>1,615,739</u>
Change in assets without donor restrictions	(2,148,862)	1,224,972
Net Assets at Beginning of year	<u>28,463,874</u>	<u>27,238,902</u>
Net Assets at End of Year	<u>\$ 26,315,012</u>	<u>\$ 28,463,874</u>

SPRING FARM CENTER ALTERNATIVE RESEARCH EDUCATION SANCTUARY
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2018 Totals</u>
Accounting service	\$ -	\$ 36,927	\$ -	\$ 36,927
Advertising and promotion	214	1,038	46	1,298
Animal/nature sanctuary	247,234	60	-	247,294
Compensation of officers	9,685	10,858	4,842	25,385
Conferences, conventions, and meetings	3,002	399	-	3,401
Depreciation	98,252	17,339	-	115,591
Grants, donations and other assistance	1,950	-	-	1,950
Information technology	8,439	912	-	9,351
Insurance	70,125	5,896	-	76,021
Miscellaneous expenses	-	12,039	-	12,039
Occupancy	99,350	444	-	99,794
Office expenses	27,466	9,417	12,577	49,460
Other employee benefits	61,936	3,260	-	65,196
Other professional services	24,510	4,025	-	28,535
Other salaries and wages	599,893	31,573	-	631,466
Payroll taxes	45,428	5,580	-	51,008
Pension plan contributions	14,103	-	-	14,103
Spay-neuter service	87,274	-	-	87,274
Travel	8,582	-	365	8,947
Veterinarian-sanctuary service	59,581	-	-	59,581
Total expenses	<u>\$ 1,467,024</u>	<u>\$ 139,767</u>	<u>\$ 17,830</u>	<u>\$ 1,624,621</u>

See the accompanying notes to the financial statements.

SPRING FARM CENTER ALTERNATIVE RESEARCH EDUCATION SANCTUARY
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Totals</u>
Accounting service	\$ 8,235	\$ 6,588	\$ 1,647	\$ 16,470
Advertising and promotion	825	624	70	1,519
Animal/nature sanctuary	264,824	891	-	265,715
Compensation of officers	10,000	10,000	5,000	25,000
Conferences, conventions, and meetings	2,240	983	-	3,223
Depreciation	98,924	17,457	-	116,381
Grants, donations and other assistance	-	50	-	50
Information technology	649	216	216	1,081
Insurance	46,703	2,595	2,595	51,893
Miscellaneous expenses	4,070	5,396	-	9,466
Occupancy	55,707	10,445	3,481	69,633
Office expenses	29,942	8,555	4,278	42,775
Other employee benefits	50,322	15,685	-	66,007
Other professional services	20,911	537	-	21,448
Other salaries and wages	593,694	31,247	-	624,941
Payroll taxes	44,771	2,356	-	47,127
Pension plan contributions	10,246	-	1,138	11,384
Spay-neuter service	149,729	-	-	149,729
Travel	7,986	82	82	8,150
Veterinarian-sanctuary service	83,747	-	-	83,747
Total expenses	<u>\$ 1,483,525</u>	<u>\$ 113,707</u>	<u>\$ 18,507</u>	<u>\$ 1,615,739</u>

See the accompanying notes to the financial statements.

SPRING FARM CENTER ALTERNATIVE RESEARCH EDUCATION SANCTUARY
STATEMENT OF CASH FLOWS
For the years ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (2,148,862)	\$ 1,224,972
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	115,591	116,381
Impairment loss	70,895	
Unrealized (gains)/losses on investments	2,240,646	(1,276,316)
Changes in:		
Contributions receivable	-	52,000
Accrued interest and dividends	(30,216)	16,757
Prepaid insurance	(1,283)	3,379
Accounts payable	21,920	(11,759)
Accrued salaries and taxes	22,069	(322)
Net cash provided by operating activities	290,760	125,092
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase/disposal of property, equipment and collections, net	(43,231)	(96,018)
Purchase of investments	(2,930,050)	(3,547,585)
Sale of investments	2,789,531	3,564,422
Net cash provided by (used in) investing activities	(183,750)	(79,181)
CHANGE IN CASH AND CASH EQUIVALENTS	107,010	45,911
CASH AND CASH EQUIVALENTS - beginning of year	317,346	271,435
CASH AND CASH EQUIVALENTS - end of year	\$ 424,356	\$ 317,346

SPRING FARM CENTER
ALTERNATIVE RESEARCH EDUCATION SANCTUARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

1. Nature of Operations

Spring Farm Center Alternative Research Education Sanctuary (Organization), located in Clinton, New York, is a not-for-profit organization which is a retirement/rehabilitation sanctuary for abused, abandoned, unwanted or homeless domestic and farm animals. On its over 300 acres, the Organization offers interspecies communication consultations, workshops and lectures, Happy Hearth spay/neuter program, feral cat spay/neuter program a nature sanctuary, an animal sanctuary, memorial gardens, cultural events, volunteer program, and tours.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of Spring Farm Center Alternative Research Education Sanctuary have been prepared in conformity with accounting principles generally accepted in the United States.

Income Tax Status

The Organization is exempt from federal income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified by the Internal Revenue Service as an entity which is not a private foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures, as well as the disclosure of contingencies. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of these financial statements, the Organization considers all checking, savings, and money market accounts with an original maturity of three months or less to be cash and cash equivalents, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk with respect to cash and cash equivalents.

Investments

Investments are reported at fair value on the statements of financial position. Investment income and losses (including realized gains and losses on investments, unrealized gains and losses on investments, interest, and dividends) is included in unrestricted income unless restricted by donor or law.

Risks and Uncertainties

The Organization's investments are comprised of a variety of financial instruments and are managed and monitored by management and their investment advisor. The fair values reported in the statement of financial position are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near future.

Property and Equipment

Property and equipment are stated at cost if purchased, and at fair value if donated and depreciated on a straight-line basis over their estimated useful lives. Estimated useful lives range from three to forty years. The Organization capitalizes all assets over \$2,500. Depreciation expense for the years ended December 31, 2018 and 2017 was \$115,591 and \$116,381 respectively.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Collections

The Organization capitalizes its collections. Collections are capitalized at cost if purchased and at appraised or fair value at date of collection if received by donation. Gains and losses on donated collections are recorded based on the presence or absence of donor restrictions placed on items at the date of donation. Depreciation is not taken on the collections.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as net assets with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Donated Securities

Donated securities are recorded as contributions at their fair value at the date of donation. There were no donated securities for the years ended December 31, 2018 and 2017.

Donated Materials and Services

Donated materials and services are reflected as contributions at their estimated values with an offsetting charge to expense. Only those materials and services for which there is an objective basis of valuation are reflected in the financial statements. Donated materials for the years ended December 31, 2018 and 2017 were \$26,062 and \$33,981, respectively.

The Organization received donated services from several veterinarians who performed neuter operations for the feral cat spay/neuter program. The feral cat spay/neuter program clinics are performed monthly generally from March to December. Donated services for the years ended December 31, 2018 and 2017 were \$4,946 and \$14,264, respectively.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statements of activities. The costs are functionalized on a direct basis, where possible. Indirect costs are allocated on the basis of time spent, square footage or some other reasonable basis consistently applied.

Investment Fees

Net investment returns reflect fees paid by various investment funds to their affiliated investment advisors, transfer agents, and others as described in each fund prospectus or other published documents. These fees are deducted prior to allocation of investment earnings activity and thus not separately identifiable as an expense.

Prior Period Balances

Certain prior period balances have been reclassified to conform to the current year presentation.

3. Implementation of Accounting Pronouncements

During 2018 the Organization adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity of available resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied retrospectively to all periods presented.

Presentation changes include:

- Reducing the number of classes of net assets from three to two (net assets with donor restrictions and net assets without donor restrictions)
- Requiring the presentation of expenses in both natural and functional classifications
- Eliminating the requirement to disclose the components of investment return as well as reporting investment return net of external and direct internal investment expenses.
- Requiring qualitative and quantitative disclosures regarding an entity's liquidity and availability of resources.

4. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the 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 under ASC 820 are described as follows:

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

Level 2 – Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and market-corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3 – Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no significant changes in the methodologies used during the years ended December 31, 2018 and 2017.

Level 1 Fair Value Measurements

Investments in mutual funds are based on quoted net asset values of the shares held at year-end. Investments in common stocks and US Government securities are valued at the closing price reported on the active market on which the individual securities are traded.

The following tables set forth by level, with the fair value hierarchy, the investments at fair value as of December 31:

	2018			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Totals</u>
Common stocks	\$ 15,772,767	\$ –	\$ –	\$ 15,772,767
Exchange-traded funds	976,675	–	–	976,675
Mutual funds	7,302,647	–	–	7,302,647
Fixed income securities	–	–	–	–
	<u>\$ 24,052,089</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 24,052,089</u>

	2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Totals</u>
Common stocks	\$ 15,616,087	\$ –	\$ –	\$ 15,616,087
Exchange-traded funds	1,477,110	–	–	1,477,110
Mutual funds	8,861,769	–	–	8,861,769
Fixed income securities	197,250	–	–	197,250
	<u>\$ 26,152,216</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 26,152,216</u>

Investment income is summarized as follows:

	<u>2018</u>	<u>2017</u>
Interest income	\$ 8,425	\$ 11,528
Dividend income	1,179,098	1,087,165
Partnership distributions	62,100	65,846
Capital gain distributions	28,197	14,216
Realized and unrealized gains/(losses) on investments	<u>(2,161,395)</u>	<u>1,276,316</u>
	<u>\$ (883,575)</u>	<u>\$ 2,455,071</u>

5. Endowment Funds / Investment

Spring Farm Center Alternative Research Education Sanctuary's endowment consists of a donor restricted fund. As required by GAAP, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The donor-restricted endowment fund is made up of the following account balances as of December 31:

	<u>2018</u>	<u>2017</u>
Assets:		
Investments	<u>\$ 16,850,000</u>	<u>\$ 16,850,000</u>
Total Assets	<u>\$ 16,850,000</u>	<u>\$ 16,850,000</u>
Net assets:		
With donor restrictions	<u>\$ 16,850,000</u>	<u>\$ 16,850,000</u>
Total net assets	<u>\$ 16,850,000</u>	<u>\$ 16,850,000</u>

Interpretation of Relevant Law

Investments are reported at fair value and gains on net assets with donor restrictions are to be classified according to explicit donor-imposed stipulations. Absent explicit donor-imposed stipulations, applicable state law is to be followed. The Organization has interpreted New York State Law to allow the use of gains on investment net assets with donor restrictions for specific operating purposes absent explicit donor-imposed stipulations that all or a portion of such gains be restricted. Accordingly, such gains on net assets with donor restrictions are reported as net assets without donor restrictions unless there is a presence of donor-imposed stipulations as to their use. Changes in fair value resulting from realized and unrealized gains and losses are reflected as net appreciation (depreciation) within the statements of activities.

The Board of Directors of Spring Farm Center Alternative Research Education Sanctuary has interpreted the relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor

restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the relevant state law. Unless specifically defined, a donor-restricted endowment fund that is required by donor stipulation to accumulate or appropriate endowment funds, the Organization considers the following factors:

- 1) The duration and preservation of the fund
- 2) The purposes of the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization; and where appropriate, alternatives to spending from the endowment fund and the possible effects of those alternatives.

The following schedule represents the endowment activity for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Endowment net assets, beginning of year	\$ 16,850,000	\$ 16,850,000
Investment income	1,277,820	1,277,820
Transfers to unrestricted	<u>(1,277,820)</u>	<u>(1,277,820)</u>
Endowment net assets, end of year	<u>\$ 16,850,000</u>	<u>\$ 16,850,000</u>

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specific period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve capital, considering the impact of inflation, strive for consistent annual total returns, and achieve long-term returns which meet or exceed inflation, and earn the highest possible return given the risk tolerance established by the Organization. The Organization expects its endowment fund, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

Strategies employed for Achieving Objectives

The Organization primarily relies on investment in highly rated securities that provide long term stable growth and generate current income that can be used for operations. The Organization limits the number of positions but diversifies among asset classes and utilizes a buy and hold strategy.

Endowment Spending Policy & How the Investment Objectives Relate to the Spending Policy

The Organization uses the total return concept for Endowment Fund income. Under this concept, endowment income to be utilized was established at 100% for 2018 and 2017, respectively, based upon the average of the interest and dividend income of the endowment assets accounts.

6. Concentrations of Credit and Market Risk

The Organization's investments consist of marketable equity securities and corporate bonds. By their nature, these investments contain a credit risk associated with market conditions and fluctuations. In addition, there is also an element of credit risk associated with the financial conditions of the companies where these funds are invested.

7. Property and Equipment

Property and equipment consist of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Automobiles <i>(estimated life 5-10 years)</i>	61,421	\$ 61,421
Buildings and improvements <i>(estimated life 10-40 years)</i>	1,750,249	1,861,141
Office equipment and furnishings <i>(estimated life 3-10 years)</i>	68,015	152,424
Farm equipment <i>(estimated life 10 years)</i>	133,330	167,100
Theater equipment <i>(estimated life 10-20 years)</i>	44,669	57,042
Land	286,105	286,105
Windmills <i>(estimated life 20 years)</i>	317,164	317,164
Land improvements <i>(estimated life of 15 years)</i>	12,404	12,404
Solar power equipment <i>(estimated life 20 years)</i>	<u>231,823</u>	<u>231,823</u>
	2,905,180	3,146,624
Less: Accumulated depreciation	<u>(1,250,082)</u>	<u>(1,350,485)</u>
Property and equipment, net	<u>\$ 1,655,098</u>	<u>\$ 1,796,139</u>

8. Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then assets are written down. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. At December 31, 2018 an impairment loss of \$70,895 represents the write-down of property plant and equipment to its recoverable amount

9. Collections

The Organization has acquired, largely through donation, various art pieces including posters, prints, watercolors, oils, carvings and statuary, almost all representing animals or human-animal relationships. These pieces are displayed in the main hall, public rooms and gardens.

10. Net Assets with Donor Restrictions

Net assets with donor restriction are restricted until donor release.

For the year ended December 31, 2018 and 2017, donor restricted net assets consisted of:

	<u>2018</u>	<u>2017</u>
Real Estate	\$ 300,000	\$ 300,000
Investment	<u>16,850,000</u>	<u>16,850,000</u>
	<u>\$ 17,150,000</u>	<u>\$ 17,150,000</u>

In 1998, a Board member donated property and real estate to the Organization. The property donation was recorded as a fixed asset at its fair market value of \$300,000 and is being depreciated on the straight-line basis over forty years. The Board member retained a life interest in the property and maintains the property. Upon the Board member's death, the net asset will be released from restriction.

The investment consists of a bequest that was made in 1999 in the amount of \$16,850,000. The principal is restricted, and any income derived from the principal is unrestricted and can be used for operations.

11. Related Party Transactions

In 2018 and 2017, Board members donated approximately \$65,500 and \$48,350 towards animal upkeep and general operations, respectively.

12. Pension Plan

The Organization has a Savings Incentive Match Plan for all employees who earned \$5,000 in compensation during any two calendar years. Eligible employees may make salary reduction elections twice a year. For the years ended December 31, 2018 and 2017, total pension expense was \$14,103 and \$11,384, respectively.

13. Liquidity and Availability of Financial Assets

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

	<u>2018</u>	<u>2017</u>
Financial assets year-end	\$ 24,566,324	\$ 26,527,942
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted	<u>16,850,000</u>	<u>16,850,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 7,716,324</u>	<u>\$ 9,677,942</u>

14. Subsequent Events

Management has reviewed subsequent events through November 8, 2019, the date which the financial statements were available to be issued, and no subsequent events occurred requiring accrual or disclosure.