

**HUMANE SOCIETY OF VENTURA COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

# **HUMANE SOCIETY OF VENTURA COUNTY**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Humane Society of Ventura County

We have audited the accompanying financial statements of Humane Society of Ventura County, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 principles 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 Humane Society of Ventura County as of December 31, 2018, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

October 8, 2019

**HUMANE SOCIETY OF VENTURA COUNTY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018**

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**ASSETS**

Cash and cash equivalents	\$ 3,539,725
Prepaid expense, inventories and other assets	8,247
Investments	3,465,564
Property and equipment, net	1,405,598
Beneficial interest in trust	5,634,131
Beneficial interest in assets held at VCCF	<u>616,213</u>

**TOTAL ASSETS**

\$ 14,669,478

**LIABILITIES**

Accounts payable and accrued expenses	<u>\$ 31,571</u>
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**NET ASSETS**

Without donor restrictions	8,238,370
With donor restrictions	<u>6,399,537</u>
Total net assets	<u>14,637,907</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 14,669,478

The accompanying notes are an integral part of these financial statements.

**HUMANE SOCIETY OF VENTURA COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
<b>Revenue, gains and other support:</b>			
Grants and contributions	\$ 3,383,853	\$ 7,915	\$ 3,391,768
Legacies and bequests	545,627	289,715	835,342
Merchandise sales and program fees	125,143	-	125,143
Interest and dividends	112,715	-	112,715
Change in value of beneficial interest in trust	-	(122,215)	(122,215)
Unrealized & realized loss on investments	(232,745)	-	(232,745)
Change in value of beneficial interest in assets held at VCCF	-	(45,706)	(45,706)
Fundraising	48,339	-	48,339
Other	65,547	-	65,547
Donor restrictions satisfied by payments	148,437	(148,437)	-
Total revenue, gains and other support	<u>4,196,916</u>	<u>(18,728)</u>	<u>4,178,188</u>
<b>EXPENSES</b>			
Program services	1,114,276	-	1,114,276
Management and general	366,830	-	366,830
Fundraising and development	47,308	-	47,308
Total functional expenses	<u>1,528,414</u>	<u>-</u>	<u>1,528,414</u>
<b>CHANGE IN NET ASSETS</b>	2,668,502	(18,728)	2,649,774
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>5,569,868</u>	<u>6,418,265</u>	<u>11,988,133</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 8,238,370</u></u>	<u><u>\$ 6,399,537</u></u>	<u><u>\$ 14,637,907</u></u>

The accompanying notes are an integral part of these financial statements.

**HUMANE SOCIETY OF VENTURA COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Program Services</b>	<b>Supporting Services</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and payroll taxes	\$ 606,496	\$ 169,506	\$ 35,045	\$ 811,047
Bank fees	-	16,725	-	16,725
Contract labor	39,899	-	-	39,899
Conferences & training seminars	-	5,686	-	5,686
Cost of sales	6,675	-	-	6,675
Computer and technology	-	12,093	-	12,093
Depreciation	76,033	3,198	-	79,231
Dues and subscriptions	-	765	-	765
Equipment rental	4,367	-	-	4,367
Event expenses	1,233	-	9,359	10,592
Fees and permits	-	1,370	-	1,370
Office expense	-	16,920	2,149	19,069
Insurance	44,122	65,266	-	109,388
Maintenance and repairs	64,965	7,788	-	72,753
Marketing	-	19,248	-	19,248
Medical	34,709	-	-	34,709
Postage and shipping	9,545	4,553	-	14,098
Printing	16,729	5,626	-	22,355
Professional fees	-	6,455	-	6,455
Property Taxes	6,503	271	-	6,774
Supplies: General	-	11,383	-	11,383
Supplies: Animal care	53,046	-	-	53,046
Supplies: Medical clinic	74,827	-	-	74,827
Travel	1,140	922	-	2,062
Utilities	47,209	15,107	629	62,945
Volunteer & education program	6,231	-	-	6,231
Vehicle expenses	11,090	922	-	12,012
Waste disposal	9,457	3,026	126	12,609
Total Expenses	<u>\$ 1,114,276</u>	<u>\$ 366,830</u>	<u>\$ 47,308</u>	<u>\$ 1,528,414</u>

The accompanying notes are an integral part of these financial statements.

**HUMANE SOCIETY OF VENTURA COUNTY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 2,649,774
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	79,231
Realized and unrealized loss on investments	232,445
Donated securities	(12,183)
Net investment income	(112,414)
Change in value of beneficial interest in trust	122,215
Change in value of beneficial interest in assets held at VCCF	45,706
Changes in operating assets and liabilities:	
Prepaid expenses, inventories and other assets	(8,247)
Accounts payable and accrued expenses	29,447
<b>Net cash provided by operating activities</b>	<b><u>3,025,974</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales of investments	83,619
Deposits to investments	(400,000)
Acquisition of property and equipment	(119,602)
<b>Net cash used in investing activities</b>	<b><u>(435,983)</u></b>

**NET CHANGE IN CASH AND CASH EQUIVALENTS** 2,589,991

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 949,734

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 3,539,725

**NON-CASH INVESTING AND FINANCING TRANSACTIONS**

Sales and maturities of investments within money market accounts	\$ 420,309
Purchase of investments within money market accounts	\$ (995,483)

## HUMANE SOCIETY OF VENTURA COUNTY

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Nature of Operations**

The Humane Society of Ventura County ("Society" or "HSVC") is a private not-for-profit organization founded in 1932. The Society is dedicated to promoting the health, safety, welfare, compassionate care and protection of all animals throughout Ventura County. In that regard HSVC operates a Shelter/Adoption Center, an Animal Health Clinic, provides various outreach and assistance programs, and investigates allegations of animal cruelty and neglect. The Society is supported entirely by contributions from the public. Notably, HSVC is not an affiliate of national animal welfare organizations and in general does not receive funding from them. The Society is governed by a board of trustees ("Board").

*Shelter/Adoption Center* services include preventive medical care, treatment of illness and injury, pet microchipping, and spaying /neutering of all animals prior to adoption.

*Animal Health Clinic* services include a spay/neuter clinic and veterinary clinic for pets. The spay/neuter clinic provides sterilization and basic vaccines for dogs and cats to all pet owners at reduced costs.

*Community Outreach* programs include:

- Food assistance program provides free pet food to low-income pet guardians so they can keep their pets rather than turn them in to a shelter.
- Humane education and adventure camps teach students the needs of pets and how to live safely and responsibly alongside wildlife.
- Pet assisted therapy which arranges for volunteers to take their own pets or animals from the shelter to visit patients in the area's assisted living facilities and hospitals.

##### **Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America ("GAAP").

##### **Changes in Presentation**

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. In accordance with the ASU, the statement of financial position presents two classes of net assets, rather than the previously required three classes. The two classes are "Net assets without donor restrictions" (previously "Unrestricted" net assets) and "Net assets with donor restrictions" (previously "Temporarily" and "Permanently" restricted net assets). The ASU also requires information concerning liquidity and availability of resources. Additionally, expenses must be presented by both functional and natural classification.



## **HUMANE SOCIETY OF VENTURA COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Basis of Presentation**

Financial statements of not-for-profit organizations measure net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Net assets are classified pursuant to donor-imposed restrictions and applicable law. Brief explanations of the net asset categories are presented below:

*Net assets without donor restrictions* – This category includes net assets that are not subject to donor-imposed restrictions, as well as investments designated by the Board to function as endowments (“quasi-endowments”).

*Net assets with donor restrictions* – This category includes net assets that are subject to explicit donor-imposed restrictions. When restrictions expire due to the passage of time or the incurrence of expenditures that satisfy the donor-imposed restrictions, net assets are reclassified to net assets without donor restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions are reported as reclassifications between the applicable classes of net assets. The Society has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that the donor restrictions were met in the year the contribution was received.

##### **Contribution Revenue Recognition**

Fee for service revenue is recognized when the service is performed and billed. Proceeds from fundraising events are recognized as revenue during the period that the fundraising events occur. Amounts received by the Society prior to the event are classified as deferred revenue.

All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Bequests are recorded as revenue at the time the Society has an established right to the bequest and the proceeds are measurable.

##### **Outstanding Legacies**

The Society is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. HSVC’s share of such bequests is recorded when the probate court has declared the testamentary instruments valid and the proceeds are measurable.

## **HUMANE SOCIETY OF VENTURA COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Donated Materials, Goods and Services**

The Society records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are proved by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods and property are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property or inventory.

A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain HSVC's programs. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

##### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Society considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents held as part of the Society's investment portfolio, and where management's intention is to use the cash to acquire investments to be held long-term, are classified as investments.

##### **Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are stated at their fair values in the Statement of Financial Position. The net change in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments, is reported in the Statement of Activities. Investment income is accrued as earned and reported net of investment advisory and custodial fees. Security transactions are recorded on a trade date basis. The Society has some exposure to investment risks, including interest rate, market and credit risks, for marketable securities. Due to risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

##### **Inventory**

Inventory consists of pet supplies sold at a store located within the Society's facility. Inventory is valued at the lower of cost or net realizable value on a first-in first-out basis.

##### **Property and Equipment**

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives ranging from 15 to 39 years for buildings and improvements and 3 to 7 years for furniture and equipment.

**HUMANE SOCIETY OF VENTURA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expense Allocation**

Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one function are allocated to programs and supporting services based on the ratio of employee time spent in different areas and the ratio of each activity's direct costs to total direct costs for all activities. These are called shared costs and include office supplies, general liability insurance, internet, website access, utilities, and building repairs and maintenance.

**Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect reported amounts and disclosures. Significant estimates made by management include the valuation of investments and the estimated net realizable value of receivables. Actual results could differ from those estimates.

**Fair Value of Financial Instruments**

The carrying amounts reported in the Statement of Financial Position for cash, prepaid expense, inventories, other assets, accounts payable and accrued expenses approximate fair values because of their short-term nature.

**Income Taxes**

No provision for income taxes is included in the accompanying financial statements. The Society has received a determination letter from the Internal Revenue Service that recognizes it as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. The federal exemption from income tax is recognized by state authorities.

**NOTE 2: INVESTMENTS, BOARD-DIRECTED RESERVE**

At December 31, 2018, Board – directed reserve investments consist of the following:

Money Market Funds	\$ 28,233
Equities	312,290
Bonds and Bond Funds	34,854
Mutual Funds	386,497
Unit Investment Trusts	26,337
Total Investments, Board-directed Reserve	<u>\$ 788,211</u>

## **HUMANE SOCIETY OF VENTURA COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 3: BENEFICIAL INTEREST IN TRUST**

The Society is the sole beneficiary of a trust (the "Trust") which is administered by an independent financial institution. Under the terms of the Trust agreement, the Society shall receive the net income of the Trust, which consists primarily of interest and dividends, on a quarterly basis, and the balance of the assets in the Trust in 2031. The Society does not control the assets held by the outside Trust. Moreover, the trustee has the ability to replace HSVC as beneficiary if the Society fails to be a qualified charitable organization. The Society believes that it will continue to be a qualified charitable organization in the future; and accordingly, HSVC has chosen to report on the Statement of Financial Position its beneficial interest in this trust at fair value, estimated as the net present value of the estimated future amount to be received. The present value of the payments is calculated by using the remaining term of the Trust and risk-adjusted discount rate of 3.34.

As of December 31, 2018, the Trust's fair value totaled \$5,634,131 and is classified as Level 3 within the fair value hierarchy (Note 10). The table below sets forth a summary of the change in value of the Society's beneficial interest in trust for the year ended December 31, 2018:

Balance, beginning of year	\$ 5,756,346
Change in fair value of beneficial interest	(122,215)
Balance, end of year	<u>\$ 5,634,131</u>

The change in fair value of beneficial interest in Trust is reflected separately on the accompanying Statement of Activities. The Society received payments of \$317,931 from the Trust during the year ended December 31, 2018.

#### **NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD AT VCCF**

In previous years, the Society transferred funds to the Ventura County Community Foundation (VCCF) and specified itself as the beneficiary of the funds. This endowment fund is used by the VCCF as the source of unrestricted grants for HSVC. The agreement with VCCF stipulates VCCF maintains variance power over the fund and that the fund shall be held and owned by the VCCF. Variance power assures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community.

The Statement of Financial Position as of December 31, 2018 include the beneficial interest in assets held by others as net assets with donor restrictions of \$616,213 related to these funds. The Statement of Activities include a decrease of \$45,706 for the year ended December 31, 2018 related to the change in value of the Society's beneficial interest in the assets held by others. The Society received distributions of \$32,854 for the year ended December 31, 2018. Annually, a distribution from the fund is paid to the Society according to the VCCF's spending policy.

**HUMANE SOCIETY OF VENTURA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD AT VCCF (CONTINUED)**

The following schedule summarizes the activity of this endowment fund reported at fair value for the year end December 31, 2018 (Note 10):

Beginning balance	\$ 694,773
Interest/dividend income	13,169
Net realized and unrealized losses	(47,450)
Investment and support fees	(11,425)
Grants/distributions	(32,854)
Ending balance	<u>\$ 616,213</u>

The change in fair value of beneficial interest in assets held by others is reflected separately on the accompanying Statement of Activities.

**NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2018, net assets with donor restrictions consist of:

Contributions restricted to the care of horses	\$ 141,278
Contributions restricted to capital projects	7,915
Beneficial interest in trusts	5,634,131
Beneficial interest in assets at VCCF	616,213
Total	<u>\$ 6,399,537</u>

**NOTE 6: NET ASSETS WITHOUT DONOR RESTRICTIONS, BOARD-DIRECTED RESERVE**

A portion of the net assets without donor restrictions of the Society is managed as a Board-directed reserve for future capital improvement and maintenance projects. The following schedule summarizes the activity of this reserve for the year ended December 31, 2018.

Beginning balance:	\$ 511,561
Interest and dividends earned	23,538
Net realized and unrealized losses	(46,888)
Deposits to reserve	300,000
Ending balance	<u>\$ 788,211</u>

**HUMANE SOCIETY OF VENTURA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2018:

Land	\$ 20,190
Buildings and improvements	2,639,712
Furniture and equipment	193,444
Vehicles	154,360
Total cost	<u>3,007,706</u>
Accumulated depreciation	(1,614,070)
Construction in progress	11,962
Property and equipment, net	<u>\$ 1,405,598</u>

Depreciation expense was \$79,231 for the year ending December 31, 2018.

**NOTE 8: LEASES**

The Society has two operating leases for office equipment. The leases expire in March and October in 2021. The leases call for monthly payments of \$30 and \$115. Total rent expense under these leases for the years ended December 31, 2018 was \$1,740. Future minimum lease payments under these leases are as follows:

Year Ended December 31,	
2019	\$ 1,740
2020	1,740
2021	1,270
Thereafter	-
Total	<u>\$ 4,750</u>

## HUMANE SOCIETY OF VENTURA COUNTY

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 9: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Society's financial assets as of December 31, 2018, reduced by amounts not available for general use within one year of December 31, 2018, because of contractual donor-imposed restriction or internal designations. Amounts available include donor-restricted amounts that are available for expenditures in the following years. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Society approves the action.

Cash and cash equivalents	\$ 3,539,725
Investments	3,465,564
Board-directed reserves	<u>(788,211)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,217,078</u>

#### NOTE 10: FAIR VALUE MEASUREMENTS

The Society's investments are stated at fair value in accordance with FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. Fair value is a market-based measurement based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy has been established which prioritizes the inputs used in measuring fair value. ASC 820 describes the three levels of inputs that may be used to measure fair value:

**Level 1** – Quoted prices for identical assets and liabilities in active markets. Market price data is generally obtained from relevant exchange or dealer markets.

**Level 2** – Inputs, other than quoted prices in active markets, that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable.

**Level 3** – Unobservable inputs where there is little or no market data, requiring the Society to develop its own assumptions using pricing models, discounted cash flow methodologies, or similar techniques.

**HUMANE SOCIETY OF VENTURA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10: FAIR VALUE MEASUREMENTS (Continued)**

The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to management's perceived risk of that instrument.

The following tables summarize the Society's investments as of December 31, 2018:

Description	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 236,602	\$ -	\$ -	\$ 236,602
Equities	1,534,281	-	-	1,534,281
Bonds and bond funds	456,266	-	-	456,266
Mutual funds	1,134,953	-	-	1,134,953
Unit Investment Trusts	103,462	-	-	103,462
Total investments	3,465,564			3,465,564
Beneficial Interest in Trust (Note 3)	-	-	5,634,131	5,634,131
Beneficial Interest in Assets Held at VCCF (Note 4)	-	-	616,213	616,213
Total fair value assets measured on a recurring basis	\$ 3,465,564	\$ -	\$ 6,250,344	\$ 9,715,908

**NOTE 11: CONCENTRATIONS OF DEPOSIT AND CREDIT RISK**

The Society maintains cash accounts at a local bank, which retain balances that total more than the maximum federally insured amount of \$250,000. The Society has not experienced any losses in the accounts and management believes it is not exposed to any significant risk on the cash accounts.

The Society maintains its investments with a local brokerage firm. Management has elected to have the funds invested in various individual funds that invest in equity funds, exchanged traded funds, stocks, fixed income, alternatives and cash and cash equivalents. Management continues to monitor the accounts to minimize risk.

**NOTE 12: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 8, 2019, the date the financial statements were available to be issued, and has determined that there have been no subsequent events requiring adjustment to the financial statements.