

PETFINDER FOUNDATION

AUDITED FINANCIAL STATEMENTS
Year ended December 31, 2018



JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

PETFINDER FOUNDATION
AUDITED FINANCIAL STATEMENTS
Year ended December 31, 2018

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JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Petfinder Foundation
Tucson, Arizona

I have audited the accompanying financial statements of Petfinder Foundation (an Arizona nonprofit organization), 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 State 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 of material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Petfinder Foundation as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of matter

As disclosed in Note 11 to the financial statements, Petfinder Foundation implemented ASU 2016-14, Not-for-Profit Entities (Topic 958), during the year ended December 31, 2018.

The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Jennifer J. Phillips, CPA, PLLC

JENNIFER J. PHILLIPS, CPA, PLLC
Tucson, Arizona

March 5, 2019

PETFINDER FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

Cash and cash equivalents:	
Operating	\$ 1,337,514
With donor restrictions	63,001
	<u>1,400,515</u>
Investments - Note 4	556,424
Unconditional promises to give - Note 6	329,057
Prepaid expenses	10,864
Computer equipment, net of accumulated depreciation of \$2,775	395
	<u>\$ 2,297,255</u>

LIABILITIES AND NET ASSETS

Liabilities -	
Accounts payable and accrued expenses	\$ 2,146
Net assets:	
Without donor restrictions:	
Available for operations	1,340,189
Board designated reserves - Note 3	562,467
Invested in computer equipment	395
	<u>1,903,051</u>
With donor restrictions:	
Purpose restrictions - Note 7	63,001
Time restrictions - Note 7	329,057
	<u>392,058</u>
	<u>2,295,109</u>
	<u>\$ 2,297,255</u>

See Accompanying Notes.

PETFINDER FOUNDATION
STATEMENT OF ACTIVITIES
Year ended December 31, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Public support and revenues:			
Contributions and bequests	\$ 781,159	\$ 414,427	\$ 1,195,586
Donated materials - Note 8	37,908	-	37,908
Net investment return	(34,944)	-	(34,944)
Loss on liquidation of equity investment - Note 5	(836)	-	(836)
	<u>783,287</u>	<u>414,427</u>	<u>1,197,714</u>
Releases from restrictions	<u>109,549</u>	<u>(109,549)</u>	<u>-</u>
Total public support and revenues	892,836	304,878	1,197,714
Expenses:			
Program services	809,902	-	809,902
Management and general	18,706	-	18,706
Fundraising	79,780	-	79,780
Total expenses	<u>908,388</u>	<u>-</u>	<u>908,388</u>
Change in net assets	(15,552)	304,878	289,326
Net assets, beginning of year	<u>1,918,603</u>	<u>87,180</u>	<u>2,005,783</u>
Net assets, end of year	<u>\$ 1,903,051</u>	<u>\$ 392,058</u>	<u>\$ 2,295,109</u>

See Accompanying Notes.

PETFINDER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2018

	<u>Program services</u>				<u>Management and Fundraising</u>		
	<u>Quality of life</u>	<u>Disaster relief</u>	<u>Sponsor a pet</u>	<u>Total</u>	<u>general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries/wages	\$ 112,788	\$ 4,386	\$ 8,146	\$ 125,320	\$ 11,863	\$ 62,566	\$ 199,749
Payroll taxes	9,424	209	838	10,471	991	5,227	16,689
	<u>122,212</u>	<u>4,595</u>	<u>8,984</u>	<u>135,791</u>	<u>12,854</u>	<u>67,793</u>	<u>216,438</u>
Bank fees	11,371	-	-	11,371	813	4,061	16,245
Depreciation	169	-	-	169	150	56	375
Dues/registrations	9,775	-	-	9,775	930	465	11,170
Grants/allocations	512,525	28,250	49,635	590,410	-	-	590,410
Insurance	626	-	-	626	1,358	104	2,088
Legal fees	10,153	-	-	10,153	534	-	10,687
Other expenses	6,625	-	-	6,625	473	2,366	9,464
Postage/printing	1,304	-	-	1,304	27	41	1,372
Professional fees	23,022	-	-	23,022	1,279	1,279	25,580
Telephone	5,062	-	-	5,062	282	281	5,625
Travel/meetings	2,235	-	-	2,235	-	-	2,235
Website	13,359	-	-	13,359	6	3,334	16,699
	<u>\$ 718,438</u>	<u>\$ 32,845</u>	<u>\$ 58,619</u>	<u>\$ 809,902</u>	<u>\$ 18,706</u>	<u>\$ 79,780</u>	<u>\$ 908,388</u>

See Accompanying Notes.

PETFINDER FOUNDATION
STATEMENT OF CASH FLOWS
Year ended December 31, 2018

Cash flows from operating activities:	
Change in net assets	\$ 289,326
Adjustments to reconcile change in net assets to net cash from operating activities:	
Loss on liquidation of equity investment	836
Unrealized losses on marketable securities	51,645
Depreciation	375
(Increase) decrease in operating assets:	
Unconditional promises to give	(321,979)
Prepaid expenses	(9,935)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(497)
Net cash provided by operating activities	<u>9,771</u>
 Cash flows from investing activities:	
Purchases of investments	(99,000)
Proceeds from sale of investments	82,839
Distribution from equity investment	<u>140,902</u>
Net cash provided by investing activities	<u>124,741</u>
 Net change in cash and cash equivalents	134,512
 Cash and cash equivalents, beginning of year	<u>1,266,003</u>
 Cash and cash equivalents, end of year	<u>\$ 1,400,515</u>

Supplemental cash flow information

No cash paid for interest or income taxes in 2018

See Accompanying Notes.

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 – Organization and purpose

Petfinder Foundation (Foundation) is an Arizona nonprofit corporation, incorporated in 2003 to support the adoption organization members of Petfinder.com. Petfinder.com is the largest database of homeless pets on the Internet, with hundreds of thousands of adoptable pets listed on the site by more than 12,000 animal welfare organizations. Petfinder.com is owned by Nestlé Purina PetCare Company (Purina). Accordingly, Petfinder.com and Purina are considered related parties.

The Foundation helps homeless pets by saving lives through adoptions, helping shelters prepare for and recover from disaster and working to make sure animal welfare organizations across the country are more sustainable. The Foundation provides grants of equipment, supplies and funds so that thousands of homeless pets have healthier, happier lives and thousands of shelter and rescue staff and volunteers can do their jobs better. Petfinder.com member shelters are animal shelters who have met the criteria set by Petfinder.com and are the beneficiaries of various grants. The Foundation administers the following programs:

Quality of life programs – The Foundation believes that by helping to improve the quality of life for pets while they are in shelters or with a rescue group, they will be happier, healthier and more adoptable. Grants in this category include enrichment products, training, pet food, vaccines, sheltering, and general operating grants.

Orvis Animal Care Grants: Through a matching donation from the Orvis Company, the Foundation was able to provide general animal care grants to help support shelter and rescue group's dog adoption efforts in a positive way.

Dog Enrichment Grants: The Foundation is working with KONG to provide enrichment toys and products to shelters and adopters across the country. The KONG Company joins the Foundation in the belief that by providing enrichment toys to shelter pets, you stimulate their mind, making them more adoptable.

Cat Enrichment Grants: Grant funds from this program are used to provide enrichment for cats, which can include indoor entertainment using products and objects, allowing cats to enjoy the outdoors safely or human interactive cat-enrichment activities.

Adoption Options in Action Grants: This grant is available to Petfinder members who attended an Adoption Options conference and need financial assistance in order to implement the programs or practices presented at the conference, which are focused around the placement, promotion and behavior of homeless pets.

Emergency Medical Grants: This program is to assist Petfinder.com members who are caring for a pet that needs special veterinary care in order to become adoptable. Grants from this program can be used to cover expenses that fall outside of normal day to day vet services like spay/neuter, vaccines or routine exams, such as emergency surgery, dental work, etc. for one single pet.

Play Yard Renovation Grants: Play Yard Renovation Grants are awarded to shelters that have completed or are scheduled to complete play-group training seminars conducted by Dogs Playing for Life (DPFL). Grant funds must be used to construct or improve play yards to bring them into compliance with DPFL's recommendations. This grant program is part of the Foundation's commitment to enhancing shelter dogs' quality of life by allowing them to engage in natural social behaviors.

Play Group Training Grants: Play Group Training Grants are awarded to shelters to cover the cost of attending a Mentorship program conducted by DPFL. DPFL Mentorship programs help teach shelter personnel and volunteers DPFL methods for conducting safe and productive dog play

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
December 31, 2018

NOTE 1 – Organization and purpose – continued

groups. The program also helps attendees advance their skills as handlers and trainers, with a better understanding of canine behavior so that they can enhance quality of life for the animals as well as save more lives. Grant funds must be used to cover the tuition cost of attending a DPFL Mentorship session.

P.L.A.Y. Pet Bed Grants: The Foundation has partnered with Pet Lifestyle and You (P.L.A.Y.) through the Warm Bellies Initiative to give luxury beds to shelter pets.

Senior Dogs Grants: Senior Dogs grants are intended to help facilitate the adoption of senior dogs in the care of Petfinder-member shelters and rescue groups. Grants of up to \$1,000 may be used to promote the adoption of a specific dog by funding one or more of the following: The dog's adoption fee; transportation to an approved adopter, and/or necessary medication for the duration of the dog's lifetime.

Disaster relief program – The Foundation is committed to assisting animal adoption organizations with disaster relief and recovery. Funds are used to offer animal-related resources and assistance during and after significant natural or man-made disasters. The Foundation awards grants to provide emergency equipment or supplies, physical improvements to the animal shelters and property, animal transport and housing equipment allocated for use in the event of a disaster, file and records management systems, and training for staff and/or volunteers who are critical responders for the organization during an emergency.

Other programs – The Foundation works with its corporate partners and funders to offer needed in-kind supplies or educational tools to Petfinder.com members, as well as grants in the forms of providing assistance for daily operations and care of pets and promoting adoption and transportation needs. Additional grants awarded are:

Sponsor A Pet: The Sponsor A Pet program encourages Petfinder.com visitors to help homeless pets by sponsoring the cost of their shelter and care until they find a forever home. When someone has found a homeless pet that has touched their heart, but they are unable to provide that pet their forever home this program gives them a way to help. Donations are collected by the Foundation and kept for the designated shelter. Once a quarter, these donations are distributed to the shelter, less 10 percent for administrative fees.

Purina New Year, New Home Adoption Grants: The Foundation and Purina are working together to get more pets adopted. The Purina New Year, New Home Pet Adoption Grant program grants are used to help subsidize pet adoptions via waived or reduced adoption fees.

NOTE 2 – Summary of significant accounting policies

Cash and cash equivalents

The Foundation considers all cash and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments in marketable securities

The Foundation carries investments in marketable securities with readily determinable fair values at their fair values on the statement of financial position. Net investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
December 31, 2018

NOTE 2 – Summary of significant accounting policies – continued

Unconditional promises to give

Pledges and bequests receivable are stated at the amount management expects to collect from outstanding balances. All receivables are due within one year. Management believes that all receivables are collectible, and, accordingly, has recorded no allowance for uncollectible amounts. These amounts contain no collateral provisions for collection.

Property and equipment

Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, from 3 to 5 years. The Foundation capitalizes all expenditures of equipment in excess of \$2,500 with a useful life of more than one year.

The Foundation reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Foundation has determined that there were no indicators of asset impairment during the year ended December 31, 2018.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and revenue recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, an unconditional pledge or other assets are received. Conditional promises to give are not recognized until the conditions have been substantially met.

Donated goods, facilities and services

Donated goods and facilities are valued at their fair market value. Donated services are recognized in the financial statements at their fair market value if the following criteria are met:

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
December 31, 2018

NOTE 2 – Summary of significant accounting policies – continued

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although the Foundation uses the services of volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Functional allocation of expenses

The Board of Directors has approved a plan to allocate costs to various programs, grants, contracts, agreements and functions.

The general approach of the plan follows:

- All allowable direct costs are charged to programs, grants, activities and functions;
- Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using a base more appropriate to the particular cost being prorated;
- All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated using a base that results in an equitable distribution.

Income tax status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Management of the Foundation considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the organization's status as a not-for-profit entity. Management believes that the Foundation met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. Accordingly, the Foundation has not filed an *Exempt Organization Business Income Tax Return* (Form 990-T) with the Internal Revenue Service (IRS) for the year ended December 31, 2018. The Foundation's Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the IRS for three years after the date the return was filed.

Use of estimates

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

Fair value measurements

Fair value measurements are determined based on the assumptions—referred to as inputs—that market participants would use in pricing the asset or liability. A fair value hierarchy distinguishes between market

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
December 31, 2018

NOTE 2 – Summary of significant accounting policies – continued

participant assumptions and the Institute's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are Institute's own assumptions about what market participants would assume based on the best information available in the circumstances.

Level 1 inputs. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value.

Level 2 inputs. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. They include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates or yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. These inputs reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

Financial instruments and credit risk

The Foundation manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Foundation has not experienced losses in any of these accounts. Uninsured cash at December 31, 2018 totaled \$1,129,909.

Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believes that the investment policies and guidelines are prudent for the long-term welfare of the organization. Investment are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that such changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Credit risk associated with unconditional promises to give is considered to be limited due to high historical collection rates; however, there is a potential credit risk and accounting loss that could occur if all parties to the receivables fail to perform their obligations for the stated amounts.

NOTE 3 – Liquidity and availability

Financial assets available for general expenditure (without donor or other restrictions limiting their use) within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	\$ 1,337,514
Investments	556,424
	<u>1,893,938</u>
Less: board designated net assets	(562,467)
	<u>\$ 1,331,471</u>

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
December 31, 2018

NOTE 3 – Liquidity and availability – continued

As part of the Foundation's liquidity management plan, cash in excess of annual operating requirements is invested in marketable securities.

In order to ensure the stability of the mission, programs, employment and ongoing operations of the organization, the Board of Directors has approved an operating reserve (Reserve) policy. The Reserve provides an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, and unanticipated loss in funding or uninsured losses. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure. The Reserve is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the Foundation for the Reserve to be used and replenished within a reasonably short period of time. The Board of Directors designates a minimum amount sufficient to maintain ongoing operations and programs measured as six months of average operating costs. The Reserve is dynamic and will be reviewed and adjusted in response to both internal and external changes by majority vote of the Board of Directors. At June 30, 2018, the Reserve was \$562,467, held in the Foundation's investment brokerage account. See Note 4.

NOTE 4 – Fair value measurements

Investments at December 31, 2018 consisted of the following:

Exchange-traded funds	\$ 428,951
Equity funds	38,373
Mutual funds	89,100
	<u>\$ 556,424</u>

The fair value of these investments is based on quoted market prices in an active market (Level 1 inputs) on a recurring basis. There were no changes in valuation techniques during the year ended December 31, 2018. Determinations of transfers between levels are made on an annual basis at year-end. There were no transfers between levels for the year ended December 31, 2018.

NOTE 5 – Equity investment

The Foundation owned 50% of Olafson Gift, LLC, a limited liability company which held real property. The Foundation's investment in the corporation was accounted for using the equity method. During the year ended December 31, 2018, the LLC was liquidated, and a loss was recognized in the amount of \$836.

NOTE 6 – Bequests receivable

During the year ended December 31, 2018, the Foundation received notification that they had been named the beneficiary of a bequest of cash and cash equivalents. As the amounts to be received are probable and estimable, they are included in unconditional promises to give as of December 31, 2018 in the amount of \$308,342.

During the year ended December 31, 2018, the Foundation received a second notification that they had been named the beneficiary of a bequest of real property. As the amounts to be received are not probable and estimable, they are not included in unconditional promises to give as of December 31, 2018.

PETFINDER FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
December 31, 2018

NOTE 7 – Net assets with donor restrictions

Net assets with donor restrictions was as follows for the year ended December 31, 2018:

	Beginning balance	Contributions and other revenue	Investment income	Ending balance
Specified purpose:				
Customer service	\$ 12,043	\$ -	\$ (12,043)	\$ -
Disaster relief	23,713	36,077	(28,251)	31,539
Hide, Perch & Go	22	-	(22)	-
Kuranda beds	396	-	(396)	-
Purina animal shelter fund	1,959	-	(1,959)	-
Shelter a Pet	34,994	48,053	(52,135)	30,912
Feline enrichment	6,975	1,240	(7,665)	550
	<u>80,102</u>	<u>85,370</u>	<u>(102,471)</u>	<u>63,001</u>
Passage of time:				
Unconditional promises to give	<u>7,078</u>	<u>329,057</u>	<u>(7,078)</u>	<u>329,057</u>
	<u>\$ 87,180</u>	<u>\$ 414,427</u>	<u>\$ (109,549)</u>	<u>\$ 392,058</u>

NOTE 8 – Donated materials

The Foundation received donated materials with a fair market value of \$37,908 during the year ended December 31, 2018. These donated materials are included in grants and allocations on the statement of functional expenses.

NOTE 9 – Related party transactions

The Foundation received \$290,988 from Purina during the year ended December 31, 2018. Under a two-year sponsorship agreement dated December 11, 2018, Purina has agreed to donate a minimum of \$100,000 annually to the Foundation, if certain conditions are met.

NOTE 10 – Subsequent events

Subsequent events have been evaluated through March 5, 2019, which is the date the financial statements were available to be issued.

NOTE 11 – Change in accounting principle

On August 18, 2016, The Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. This guidance is effective for the year ended December 31, 2018. The Foundation has adjusted the presentation in these financial statements accordingly. There was no cumulative effect adjustment to beginning net assets as a result of this change.