

**BOULDER CREST RETREAT FOUNDATION**

**Bluemont, Virginia**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

## **C O N T E N T S**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Boulder Crest Retreat Foundation  
Bluemont, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of Boulder Crest Retreat Foundation (the Foundation), which comprise the statements 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 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 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 Boulder Crest Retreat Foundation 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.

*Yount, Hyde & Barbour, P.C.*

Winchester, Virginia  
March 13, 2019

**BOULDER CREST RETREAT FOUNDATION**

**Statements of Financial Position**  
December 31, 2018 and 2017

<b>Assets</b>	<b>2018</b>	<b>2017</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,577,677	\$ 4,106,948
Pledges receivable, current portion	5,266,500	2,091,500
Prepaid expenses	77,139	42,438
Other receivables	10,035	11,463
Total current assets	<u>\$ 8,931,351</u>	<u>\$ 6,252,349</u>
<b>Property and Equipment</b>		
Buildings	\$ 14,577,654	\$ 13,012,151
Land and improvements	3,400,453	3,400,453
Furniture and equipment	1,017,907	993,799
Website and application	101,500	1,000
Livestock	--	4,085
Vehicles	474,493	302,411
	<u>\$ 19,572,007</u>	<u>\$ 17,713,899</u>
Less accumulated depreciation	1,983,387	1,262,429
Total property and equipment, net	<u>\$ 17,588,620</u>	<u>\$ 16,451,470</u>
<b>Other Assets</b>		
Investments	\$ 260,004	\$ --
Intangibles	10,804	5,316
Long-term pledges receivable, net of discount of \$22,948 in 2018 and \$38,882 in 2017	377,052	627,618
Total other assets	<u>\$ 647,860</u>	<u>\$ 632,934</u>
 Total assets	 <u>\$ 27,167,831</u>	 <u>\$ 23,336,753</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 214,854	\$ 377,105
Funds held for others	449,696	--
Total current liabilities	<u>\$ 664,550</u>	<u>\$ 377,105</u>
<b>Net Assets</b>		
Without donor restrictions	\$ 20,410,176	\$ 19,651,018
With donor restrictions	6,093,105	3,308,630
Total net assets	<u>\$ 26,503,281</u>	<u>\$ 22,959,648</u>
 Total liabilities and net assets	 <u>\$ 27,167,831</u>	 <u>\$ 23,336,753</u>

See Notes to Financial Statements.

**BOULDER CREST RETREAT FOUNDATION**

**Statement of Activities**

For the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, Gain and Other Support</b>			
Contributions	\$ 1,818,440	\$ --	\$ 1,818,440
Fundraising activities, net of direct expenses of \$255,075	841,968	--	841,968
Grants	185,000	6,155,933	6,340,933
Investment return, net	20,398	--	20,398
Other revenue	38,900	--	38,900
Gain on disposal of assets	636	--	636
Net assets released from restrictions	<u>3,371,458</u>	<u>(3,371,458)</u>	<u>--</u>
Total revenues, gain and other support	<u>\$ 6,276,800</u>	<u>\$ 2,784,475</u>	<u>\$ 9,061,275</u>
<b>Expenses</b>			
Program services	\$ 4,780,611	\$ --	\$ 4,780,611
Management and general	269,677	--	269,677
Fundraising	<u>467,354</u>	<u>--</u>	<u>467,354</u>
Total expenses	<u>\$ 5,517,642</u>	<u>\$ --</u>	<u>\$ 5,517,642</u>
Change in net assets	<u>\$ 759,158</u>	<u>\$ 2,784,475</u>	<u>\$ 3,543,633</u>
<b>Net assets, beginning of year</b>	<u>\$ 19,651,018</u>	<u>\$ 3,308,630</u>	<u>\$ 22,959,648</u>
<b>Net assets, end of year</b>	<u>\$ 20,410,176</u>	<u>\$ 6,093,105</u>	<u>\$ 26,503,281</u>

See Notes to Financial Statements.

**BOULDER CREST RETREAT FOUNDATION**

**Statement of Activities**

For the Year Ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, Gain and Other Support</b>			
Contributions	\$ 1,958,250	\$ --	\$ 1,958,250
Fundraising activities, net of direct expenses of \$305,459	866,745	--	866,745
Grants	2,115,130	11,934,000	14,049,130
Investment return, net	948	--	948
Other revenue	2,245	--	2,245
Net assets released from restrictions	<u>10,639,669</u>	<u>(10,639,669)</u>	<u>--</u>
Total revenues, gain and other support	<u>\$ 15,582,987</u>	<u>\$ 1,294,331</u>	<u>\$ 16,877,318</u>
<b>Expenses</b>			
Program services	\$ 2,983,613	\$ --	\$ 2,983,613
Management and general	405,180	--	405,180
Fundraising	<u>569,341</u>	<u>--</u>	<u>569,341</u>
Total expenses	<u>\$ 3,958,134</u>	<u>\$ --</u>	<u>\$ 3,958,134</u>
Change in net assets	<u>\$ 11,624,853</u>	<u>\$ 1,294,331</u>	<u>\$ 12,919,184</u>
<b>Net assets, beginning of year</b>	<u>\$ 8,026,165</u>	<u>\$ 2,014,299</u>	<u>\$ 10,040,464</u>
<b>Net assets, end of year</b>	<u>\$ 19,651,018</u>	<u>\$ 3,308,630</u>	<u>\$ 22,959,648</u>

See Notes to Financial Statements.

**BOULDER CREST RETREAT FOUNDATION**

**Statement of Functional Expenses**  
For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Cabin and lodge	\$ 100,006	\$ --	\$ --	\$ 100,006
Retreat vehicle	14,640	--	--	14,640
Retreat program	341,281	--	--	341,281
Program R&D	774,605	--	--	774,605
PATHH expenses	643,638	--	--	643,638
Janitorial services and ground maintenance	307,149	--	--	307,149
Professional and consulting costs	--	164,800	34,242	199,042
Bank and merchant fees	--	649	1,813	2,462
Salaries, taxes, and payroll fees	1,444,097	21,810	306,670	1,772,577
Employee benefits	253,222	--	43,271	296,493
Conferences, training, and meetings	--	20,587	--	20,587
General fundraising	--	--	55,401	55,401
Insurance	74,114	6,369	--	80,483
Office supplies and expenses	--	31,403	--	31,403
Utilities	105,944	--	--	105,944
Postage and delivery	--	1,815	--	1,815
Printing and copying	--	734	--	734
Web and software	--	40	--	40
Depreciation and amortization	721,915	--	--	721,915
Donor management software	--	--	25,957	25,957
Travel	--	14,499	--	14,499
Other	--	6,971	--	6,971
Total	<u>\$ 4,780,611</u>	<u>\$ 269,677</u>	<u>\$ 467,354</u>	<u>\$ 5,517,642</u>

See Notes to Financial Statements.



**BOULDER CREST RETREAT FOUNDATION**

**Statement of Functional Expenses**  
For the Year Ended December 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Cabin	\$ 15,103	\$ --	\$ --	\$ 15,103
Retreat vehicle	2,195	--	--	2,195
Retreat program	295,236	--	--	295,236
Other programmatic expenses	475,185	--	--	475,185
Janitorial services and ground maintenance	444,852	--	--	444,852
Professional and consulting costs	3,920	133,904	34,002	171,826
Bank and merchant fees	--	771	--	771
Salaries, taxes, and payroll fees	888,910	164,881	350,582	1,404,373
Employee benefits	78,675	14,593	31,029	124,297
Conferences, training, and meetings	--	34,482	--	34,482
General fundraising	--	--	85,314	85,314
Insurance	59,326	2,094	--	61,420
Office supplies and expenses	38,071	8,329	30,489	76,889
Rent	10,929	2,027	4,311	17,267
Utilities	76,304	--	--	76,304
Postage and delivery	1,717	316	4,307	6,340
Printing and copying	3,103	575	12,655	16,333
Web and software	1,106	205	436	1,747
Depreciation and amortization	530,263	--	--	530,263
Donor management software	--	10,899	10,898	21,797
Travel	46,911	28,147	5,318	80,376
Loss on disposal of assets	10,307	--	--	10,307
Other	<u>1,500</u>	<u>3,957</u>	<u>--</u>	<u>5,457</u>
Total	<u>\$ 2,983,613</u>	<u>\$ 405,180</u>	<u>\$ 569,341</u>	<u>\$ 3,958,134</u>

See Notes to Financial Statements.

**BOULDER CREST RETREAT FOUNDATION**

**Statements of Cash Flows**

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 3,543,633	\$ 12,919,184
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	721,915	530,263
(Gain) loss on disposition of asset	(636)	10,307
Donation of property and equipment	(172,082)	(136,432)
(Increase) in pledges receivable	(2,924,434)	(1,194,355)
Decrease (increase) in other receivables	1,428	(7,578)
(Increase) in prepaid expenses	(34,701)	(24,044)
(Decrease) increase in accounts payable and accrued expenses	(162,251)	298,010
Increase in funds held for others	449,696	--
Net cash provided by operating activities	<u>\$ 1,422,568</u>	<u>\$ 12,395,355</u>
 <b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	\$ (1,691,347)	\$ (10,863,345)
Purchase of intangible assets	(5,488)	(963)
Proceeds received from disposal of assets	5,000	--
Purchase of securities	<u>(260,004)</u>	<u>--</u>
Net cash (used in) investing activities	<u>\$ (1,951,839)</u>	<u>\$ (10,864,308)</u>
 (Decrease) increase in cash and cash equivalents	<u>\$ (529,271)</u>	<u>\$ 1,531,047</u>
 <b>Cash and Cash Equivalents</b>		
Beginning	<u>\$ 4,106,948</u>	<u>\$ 2,575,901</u>
 Ending	<u>\$ 3,577,677</u>	<u>\$ 4,106,948</u>
 <b>Supplemental Disclosures of Investing Activities,</b>		
in-kind donations of property and equipment	<u>\$ 172,082</u>	<u>\$ 136,432</u>

See Notes to Financial Statements.

# BOULDER CREST RETREAT FOUNDATION

## Notes to Financial Statements

### Note 1. Description of the Organization

Boulder Crest Retreat Foundation (the “Foundation”) exists to enable active military service members, military veterans, first responders, and their family members, as well as those struggling with the effects of trauma, to transform times of deep struggle into profound strength and posttraumatic growth, including without limitation by: (a) owning and operating retreat facilities for the delivery of programs that enable participants to transform times of struggle (including the visible and invisible injuries of war, such as posttraumatic stress disorder, traumatic brain injuries, combat stress, and other mental health conditions) into profound strength and posttraumatic growth, and (b) by granting funding to organizations focused on the visible and invisible injuries of war, including those replicating programs developed at the Foundation’s retreat facilities, as well as other innovative work with respect to traumatic brain injuries.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Net assets, revenues, and expenses are classified based on the terms of donor-imposed restrictions, if any. Accordingly, the net assets, revenues, and expenses of the Foundation 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.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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 resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### 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 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.

#### Investments

Investments are recorded at fair market value in the statement of financial position. Any realized and unrealized gains and losses are reflected in the statement of activities.

## Notes to Financial Statements

### Cash and Cash Equivalents

For financial statement purposes, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Balances in these accounts may, at times, exceed federally insured limits. The Foundation has not experienced any loss in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

### Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using the prime rate. Amortization of the discount is included in contribution revenue. There is no allowance for uncollectible promises to give.

### Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair market value at the time of donation. Depreciation is calculated using the straight-line method over the assets' useful lives as follows:

Buildings	39.5 years
Land improvements	10 - 39.5 years
Furniture and equipment	3 - 10 years
Website	3 years
Livestock	5 years
Vehicles	3 - 7 years

### Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation. Gifts of cash and other assets received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction is satisfied, 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 restriction. Contributions with donor-imposed restrictions that are satisfied within the same reporting period as received are reported as net assets without donor restrictions.

### Donated Goods and Services

Donated services that create or enhance non-financial assets or that require specialized skills and would have been purchased if not provided by individuals possessing those skills are recorded in the statement of activities at their fair value. Other donated services received that do not meet these criteria are not recorded in the financial statements. Donated goods and construction materials are recorded at their fair value on date of donation.

## **Notes to Financial Statements**

### **Allocation Methodology for the Statement of Functional Expenses**

The cost of providing the various programs and activities has been summarized in the statement of functional expenses. Certain costs have been allocated among program, management and general, and fundraising. All expenses have been allocated based on direct costs with the exception of payroll fees which is allocated pro-rata in relation to salaries expense. Such allocations have been made by management on an equitable basis.

### **Income Taxes**

The Foundation is exempt from federal and state income taxes under Internal Revenue Code 501(c)(3) and has been determined not to be a private foundation under Code Section 509(a). The Foundation will only be taxed to the extent it has taxable trade or business income unrelated to its exempt purpose.

### **New Accounting Pronouncements**

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statement for Not-for-Profit Entities. The Foundation adopted the provisions of this new standard in the current year. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources (Note 3) as well as the allocation methodology for the schedule of functional expenses (Note 2). Adoption of this standard had no effect on the change in net assets or in total.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Foundation for the year ending December 31, 2020. Early adoption is permitted. The Foundation is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

In June 2018, the FASB issued Accounting Standards Update No. 2018-08, Not-for-Profit Entities (Topic 958), which clarifies the scope and the accounting guidance for contributions received and contributions made. Specifically, the update assists entities in determining whether a transaction should be accounted for as a contribution or an exchange transaction. If a transaction is accounted for as an exchange transaction, other accounting guidance, for example, in Topic 606, Revenue from Contracts with Customers, should be followed. If, however, a transaction is accounted for as a contribution, guidance in Subtopic 958-605 should be followed. Additionally, the update assists entities in determining whether a contribution is conditional. ASU 2018-08 is effective for contributions received by the Foundation for its year ended December 31, 2019. ASU 2018-08 is effective for contributions made, if applicable, by the Foundation for its year ending December 31, 2020. Early adoption is permitted. The Foundation is currently evaluating the impact that the adoption of Topic 958 will have on its financial statements.

## Notes to Financial Statements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides guidance for recognizing revenue from contracts with customers. The core principle of ASU 2014-09 is that revenue will be recognized when promised goods or services are transferred to customers in an amount that reflects consideration for which entitlement is expected in exchange for those goods or services. Generally, the ASU states that revenue should be recognized by following a five step process which include identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligation in the contract, and recognizing revenue as the entity satisfies a performance obligation. ASU 2014-09 is effective for the Foundation for the year ending December 31, 2019. The Foundation is currently evaluating the impact that the adoption of Topic 606 will have on its financial statements.

### Note 3. Liquidity and Availability

The Foundation has \$2,938,432 and \$3,517,436 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures as of December 31, 2018 and 2017, respectively. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

	<u>2018</u>	<u>2017</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 3,577,677	\$ 4,106,948
Pledges receivable	5,643,552	2,719,118
Investments	<u>260,004</u>	<u>--</u>
Total financial assets	<u>9,481,233</u>	<u>6,826,066</u>
Less amounts not available to be used within one year:		
Restricted cash	\$ 449,696	\$ --
Restricted by donors for purpose	5,716,053	2,681,012
Restricted by donors for time	<u>377,052</u>	<u>627,618</u>
	<u>6,542,801</u>	<u>3,308,630</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,938,432</u>	<u>\$ 3,517,436</u>

### Note 4. Restricted Cash and Funds Held for Others

In 2018, the Foundation had an agreement with a third party to administer funds to assist Veterans in reducing barriers to care. Funds are classified as restricted cash and funds held for others on the statements of financial position. The outstanding balance was \$449,696 as of December 31, 2018. The Foundation received \$35,000 to administer the funds during the year ended December 31, 2018. The agreement has been renewed for 2019.

## Notes to Financial Statements

### Note 5. Pledges Receivable

The outstanding pledges receivable are due as follows:

	<b>2018</b>	<b>2017</b>
Within one year	\$ 5,266,500	\$ 2,091,500
One to three years	400,000	666,500
	\$ 5,666,500	\$ 2,758,000
Less present value discount (2.76% - 3.63%)	(22,948)	(38,882)
	<b>\$ 5,643,552</b>	<b>\$ 2,719,118</b>

### Note 6. Related Party Transactions

The Foundation receives cash and non-cash (time and travel expenses) contributions from members of the Board of Directors and certain businesses owned by and/or employing members of the Board of Directors. The Foundation has a shared employee with related organizations of EOD Warrior Foundation and Shoulder2Shoulder, Inc. whereas Ken Falke, Founder and Chairman of the Foundation, is the Founder and Chairman and shareholder, respectively. Effective December 2017, he is no longer a shareholder of Shoulder2Shoulder, Inc. Effective December 2018, the Foundation no longer has a shared employee with Shoulder2Shoulder, Inc.

### Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Arizona Heroes Garden and Hall Project	\$ --	\$ 752,426
PATHH Program	478,750	280,000
Renovation to Snickersville building	--	349,936
Improvements and operations for Arizona property	475,582	1,477,150
Arizona archery	--	5,000
Avalon fund	5,095,223	--
Time restriction	43,550	444,118
	<b>\$ 6,093,105</b>	<b>\$ 3,308,630</b>

## Notes to Financial Statements

Net assets were released from donor restrictions for the years ended December 31, 2018 and 2017 by incurring expenses satisfying the purpose specified by the donor as follows:

	2018	2017
Arizona Heroes Garden and Hall Project	\$ 752,426	\$ 247,575
Arizona archery	5,000	--
PATHH Program	441,250	209,840
Curriculum, evaluation study, and retreats	--	1,063,696
Renovation to Snickersville building	349,936	125,063
Improvements and operations for Arizona property	1,001,569	8,522,850
Avalon fund	404,777	--
Time restriction	416,500	470,645
	\$ 3,371,458	\$ 10,639,669

### Note 8. Operating Leases

The Foundation leased office space under an operating lease agreement that called for monthly payments of \$2,000. The lease ceased in September 2017 when the Foundation purchased the building. There was no rent expense for the year ended December 31, 2018. Rent expense for the office space was \$17,267 for the year ended December 31, 2017.

### Note 9. Investments

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are briefly described below:

- Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2            Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of all of the marketable securities as of December 31, 2018 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.) The Foundation did not have investments as of December 31, 2017.



## Notes to Financial Statements

The following table presents the balance of financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2018:

	2018			Total
	Level 1	Level 2	Level 3	
Assets				
Cash	\$ 5,004	\$ --	\$ --	\$ 5,004
Mutual Funds	255,000	--	--	255,000
	\$ 260,004	\$ --	\$ --	\$ 260,004

### Note 10. Investments

Investments as of December 31, 2018, were as follows:

	Cost	Market Value	Unrealized (Depreciation)
Cash	\$ 5,004	\$ 5,004	\$ --
Mutual funds	255,007	255,000	(7)
Total	\$ 260,011	\$ 260,004	\$ (7)

### Note 11. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 13, 2019, the date the financial statements were available to be issued. The Foundation has determined there are no subsequent events that require recognition or disclosure.