



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Christian Legal Society

We have audited the accompanying Financial Statements of Christian Legal Society (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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Legal Society as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Manassas, VA
September 6, 2019

Christian Legal Society
Statement of Financial Position
At December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,125,001	\$ 393,686
Accounts and Grants Receivable	28,081	23,573
Pledges Receivable, net	379,332	434,037
Prepaid expenses and other current assets	66,666	18,905
Total Current Assets	1,599,080	870,201
Property and Equipment, Net	31,056	38,197
Other Assets	8,138	8,138
Total Assets	\$ 1,638,274	\$ 916,536
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ -	\$ 7,780
Credit Card Payable/Line of Credit	561	-
Accrued Payroll Liabilities	34,003	31,969
Accrued Vacation Expense	11,435	10,679
Deferred Rent Discount	3,044	6,365
Current portion of Long-Term Debt	4,614	4,147
Deferred Revenue	24,315	9,020
Total Current Liabilities	77,972	69,960
Long-Term Liabilities		
Lease Payable	5,133	9,748
Total Long-Term Liabilities	5,133	9,748
Total Liabilities	83,105	79,708
Net Assets		
Without Donor Restrictions	792,905	800,236
With Donor Restrictions	762,264	36,592
Total Net Assets	1,555,169	836,828
Total Liabilities and Net Assets	\$ 1,638,274	\$ 916,536

Christian Legal Society
Statement of Activities
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>			<u>2017</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support						
Contributions	\$ 406,197	\$ 757,281	\$ 1,163,478	\$ 667,263	\$ 77,046	\$ 744,309
Grants	592,556		592,556	239,168		239,168
Membership Contributions & Dues	379,567		379,567	384,393		384,393
Conference Registration	211,656		211,656	270,498		270,498
Advertising and Sponsorship	3,319		3,319	1,226		1,226
Total Revenues, Gains and Other Support	<u>1,593,295</u>	<u>757,281</u>	<u>2,350,576</u>	<u>1,562,548</u>	<u>77,046</u>	<u>1,639,594</u>
Expenses						
Program Services						
Attorney Ministries	335,721	-	335,721	338,739	-	338,739
Legal Aid Ministries	129,534	-	129,534	118,788	-	118,788
Conferences	222,129	-	222,129	263,987	-	263,987
Center for Law and Religious Freedom	341,062	-	341,062	293,235	-	293,235
Law Student Ministries	375,682	-	375,682	166,016	-	166,016
Total Program Services	<u>1,404,128</u>	<u>-</u>	<u>1,404,128</u>	<u>1,180,765</u>	<u>-</u>	<u>1,180,765</u>
Supporting Services:						
Administration	122,163	-	122,163	101,208	-	101,208
Development	142,122	-	142,122	108,539	-	108,539
Total Supporting Services	<u>264,285</u>	<u>-</u>	<u>264,285</u>	<u>209,747</u>	<u>-</u>	<u>209,747</u>
Total Expenses	<u>1,668,413</u>	<u>-</u>	<u>1,668,413</u>	<u>1,390,512</u>	<u>-</u>	<u>1,390,512</u>
Other Income/(Expenses)	<u>36,178</u>	<u>-</u>	<u>36,178</u>	<u>10,544</u>	<u>-</u>	<u>10,544</u>
Increase (Decrease) in Net Assets from Operations	\$ (38,940)	\$ 757,281	\$ 718,341	\$ 182,580	\$ 77,046	\$ 259,626
Net Assets, Beginning of Year	\$ 800,236	\$ 36,592	\$ 836,828	\$ 568,774	\$ 8,428	\$ 577,202
Net Assets Released from Restriction	\$ 31,609	\$ (31,609)	\$ -	\$ 48,882	\$ (48,882)	\$ -
Net Assets, End of Year	<u>\$ 792,905</u>	<u>\$ 762,264</u>	<u>\$ 1,555,169</u>	<u>\$ 800,236</u>	<u>\$ 36,592</u>	<u>\$ 836,828</u>

See the Accompanying Notes to the Financial Statements

Christian Legal Society
Statement of Functional Expenses
For the Year Ended December 31, 2018

	<u>Program Services</u>					<u>Support Services</u>			
	<u>Attorney Ministries</u>	<u>Legal Aid Ministries</u>	<u>Conferences</u>	<u>Center for Law & Religious Freedom</u>	<u>Law Student Ministries</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries & Benefits	\$ 158,561	\$ 55,110	\$ 55,180	\$ 265,329	\$ 227,581	\$ 761,761	\$ 89,416	\$ 56,476	\$ 907,653
Computer Expenses	4,863	3,939	-	3,939	3,939	16,680	1,970	1,970	20,620
Chapter/Membership Support	44,252	37,987	159,166	15,668	93,066	350,139	847	3,251	354,237
Bank Charges	-	3,269	-	3,269	3,269	9,807	4,904	1,635	16,346
CLRF-Advocacy	-	-	-	22,223	-	22,223	-	-	22,223
Office Expenses	42,252	24	50	840	-	43,166	6,848	5,658	55,672
Travel	12,734	3,505	1,175	3,190	15,827	36,431	8,110	6,892	51,433
Headquarters Facility Costs	13,786	13,786	-	13,786	20,086	61,444	6,893	6,893	75,230
Equipment & Supplies	14,574	1,529	-	1,529	1,529	19,161	(311)	765	19,615
Office Services	5,258	4,723	-	5,627	4,723	20,331	2,361	4,147	26,839
Caging & Database Management	28,118	-	-	-	-	28,118	1,125	13,893	43,136
Publications:									
Christian Lawyer	11,323	5,662	-	5,662	5,662	28,309	-	6,735	35,044
Conference	-	-	6,558	-	-	6,558	-	-	6,558
JCLT	-	-	-	-	-	-	-	-	-
Donor Appeal	-	-	-	-	-	-	-	33,807	33,807
	<u>\$ 335,721</u>	<u>\$ 129,534</u>	<u>\$ 222,129</u>	<u>\$ 341,062</u>	<u>\$ 375,682</u>	<u>\$ 1,404,128</u>	<u>\$ 122,163</u>	<u>\$ 142,122</u>	<u>\$ 1,668,413</u>

See the Accompanying Notes to the Financial Statements

Christian Legal Society
Statement of Functional Expenses
For the Year Ended December 31, 2017

	<u>Program Services</u>						<u>Support Services</u>		
	<u>Attorney Ministries</u>	<u>Legal Aid Ministries</u>	<u>Conferences</u>	<u>Center for Law & Religious Freedom</u>	<u>Law Student Ministries</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries & Benefits	\$ 219,348	\$ 71,240	\$ 25,504	\$ 207,227	\$ 105,522	\$ 628,841	\$ 71,851	\$ 57,838	\$ 758,530
Computer Expenses	5,879	1,124	-	2,961	1,715	11,679	1,088	1,095	13,862
Chapter/Membership Support	12,773	16,163	233,899	-	472	263,307	-	7,291	270,598
Bank Charges	8,937	1,900	-	4,005	3,898	18,740	4,547	1,851	25,138
CLRF-Advocacy	-	-	-	12,657	-	12,657	-	-	12,657
Office Expenses	12,881	2,815	-	7,012	4,047	26,755	2,495	2,509	31,759
Travel	11,861	4,454	406	10,539	13,818	41,078	4,363	3,898	49,339
Headquarters Facility Costs	16,242	8,979	-	16,931	18,068	60,220	6,304	7,337	73,861
Equipment & Supplies	16,319	2,568	-	6,762	3,916	29,565	241	2,501	32,307
Office Services	9,377	2,941	-	7,748	4,487	24,553	3,927	7,792	36,272
Caging & Database Management	11,715	2,240	-	5,900	3,417	23,272	2,169	2,182	27,623
Publications:									
Christian Lawyer	5,221	1,699	3,663	4,474	2,591	17,648	1,644	1,655	20,947
JCLT	4,759	-	-	-	-	4,759	-	-	4,759
Donor Appeal	3,427	2,665	515	7,019	4,065	17,691	2,579	12,590	32,860
	<u>\$ 338,739</u>	<u>\$ 118,788</u>	<u>\$ 263,987</u>	<u>\$ 293,235</u>	<u>\$ 166,016</u>	<u>\$ 1,180,765</u>	<u>\$ 101,208</u>	<u>\$ 108,539</u>	<u>\$ 1,390,512</u>

See the Accompanying Notes to the Financial Statements

Christian Legal Society
Statement of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 718,341	\$ 259,626
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and Amortization	13,044	9,116
Changes in assets and liabilities affecting operations:		
Accounts and Grants receivable	(4,508)	(8,329)
Pledges receivable, net	54,705	(108,666)
Prepaid expenses and other current assets	(47,761)	429
Accounts Payable	(7,780)	7,780
Accrued Vacation expense	756	2,254
Payroll Liabilities	2,034	5,809
Deferred Expenses	(3,321)	(3,320)
Deferred Revenue	15,295	(2,090)
Net cash used in operating activities	740,805	162,609
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(5,903)	(21,646)
Net cash used in investing activities	(5,903)	(21,646)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Payments to) lines of credit	561	(495)
Proceeds from / Repayments of Notes Payable	(4,148)	(3,728)
Net cash provided by financing activities	(3,587)	(4,223)
 Net Increase (Decrease) in Cash	\$ 731,315	\$ 136,740
 Cash, Beginning of Year	\$ 393,686	\$ 256,946
 Cash, End of Year	\$1,125,001	\$ 393,686
 Interest paid during the year	\$ 45	\$ 1,708

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

A. ABOUT THE CHRISTIAN LEGAL SOCIETY (CLS)

History - Founded in 1961, Christian Legal Society (CLS) is an association of Christians dedicated to serving Jesus Christ through the practice and study of law, the defense of life and religious freedom, and the provision of legal aid to the needy. All officers, directors, employees, and members of CLS, as a condition of the employment and/or membership, affirm the following statement of faith:

Trusting in Jesus Christ as my savior, I believe in:

- *One God, eternally existent in three persons: Father, Son, and Holy Spirit.*
- *God the Father Almighty, maker of heaven and earth.*
- *The deity of our Lord Jesus Christ, God's only son, conceived of the Holy Spirit, born of the virgin Mary; His vicarious death for our sins through which we receive eternal life; His bodily resurrection and personal return.*
- *The presence and power of the Holy Spirit in the work of regeneration.*
- *The Bible as the inspired word of God.*

Structure - For over 50 years, CLS members have been "Seeking justice with the Love of God", currently through four primary ministries:

Attorney Ministries

CLS attorney chapters and individual members throughout the country are engaged in a wide range of ministries and activities, including Christian fellowship and spiritual development, discipleship, law student mentoring, contributions to The Christian Lawyer magazine, legal referrals, Christian conciliation, volunteer legal service on behalf of the poor and needy, and engagement with the legal community in their respective communities.

Law Student Ministries

CLS helps students in law schools across the country integrate their Christian faith with the study and eventual practice of law. Our Law Student Ministries engages CLS and other Christian groups on law school campuses, resourcing them with Bible studies, one-on-one mentoring, student-focused conferences, a Journal of Christian Legal Thought, and faith-based curriculum services.

Christian Legal Aid

CLS trains, coordinates, networks, resources, and assists lawyers, churches, missions, ministries, and laypeople to engage in Christian legal aid in their communities, making sure the poor and needy have access to justice. Christian Legal Aid helps the disadvantaged untangle legal issues, seek Christian guidance for personal problems, and understand their rights under the law.

Center for Law and Religious Freedom (the Center)

As the country's oldest Christian advocacy ministry for religious liberty, the Center has initiated law suits, filed amicus briefs, argued cases, and worked with Congress to defend our Constitution's inalienable protection of religious freedom and the sanctity of human life.

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Framework of Accounting – The financial statements of the Organization have been prepared on the US GAAP financial framework of accounting. The accrual method is used for calculations so revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and cash equivalents – For purposes of the statement of cash flows, all highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

Property and Equipment – Property and equipment are stated at cost. Donated assets are recorded at the estimated fair market value at the time of donation. Depreciation is provided for using the straight-line method, based on the estimated useful lives of the assets. Amortization is determined using the straight-line method over the estimated useful lives. Property and equipment costing over \$1,000 are capitalized.

Donated materials and services – The estimated fair value of donated materials and services, net of actual payments, if any, are reported as support and expense in the period of benefit. The total is made up of the use of facilities in Mt. Pleasant, Texas. For the years ended December 31, 2018 and 2017, donated materials totaled \$6,974 and \$6,300, respectively.

Functional Allocation of Expenses – The Organization's expenses have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the areas benefited.

Income Taxes – The Society is classified for federal income tax purposes as a Section 501(c)(3) organization exempt from income taxes as provided under Section 501(a) of the Internal Revenue Code.

Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included in support until the conditions are substantially met. As of December 31, 2018 and 2017 there were no conditional promises to give, while unconditional promises to give were \$379,332 and \$434,037, respectively.

Contributions – Grants and contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any restrictions. The Organization reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is,

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted assets are reclassified to without donor restricted net assets and are reported in the Statement of Activities as Net Assets Released from Restrictions. As of December 31, 2018 and 2017, the Society had net assets with donor restrictions totaling \$762,264 and \$36,592, respectively.

Deferred Revenue – Funds and conference fees received in advance for specific purposes or events are deferred and recognized as revenue over the period to which they relate and when the events take place, respectively.

Membership Dues – Membership dues are considered voluntary contributions to the Society. Payments for dues are received as donations to the ministry. Given this, CLS recognizes membership dues as “Contributions” in the period in which they are received.

Costs of Joint Activities – FASB ASC 958-720-50-2, “*Accounting for Costs of Activities That Include Fund Raising*”, establishes accounting standards for recording costs associated with joint activities (activities which are part fundraising and have elements of one of more other functions, such as program or general and administrative). The pronouncement requires that the criteria of purpose, audience and content be met in order to allocate any portion of the costs of joint activities to a functional area other than fundraising. See Note L.

C. PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give as of December 31:

	2018	2017
Unconditional promises to give before unamortized discount and reserve	\$ 379,332	\$ 434,037
Less: Unamortized discount	-	-
Subtotal	379,332	434,037
Less: Reserve	-	-
Net unconditional promises to give	<u>379,332</u>	<u>434,037</u>
Amounts due in:		
Less than one year	\$ 379,332	\$ 434,037
One to five years	-	-
More than five years	-	-
Total gross unconditional promises to give	<u>\$ 379,332</u>	<u>\$ 434,037</u>

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

D. PROPERTY AND EQUIPMENT

The major classes of property and equipment, along with their respective accumulated depreciation and net worth, are as follows as of December 31:

	2018	Accum Depr	Net
Leasehold Improvements	\$ 28,296	\$ 28,296	\$ -
Furniture	2,922	1,804	1,118
Equipment	30,048	21,443	8,605
Website and Software	164,788	154,982	9,806
Computers	64,380	52,853	11,527
	<u>\$ 290,434</u>	<u>\$ 259,378</u>	<u>\$ 31,056</u>

	2017	Accum Depr	Net
Leasehold Improvements	\$ 28,296	\$ 27,583	\$ 713
Furniture	2,922	1,404	1,518
Equipment	30,048	17,007	13,041
Website and Software	161,262	150,609	10,653
Computers	68,389	56,117	12,272
	<u>\$ 290,917</u>	<u>\$ 252,720</u>	<u>\$ 38,197</u>

Depreciation and amortization expense for the years ended December 31, 2018 and 2017 totaled \$13,044 and \$9,116, respectively.

E. LINES OF CREDIT

The Society maintains a line of credit with a financial institution. The maximum amount available on this line was up to \$100,000 at December 31, 2018 and 2017. The line is collateralized by the Society's furniture, fixtures, and equipment. The line of credit is due on demand and bears interest at the rate of prime plus 1.5%. At December 31, 2018 and 2017, the balance on the line of credit was \$0 and \$0 respectively.

F. LEASES

The Organization was obligated to pay on a lease for 3,089 square feet in an office building on the third floor of 8001 Braddock Road, Springfield, Virginia. The lease runs through November 30, 2014, but is terminable by Christian Legal Society at any point on 12-months' advance written notice to the Lessor. The lease was renewed in 2014 for an additional five (5) years with three months free rent up-front.

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

The following is a schedule for future minimum lease payments at December 31, 2018:

For the years ending December 31,	Rent
2019	\$ 67,857
Total	\$ 67,857

For the years ended December 31, 2018 and 2017, rent expense for Christian Legal Society totaled \$75,228 and \$73,861, respectively.

G. CAPITAL LEASE

The Organization purchased a copier in 2015 with a \$1 buy-out option at the end of the 60-month lease. As such the value of the copier has been capitalized and interest is being recognized at an imputed interest rate of 10.524%. The minimum lease payments for the next five years are as follows:

Year	Principle Payments
2019	\$ 4,614
2020	5,133
	\$ 9,747

H. RELATED PARTY TRANSACTIONS

A Board of Director for the Society is a Partner of a Law Firm that the Society had contracted with for services. During 2018 and 2017, the Society was invoiced \$1,072 and \$5,217, respectively, for these services. At December 31, 2018 and 2017, the amounts due to the Law Firm included in accounts payable were \$0 and \$0, respectively.

I. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31 are available for the following purposes:

	2018	2017
Attorney Ministries	\$ 2,519	\$ 2,003
Endowment	486,556	1,400
Center Staffing	125,000	25,000
Legal Aid	148,189	8,189
Net assets with donor restrictions	\$ 762,264	\$ 36,592

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

For the years ended December 31, 2018 and 2017, net assets in the amount of \$31,609 and \$48,882, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purpose.

J. CONDITIONAL PROMISES TO GIVE (ENDOWMENT)

The endowment noted in the “Temporarily Restricted Net Assets” Note refers to an endowment fund setup for CLS. The endowment is for approximately \$500,000 and is conditioned on receiving matching gifts and/or qualified pledges within 5 years of the date of the death of the donor, which was April 18, 2018. Cumulative funds raised toward the match were \$31,556 (plus \$107,000 in qualified pledges) and \$1,400 at December 31, 2018 and 2017, respectively. The endowment funds are held in a trust account for CLS and is valued at \$455,000 as of December 31, 2018.

K. RETIREMENT PLAN

The Society maintains a tax deferred annuity plan, qualified under Section 403(b) of the Internal Revenue Code, for eligible employees with at least two years of full-time service, working at least 1,000 hours per year. The Society contributes 5% of the annual salary of each participant. Plan expense totaled \$20,371 and \$17,406 for the years ended December 31, 2018 and 2017, respectively.

L. ALLOCATION OF JOINT ACTIVITIES

During 2018 and 2017, CLS incurred joint costs of approximately \$75,409 and \$58,566, respectively, for website costs and informational materials primarily related to mailings that included fundraising appeals. Pursuant to FASB ASC 958-720-50-2 (See Note B) these costs were allocated to the functional areas as follows:

	2018	2017	
Program Services	\$ 34,867	\$ 40,098	
Supporting Services:			
Development	40,542	14,245	
Administration	-	4,223	
Total	\$ 75,409	\$ 58,566	

M. INTEREST EXPENSE

The amount of Interest Expense for the year ended December 31, 2018 and 2017 totaled \$45 and \$1,708, respectively. These expenses are included in Interest Expense, Bank Charges, and Equipment Expenses.

Christian Legal Society
Notes to Financial Statements
December 31, 2018 and 2017

N. OTHER INCOME

Items included in Other Income on the Statement of Activities for the years ended December 31, 2018 and 2017 are listed below:

	2018	2017
Reimbursed Expenses	\$ 36,177	\$ 2,094
Miscellaneous	1	8,450
Total	\$ 36,178	\$ 10,544

O. CONCENTRATIONS

For the year ended December 31, 2018, one contributor gave 19.3% of total contributions received. The top 5 donors represent about 39.4% of total contributions for 2018.

For the year ended December 31, 2017, no one contributor gave more than 10% of total contributions received; however, the top 5 donors represent about 14.7% of total contributions for 2017.

P. FINANCIAL ASSETS AVAILABLE FOR THE NEXT YEAR

The Organization has \$1,064,913 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$657,501. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$278,069. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including sweep type bank instruments.

Q. CHANGE IN ACCOUNTING POLICY

The Organization changed accounting policies related to the presentation of financial statements of not-for-profit entities by adopting FASB Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, in 2018. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used.

R. SUBSEQUENT EVENTS

Subsequent events have been evaluated through information known as of September 6, 2019, which is the date of these financial statements were available to be issued.