ANIMAL PROTECTIVE FOUNDATION
OF SCHENECTADY, INC.

Financial Statements as of
December 31, 2019
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 26, 2020

To the Board of Directors of
Animal Protective Foundation of Schenectady, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Animal Protective Foundation of Schenectady, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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.

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.

(Continued)

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Animal Protective Foundation of Schenectady, Inc. as of December 31, 2019, 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.

Change in Accounting Principles
As described in Note 2 to the financial statements, Animal Protective Foundation of Schenectady, Inc. implemented Accounting Standards Updates 2014-09, ASC 606, *Revenue from Contracts with Customers*, and 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the Animal Protective Foundation of Schenectady, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bonadio & Co., LLP

ANIMAL PROTECTIVE FOUNDATION OF SCHENECTADY, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash	$ 649,269	$ 750,873
Accounts receivable	13,109	11,525
Current portion of contributions and bequest receivable	88,130	20,050
Prepaid expenses	15,346	32,427
Total current assets	765,854	814,875
PROPERTY AND EQUIPMENT, net	1,835,555	1,601,026
OTHER ASSETS:		
Investments	2,760,807	2,264,313
Contributions receivable, net of current portion	250,000	250,000
Beneficial interest in perpetual trust	3,193,904	2,823,518
Total other assets	6,204,711	5,337,831
	$ 8,806,120	$ 7,753,732
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 135,808	$ 127,917
Deferred revenue	59,822	86,670
Total current liabilities	195,630	214,587
NET ASSETS		
Without donor restrictions	5,090,321	4,208,788
With donor restrictions	3,520,169	3,330,357
Total net assets	8,610,490	7,539,145
	$ 8,806,120	$ 7,753,732

The accompanying notes are an integral part of these statements.

ANIMAL PROTECTIVE FOUNDATION OF SCHENECTADY, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE:				
Program service fees	$ 690,303	$ -	$ 690,303	$ 692,970
Contributions and grants	683,191	93,642	776,833	690,601
Special events, net	77,131	-	77,131	71,173
Legacies and bequests	575,978	-	575,978	111,885
Government fees	14,025	-	14,025	4,040
Net assets released from restrictions	322,517	(322,517)	-	-
Total support and revenue	2,363,145	(228,875)	2,134,270	1,570,669
EXPENSES:				
Program	1,516,238	-	1,516,238	1,373,117
Fundraising	424,455	-	424,455	349,590
Management and general	128,643	-	128,643	176,482
Total expenses	2,069,336	-	2,069,336	1,899,189
OPERATING GAIN (LOSS)	293,809	(228,875)	64,934	(328,520)
NON-OPERATING REVENUE AND (EXPENSES):				
Investment income, net	587,724	48,301	636,025	93,612
Change in value of perpetual trust	-	370,386	370,386	(245,329)
Total non-operating revenue and (expenses)	587,724	418,687	1,006,411	(151,717)
CHANGE IN NET ASSETS	881,533	189,812	1,071,345	(480,237)
NET ASSETS - beginning of year	4,208,788	3,330,357	7,539,145	8,019,382
NET ASSETS - end of year	$ 5,090,321	$ 3,520,169	$ 8,610,490	$ 7,539,145

The accompanying notes are an integral part of these statements.

ANIMAL PROTECTIVE FOUNDATION OF SCHENECTADY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for 2018)

	2019				2018
	Program	Management and General	Fundraising	Total	Total
EXPENSES:					
Salaries	$ 883,220	$ 24,467	$ 168,165	$ 1,075,852	$ 980,825
Professional fees	47,670	43,847	70,290	161,807	111,066
Veterinary and drugs	134,987	1,744	-	136,731	133,911
Depreciation	109,496	-	-	109,496	119,238
Employee benefits	71,787	24,559	7,723	104,069	112,770
Payroll taxes	77,685	2,326	16,778	96,789	94,892
Mail appeals	-	-	95,834	95,834	44,966
Education and programs	9,880	5,416	29,110	44,406	32,684
Office and postage	23,405	9,397	19,587	52,389	47,548
Building and grounds maintenance	34,144	888	888	35,920	31,919
Utilities	28,869	2,920	2,124	33,913	41,828
Miscellaneous	21,369	5,982	5,258	32,609	30,218
Supplies	31,484	-	-	31,484	31,506
Insurance	15,930	3,460	851	20,241	23,594
Cleaning supplies	12,194	206	-	12,400	9,412
Communications	5,599	1,587	1,440	8,626	8,949
Printing	3,700	1,844	2,161	7,705	11,056
Vehicle operation and maintenance	5,553	-	-	5,553	4,566
Advertising and promotion	(869)	-	4,246	3,377	26,705
Equipment rental	135	-	-	135	1,536
Total expenses	$ 1,516,238	$ 128,643	$ 424,455	$ 2,069,336	$ 1,899,189

The accompanying notes are an integral part of these statements.

ANIMAL PROTECTIVE FOUNDATION OF SCHENECTADY, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for 2018)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,071,345	$ (480,237)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	109,496	119,238
Realized and unrealized (gain) loss on investments	(451,287)	47,412
Change in value of perpetual trust	(370,386)	245,329
Change in:		
Accounts receivable	(1,584)	7,052
Contributions receivable	(68,080)	111,341
Prepaid expenses	17,081	(1,200)
Accounts payable and accrued expenses	74,945	(39,488)
Deferred revenue	(26,848)	(24,518)
Net cash flow from operating activities	354,682	(15,071)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	(647,956)	(304,373)
Proceeds from sale of investments	602,749	506,971
Purchase of property and equipment	(411,079)	(63,282)
Net cash flow from investing activities	(456,286)	139,316
CHANGE IN CASH	(101,604)	124,245
CASH - beginning of year	750,873	626,628
CASH - end of year	$ 649,269	$ 750,873
NON-CASH INVESTING ACTIVITY:		
Purchase of property and equipment included in accrued expenses	$ -	$ 67,054

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

The Animal Protective Foundation of Schenectady, Inc. (Organization) was incorporated in 1931, in New York State. The Organization is a nonprofit animal shelter whose purpose is to provide care and adoption services for homeless animals. The Organization also educates the public about the role of spay and neuter programs and proper animal care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principles
In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, and has subsequently issued supplemental and/or clarifying ASUs (collectively "ASC 606"). ASC 606 outlines a five-step framework that supersedes the principles for recognizing revenue and eliminates industry specific guidance. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. In addition, ASC 606 revises current disclosure requirements in an effort to help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The Organization adopted ASC 606 on January 1, 2019, using a modified retrospective approach. There was no impact from the change in accounting principle on the statement of financial position or results of operations for the year ended December 31, 2019.

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the determination of whether a grant or contract is a contribution or an exchange transaction subject to other guidance. Changes resulting from the adoption of ASU 2018-08 were made on a modified prospective basis during the year of adoption and therefore had no effect on the financial position or results of operations for the year ended December 31, 2018. There was no impact from the change in accounting principle on the financial position or results of operations for the year ended December 31, 2019.

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 revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Cash includes bank demand deposit accounts. The Organization's cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash.

Accounts Receivable

Accounts receivable consist primarily of amounts due to the Organization for services performed. Management provides an allowance for uncollectible receivables based upon collection history and a review of open accounts. After all collection efforts are exhausted, the account is written off. For accounts receivable subsequent to the adoption of ASC 606, the estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable.

Contributions Receivable

Contributions receivable are recorded as support depending on the existence and/or nature of any donor restrictions. Contributions receivable have been recorded to reflect the financial impact of bequests. These bequests and other pledges receivable are all without donor restrictions. Management has determined that an allowance for uncollectible accounts is not necessary at December 31, 2019 and 2018.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, except for donated assets, which are recorded at their fair market value at the date of the gift. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is reported as a change in net assets. Depreciation is computed on a straight-line basis using the estimated useful lives (5 to 39 years) of the various assets.

Long-Lived Assets

The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2019 or 2018.

Investments

The Organization invests in various types of investment securities which are stated at fair value based on quoted market prices or using the market approach for investments such as corporate bonds. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the accompanying financial statements.

Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Gains and losses on the investment portfolio are recorded directly in the accompanying statement of activities and are included in the determination of the change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)
Certain investments are held as an endowment as described in Note 6. The endowment includes funds reported as net assets with donor restrictions in the statement of financial position. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Beneficial Interest in Perpetual Trust
The Organization's interest in perpetual trust is recorded at fair value based upon the market value of the investments held by the trust.

Deferred Revenue
Deferred revenue represents cash received but not yet earned in accordance with grantor requirements.

Financial Reporting
The Organization reports its activities and the related net assets using two net asset categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions include resources which are available for the support of the Organization's operating activities. This category may also include resources designated by the Board for specific purposes. As of December 31, 2019, and 2018, the Board has not designated any net assets for specific purposes.

Net assets with donor restrictions include resources that have been donated subject to restrictions, as defined by the donor, which will be met by either actions of the Organization and/or the passage of time. They also include resources that stipulate they be maintained intact permanently, but which permit the Organization to expend part or all of the income derived from the donated assets for operating purposes.

Revenue Recognition
The Organization recognizes revenue in the period in which they satisfy performance obligations under contracts by transferring services to individuals or entities. The Organization's performance obligations include providing veterinary services, training programs, and fees relating to adoption of animals as well as animal surrenders. All revenues associated with these performance obligations are reflected at the consideration to which they expect to be entitled in exchange for the services provided. These amounts are due from individuals and entities. The transaction price is based on established charges for services provided. The Organization expects to collect established charges.

Because performance obligations are met at a point in time, not over time, there are no fees allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Revenue is charged and routinely collected throughout the month. Estimates of implicit price concessions are determined based on historical collection experience using a portfolio approach as a practical expedient to account for contracts as collective groups rather than as individual contracts. Amounts that remain uncollected at the end of the month are recorded as accounts receivable.

The Organization reviews individual contracts at the time of performance, in order to determine estimated uncollectible accounts due from individuals and entities and records these implicit price concessions as a direct reduction to revenue. For the year ended December 31, 2019 there were no implicit price concessions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, these net assets are reclassified to net assets without donor restrictions.

Functional Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries are allocated by the department in which an employee works. Depreciation is allocated based on utilization of the underlying assets by function. All other expenses are directly charged to programs, management and general, and fundraising as invoices are recorded.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense (including in-kind advertising) was $5,223 and $26,705 for 2019 and 2018, respectively.

Fair Value Measurement- Definition and Hierarchy

The Organization uses various valuation techniques in determining fair value and classifies amounts into a three level hierarchy based on the nature of the inputs. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Level 2 valuations are based on inputs, other than quoted prices, included within Level 1 that are observable either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The Organization's investments and beneficial interest in perpetual trust are valued utilizing Level 1 and Level 2 inputs as delineated in Note 11.

Income Taxes

Animal Protective Foundation of Schenectady, Inc. is a nonprofit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was obtained.

Reclassifications

Certain reclassifications have been made to the prior year information to conform to the current year presentation.

3. LIQUIDITY

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization is substantially supported by donations and pledges. In addition, some support is received through clinic spay and neuter fees, adoption fees, and other program service fees. As of December 31, 2019, and 2018, the Organization has the following liquid resources available to meet cash needs for general expenditure within one year of the statement of financial position date:

	2019	2018
Financial assets:		
Cash	$ 649,269	$ 750,873
Accounts receivable	13,109	11,525
Contributions receivable	338,130	270,050
Investments	2,760,807	2,264,313
Beneficial interest in perpetual trust	3,193,904	2,823,518
Total financial assets	6,955,219	6,120,279
Less: Assets unavailable for general expenditure within one year, due to:		
Donor restrictions	(3,520,169)	(3,330,357)
Long-term portion of contributions receivable	(250,000)	(250,000)
Total financial assets available to meet cash needs for general expenditures within one year	$ 3,185,050	$ 2,539,922

The Organization's ability to meet its cash needs is dependent on the timing of donations without donor restrictions, combined with stipulations set forth for donor restricted net assets. Many of the donor restricted net assets are held for a specific Organizational purpose. In addition, fees are collected for clinical and adoption services provided by the Organization, which increases financial assets available for cash needs. If necessary, the Organization could manage vendor relationships to extend payment terms where possible to help manage cash flow.

4. CONTRIBUTIONS AND BEQUESTS RECEIVABLE

Contributions and bequest receivable consisted of the following at December 31:

	2019	2018
Charles Carl estate	$ 250,000	$ 250,000
Bequest receivable	62,700	-
Pledge receivable	25,430	20,050
	$ 338,130	$ 270,050

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2019	2018
Land	$ 22,643	$ 22,643
Building and building improvements	3,239,175	2,826,237
Equipment	382,206	358,832
Vehicles	29,148	29,148
Construction in progress	-	92,287
	3,673,172	3,329,147
Less: Accumulated depreciation	(1,837,617)	(1,728,121)
	$ 1,835,555	$ 1,601,026

Depreciation expense for 2019 and 2018 was $109,496 and $119,238, respectively.

6. INVESTMENTS

Investments at fair value consisted of the following at December 31:

	2019	2018
Common stocks	$ 1,409,116	$ 1,345,073
Corporate bonds	441,236	590,779
Mutual funds	594,867	267,696
U.S. Treasury securities	240,705	-
Money market funds	6,961	59,286
Cash	67,922	1,479
	$ 2,760,807	$ 2,264,313

Endowment Policies

The Organization's endowment fund was established to provide operational support for its programs. The endowment includes only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The governing board of the Organization has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on donor-restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income while seeking to protect the principal amount. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

6. INVESTMENTS (Continued)

Endowment Policies (Continued)

The assets are invested mainly in money market funds or mutual funds. The Organization's investment objectives include a net fund return over a period of three to five years approximately 3 – 5% above the inflation rate. Actual investment returns in any given year may vary. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). There is no annual target for expenditures. Funds will be appropriated on occasion for items deemed worthwhile.

The portion of perpetual endowment funds that is required to be retained permanently totaled $75,000 as of December 31, 2019 and 2018. All of the endowment assets are included within net assets with donor restrictions in the accompanying financial statements.

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

Endowment net assets - January 1, 2018	$ 170,627
Investment return:	
Net depreciation (realized and unrealized)	(10,700)
Total investment return	(10,700)
Endowment net assets - December 31, 2018	$ 159,927
Investment return:	
Net appreciation (realized and unrealized)	48,498
Total investment return	48,498
Endowment net assets - December 31, 2019	$ 208,425

7. BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization is the beneficiary of a perpetual charitable trust. The trust provides for annual distributions of a percentage of the income earned on the Trust's assets, as specified in the trust documents. There are no restrictions as to the use of the distributions. The trust is administered by independent third-party trustees. The trustees are responsible for the investment allocation for the trust. The trust is currently invested in cash and cash equivalents and mutual funds.

The value of the beneficial interest in perpetual trust is recorded at the fair market value of the Trust's assets. The Organization recognized gains and (losses) on the change in value of the perpetual trust of $370,386 and $(245,329) during the years ended December 31, 2019 and 2018, respectively.

8. NET ASSETS WITH DONOR RESTRICTIONS

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

	2019	2018
S. Corbin perpetual trust	$ 3,193,904	$ 2,823,518
Cat room construction	-	257,613
Endowment fund earnings - Banker Trust	133,425	85,124
Endowment fund principal - Banker Trust	75,000	75,000
Subsidy for spaying/neutering	67,675	20,187
Bequest for spaying of animals	25,000	25,000
Facilities master plan - capital projects	20,000	-
Behavior fund	3,790	6,615
Other	1,375	19,945
Vet care fund	-	11,645
Adoption fund	-	5,710
	$ 3,520,169	$ 3,330,357

9. RETIREMENT PLAN

The Organization makes contributions of 5% of gross salaries on behalf of its eligible employees to a 401(k) plan. The Organization's contribution to the 401(k) plan during 2019 was $17,421, and during 2018 was $21,257.

10. SPECIAL EVENTS

A summary of special events is as follows:

	Revenue	Direct Expense	Net
December 31, 2019			
Gala	$ 56,455	$ 29,498	$ 26,957
Other	54,555	4,381	50,174
	$ 111,010	$ 33,879	$ 77,131

	Revenue	Direct Expense	Net
December 31, 2018			
Gala	$ 74,215	$ 20,496	$ 53,719
Other	26,893	9,439	17,454
	$ 101,108	$ 29,935	$ 71,173

11. FAIR VALUE MEASUREMENTS

The following are measured at fair market value on a recurring basis as of December 31:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
December 31, 2019				
Common stock	$ 1,409,116	$ -	$ -	$ 1,409,116
Corporate bonds	-	441,236	-	441,236
Mutual funds	594,867	-	-	594,867
U.S. Treasury securities	240,705	-	-	240,705
Money market funds	6,961	-	-	6,961
Beneficial interest in perpetual trust	-	3,193,904	-	3,193,904
	$ 2,251,649	$ 3,635,140	$ -	$ 5,886,789
December 31, 2018				
Common stock	$ 1,345,073	$ -	$ -	$ 1,345,073
Corporate bonds	-	590,779	-	590,779
Money market funds	267,696	-	-	267,696
Mutual funds	59,286	-	-	59,286
Beneficial interest in perpetual trust	-	2,823,518	-	2,823,518
	$ 1,672,055	$ 3,414,297	$ -	$ 5,086,352

The fair values for corporate bonds and the beneficial interest in perpetual trust are derived using the market approach and relevant market-drive data, which includes using market price quotes corroborated by recently executed transactions observable in the market. In addition, the valuation of corporate bonds is calculated at the present value of the bond's future interest payments and the bond's value upon maturity.

The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no changes in valuation techniques during 2019 or 2018.

12. SUBSEQUENT EVENTS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

12. SUBSEQUENT EVENTS (Continued)

In April 2020, the Organization entered into an unsecured promissory note payable to a bank in the amount of $238,000. The note was entered into as part of the U.S. Small Business Administration's Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP provides for this borrowing or a portion of the borrowing, to be forgiven to the extent the Organization meets defined requirements related to expenditure of the funds and management of the Organization's personnel complement. Through the date the financial statements were available to be issued, the Organization is unable to determine the amount of potential loan forgiveness. If no forgiveness is granted, the terms of this agreement require the Organization to make monthly principle payments of approximately $13,000, including 1% interest for an eighteen-month period.

Subsequent events have been evaluated through October 26, 2020, which is the date the financial statements were available to be issued.