THE ANIMAL LEAGUE OF GREEN VALLEY

INDEPENDENT ACCOUNTANT'S REVIEW REPORT AND FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

REGIER CARR & MONROE, LLP, CPAs

THE ANIMAL LEAGUE OF GREEN VALLEY

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
The Animal League of Green Valley
Green Valley, Arizona

We have reviewed the accompanying financial statements of The Animal League of Green Valley (a nonprofit organization), which comprise the statements 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

(continued)

Emphasis of Matter with Respect to Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018, The Animal League of Green Valley adopted new accounting guidance *ASU No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* Our conclusion is not modified with respect to this matter. The adoption of this guidance has been applied to the 2017 financial statements retrospectively.

Report on 2017 Financial Statements

The December 31, 2017 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated June 20, 2018. We have not performed any auditing procedures since that date.

Regier Carr & Monroe, L.L.P.

August 11, 2019
Tucson, Arizona

THE ANIMAL LEAGUE OF GREEN VALLEY
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

ASSETS

	Reviewed 2018	Audited 2017
CURRENT ASSETS		
Cash and cash equivalents	$ 580,876	$ 778,045
Accounts receivable	26,405	20,632
Investments	14,552	-
Prepaid expenses	7,779	6,906
Total current assets	629,612	805,583
CASH - RESTRICTED	307,395	319,816
PROPERTY AND EQUIPMENT, NET	2,653,631	2,711,847
Total assets	$ 3,590,638	$ 3,837,246

LIABILITIES AND NET ASSETS

	Reviewed 2018	Audited 2017
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 84,414	$ 23,884
NET ASSETS		
Net assets without donor restrictions	3,213,532	3,312,818
Net assets without donor restrictions - board designated	152,509	302,374
Total net assets without donor restrictions	3,366,041	3,615,192
Net assets with donor restrictions	140,183	198,170
Total net assets	3,506,224	3,813,362
Total liabilities and net assets	$ 3,590,638	$ 3,837,246

See accompanying notes and independent accountant's review report.

THE ANIMAL LEAGUE OF GREEN VALLEY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	Reviewed		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions received	$ 322,085	$ -	$ 322,085
Fee income	51,992	-	51,992
Pima County contract	75,934	-	75,934
Thrift shop/The Attic	406,929	-	406,929
Memorials	18,412	-	18,412
Estates	320,783	-	320,783
Fundraising	38,179	-	38,179
Grants	2,000	121,195	123,195
Interest income	1,006	-	1,006
In-kind salaries	300,000	-	300,000
Other income	2,945	-	2,945
Net assets released from restrictions			
Satisfaction of purpose restrictions	179,182	(179,182)	-
Total revenues	1,719,447	(57,987)	1,661,460
PROGRAM/ACTIVITY COSTS			
Program services	1,768,842	-	1,768,842
General and administrative expenses	187,628	-	187,628
Fundraising expenses	12,128	-	12,128
Total program/activity costs	1,968,598	-	1,968,598
Change in net assets	(249,151)	(57,987)	(307,138)
NET ASSETS, BEGINNING OF YEAR	3,615,192	198,170	3,813,362
NET ASSETS, END OF YEAR	$ 3,366,041	$ 140,183	$ 3,506,224

See accompanying notes and independent accountant's review report.

THE ANIMAL LEAGUE OF GREEN VALLEY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

	Audited		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions received	$ 358,004	$ -	$ 358,004
Fee income	80,655	-	80,655
Pima County contract	78,699	-	78,699
Thrift shop/The Attic	439,966	-	439,966
Memorials	44,535	-	44,535
Estates	472,043	-	472,043
Fundraising	40,731	-	40,731
Grants	3,302	203,000	206,302
Interest income	1,098	56	1,154
In-kind salaries	204,210	-	204,210
Other income	1,885	-	1,885
Net assets released from restrictions			
Satisfaction of purpose restrictions	13,234	(13,234)	-
Total revenues	1,738,362	189,822	1,928,184
PROGRAM/ACTIVITY COSTS			
Program services	1,571,940	-	1,571,940
General and administrative expenses	165,858	-	165,858
Fundraising expenses	16,276	-	16,276
Total program/activity costs	1,754,074	-	1,754,074
Change in net assets	(15,712)	189,822	174,110
NET ASSETS, BEGINNING OF YEAR	3,630,904	8,348	3,639,252
NET ASSETS, END OF YEAR	$ 3,615,192	$ 198,170	$ 3,813,362

See accompanying notes and independent accountant's review report.

THE ANIMAL LEAGUE OF GREEN VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Reviewed			
	Program Services	General and Administrative	Fundraising	Total
Advertising	$ 26,513	$ 8,837	$ -	$ 35,350
Animal clinics	13,206	-	-	13,206
Animal food	39,930	-	-	39,930
Animal medical	911,102	-	-	911,102
Animal programs				
Spay and neuter outreach	192,871	-	-	192,871
Cleaning expenses	18,563	6,187	-	24,750
Depreciation expense	88,451	29,484	-	117,935
Fundraising expense	-	-	12,128	12,128
Dog training	4,669	-	-	4,669
In-kind salaries expense	225,000	75,000	-	300,000
Insurance	9,304	3,101	-	12,405
Materials and supplies	31,686	10,562	-	42,248
Miscellaneous	5,324	1,775	-	7,099
Off-site boarding and grooming	46,524	-	-	46,524
Postage	1,585	528	-	2,113
Printing and photo expense (newsletter)	8,924	2,975	-	11,899
Professional fees	-	10,736	-	10,736
Rent expense	13,925	4,641	-	18,566
Repairs and maintenance	47,474	15,825	-	63,299
Storage	2,640	880	-	3,520
Telephone	6,669	2,223	-	8,892
Thrift store expense	29,859	-	-	29,859
Volunteer appreciation	9,351	3,117	-	12,468
Utilities	35,272	11,757	-	47,029
Total	$ 1,768,842	$ 187,628	$ 12,128	$ 1,968,598

See accompanying notes and independent accountant's review report.

THE ANIMAL LEAGUE OF GREEN VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	Audited			
	Program Services	General and Administrative	Fundraising	Total
Advertising	$ 36,674	$ 12,224	$ -	$ 48,898
Animal clinics	20,464	-	-	20,464
Animal food	39,208	-	-	39,208
Animal medical	733,697	-	-	733,697
Animal programs				
Spay and neuter outreach	184,966	-	-	184,966
Cleaning expenses	21,964	7,321	-	29,285
Depreciation expense	88,642	29,547	-	118,189
Fundraising expense	-	-	16,276	16,276
Dog training	964	-	-	964
In-kind salaries expense	153,158	51,052	-	204,210
Insurance	9,596	3,199	-	12,795
Materials and supplies	40,391	13,464	-	53,855
Miscellaneous	15,079	5,026	-	20,105
Off-site boarding and grooming	78,754	-	-	78,754
Postage	1,263	421	-	1,684
Printing and photo expense (newsletter)	8,798	2,932	-	11,730
Professional fees	-	10,586	-	10,586
Rent expense	14,544	4,848	-	19,392
Repairs and maintenance	29,492	9,831	-	39,323
Storage	854	285	-	1,139
Telephone	4,357	1,452	-	5,809
Thrift store expenses	48,063	-	-	48,063
Volunteer appreciation	3,847	1,282	-	5,129
Utilities	37,165	12,388	-	49,553
Total	$ 1,571,940	$ 165,858	$ 16,276	$ 1,754,074

See accompanying notes and independent accountant's review report.

THE ANIMAL LEAGUE OF GREEN VALLEY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	Reviewed 2018	Audited 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (307,138)	$ 174,110
Adjustments to reconcile net assets to net cash provided by operating activities		
Depreciation	117,935	118,189
Donated stock	(14,552)	-
Increase (decrease) in cash resulting from changes in		
Accounts receivable	(5,773)	(4,912)
Prepaid expenses	(873)	553
Accounts payable	60,530	(54,374)
Restricted cash	12,421	(237)
Net cash (used) provided by operating activities	(137,450)	233,329
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(59,719)	(78,717)
Net (decrease) increase in cash and cash equivalents	(197,169)	154,612
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	778,045	623,433
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 580,876	$ 778,045
SUPPLEMENTAL INFORMATION		
In-kind services	$ 300,000	$ 204,210

See accompanying notes and independent accountant's review report.

THE ANIMAL LEAGUE OF GREEN VALLEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Animal League of Green Valley (the "League") was incorporated under the laws of the State of Arizona on April 25, 1984 to promote and provide for the humane treatment of companion dogs and cats in the greater Green Valley/Sahuarita area and to provide life care for dogs and cats that survive their owners. The League applied for and was granted tax exempt status on October 15, 1985.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the League adopted the provisions of Accounting Standards Update ("ASU") 2016-14: Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the League's liquidity, financial performance, and cash flows.

Net assets are now presented in two classifications, as follows:

- Net assets with donor restrictions – restrictions may be either time related or purpose related.
- Net assets without donor restrictions.

Revenue Recognition

All contributions are considered to be available for the general programs of the League unless specifically restricted by the donor. The League reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions are recorded in the net assets with donor restrictions class for restrictions expiring during this fiscal year and then reclassified to the net assets without donor restrictions class.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. For the year ended December 31, 2018, in-kind revenue and expense totaled $300,000 ($204,210 for 2017). Volunteers also provided approximately 128,000 hours related to the shelter operations and administration of the shelter during 2018, the value of which is not included in these financial statements because it does not meet the standard for inclusion in the financial standards.

Property and Equipment

The League capitalizes all expenditures in excess of $2,500 for property and equipment at cost. Contributed property and equipment are recorded at the estimated fair value at the date of donation. Certain donated services are capitalized as improvements when those services enhance the value of assets. Depreciation is provided using the straight-line method with a full-month convention over the estimated useful lives of the respective assets. Depreciation expense for the year ended December 31, 2018 was $117,935 ($118,189 for 2017). Upon sale or retirement of depreciable properties, the related cost and accumulated depreciation are removed from the accounts. All gains or losses are reflected in revenue in the year of disposition. Routine repairs and maintenance are expensed as incurred.

Income Taxes

The League is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (“IRS”), as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3), which qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The League is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the League is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The League has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The League believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The League would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted cash balances and highly liquid investments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents funds received by the League with restrictions as to their use by the donors. The restrictions are for life care of certain pets, and funds for the spaying and neutering program. Restricted cash also includes funds designated by the board for reserves.

Advertising Costs

Costs incurred for producing and communicating non-direct advertising are expensed when incurred. Costs incurred for direct response advertising is capitalized and amortized over its estimated useful life. No advertising costs were capitalized at December 31, 2018 and 2017. Total advertising costs for the year ended December 31, 2018 were $35,350 ($48,898 for 2017).

Use of Estimates

The preparation of financial statements in conformity with United States 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 contributions, revenues and gains and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are for amounts invoiced to Pima County for a contract for a spaying and neutering program. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts and the aging of accounts. At December 31, 2018 and 2017, management estimated all receivables to be collectible.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

The League carries inventory for the thrift store, and The Attic, at no value. All items in the thrift store are donated and are handled by volunteers, resulting in no cost basis. The League has no repair facility, so no costs are incurred to bring the items to saleable condition. A fair market value is not reported since donated items do not have a readily available market or comparable price structure. Furthermore, items not sold within a short time are discarded as having no value.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis. Accordingly, costs are allocated among the programs and supporting services benefited. Expenses that can be identified with a special program or support service are allocated directly according to their natural expense classification. Expenses that are common to several functions are allocated based on management's estimate of the efforts expended.

Board Designated Funds

The Board of Directors designated a reserve account during 2015 at a bank for the financial operation and security of the League. As of December 31, 2018, the balance in that account was $152,509 ($302,374 for 2017).

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassifications had no effect on either change in the net assets for the year ended December 31, 2017 or on the net assets as of that date.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

- Revenue Recognition

  In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), that will supersede the current revenue recognition requirements. The ASU is based on the principle that revenue is recognized to depict the transfer of 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. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the League's year ending December 31, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The League has not yet determined which application method it will use or the potential effects on the new standard on the financial statements, if any.

- Leases

  In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, Leases (Topic 842), that will supersede the current lease requirements. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either financing or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital lease obligations recognized on the statement of financial position. Lessor accounting under the new standard will remain similar to lessor accounting under current GAAP. The reporting of lease-related expenses in the statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the League's year ending December 31, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the financial statements has not yet been determined.

(continued)

2. LIQUIDITY AND AVAILABILITY OF FUNDS

The League's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows.

	2018	2017
Financial assets at year-end:		
Cash and cash equivalents	$ 580,876	$ 778,045
Accounts receivable	26,405	20,632
Total financial assets	607,281	798,677
Less amounts not available to be used within one year:		
Net assets with donor restrictions	140,183	198,170
Financial assets available to meet general expenditures over the next twelve months	$ 467,098	$ 600,507

As part of the League's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was $152,509 and $302,374 at December 31, 2018 and 2017, respectively.

3. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2018 and 2017 are comprised of billings on a contract with Pima County. The allowance for bad debts is estimated from historical expense, coupled with a current status of existing receivables. At December 31, 2018 and 2017, no allowance was considered necessary. The total loss, if all parties fail to perform and collection efforts prove to be ineffective, is the stated balance of $26,405 at December 31, 2018 ($20,632 for 2017).

(continued)

4. INVESTMENTS

Investments consist of equities and are presented in the financial statements at fair value. Fair values and unrealized appreciation (depreciation) at December 31, 2018 are as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
December 31, 2018			
Equities	$ 14,552	$ 14,552	$ -

There were no investments at December 31, 2017.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2018	2017
Land	$ 111,692	$ 111,692
Buildings and improvements	3,346,495	3,222,442
Furniture	2,607	2,607
Equipment	59,353	54,690
Computer hardware	6,155	6,155
Vehicle	78,041	78,041
Construction in progress	-	68,996
Total	3,604,343	3,544,623
Less accumulated depreciation	(950,712)	(832,776)
Net property and equipment	$ 2,653,631	$ 2,711,847

(continued)

6. NET ASSETS WITH DONOR RESTRICTIONS

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

	Beginning Balance	Contributions	Releases	Ending Balance
Animal care for life	$ 8,382	$ 100,000	$ (34,755)	$ 73,627
Dental fund for in-shelter cats	95,788	-	(29,232)	66,556
Cat room addition	94,000	21,195	(115,195)	-
Total	$ 198,170	$ 121,195	$ (179,182)	$ 140,183

Net assets with donor restriction activity was as follows for the year ended December 31, 2017:

	Beginning Balance	Contributions	Releases	Ending Balance
Animal care for life	$ 8,348	$ 56	$ (22)	$ 8,382
Dental fund for in-shelter cats	-	100,000	(4,212)	95,788
Medical outreach	-	9,000	(9,000)	-
Cat room addition	-	94,000	-	94,000
Total	$ 8,348	$ 203,056	$ (13,234)	$ 198,170

Before the League implemented ASU 2016-14 as noted in Note 1, the net assets with donor restrictions for the year ended December 31, 2017, were all classified as temporarily restricted net assets.

(continued)

7. FAIR VALUE MEASUREMENTS

U.S. Generally Accepted Accounting Principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Agency measures fair values using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements are based on quoted prices (unadjusted) in active markets for identical assets that the reporting entity has the ability to access at the measurement date. An active market for the assets is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Fair Value Measurements are based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. If the asset has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset.

Level 3 Fair Value Measurements are based on unobservable inputs for the asset. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the assets at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset. Therefore, unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the (including assumption about risk). Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data.

Fair value measurements were reported based on the following:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018				
Equities	$ 14,552	$ 14,552	$ -	$ -

(continued)

8. LEASES

In 2015 the League leased property from Prince Road Associates L.L.C. The lease converted to month-to-month basis as of July 1, 2016 at monthly rent of $1,600. In 2018, the League agreed to a two-year lease period for the property at the monthly rent of $1,600. Total rent expense was $18,566 for the year ended December 31, 2018 ($19,392 for 2017).

The League also rents various office equipment with total minimum monthly lease payments of approximately $600. The leases expire through March 2023. Total rent expense related to these leases was $6,123 and $5,400, for the years ended December 31, 2018 and 2017, respectively.

Future minimum lease payments under these leases are as follows for the years ending December 31:

2019	$ 26,352
2020	10,880
2021	5,094
2022	4,944
2023	2,884
Total	$ 50,154

9. CONCENTRATIONS OF CREDIT RISK

Cash in Banks

Balances on deposit are insured by the Federal Deposit Insurance Corporation ("FDIC") up to specified limits. Balances in excess of such limits are uninsured. At December 31, 2018, the League had approximately $70,000 of deposits in excess of federally insured limits ($138,000 at December 31, 2017).

Revenue

The League is dependent on the sales from The Attic thrift shop. The Attic revenues made up 25% of the League's revenues for 2018 (23% for 2017). In past years, the League has received bequests and gifts from estates. Because of the nature of these bequests and gifts, it is not certain that amounts related to bequests and gifts from estates will be received each year.

(continued)

10. SIGNIFICANT ESTIMATES

The functional allocation of expenditures is a significant estimate based on estimated levels of effort.

Management's estimate of the useful lives of the fixed assets acquired was based on management's experience with similar assets.

The League is 100% volunteer run. Donated in-kind salaries that require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation and income have been reported at an estimated value. The amounts reported represent a significant estimate.

11. CONTINGENCY

The League may offer to pay for veterinary care for life for adopted animals that meet board-approved age criteria. The purpose is to encourage people to adopt older animals by supporting the cost of the animal's veterinary care. The League expenses those costs out as incurred as part of animal medical expenses on the statement of functional expenses. These costs were $76,409 and $50,536 for the years ended December 31, 2018 and 2017, respectively.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 11, 2019, the date the financial statements were available to be issued.