

THE PREM RAWAT FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017



THE PREM RAWAT FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Prem Rawat Foundation

We have audited the accompanying financial statements of The Prem Rawat Foundation (a nonprofit organization), which comprise the statements 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.

Auditors' 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 The Prem Rawat 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.

Quist & Schatz, LLP

Long Beach, California
July 29, 2019

**THE PREM RAWAT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 582,661	\$ 2,423,093
Short-term investments	818,303	-
Contributions receivable	51,977	53,268
Total Current Assets	<u>1,452,941</u>	<u>2,476,361</u>
Non-Current Assets		
Property and equipment, net	35,236	45,874
Long-term investments	1,133,555	31,946
Other assets	-	2,583
Total Non-Current Assets	<u>1,168,791</u>	<u>80,403</u>
TOTAL ASSETS	<u><u>\$ 2,621,732</u></u>	<u><u>\$ 2,556,764</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 35,811	\$ 12,490
Grants payable	-	31,200
Total Current Liabilities	<u>35,811</u>	<u>43,690</u>
Total Liabilities	<u>35,811</u>	<u>43,690</u>
Net Assets		
Without donor restrictions	<u>2,585,921</u>	<u>2,513,074</u>
Total Net Assets	<u>2,585,921</u>	<u>2,513,074</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,621,732</u></u>	<u><u>\$ 2,556,764</u></u>

The accompanying notes are an integral part of these financial statements.

**THE PREM RAWAT FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	2018	2017
REVENUES, GAINS, AND OTHER SUPPORT		
Contributions	\$ 1,706,458	\$ 1,886,817
Investment income	24,729	9,237
	1,731,187	1,896,054
EXPENSES		
Program services		
Peace Initiative	683,133	507,920
Peace Education	417,525	403,894
Food for People	170,000	140,900
Humanitarian Aid	43,085	167,245
Total program services	1,313,743	1,219,959
Supporting services		
Management and general	160,338	134,169
Fundraising	184,259	160,618
Total supporting services	344,597	294,787
	1,658,340	1,514,746
CHANGE IN NET ASSETS	72,847	381,308
NET ASSETS, BEGINNING OF YEAR	2,513,074	2,131,766
NET ASSETS, END OF YEAR	\$ 2,585,921	\$ 2,513,074

The accompanying notes are an integral part of these financial statements.

THE PREM RAWAT FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>				<u>Supporting Services</u>		<u>Total</u>
	<u>Peace Initiative</u>	<u>Peace Education</u>	<u>Food for People</u>	<u>Humanitarian Aid</u>	<u>Management and General</u>	<u>Fundraising</u>	
Grants for humanitarian aid	\$ -	\$ -	\$ 170,000	\$ 43,085	\$ -	\$ -	\$ 213,085
Grants for material development	256,000	93,700	-	-	-	-	349,700
Production material development	120,012	101,862	-	-	-	-	221,874
Development and creative	11,189	12,579	-	-	-	-	23,768
Marketing	65,834	-	-	-	-	-	65,834
Venue	-	700	-	-	-	-	700
Outside services	-	23,271	-	-	57,500	37,465	118,236
Salaries and wages	159,171	140,143	-	-	23,622	70,355	393,291
Professional fees	-	-	-	-	44,951	-	44,951
Distribution and fulfillment	-	-	-	-	4,764	-	4,764
Credit card fees	-	-	-	-	265	55,522	55,787
Insurance	-	-	-	-	7,627	-	7,627
Office supplies	-	-	-	-	6,894	3,604	10,498
Fees and licenses	-	-	-	-	4,447	-	4,447
Computer supplies and equipment	37,130	-	-	-	199	-	37,329
Materials printed	16,126	-	-	-	141	8,312	24,579
Postage and delivery	-	33,887	-	-	2,474	4,371	40,732
Rent and storage	-	549	-	-	1,071	-	1,620
Travel	3,997	9,725	-	-	5,868	626	20,216
Telephone	-	-	-	-	515	1,213	1,728
Depreciation	13,674	-	-	-	-	-	13,674
Bequest expenses	-	-	-	-	-	2,791	2,791
Meals and entertainment	-	1,109	-	-	-	-	1,109
Total expenses	\$ 683,133	\$ 417,525	\$ 170,000	\$ 43,085	\$ 160,338	\$ 184,259	\$ 1,658,340

The accompanying notes are an integral part of these financial statements.

THE PREM RAWAT FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>				<u>Supporting Services</u>		<u>Total</u>
	<u>Peace Initiative</u>	<u>Peace Education</u>	<u>Food for People</u>	<u>Humanitarian Aid</u>	<u>Management and General</u>	<u>Fundraising</u>	
Grants for humanitarian aid	\$ -	\$ -	\$ 140,000	\$ 167,245	\$ -	\$ -	\$ 307,245
Grants for material development	24,000	20,000	-	-	-	-	44,000
Production and material development	101,867	81,476	-	-	-	-	183,343
Development and creative	6,870	20,811	-	-	-	-	27,681
Marketing	101,420	-	-	-	-	-	101,420
Venue	-	12,875	-	-	-	-	12,875
Outside services	-	6,419	-	-	33,895	-	40,314
Salaries and wages	143,518	210,424	-	-	10,941	69,406	434,289
Professional fees	-	-	-	-	43,770	-	43,770
Distribution and fulfillment	1,561	-	-	-	-	-	1,561
Credit card fees	-	-	-	-	225	57,475	57,700
Insurance	-	-	-	-	10,549	-	10,549
Special event	38,841	-	-	-	-	-	38,841
Office supplies	-	8,931	-	-	6,589	8,812	24,332
Fees and licenses	-	-	-	-	5,683	-	5,683
Computer supplies and equipment	23,592	-	-	-	1,828	10,428	35,848
Materials printed	26,587	-	-	-	-	9,787	36,374
Postage and delivery	-	24,409	-	-	12,977	4,710	42,096
Rent and storage	-	9	-	-	826	-	835
Travel	26,181	17,502	900	-	5,721	-	50,304
Telephone	-	-	-	-	827	-	827
Depreciation	13,483	-	-	-	-	-	13,483
Meals and entertainment	-	1,038	-	-	338	-	1,376
Total expenses	\$ 507,920	\$ 403,894	\$ 140,900	\$ 167,245	\$ 134,169	\$ 160,618	\$ 1,514,746

The accompanying notes are an integral part of these financial statements.

**THE PREM RAWAT FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 and 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 72,847	\$ 381,308
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	13,674	13,483
Net realized and unrealized gain	(1,942)	(3,516)
Changes in operating assets and liabilities		
Decrease/(increase) in:		
Contributions receivable	1,291	(10,734)
Other assets	2,583	(2,583)
Increase/(decrease) in:		
Accounts payable and accrued expenses	23,321	(5,716)
Grants payable	(31,200)	-
	80,574	372,242
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,059,595)	-
Purchases of property and equipment	(3,036)	(5,507)
Sales of investments	141,625	805,498
	(1,921,006)	799,991
NET CASH PROVIDED(USED) BY INVESTING ACTIVITIES		
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,840,432)	1,172,233
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,423,093	1,250,860
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 582,661	\$ 2,423,093

The accompanying notes are an integral part of these financial statements.

**THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Prem Rawat Foundation (the “Foundation” or “TPRF”), a California not-for-profit public benefit corporation, was created in November 2001. The mission of The Prem Rawat Foundation is to address the fundamental human needs of food, water, and peace. Through a variety of programs and initiatives, TPRF is dedicated to helping build a world at peace, one person at a time, so that people can live with dignity, peace, and prosperity.

The Foundation has planned, designed, and implemented several critically needed programs such as its model Food for People program (FFP). FFP is based on Prem Rawat’s desire to help people break out of the cycle of poverty. There are now three FFP facilities: one in India, one in Nepal, and one in Ghana. In 2018, FFP facilities served over 475,000 hot nutritious meals to children, the sick, and the elderly.

The Peace Education Program is an educational program designed and operated by the Foundation to help people discover their own inner resources and the possibility of personal peace. This multimedia program consists of 10 sessions, each focusing on a particular theme. These customized, interactive workshops are non-religious and non-sectarian. The content of each theme is based on excerpts from Prem Rawat’s international talks. The themes are: Peace, Appreciation, Inner Strength, Self-Awareness, Clarity, Understanding, Dignity, Choice, Hope, and Contentment. The program was first offered in late 2012 and has been presented in 84 countries. In 2018, over 1000 workshops were held that reached over 15,000 participants.

The Foundation also produces a number of media and online materials based on Prem Rawat’s addresses in addition to course material for its Peace Education Program. The Foundation also sponsors and supports events where Prem Rawat is the keynote speaker at universities, non- governmental organizations, and various other meetings.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) and follow the recommendations of the Accounting Standards Codification (ASC) 958-205, Financial Statements of Not-for-Profit Entities.

Recently Adopted Accounting Standards

In 2018, the Foundation adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic): Presentation of Financial Statements of Not-for-Profit Entities*. The main provisions include: presentation of two classes of net assets versus the previously required three; recognition of capital gains for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction to net assets with donor restrictions. The guidance also enhances disclosures for board-designated amounts, components of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. With the adoption of the standard, the Foundation updated net asset presentation in the financial statements and included additional disclosures as required. No significant reclassification to prior-year amounts was necessary in order to adopt the new standard.

THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be used for any purpose consistent with the Foundation's mission.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that may be temporary in nature that may be or will be met by actions of the Foundation or the passage of time. Other donor stipulations may be perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. There were no such net assets as of December 31, 2018.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash held in checking and savings accounts, cash on hand, and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

Investments

Investments are recorded at their fair value in the statement of financial position. Gains and losses are reflected in the statement of activities. Investments consist of corporate bonds, which have maturity dates over a year and are classified as long-term.

Contributions Receivable

Unconditional pledges are recorded at their net realizable value and no discount has been recorded. Conditional promises to give are recognized only when the conditions are substantially met. Management believes the contributions receivable as of December 31, 2018 and 2017 are fully collectible; therefore, the Foundation has not recorded an allowance for doubtful accounts. All receivables at December 31, 2018 and 2017 are due within one year.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated and significant. Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

Depreciation has been recorded using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	3 years
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The cost of property and equipment purchased in excess of \$1,000 is capitalized. Repairs, maintenance and minor acquisitions are expensed as incurred. Gains and losses are recognized in the statements of activities upon disposal of property and equipment.

Long-Lived Assets

The Foundation reviews long-lived assets such as property and equipment to determine if there has been an impairment of value whenever events or changes occur that indicate the carrying value of the assets may have declined and may not be recoverable. No circumstances have occurred during the years causing the Foundation to believe there has been any impairment of the carrying value of its long lived assets. There can be no assurance, however, that market or other conditions will not change in the future resulting in impairment of long-lived assets.

Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and Section 23701(d) of the California Tax Code. Contributions to the Foundation are deductible for tax purposes under Section 170(c)(2) of the IRC. The Foundation is not a private foundation.

The Foundation evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will, more likely than not, be sustained upon examination. As of December 31, 2018, management does not believe the Foundation has any uncertain tax positions requiring accrual or disclosure. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Contributed Assets, Materials, and Services

The Foundation receives periodic donations of assets, materials, and services from local vendors, and from the community, which are recorded at estimated fair market value at the date of donation, if significant. Donated equipment, improvements, or long-lived assets are recorded at the estimated fair value at the date of donation. Donated securities are held until they can be sold. The Foundation did not receive any contributed assets, materials, or services during the years ended December 31, 2018 and 2017.

**THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Generally accepted accounting standards related to fair value measurements (a) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and (b) set out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described as follows:

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 – Directly or indirectly observable input for quoted and other than quoted prices for identical or similar assets and liabilities in active or non-active markets.

Level 3 – Unobservable inputs not corroborated by market data, therefore requiring the entity to use the best information available in the circumstances, including the entity's own data.

Certain financial instruments are carried at cost, which approximates fair value because of the short-term nature of these instruments, and thus are not categorized.

These instruments include contributions receivable, accounts payable, accrued expenses, and grants payable.

Advertising Costs

The Foundation uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. Advertising costs for the years ended December 31, 2018 and 2017 were \$65,834 and \$101,420, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort.

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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates. The significant items in these statements that are affected by management estimates are useful lives of property and equipment and allocations of functional expenses.

THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

NOTE 3 – INVESTMENTS

Investments consisted of the following at December 31, 2018:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain(Loss)</u>
Fixed income - corporate bonds	\$ 1,951,858	\$ 1,936,626	\$ 15,232
	<u>\$ 1,951,858</u>	<u>\$ 1,936,626</u>	<u>\$ 15,232</u>

Investments consisted of the following at December 31, 2017:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain(Loss)</u>
Fixed income - corporate bonds	\$ 31,946	\$ 35,175	\$ (3,229)
	<u>\$ 31,946</u>	<u>\$ 35,175</u>	<u>\$ (3,229)</u>

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Investments are managed by professional investment managers who have responsibility for investing the funds in various investment classes. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

The following schedule summarizes the investment return for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 24,640	\$ 5,871
Realized gain	41	-
Unrealized gain	1,901	3,516
Management fees	(1,853)	(150)
	<u>\$ 24,729</u>	<u>\$ 9,237</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2018 and 2017, are summarized as follows:

	<u>2018</u>	<u>2017</u>
Computers equipment and software	\$ 285,165	\$ 282,129
Land	30,000	30,000
	315,165	312,129
Less: accumulated depreciation	(279,929)	(266,255)
Net property and equipment	<u>\$ 35,236</u>	<u>\$ 45,874</u>

**THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

NOTE 4 – PROPERTY AND EQUIPMENT (continued)

Depreciation expense for the years ended December 31, 2018 and 2017 were \$13,674 and \$13,483, respectively.

NOTE 5 – CONCENTRATIONS

Cash

The Foundation maintains cash balances at several financial institutions located in Southern California. The balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The cash balances may, at times, exceed federally insured limits. The Company has not experienced any losses on these accounts to date. Management believes it is not exposed to any significant risk on its cash balances.

Source Materials

The Foundation focuses primarily on promoting the teaching and messages of Prem Rawat. The operations of the Foundation could be adversely affected in the event of the incapacity of Prem Rawat.

NOTE 6 – FAIR VALUE MEASUREMENTS

Fair values of assets measured at December 31, 2018 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Measured on a Recurring Basis</u>			
Corporate bonds	\$ -	\$ 1,951,858	\$ -
	<u>\$ -</u>	<u>\$ 1,951,858</u>	<u>\$ -</u>
<u>Measured on a Nonrecurring Basis</u>			
Long-lived assets held for sale	\$ -	\$ 30,000	\$ -
	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>

Fair values of assets measured at December 31, 2017 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Measured on a Recurring Basis</u>			
Corporate bonds	\$ -	\$ 31,946	\$ -
	<u>\$ -</u>	<u>\$ 31,946</u>	<u>\$ -</u>

**THE PREM RAWAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

NOTE 6 – FAIR VALUE MEASUREMENTS (continued)

	Level 1	Level 2	Level 3
<u>Measured on a Nonrecurring Basis</u>			
Long-lived assets held for sale	\$ -	\$ 30,000	\$ -
	\$ -	\$ 30,000	\$ -

Corporate bonds are classified in Level 2 category, as they are valued using significant other observable input, particularly dealer market prices for comparable investments as of the valuation date.

The fair value of contributed land has been measured on a nonrecurring basis using quoted prices for similar assets. (Level 2 input).

NOTE 7 – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

During the years ended December 31, 2018 and 2017, the Foundation paid no taxes or interest.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets at year-end:	
Cash and Cash equivalents	\$ 582,661
Investments	818,303
Receivables	51,977
	\$1,452,941

In addition to financial assets available to meet general expenditures over the year, the Foundation operates with a balanced budget and anticipates covering its general expenditures by collection of sufficient donations. The Foundation reviews its cash position on a regular basis to ensure adequate funds are on hand to meet expenses.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 29, 2019, the date the financial statements were available to be issued.