

**THE HONOR FOUNDATION  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

## THE HONOR FOUNDATION

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Honor Foundation

We have audited the accompanying consolidated financial statements of The Honor Foundation, a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Earning Your Trust Since 1946

## Opinion

- In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Honor Foundation, a nonprofit organization, 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.

Handwritten signature in cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE  
An accountancy corporation

August 29, 2019

**THE HONOR FOUNDATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

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	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,569,207	\$ 1,049,797
Contributions receivable	51,500	255,000
Other receivables	930	1,500
Prepaid expenses	29,984	14,994
	1,651,621	1,321,291
PROPERTY AND EQUIPMENT (note 3)	569,055	470,024
TOTAL ASSETS	2,220,676	1,791,315
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	76,837	24,354
Accrued liabilities	42,520	42,333
	119,357	66,687
NET ASSETS (note 4)		
Without donor restrictions	1,937,659	1,184,650
With donor restrictions	163,660	539,978
	2,101,319	1,724,628
TOTAL LIABILITIES AND NET ASSETS	\$ 2,220,676	\$ 1,791,315

See accompanying notes

**THE HONOR FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 500,000	\$ 963,500	\$ 1,463,500
Contributions	1,141,198	7,235	1,148,433
Donated services and facilities (note 5)	502,316	-	502,316
Other income	1,982	-	1,982
	2,145,496	970,735	3,116,231
 <b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Restrictions satisfied by payments	1,347,053	(1,347,053)	-
<b>TOTAL REVENUE AND SUPPORT</b>	3,492,549	(376,318)	3,116,231
 <b>EXPENSES</b>			
Program	1,920,847	-	1,920,847
Management and general	427,065	-	427,065
Development	391,628	-	391,628
<b>TOTAL EXPENSES</b>	2,739,540	-	2,739,540
 <b>CHANGE IN NET ASSETS</b>	753,009	(376,318)	376,691
 <b>NET ASSETS, BEGINNING OF YEAR</b>	1,184,650	539,978	1,724,628
 <b>NET ASSETS, END OF YEAR</b>	\$ 1,937,659	\$ 163,660	\$ 2,101,319

See accompanying notes

**THE HONOR FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 1,063,174	\$ 51,883	\$ 1,115,057
Grants	-	555,000	555,000
Donated services and facilities (note 5)	289,690	-	289,690
Tuition	88,750	-	88,750
Other income	2,159	-	2,159
	1,443,773	606,883	2,050,656
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Restrictions satisfied by payments	778,909	(778,909)	-
<b>TOTAL REVENUE AND SUPPORT</b>	2,222,682	(172,026)	2,050,656
<b>EXPENSES</b>			
Program	1,263,052	-	1,263,052
Management and general	280,714	-	280,714
Development	259,002	-	259,002
<b>TOTAL EXPENSES</b>	1,802,768	-	1,802,768
<b>CHANGE IN NET ASSETS</b>	419,914	(172,026)	247,888
<b>NET ASSETS, BEGINNING OF YEAR</b>	764,736	712,004	1,476,740
<b>NET ASSETS, END OF YEAR</b>	\$ 1,184,650	\$ 539,978	\$ 1,724,628

See accompanying notes

**THE HONOR FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Personnel	\$ 842,372	\$ 266,727	\$ 275,739	\$ 1,384,838
Event specific	421,685	15,390	8,232	445,307
Facilities and equipment	326,119	56,941	17,263	400,323
Meetings and travel	127,332	4,346	42,770	174,448
Professional fees	75,390	60,051	2,100	137,541
Marketing	24,633	2,984	22,066	49,683
Administrative	7,634	9,427	6,536	23,597
Bank and merchant fees	10	1,213	8,360	9,583
Insurance	-	8,350	-	8,350
	<u>1,825,175</u>	<u>425,429</u>	<u>383,066</u>	<u>2,633,670</u>
Depreciation	<u>95,672</u>	<u>1,636</u>	<u>8,562</u>	<u>105,870</u>
TOTAL EXPENSES	<u><u>\$ 1,920,847</u></u>	<u><u>\$ 427,065</u></u>	<u><u>\$ 391,628</u></u>	<u><u>\$ 2,739,540</u></u>

See accompanying notes

**THE HONOR FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Personnel	\$ 616,443	\$ 163,289	\$ 175,487	\$ 955,219
Event specific	321,777	2,367	17,854	341,998
Facilities and equipment	156,401	30,873	13,291	200,565
Meetings and travel	67,278	10,029	18,292	95,599
Professional fees	13,375	61,134	4,200	78,709
Marketing	26,345	732	8,388	35,465
Administrative	14,743	5,016	10,266	30,025
Bank and merchant fees	3,319	1,191	9,305	13,815
Insurance	-	5,113	-	5,113
	<u>1,219,681</u>	<u>279,744</u>	<u>257,083</u>	<u>1,756,508</u>
Depreciation	<u>43,371</u>	<u>970</u>	<u>1,919</u>	<u>46,260</u>
TOTAL EXPENSES	<u><u>\$ 1,263,052</u></u>	<u><u>\$ 280,714</u></u>	<u><u>\$ 259,002</u></u>	<u><u>\$ 1,802,768</u></u>

See accompanying notes

**THE HONOR FOUNDATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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	2018	2017
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 376,691	\$ 247,888
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation expense	105,870	46,260
Donated services	(105,430)	(115,950)
Change in operating assets and liabilities:		
Contributions receivable	203,500	446,364
Other receivables	570	1,454
Prepaid expenses	(10,354)	(932)
Accounts payable	52,483	1,116
Accrued liabilities	187	(811)
NET CASH PROVIDED BY OPERATING ACTIVITIES	623,517	625,389
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of property and equipment	(104,107)	(59,999)
NET INCREASE IN CASH	519,410	565,390
CASH, BEGINNING OF YEAR	1,049,797	484,407
CASH, END OF YEAR	\$ 1,569,207	\$ 1,049,797
NON-CASH INVESTING ACTIVITIY (note 6)		

See accompanying notes

**THE HONOR FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 1 THE ORGANIZATION**

The Honor Foundation (the "Organization") is a California non-profit organization that was incorporated in 2013. Headquartered in San Diego, California, with an additional campus in Virginia Beach, Virginia, the Organization's mission to educate and provide Navy SEALs and U.S. Special Operations the tools to transition from active duty to the private sector. The Organization's support comes primarily from contributions including donated services and facilities.

The Honor for Life Foundation (the "HFLF") is a California non-profit organization that was incorporated in 2018. Headquartered in San Diego, California, the HFLF's mission is to support the Organization. The HFLF is managed by a board of directors appointed by the Organization's board of directors and has no members. The HFLF's support comes primarily from contributions.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** – The accompanying consolidated financial statements are prepared using the accrual method in conformity with United States generally accepted accounting principles (GAAP).

**Basis of consolidation** – In 2018, the Organization formed Honor for Life Foundation, LLC, a single-member LLC, to operate a new campus for the Organization. The consolidated financial statements include the accounts of the Organization and HFLF. All significant interorganization balances and transactions have been eliminated.

**Estimates** – The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Basis of presentation** – Under accounting standards on financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net assets without donor restrictions** – Net assets without restriction amounts consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize for its programs and supporting services.

**Net assets with donor restriction** – Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. At December 31, 2018 and 2017 there were \$163,660 and \$539,978, respectively, of net assets with donor restrictions.

**Cash** – The Organization considers financial instruments with a fixed maturity date of less than three months from the statement of financial position date to be cash equivalents.

**THE HONOR FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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The Organization maintained its cash in one commercial bank as of December 31, 2018 and 2017. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018 and 2017, the Organization had balances in its bank of approximately \$1,263,000 and \$738,000, respectively, that was in excess of the FDIC limit.

Contributions receivable – Contributions receivable consist of donor promises to give. It is the Organization's policy to charge off uncollectible contributions receivable when management determines the receivable will not be collected. Contributions receivable that are expected to be received in excess of one year are reported at present value and a discount is recorded. All contributions receivable are considered collectible as of December 31, 2018 and 2017.

Prepaid expenses – Prepaid expenses are stated at cost less applicable amortization and includes expenses prepaid for events that will occur in the next fiscal year and for insurance premiums, which are expensed over their useful lives using the straight-line method.

Property and equipment – Property and equipment are recorded at cost if purchased, or at fair value at date of gift if donated, less depreciation. Depreciation is computed using the straight-line method over the assets' estimated useful lives of three to thirty-nine years. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. It is the Organization's policy to capitalize all property and equipment costs in excess of \$2,000. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognized in the current period financial statements.

Fair value measurement – The Organization follows accounting standards consistent with the Financial Accounting Standards Board (FASB) Codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Revenue recognition – Contributions received are recorded as, without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with or without donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

**THE HONOR FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Functional allocation of expenses – The Organization allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with specific program or support service are allocated directly, according to their natural expenditure. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization’s management. The costs include:

- Depreciation – which is allocated based on an estimated percentage determined by the Organization’s management.
- Personnel expenses – which are allocated based on time spent.
- Professional services – which are allocated based on the number of fellows participating in each cohort.
- Rent, utilities, and janitorial services – which are allocated based on square footage and class days.

Donor-imposed restrictions – All contributions are considered to be unrestricted unless specifically restricted by the donor. Amounts received designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions, increasing that net asset class. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as with donor restrictions and then released from restriction in the same period.

Donated services and facilities – The Organization follows standards relating to contributions received and contributions made as consistent with FASB codification. These standards require recording the value of donated services and facilities that create or enhance non-financial assets or require specialized skills. The fair value donated services and facilities has been measured on a nonrecurring basis using quoted prices for similar financial statement elements in inactive market (level 2 inputs).

Marketing – Marketing expenses are charged to expense as incurred.

Income taxes – As a nonprofit organization, the Organization has obtained exempt status. Under Internal Revenue Section 501(c)(3) and Section 23701(d) of the California Franchise Tax Code, the Organization is not subject to income taxes for operations related to its exempt purpose.

Management has considered its tax positions taken in its exempt Organization tax returns are more than likely than not to be sustained upon examination. As of December 31, 2018 and 2017, the Organization believes it does not have any taxable unrelated business income, and accordingly, has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

Recent Accounting Pronouncement - In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. ASU 2016-14. The Organization’s management elected to adopt ASU 2016-14 effective in the year ending December 31, 2018.

**THE HONOR FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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The new standards change the following aspects of the Organization’s financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (note 8).
- The net asset disclosures were expanded (note 4).
- The description of the method of allocation of functional expenses has been expanded.

Reclassification – Certain amounts in the prior-year financial statements have been reclassified for the comparative purposes to conform with the presentation in the current-year financial statements.

**NOTE 3    PROPERTY AND EQUIPMENT**

Major categories of property and equipment are summarized as follows:

	2018	2017
Software	\$ 568,137	\$ 102,875
Website	72,010	51,015
Furniture and fixtures	41,794	-
Equipment	29,809	-
	711,750	153,890
Accumulated depreciation	(163,510)	(60,641)
	548,240	93,249
Work in progress	20,815	376,775
	\$ 569,055	\$ 470,024

Depreciation expense was \$105,870 and \$46,260 for the years ended December 31, 2018 and 2017, respectively.

Data Dashboard is a learning management system for fellows and alumni, resource for coaches, and administrative tool for staff to efficiently manage and report on program outcomes. It can be used for the classroom or virtual environment. Video equipment is used to support the virtual institute is a platform to provide online courses to the fellows in order to expand the reach of the classroom environment. The creation of Data Dashboard and Virtual Institute was completed in September 2018 for a total cost of \$468,262.

**THE HONOR FOUNDATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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The following summarizes work in progress as of December 31, 2018:

	Completion Date	Actual WIP 12/31/2018	Estimated Total Cost
Data Dashboard - Phase 2	9/30/2019	\$ 12,858	\$ 25,000
Video equipment	9/30/2019	7,957	-
Total work in progress		<u>\$ 20,815</u>	<u>\$ 25,000</u>

Included in estimated total cost of the ongoing projects is approximately \$20,000 of donated services. As of December 31, 2018, the Organization received approximately \$16,000 of donated services for these ongoing projects.

**NOTE 4 NET ASSETS**

Net assets were available for the following purposes as of December 31:

	2018	2017
Without donor restrictions:		
Unrestricted and undesignated	\$ 1,494,538	\$ 1,184,650
Board designated - operations and general reserves	443,121	-
	<u>1,937,659</u>	<u>1,184,650</u>
With donor restrictions:		
Subject to expenditure for specific purpose:		
Program support	163,660	39,978
Marine Raider Foundation grant	-	500,000
Total net assets with donor restrictions	<u>163,660</u>	<u>539,978</u>
Total net assets	<u>\$ 2,101,319</u>	<u>\$ 1,724,628</u>

The Marine Raider Foundation granted funds to the Organization's programs and for the expansion of the Organization's services to the members of the U.S. Marine Raider Community.

The Navy SEAL Foundation granted funds to the Organization's programs and growth over several years.

**THE HONOR FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose of by occurrence of the passage of time or other events specified by donors during the years ended December 31 are as follows:

	<u>2018</u>	<u>2017</u>
Purpose restrictions accomplished		
Sessions	\$ 90,025	\$ 78,905
Treks	41,730	-
Other	15,298	-
	<u>147,053</u>	<u>78,905</u>
Expiration of time restrictions		
Navy SEAL Foundation grant	700,000	700,004
Marine Raider Foundation grant	500,000	-
	<u>1,200,000</u>	<u>700,004</u>
	<u>\$ 1,347,053</u>	<u>\$ 778,909</u>

The changes as a result of the new accounting pronouncements as outlined in note 2 have the following effect on the net assets at December 31, 2017:

<u>Net asset class</u>	<u>As originally presented</u>	<u>After adoption of ASU 2016-14</u>
Unrestricted net assets	\$ 1,184,650	\$ -
Temporarily restricted net assets	539,978	-
Net assets without donor restrictions	-	1,184,650
Net assets with donor restrictions	-	539,978
Total net assets	<u>\$ 1,724,628</u>	<u>\$ 1,724,628</u>

**THE HONOR FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5 DONATED SERVICES AND FACILITIES**

The following summarizes donated services and facilities as of December 31:

	2018	2017
Work in progress		
Data Dashboard	\$ 51,900	\$ 110,800
Video equipment	7,957	-
Virtual Institute	3,838	-
Transition readiness assessment	-	5,150
Total work in progress	63,695	115,950
Space usage	287,206	101,100
Training faculty services	105,430	68,140
Professional services	33,849	4,500
Team development	7,500	-
Travel services	4,636	-
	\$ 502,316	\$ 289,690

**NOTE 6 NON-CASH INVESTING ACTIVITY**

The Organization received donated services of \$63,695 and \$115,950 related to property and equipment for the years ended December 31, 2018 and 2017, respectively.

**NOTE 7 COMMITMENTS**

The Organization has entered into four non-cancelable lease agreements for computer equipment. Minimum future lease payments under the remaining non-cancelable equipment leases for the years ended December 31 are as follows:

	2019	\$ 3,324
	2020	1,629
		\$ 4,953

Total rental expense related to the equipment leases was \$5,824 and \$4,132 for the years ended December 31, 2018 and 2017, respectively.

On July 20, 2017, the Organization entered into a lease agreement with a third party. The sixty month lease commenced on February 12, 2018. Monthly rent expense includes base rent and general operating costs. The base rent portion of monthly rent expense begins in year three and cannot exceed \$2,500, \$2,575, and \$2,652 per month for the years three, four, and five, respectively. General operating costs are paid monthly by the Organization for the entirety of the lease.

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Minimum future lease payments, including general operating costs, for the years ended December 31 are as follows:

2019	\$	29,205
2020		57,289
2021		61,210
2022		62,742
2023		5,287
	\$	<u>215,733</u>

**NOTE 8 RETIREMENT PLAN**

In March 2018, the Organization created a 401(k) plan for its employees. The Organization provides for discretion matching contributions. The total matching contribution for the years ended December 31, 2018 was \$0. All contributions to the plan are 100% vested.

**NOTE 9 LIQUIDITY AND AVAILABILITY**

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. 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. Although the Organization does not intend to spend from its board designated endowment fund other than the amounts appropriated for general expenditures as part of its annual budget and approval process, amounts from the fund could be made available in the event of an unanticipated liquidity need.

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The following reflects the Organization's financial assets as of December 31, 2018, reduced by the amounts not available for general use because of board designated and donor-imposed restrictions within one year of the statement of financial position date:

Financial assets, at year-end:	
Cash	\$ 1,569,207
Contributions receivable	51,500
Other receivables	930
	<u>1,621,637</u>
Less those unavailable for general expenditures within one year due to contractual or donor imposed restrictions:	
Board designated - future endowment fund	(443,121)
Donor-restricted to specified programs	(163,660)
	<u>(606,781)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,014,856</u></u>

**NOTE 10   SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through August 29, 2019, the date the consolidated financial statements were ready to be issued. There were no material subsequent events that affected the amounts or disclosures in the consolidated financial statements.