

THORNE NATURE EXPERIENCE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THORNE NATURE EXPERIENCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



May 20, 2019

Independent Auditors' Report

Board of Directors
Thorne Nature Experience
Boulder, Colorado

We have audited the accompanying financial statements of **Thorne Ecological Institute dba Thorne Nature Experience** (a Colorado nonprofit corporation), which comprise the statement 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures 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 Thorne Nature Experience as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Thorne Nature Experience's 2017 financial statements presented by net asset class for that year, on which an unqualified audit opinion dated May 3, 2018, was expressed. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial information from which it has been derived.

Taylor, Roth, and Company PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

THORNE NATURE EXPERIENCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,099,237	\$ 787,888
Accounts receivable (Note 3)	14,738	23,309
Grants receivable - with donor restrictions (Note 4)	60,000	230,000
Pledges receivable	500	30,500
Prepaid expenses	21,647	13,724
Inventory (Note 5)	2,350	440
Assets held by others (Note 6)	1,036,664	1,105,634
Property and equipment (Note 7)	23,116	44,905
Total assets	<u>\$ 2,258,252</u>	<u>\$ 2,236,400</u>
 <u>Liabilities and net assets</u>		
Accounts payable	\$ 12,112	\$ 55,964
Accrued payroll liabilities	33,878	20,636
Deferred revenue	39,237	16,320
Capital lease obligation (Note 8)	6,022	7,537
Commitments (Note 9)		
Liabilities	<u>91,249</u>	<u>100,457</u>
 Net assets		
Without donor restrictions	415,940	382,428
With donor restrictions (Note 10)	<u>1,751,063</u>	<u>1,753,515</u>
Total net assets	<u>2,167,003</u>	<u>2,135,943</u>
Total liabilities and net assets	<u>\$ 2,258,252</u>	<u>\$ 2,236,400</u>

The accompanying are an integral part of these financial statements

THORNE NATURE EXPERIENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018		2017	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Government	\$ 500	\$ 656,953	\$ 657,453	\$ 506,560
Program fees	531,629	-	531,629	548,401
Foundations	72,269	155,606	227,875	605,430
Individual and board contributions	143,480	20,000	163,480	133,690
Special events	99,669	-	99,669	83,127
Less: Direct event expenses	(16,316)	-	(16,316)	(12,888)
Corporate awards	21,175	26,910	48,085	44,669
Earned income product sales	1,580	-	1,580	1,560
Investment income (loss)	1,650	(59,253)	(57,603)	111,753
Other	-	-	-	1,116
In-kind contributions (Note 11)	99,235	-	99,235	83,340
Net assets released from restrictions (Note 12)	802,668	(802,668)	-	-
Total revenue and other support	1,757,539	(2,452)	1,755,087	2,106,758
<u>Expense</u>				
Total program services	1,550,825	-	1,550,825	1,356,184
Supporting services				
Management and general	46,573	-	46,573	27,261
Fund-raising	126,629	-	126,629	115,223
Total expense	1,724,027	-	1,724,027	1,498,668
Change in net assets	33,512	(2,452)	31,060	608,090
Net assets, beginning of year	382,428	1,753,515	2,135,943	1,527,853
Net assets, end of year	\$ 415,940	\$1,751,063	\$2,167,003	\$2,135,943

The accompanying notes are an integral part of these financial statements

THORNE NATURE EXPERIENCE

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017	
	<u>Supporting Services</u>				
	<u>Program</u>	<u>Manage-</u>		<u>Total</u>	<u>Total</u>
	<u>Services</u>	<u>ment and</u>	<u>Fund-raising</u>		
		<u>General</u>			
Salaries	\$ 659,610	\$ 16,604	\$ 80,219	\$ 756,433	\$ 670,375
Payroll taxes and benefits	148,314	1,731	9,481	159,526	127,968
Passthrough grants to others	326,195	-	-	326,195	277,378
Transportation	61,254	7	341	61,602	42,260
Nature Kids expenses	56,101	-	-	56,101	20,104
Supplies	49,115	76	712	49,903	65,374
Rent	43,504	313	1,686	45,503	44,825
Contract labor	33,226	-	5,715	38,941	39,020
Marketing	32,821	21	4,819	37,661	48,514
Accounting and audit fees	-	24,911	1,342	26,253	20,239
Training and development	15,707	200	1,073	16,980	12,183
Event expenses	-	779	12,786	13,565	16,697
Repair and maintenance	13,296	31	169	13,496	10,582
Computer and information technology	11,726	166	894	12,786	11,201
Printing	11,790	109	737	12,636	10,822
Credit card processing fees	8,946	2	1,081	10,029	10,511
Gifts and donations	8,873	92	523	9,488	9,406
Meals and entertainment	8,363	85	832	9,280	7,038
Volunteer support	7,741	20	105	7,866	-
Licenses and permits	7,500	-	1	7,501	6,633
Registration fees	6,900	-	-	6,900	6,600
Postage	3,412	21	1,360	4,793	4,741
Insurance	3,120	1,000	238	4,358	4,363
Telecommunications	3,370	44	238	3,652	3,282
Professional services	2,700	-	-	2,700	1,235
Cost of goods sold	1,580	-	-	1,580	1,560
Dues and subscriptions	1,182	17	310	1,509	1,047
Finance charges/interest	711	10	55	776	416
All other	1,493	18	214	1,725	1,797
	<u>1,528,550</u>	<u>46,257</u>	<u>124,931</u>	<u>1,699,738</u>	<u>1,476,171</u>
Depreciation	<u>22,275</u>	<u>316</u>	<u>1,698</u>	<u>24,289</u>	<u>22,497</u>
Total expenses	<u>\$ 1,550,825</u>	<u>\$ 46,573</u>	<u>\$ 126,629</u>	<u>\$1,724,027</u>	<u>\$ 1,498,668</u>

The accompanying notes are an integral part of these financial statements

THORNE NATURE EXPERIENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 31,060	\$ 608,090
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	24,289	22,497
Unrealized/realized (gain) loss on investments	68,718	(104,864)
Gain on disposition of leased copier	-	(1,116)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	8,571	(15,991)
(Increase)decrease in grants and contributions receivable	170,000	(230,000)
(Increase)decrease in pledges receivable	30,000	30,900
(Increase)decrease in prepaid expenses	(7,923)	3,687
(Increase)decrease in inventory	(1,910)	145
(Decrease)increase in accounts payable	(43,852)	45,309
(Decrease)increase in accrued payroll liabilities	13,242	2,753
(Decrease)increase in deferred revenue	22,917	6,238
Net cash provided(used) by operating activities	<u>315,112</u>	<u>367,648</u>
<u>Cash flows from investing activities</u>		
(Purchases) of fixed assets	(2,500)	(10,447)
(Reinvestment) of interest and dividends	(9,465)	(6,424)
Proceeds from sales of marketable securities	39,217	8,139
Net cash provided(used) by investing activities	<u>27,252</u>	<u>(8,733)</u>
<u>Cash flows from financing activities</u>		
(Repayments) on capital lease obligation	(1,515)	(1,287)
(Increase)decrease in bequests receivable	-	500,000
(Purchase) of donor restricted investments	(29,500)	(531,400)
Net cash provided(used) by financing activities	<u>(31,015)</u>	<u>(32,687)</u>
Net increase(decrease) in cash and cash equivalents	311,349	326,228
Cash and cash equivalents, beginning of year	787,888	461,660
Cash and cash equivalents, end of year	<u>\$ 1,099,237</u>	<u>\$ 787,888</u>
<u>Noncash investing and financing transactions:</u>		
Cash paid during the period for interest	<u>\$ 776</u>	<u>\$ 416</u>
Property purchased under a capital lease	<u>\$ -</u>	<u>\$ 8,824</u>

The accompanying notes are an integral part of these financial statements

THORNE NATURE EXPERIENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - NATURE OF ACTIVITIES

Thorne Nature Experience (Organization) was incorporated as a non-profit corporation in the state of Colorado. Thorne Ecological Institute dba Thorne Nature Experience has been granted tax-exempt status from the Internal Revenue Service in accordance with section 501(c)(3) of the Internal Revenue Code. The Organization's mission is to build Earth Stewardship by connecting youth to nature through joyful, place-based, hands-on environmental education experiences. The Organization's activities are based primarily in Boulder County, Colorado and consists of youth education programs. The Organization is primarily supported by government contracts, program fees, foundation awards, and gifts from individuals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

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: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

4. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulation regarding how long the contributed asset must be used are recorded net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. Estimates

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

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2018, 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 programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. All expenses are allocated on a time and effort basis.

9. Summarized Prior-Year 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, 2017, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

10. Fair Value Measurements

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. This standard requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used the measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

11. Subsequent Events

Management has evaluated subsequent events through May 20, 2019, the date the financial statements were available to be issued.

12. Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

13. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses net asset classification, information about liquidity, information provided about expenses, and consistency in reporting investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 3 - ACCOUNTS RECEIVABLE

At year-end, accounts receivable consists mainly of contracts with schools. Management has evaluated these items and does not believe an allowance for doubtful accounts is needed.

NOTE 4 - GRANTS RECEIVABLE - WITH DONOR RESTRICTIONS

During 2017, the Organization was awarded a \$100,000 multi-year foundation award. The Organization has already received two payments of \$20,000 each on this award. Management has evaluated this award and has determined that no allowance for doubtful accounts is needed and that a discount to present value for these payments would be immaterial to the financial statements. Payments on this award are expected as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 20,000
2020	20,000
2021	<u>20,000</u>
Total	<u>\$ 60,000</u>

NOTE 5 - INVENTORY

Inventory, valued at the lower of cost or market consists of branded apparel and clothing held for sale to the public and use in organizational programs.

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has established two endowment funds through The Community Foundation Serving Boulder County. The Organization has the option to withdraw annual income as well as principal from the first endowment. Under the terms of the second agreement (Oak Thorne Vision Fund), the Organization has the option of requesting a distribution of up to 20% of the value of the Fund in any year. The balance of these funds at December 31, 2018 was \$95,233 and \$879,465 respectively.

The Organization has established a third endowment fund through the Denver Foundation. Under the terms of the agreement, the Foundation shall pay 5.5% of the market value of the fund, less administrative fees, at least annually to the Organization, unless the Organization declines the distribution. The balance of the endowment investments at December 31, 2018 was \$61,966.

The original intent of the donors to all three funds was to preserve the fair value of their original gifts in perpetuity. Each year, Thorne request an annual disbursement from its two traditional endowment funds in the amount of 5% of the market value of the funds held by the Boulder Community Foundation and 5.5% of the market value of the funds held by the Denver Foundation. For the Oak Thorn Vision Fund, which is held by the Boulder Community Foundation, each year, the Thorne Board has the choice to request a disbursement of up to 20% of the corpus of the fund for a special purpose. Possible examples of a special purpose are a capital campaign, strategic investments in programs, and capital improvements.

Additionally, The Community Foundation Serving Boulder County accepts donations that are designated on behalf of the Organization. The balance of these funds, which is not reflected on the Statement of Financial Position was \$9,114 at year-end.

Changes in endowment fund balances (Level 3 inputs) as of December 31, 2018 are as follows:

	<u>Donor Restricted – Level 3</u>			
	<u>Community Foundation Serving</u>		<u>Denver</u>	
	<u>Boulder County</u>		<u>Foundation</u>	<u>Total</u>
	<u>General</u>	<u>Oak Thorne</u>		
Balance, beginning of year	<u>\$ 105,583</u>	<u>\$ 932,200</u>	<u>\$ 67,851</u>	<u>\$ 1,105,634</u>
Contributions/additions	-	<u>29,500</u>	-	<u>29,500</u>
Investment income	2,139	26,276	2,317	30,732
Net appreciation	<u>(7,493)</u>	<u>(77,475)</u>	<u>(5,017)</u>	<u>(89,985)</u>
Total investment return	<u>(5,354)</u>	<u>(51,199)</u>	<u>(2,700)</u>	<u>(59,253)</u>
Appropriation of assets for expenditure/maturity of investments	<u>(4,996)</u>	<u>(31,036)</u>	<u>(3,185)</u>	<u>(39,217)</u>
Balance, end of year	<u>\$ 95,233</u>	<u>\$ 879,465</u>	<u>\$ 61,966</u>	<u>\$ 1,036,664</u>

The fair value of assets associated with individual donor restricted endowment funds may occasionally fall below the level that the donor or the State Prudent Management of Institutional Funds Act requires the Organization to retain as a fund of perpetual duration.

As of December 2018, the Community Foundation Serving Boulder County General Endowment Fund, has an original gift value of \$103,300, a current fair value of \$95,233, and a deficiency of \$8,067. This was the result of unfavorable market fluctuations in the last quarter of 2018. Continued appropriation for operations was deemed prudent by the Board of Directors.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Landscape improvements	\$ 57,158
Furniture and fixtures	30,434
Program equipment	23,029
Leased equipment	<u>8,824</u>
Total	119,445
Less: accumulated depreciation	<u>(96,329)</u>
Net property and equipment	<u>\$ 23,116</u>

Depreciation expense for the year was \$24,289.

NOTE 8 - CAPITAL LEASE OBLIGATION

The Organization has acquired a photocopier under a capital lease agreement. Under this agreement future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 2,064
2020	2,064
2021	2,064
2022	<u>688</u>
Total payments	6,880
Less: interest	<u>(858)</u>
Present value of capital lease obligation	<u>\$ 6,022</u>

NOTE 9 - COMMITMENTS

The Organization entered into an operating lease for program office space in Lafayette, Colorado. Under the terms of the agreement future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2019	<u>\$ 8,400</u>

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
Endowment	\$ 1,036,664
Nature Kids	666,326
School program	27,073
Summer camp	7,000
Field trip program	7,000
E-movement	<u>7,000</u>
Total	<u>\$ 1,751,063</u>

NOTE 11 - IN-KIND CONTRBUTIONS

Donated services and supplies are reflected in the accompanying financial statements at their estimated values at the date of receipt.

<u>Description</u>	<u>Amount</u>
Rent	\$ 42,370
Advertising/marketing	22,935
Event expenses	15,933
Food for summer camp and/or school program	9,005
Program delivery	3,921
Supplies,	2,480
Steering committee	1,750
Buses for students	<u>841</u>
Total	<u>\$ 99,235</u>

The Organization has entered into an agreement with the Boulder Valley School District (BVSD) to use office space owned by the District. Under the terms of that agreement, Thorne is permitted to use the space free of charge in exchange for in-kind environmental education services that benefit BVSD and the city of Boulder. The lease began August 15, 2001 and may continue until July 1, 2019 unless one year's notice is provided to the Organization that they must vacate the building.

NOTE 12 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by satisfying the following restricted purposes:

<u>Description</u>	<u>Amount</u>
Nature Kids	\$ 618,544
School program	84,331
Appropriations/refund from endowment funds	39,717
Field trip program	20,940
Oakleigh Thorne documentary	14,506
Event sponsorship	14,250
Summer camp	9,000
Community programs	880
Other	<u>500</u>
Total	<u>\$ 802,668</u>

NOTE 13 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 1,099,237
Accounts, grants and pledges receivable	<u>75,238</u>
	1,174,475
Less: amounts not available for general expenditures within one year, due to:	
Donor purpose restrictions	<u>(768,974)</u>
Total financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 405,501</u>

The Organization's goal is generally to maintain financial assets to meet three months of operating expenses not including summer camp and pass-through expenses.

NOTE 14 - PENSION PLAN

The Organization has adopted a 403(b) plan covering all eligible employees. The Organization matches contributions up to 3% of participants' compensation. Total pension expense during the year was \$20,191.

NOTE 15 - CONCENTRATION OF CREDIT RISK

The Organization places its cash with two financial institutions. Amounts over \$250,000 are not insured by the FDIC or related entity. At year-end, the Organization has \$326,631 on deposit with one of these institutions. Management has evaluated the strength of the financial institution and its banking needs and feels that it is prudent to continue its existing banking relationships.

NOTE 16 - CONCENTRATION OF SUPPORT

In 2018, \$587,482 or about 33% of the Organization's support was provided by one government award. Of this amount, \$326,195 was provided for the purpose of pass-through grants to other organizations.

NOTE 17 - PRIOR PERIOD ADJUSTMENT

During the current-year, an adjustment was made to recognize a grant made in late 2017. This resulted in an increase in beginning net assets with donor restrictions of \$150,000, and an increase in the prior year change in net assets with donor restrictions of \$150,000. There is no effect on the current year's activity.