



AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2019

**National Anti-Vivisection Society
Audit Report
For the Year Ended June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Anti-Vivisection Society
Chicago, Illinois

We have audited the accompanying financial statements of **National Anti-Vivisection Society**, which comprise the statement of financial position as of June 30, 2019 and 2018, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 National Anti-Vivisection Society as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1, the Society adopted the Financial Accounting Standard Board's Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Selden Fox, Ltd.

September 23, 2019

National Anti-Vivisection Society
Statement of Financial Position
June 30,

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 352,277	\$ 676,527
Investments	6,891,029	6,408,059
Royalties receivable	27,245	53,443
Accrued interest receivable	1,429	354
Prepaid expenses	55,905	54,809
Total current assets	7,327,885	7,193,192
Other assets - investments - with donor restrictions	265,709	257,745
Property and equipment, net	26,467	46,460
Total assets	\$ 7,620,061	\$ 7,497,397
Liabilities and Net Assets		
Current liabilities:		
Accrued vacation	\$ 17,065	\$ 47,300
Accounts payable and accrued expenses	9,946	3,327
Grant payable	150,000	150,000
Total current liabilities	177,011	200,627
Net assets without donor restrictions	6,728,727	6,604,287
Net assets with donor restrictions:		
Special project	448,614	434,738
Investment	265,709	257,745
Total net assets	7,443,050	7,296,770
Total liabilities and net assets	\$ 7,620,061	\$ 7,497,397

See accompanying notes.

National Anti-Vivisection Society
Statement of Activities
For the Year Ended June 30,

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues:			
Donations	\$ 834,152	\$ 113,875	\$ 948,027
Foundation grant	20,000	-	20,000
Net investment income (loss)	320,270	7,965	328,235
Legacies and bequests	787,698	-	787,698
Royalty income	263,195	-	263,195
Net assets released from restrictions	100,000	(100,000)	-
Miscellaneous	-	-	-
Total revenues	2,325,315	21,840	2,347,155
Expenses:			
Program - education	1,709,943	-	1,709,943
Supporting services:			
Management and general	241,141	-	241,141
Fund-raising	249,791	-	249,791
Total expenses	2,200,875	-	2,200,875
Increase in net assets	124,440	21,840	146,280
Net assets:			
Beginning of the year	6,604,287	692,483	7,296,770
End of the year	\$ 6,728,727	\$ 714,323	\$ 7,443,050

See accompanying notes.

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 651,615	\$ 230,111	\$ 881,726
20,000	-	20,000
461,346	(9,712)	451,634
1,283,558	-	1,283,558
371,220	-	371,220
136,288	(136,288)	-
218	-	218
2,924,245	84,111	3,008,356
1,859,248	-	1,859,248
231,996	-	231,996
329,785	-	329,785
2,421,029	-	2,421,029
503,216	84,111	587,327
6,101,071	608,372	6,709,443
\$ 6,604,287	\$ 692,483	\$ 7,296,770

**National Anti-Vivisection Society
Statement of Functional Expenses
For the Year Ended June 30, 2019**

	Program Services			
	Public Awareness and General Education	Student/ Teacher Programs	Legal and Legislative	Science Programs
Salaries	\$ 349,437	\$ 62,378	\$ 166,468	\$ 121,550
Payroll taxes	24,956	4,455	11,889	8,681
Total salaries and related expenses	374,393	66,833	178,357	130,231
Professional and consulting fees	203,073	-	8,139	-
Educational material	470	-	-	-
Telephone	8,242	223	390	357
Postage	62,906	-	-	-
Occupancy	86,625	-	-	-
Repairs and maintenance	14,831	246	475	466
Insurance	42,083	4,640	14,305	10,524
Printing and publication	64,037	-	582	-
Dues and subscriptions	4,041	-	631	265
Special services	-	-	-	-
Conferences, conventions, and meetings	6,378	4,051	5,732	1,243
Office expense	1,785	-	-	-
Grants	580	17,500	95,000	132,500
Miscellaneous	3,796	1,000	32	-
Total expenses before depreciation	873,240	94,493	303,643	275,586
Depreciation	11,996	-	-	-
Total expenses	\$ 885,236	\$ 94,493	\$ 303,643	\$ 275,586

See accompanying notes.

		Supporting Services				
Cooperative Efforts and Grants	Total	Management and General	Fund- raising	Total	Total	
\$ 41,568	\$ 741,401	\$ 98,974	\$ 82,304	\$ 181,278	\$ 922,679	
2,969	52,950	7,068	5,878	12,946	65,896	
44,537	794,351	106,042	88,182	194,224	988,575	
303	211,515	23,498	105,949	129,447	340,962	
-	470	-	-	-	470	
231	9,443	1,222	449	1,671	11,114	
-	62,906	1,160	27,489	28,649	91,555	
-	86,625	11,418	4,050	15,468	102,093	
238	16,256	813	446	1,259	17,515	
5,676	77,228	19,617	6,229	25,846	103,074	
-	64,619	5,441	14,625	20,066	84,685	
-	4,937	1,149	1,149	2,298	7,235	
-	-	5,000	-	5,000	5,000	
-	17,404	564	-	564	17,968	
-	1,785	1,283	23	1,306	3,091	
100,000	345,580	-	-	-	345,580	
-	4,828	57,137	-	57,137	61,965	
150,985	1,697,947	234,344	248,591	482,935	2,180,882	
-	11,996	6,797	1,200	7,997	19,993	
\$ 150,985	\$ 1,709,943	\$ 241,141	\$ 249,791	\$ 490,932	\$ 2,200,875	

**National Anti-Vivisection Society
Statement of Functional Expenses
For the Year Ended June 30, 2018**

	Program Services			
	Public Awareness and General Education	Student/ Teacher Programs	Legal and Legislative	Science Programs
Salaries	\$ 376,680	\$ 59,948	\$ 195,309	\$ 115,524
Payroll taxes	26,074	4,150	13,519	7,997
Total salaries and related expenses	402,754	64,098	208,828	123,521
Professional and consulting fees	216,559	-	8,799	-
Educational material	972	-	251	-
Telephone	7,418	175	263	263
Postage	65,677	-	-	-
Occupancy	82,208	-	-	-
Repairs and maintenance	10,887	525	1,033	1,024
Insurance	42,480	5,040	14,378	10,410
Printing and publication	94,509	-	-	-
Dues and subscriptions	3,237	-	371	90
Special services	-	-	-	-
Conferences, conventions, and meetings	7,473	6,607	5,563	5,590
Office expense	887	-	-	-
Grants	475	17,500	95,000	154,500
Miscellaneous	4,574	-	-	-
Total expenses before depreciation	940,110	93,945	334,486	295,398
Depreciation	9,936	-	-	-
Total expenses	\$ 950,046	\$ 93,945	\$ 334,486	\$ 295,398

See accompanying notes.

		Supporting Services					
Cooperative Efforts and Grants	Total	Management and General	Fund- raising	Total	Total	Total	
\$ 39,072	\$ 786,533	\$ 96,751	\$ 75,191	\$ 171,942	\$ 958,475		
2,705	54,445	6,697	5,205	11,902	66,347		
41,777	840,978	103,448	80,396	183,844	1,024,822		
-	225,358	23,287	189,158	212,445	437,803		
-	1,223	-	-	-	1,223		
175	8,294	992	376	1,368	9,662		
-	65,677	911	32,824	33,735	99,412		
-	82,208	11,853	3,852	15,705	97,913		
516	13,985	959	737	1,696	15,681		
5,744	78,052	19,197	6,212	25,409	103,461		
-	94,509	4,783	14,212	18,995	113,504		
-	3,698	1,024	1,024	2,048	5,746		
-	-	1,900	-	1,900	1,900		
690	25,923	714	-	714	26,637		
-	887	279	-	279	1,166		
136,471	403,946	-	-	-	403,946		
-	4,574	57,019	-	57,019	61,593		
185,373	1,849,312	226,366	328,791	555,157	2,404,469		
-	9,936	5,630	994	6,624	16,560		
<u>\$ 185,373</u>	<u>\$ 1,859,248</u>	<u>\$ 231,996</u>	<u>\$ 329,785</u>	<u>\$ 561,781</u>	<u>\$ 2,421,029</u>		

National Anti-Vivisection Society
Statement of Cash Flows
For the Year Ended June 30,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 146,280	\$ 587,327
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	19,993	16,560
Unrealized loss (gain) on investments	32,495	(18,574)
Realized gain on investments	(217,168)	(320,638)
Changes in operating assets and liabilities:		
Royalties receivable	25,123	(22,937)
Prepaid expenses	(1,096)	2,549
Accounts payable and accrued expenses	(23,616)	(1,676)
Grants payable	-	(100,000)
Cash from operating activities	<u>(17,989)</u>	<u>142,611</u>
Cash flows from investing activities:		
Proceeds from the sale of investments	1,584,216	2,251,351
Purchases of investments	(1,890,477)	(1,994,341)
Cash from investing activities	<u>(306,261)</u>	<u>257,010</u>
Increase (decrease) in cash	(324,250)	399,621
Cash and cash equivalents, beginning of the year	<u>676,527</u>	<u>276,906</u>
Cash and cash equivalents, end of the year	<u>\$ 352,277</u>	<u>\$ 676,527</u>

See accompanying notes.

National Anti-Vivisection Society Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Organization and Purpose – The National Anti-Vivisection Society (NAVS) is incorporated under the laws of the state of Illinois as of 1929, as a not-for-profit corporation.

NAVS is dedicated to abolishing the exploitation of animals used in research, education, and product testing.

NAVS promotes greater compassion, respect, and justice for animals through educational programs based on respected ethical and scientific theory and supported by extensive documentation of the cruelty and waste of Vivisection. NAVS' educational programs are directed at increasing public awareness about Vivisection, identifying humane solutions to human problems, developing alternatives to the use of animals, and working with like-minded individuals and groups to effect changes that help to end the suffering inflicted on innocent animals.

Basis of Presentation – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes: with donor restrictions and without donor restrictions.

Net Assets Without Donor Restrictions – Net assets which are available for fulfillment of NAVS' mission and which may be expended at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions – Net assets which are subject to donor-imposed restrictions. Some restrictions could be temporary in nature, such as those that will be met by the actions of NAVS or the passage of time, while some restrictions could be perpetual in nature, in that a donor has stipulated the funds be maintained in perpetuity.

Royalty income is received from a gas and oil lease agreement on land owned by NAVS. Revenue is recognized on the accrual basis.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Contributions received with donor restrictions that are met in the same year as received are reported as being received without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Donor imposed restrictions are released when restrictions expire (i.e., the donor imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed). Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and activities and the related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

NAVS records investments at fair value. The ultimate realization of the investments is based upon future economic factors related to the investments. For this estimate, it is reasonably possible that the recorded amount or related disclosure could significantly change in the near future, as new information is available.

Cash and Cash Equivalents – For purposes of the statement of cash flows, NAVS considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment – Betterments and replacements of major items of property are capitalized. Maintenance, repairs and minor replacements are expensed. The cost of property sold or retired is removed from the related property and accumulated depreciation accounts, and the resultant gain or loss is recorded. Depreciation of property and equipment is provided by the straight-line method over the following estimated useful lives:

Leasehold improvements	5 - 15 years
Furniture and equipment	3 - 10 years
Automobile	5 years
Computer software	3 years

Income Taxes – NAVS is a not-for-profit entity, as described under Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes, except for taxes on unrelated business income generated from unrelated or trade business activities. NAVS had no unrelated or trade business activity in 2019 or 2018. Accordingly, no provision for income taxes is included in the financial statements.

NAVS' tax returns for the years ended June 30, 2016 through 2018, are open years for purposes of any future IRS or applicable state examinations.

Professional and Consulting Fees – During the years ended June 30, 2019 and 2018, NAVS incurred additional and unexpected professional and consulting fees associated with fund-raising efforts to secure an interest in an estate. Total professional and consulting fees associated with fund-raising activities amounted to \$105,949 for the year ended June 30, 2019 (\$189,158 for the year ended June 30, 2018).

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

New Accounting Pronouncement – The Financial Account Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. NAVS has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. A key change required by the ASU is the statement of functional expenses that NAVS has historically reported. In addition, there is added disclosure about NAVS' liquidity and availability of funds, and the amounts previously presented as unrestricted and temporarily restricted net assets are now presented as net assets without donor restrictions and with donor restrictions, respectively. There were no changes to the balance of net assets or changes in the net assets as previously reported.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional expense basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on estimated staff time. All direct costs of the programs are charged to the programs, and all remaining costs are considered administrative expenses.

Subsequent Events – Subsequent events have been evaluated through September 23, 2019, which is the date the financial statements were available to be issued.

2. Liquidity and Availability

The following represents the Society's financial assets available to meet general expenditures over the next twelve months as June 30:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 352,277	\$ 676,527
Receivables	27,245	53,443
Investments	7,156,738	6,408,059
Less financial assets with restrictions	<u>(714,323)</u>	<u>(692,483)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 6,821,937</u>	<u>\$ 6,445,546</u>

NAVS' goal is generally to maintain approximately \$250,000 in liquid cash. The investment balance is intended to ensure the long-term financial viability of NAVS, but management has the ability to utilize these funds to meet current obligations as necessary.

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

3. Investments

Investments classified as current assets in the statement of financial position are summarized as follows:

	June 30, 2019		June 30, 2018	
	Cost	Fair Value	Cost	Fair Value
Common stock and mutual funds	\$ 6,165,958	\$ 6,890,929	\$ 5,642,528	\$ 6,407,959
Other - cost	100	100	100	100
	\$ 6,166,058	\$ 6,891,029	\$ 5,642,628	\$ 6,408,059

Net investment income for the year ended June 30, 2019, consists of an unrealized loss of \$40,460 (\$28,286 of unrealized gain for the year ended June 30, 2018), realized gain of \$217,168 (\$320,638 of realized gain for the year ended June 30, 2018), interest and dividends of \$189,337 (\$160,818 for the year ended June 30, 2018), and investment expenses of \$45,776 (\$48,396 for the year ended June 30, 2018).

4. Restricted Investments

NAVS received a restricted bequest in 1995. Per the terms of the donor's will, the principal is held in the name of NAVS, and all income is paid to a third-party beneficiary for life. Upon the death of the third-party beneficiary, the principal will be owned by NAVS free of all claims.

The fair value of the restricted investments is summarized as follows:

	June 30, 2019		June 30, 2018	
	Cost	Fair Value	Cost	Fair Value
Cash	\$ 32,059	\$ 32,059	\$ 8,481	\$ 8,481
Mortgage-backed securities	233,650	233,650	249,264	249,264
	\$ 265,709	\$ 265,709	\$ 257,745	\$ 257,745

Net investment income for the year ended June 30, 2019, consists of unrealized gains of \$7,965 (\$9,712 of unrealized losses for the year ended June 30, 2018).

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

5. Investments Hierarchy

A significant number of NAVS' financial instruments are carried at fair value with changes in fair value recognized in net assets each period. NAVS makes estimates regarding valuation of assets measured at fair value in preparing the financial statements.

Fair value is defined 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. Fair value measurement is broken down into a three-level valuation hierarchy based on the reliability of observable and unobservable inputs as follows:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that NAVS has the ability to access at the measurement date.

Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3 – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

Following is a description of the valuation methodologies used for investments measured at fair value, as well as the general classification of such investments pursuant to the valuation hierarchy.

Common stock and mutual funds are valued using quoted market prices. Accordingly, these assets are categorized in Level 1 of the fair value hierarchy.

Mortgage-backed securities are valued using inter-broker prices, bid evaluations from active markets and a spread scale. Accordingly, these assets are categorized in Level 2 of the fair value hierarchy.

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

5. Investments Hierarchy (cont'd)

Description	2019			Balance, June 30
	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual funds:				
U.S. Large Cap	\$ 1,027,710	\$ -	\$ -	\$ 1,027,710
U.S. Mid Cap	463,979	-	-	463,979
U.S. Small Cap	95,010	-	-	95,010
Diversified	252,288	-	-	252,288
International	82,128	-	-	82,128
Fixed Income	993,007	-	-	993,007
Other	684,446	-	-	684,446
Common stocks:				
Domestic	3,202,446	-	-	3,202,446
Foreign	90,015	-	-	90,015
Restricted:				
Mortgage-backed securities	-	233,650	-	233,650
Cash	32,059	-	-	32,059
	<u>\$ 6,923,088</u>	<u>\$ 233,650</u>	<u>\$ -</u>	<u>\$ 7,156,738</u>

Description	2018			Balance, June 30
	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual funds:				
U.S. Large Cap	\$ 607,164	\$ -	\$ -	\$ 607,164
U.S. Mid Cap	444,581	-	-	444,581
U.S. Small Cap	100,064	-	-	100,064
Diversified	298,227	-	-	298,227
International	123,255	-	-	123,255
Fixed Income	1,013,867	-	-	1,013,867
Other	542,088	-	-	542,088
Common stocks:				
Domestic	3,193,245	-	-	3,193,245
Foreign	85,568	-	-	85,568
Restricted:				
Mortgage-backed securities	-	249,264	-	249,264
Cash	8,481	-	-	8,481
	<u>\$ 6,416,540</u>	<u>\$ 249,264</u>	<u>\$ -</u>	<u>\$ 6,665,804</u>

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

6. Property and Equipment

Property and equipment is comprised of the following at June 30:

	2019	2018
Furniture and equipment	\$ 350,997	\$ 350,997
Computer software	111,389	111,389
Automobile	40,636	40,636
Leasehold improvement	10,458	10,458
	513,480	513,480
Less accumulated depreciation and amortization	487,013	467,020
	\$ 26,467	\$ 46,460

Depreciation of property and equipment for the year ended June 30, 2019, was \$19,993 (\$16,560 for the year ended June 30, 2018).

7. Commitments

Operating Lease – NAVS leases office space under an operating lease, which expires in February 2021. The lease provides for basic monthly rentals. Rental expense under the lease totaled \$99,120 for the year ended June 30, 2019 (\$94,435 for the year ended June 30, 2018).

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ 101,321
2021	68,885
	\$ 170,206

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

8. Related Parties

The Executive Director of NAVS is also an officer for the International Foundation for Ethical Research (IFER), to which NAVS granted \$150,000 each year ended June 30, 2019 and 2018. At June 30, 2019, \$150,000 remains payable to IFER (\$150,000 as of June 30, 2018). IFER is a non-profit corporation, organizer under the laws of Massachusetts, and was issued a certificate of incorporation by the state of Massachusetts on May 26, 1985. IFER fulfills its mission by awarding research grants to scientists who are developing credible alternatives, and to postgraduate students seeking to incorporate animal welfare issues into their studies. In addition, IFER disseminates information designed to increase awareness of alternatives through seminars, publications, and workshops.

9. Allocation of Joint Costs

During the years ended June 30, 2019 and 2018, NAVS incurred joint costs for informational materials and activities that included fund-raising appeals. The allocation of those costs was as follows:

	<u>2019</u>	<u>2018</u>
Public awareness and general education	\$ 187,878	\$ 234,927
Cooperative efforts and grants	100,303	136,288
Fund-raising	<u>61,301</u>	<u>74,240</u>
Total	<u>\$ 349,482</u>	<u>\$ 445,455</u>

10. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of unexpended revenues and gains available for the following at June 30:

	<u>2019</u>	<u>2018</u>
Special project – Sanctuary fund	\$ 448,614	\$ 434,738
Investment	<u>265,709</u>	<u>257,745</u>
	<u>\$ 714,323</u>	<u>\$ 692,483</u>

The sources of net other assets released from net assets with donor restrictions by incurring expenses satisfying the restricted purposes, or by the occurrence of events specified by the donor, were as follows at June 30:

	<u>2019</u>	<u>2018</u>
Special project – Sanctuary fund	<u>\$ 100,000</u>	<u>\$ 136,288</u>

National Anti-Vivisection Society
Notes to the Financial Statements (cont'd)

11. Retirement Benefits

NAVS established an employees' benefit plan that allows all full-time employees to voluntarily defer current taxation of up to 16.6% to a maximum \$18,500 for calendar year 2019 and \$18,000 for calendar year 2018, of current income.

12. Royalty Income

In a previous year, NAVS received a bequest of the 320 acres of land. In a lease executed during the year ended June 30, 2008, with an unrelated third party, NAVS will receive royalty income of 15% on all oil produced, saved, and marketed from the leased premises, and 15% of the market value for gas produced from the leased premises. The lease shall remain in force as long as oil or gas is produced from the leased premises. Total royalty income recorded in the statement of activities for the year ended June 30, 2019, amounted to \$263,195 (\$371,220 for the year ended June 30, 2018).

