

DOGWOOD ALLIANCE, INC.
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Dogwood Alliance, Inc.
Table of Contents
Year Ended December 31, 2018

Independent Auditor's Report	1 - 2
Financial Statements:	
<i>Statement of Financial Position</i>	3
<i>Statement of Activities</i>	4
<i>Statement of Functional Expenses</i>	5 - 7
<i>Statement of Cash Flows</i>	8
Notes to Financial Statements	9 - 14



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dogwood Alliance, Inc.
Asheville, North Carolina

We have audited the accompanying financial statements of Dogwood Alliance, Inc., 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 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 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 Dogwood Alliance, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Dogwood Alliance, Inc. 2017 financial statements, and our report dated May 1, 2018, expressed an unmodified opinion on those audited financial statements. 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 statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina
May 20, 2019

Dogwood Alliance, Inc.
Statement of Financial Position

As of December 31, 2018

(With summarized comparative totals as of December 31, 2017)

	2018	2017
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Equivalents	\$ 1,193,274	\$ 1,331,908
Certificate of Deposit	401,956	-
Contributions Receivable	1,009,768	1,006,985
Grants Receivable	167,500	138,000
Security Deposit	7,000	7,116
Prepaid Expenses	8,947	18,414
Total Current Assets	2,788,445	2,502,423
<u>Long-Term Assets</u>		
Property and Equipment, Net	6,924	6,102
Total Long-Term Assets	6,924	6,102
Total Assets	\$ 2,795,369	\$ 2,508,525
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 44,198	\$ 30,140
Accrued Salaries	46,103	41,484
Payroll Tax and Benefit Liabilities	8,672	8,004
Total Current Liabilities	98,973	79,628
<u>Net Assets</u>		
Without Donor Restrictions	1,185,553	1,047,694
With Donor Restrictions	1,510,843	1,381,203
Total Net Assets	2,696,396	2,428,897
Total Liabilities and Net Assets	\$ 2,795,369	\$ 2,508,525

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

Dogwood Alliance, Inc.

Statement of Activities

Year Ended December 31, 2018

(With summarized comparative totals from the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2018	Total 2017
Support				
Foundation Grants	\$ 45,000	\$ 702,967	\$ 747,967	\$ 602,067
Contributions	245,808	1,000,000	1,245,808	1,383,287
Fundraising Events	3,351	-	3,351	8,160
Interest Income	22,500	-	22,500	10,071
In-Kind Contributions	240	-	240	13,463
Net Assets Released from Restrictions				
By Expiration of Time	1,000,000	(1,000,000)	-	-
By Expenditure	573,327	(573,327)	-	-
Total Support	1,890,226	129,640	2,019,866	2,017,048
Expenses				
Program Services				
Paper Campaign	-	-	-	97,479
Forests and Climate	484,579	-	484,579	-
Wetland Forest Initiative	250,995	-	250,995	214,568
Our Forests Aren't Fuel	476,801	-	476,801	695,897
Total Program Services	1,212,375	-	1,212,375	1,007,944
Management and General	279,489	-	279,489	260,440
Fundraising	260,503	-	260,503	301,772
Total Expenses	1,752,367	-	1,752,367	1,570,156
Change in Net Assets	137,859	129,640	267,499	446,892
Net Assets Beginning of Year	1,047,694	1,381,203	2,428,897	1,982,005
Net Assets at End of Year	\$ 1,185,553	\$ 1,510,843	\$ 2,696,396	\$ 2,428,897

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

Dogwood Alliance, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

(With summarized comparative totals from the prior year)

	Program Services			Supporting Services			Total 2018	Total 2017
	Forests and Climate	Wetland Forest Initiative	Our Forests Aren't Fuel	Total Programs	Management & General	Fundraising		
<u>Personnel Expenses</u>								
Salaries	255,848	126,246	225,774	607,868	162,956	129,527	900,351	822,744
Payroll Taxes	20,469	10,481	18,084	49,034	11,483	10,206	70,723	63,245
Retirement Plan	4,916	2,752	4,201	11,869	3,520	2,340	17,729	14,289
Health Insurance and HSA	26,601	17,831	33,469	77,901	17,385	15,923	111,209	76,301
Total Personnel	307,834	157,310	281,528	746,672	195,344	157,996	1,100,012	976,579
<u>Marketing and Education</u>								
Publication Design	5,853	4,661	2,021	12,535	-	1,017	13,552	10,580
Advertising	39,677	5,002	19,675	64,354	834	4,172	69,360	39,642
Research and Consulting	4,732	-	54	4,786	-	-	4,786	3,216
Events	11,364	1,370	10,453	23,187	199	3,745	27,131	32,023
Website	605	412	664	1,681	-	266	1,947	9,095
Printed Materials	3,591	527	1,668	5,786	-	5,504	11,290	9,657
Video Production	4,556	2,623	5,822	13,001	-	1,798	14,799	13,544
Supplies	5,102	1,571	2,213	8,886	-	5,250	14,136	8,367
Total Marketing and Education	75,480	16,166	42,570	134,216	1,033	21,752	157,001	126,124
<u>Professional Services</u>								
Consulting	764	19,206	24,108	44,078	22,739	35,119	101,936	111,663
Information Technology	1,252	980	1,600	3,832	846	736	5,414	6,621
Accounting and Human Resources	-	-	-	-	27,570	-	27,570	21,867
Legal	-	-	5,000	5,000	1,152	-	6,152	2,232
Total Professional Services	2,016	20,186	30,708	52,910	52,307	35,855	141,072	142,383

(Continued on next page)

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

Dogwood Alliance, Inc.
Statement of Functional Expenses

Year Ended December 31, 2018

(With summarized comparative totals from the prior year)

	Program Services			Supporting Services		Total 2018	Total 2017	
	Forests and Climate	Wetland Forest Initiative	Our Forests Aren't Fuel	Total Programs	Management & General			Fundraising
<i>(Continued from previous page)</i>								
<u>Meetings</u>								
Board of Directors	4,342	3,778	5,987	14,107	3,099	2,699	19,905	9,070
Other Meetings	5,601	9,336	1,785	16,722	424	1,272	18,418	20,720
Total Meetings	<u>9,943</u>	<u>13,114</u>	<u>7,772</u>	<u>30,829</u>	<u>3,523</u>	<u>3,971</u>	<u>38,323</u>	<u>29,790</u>
<u>Database</u>								
Growth	6,901	1,571	12,545	21,017	196	2,184	23,397	423
Maintenance	7,757	5,890	12,485	26,132	1,957	8,572	36,661	33,311
Total Database	<u>14,658</u>	<u>7,461</u>	<u>25,030</u>	<u>47,149</u>	<u>2,153</u>	<u>10,756</u>	<u>60,058</u>	<u>33,734</u>
<u>Telephone and Internet</u>								
Mobile and VoIP	4,208	3,231	5,208	12,647	2,666	2,465	17,778	15,171
Internet	1,076	502	820	2,398	-	392	2,790	2,609
Total Telephone and Internet	<u>5,284</u>	<u>3,733</u>	<u>6,028</u>	<u>15,045</u>	<u>2,666</u>	<u>2,857</u>	<u>20,568</u>	<u>17,780</u>
<u>Occupancy</u>								
Rent	15,457	11,684	20,781	47,922	10,643	9,570	68,135	55,578
Utilities	871	683	1,115	2,669	396	533	3,598	4,824
Maintenance	722	669	1,107	2,498	561	529	3,588	8,516
Total Occupancy	<u>17,050</u>	<u>13,036</u>	<u>23,003</u>	<u>53,089</u>	<u>11,600</u>	<u>10,632</u>	<u>75,321</u>	<u>68,918</u>

(Continued on next page)

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

Dogwood Alliance, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

(With summarized comparative totals from the prior year)

	Program Services			Supporting Services		Total 2018	Total 2017	
	Forests and Climate	Wetland Forest Initiative	Our Forests Aren't Fuel	Total Programs	Management & General			Fundraising
<i>(Continued from previous page)</i>								
Operating and Other Expenses								
Dues and Subscriptions	795	2,791	880	4,466	245	2,107	6,818	6,828
License and Fees	35	27	44	106	23	4,003	4,132	2,958
Insurance	1,435	1,662	2,224	5,321	2,323	1,063	8,707	6,427
IT Hardware and Software	937	959	1,447	3,343	1,300	370	5,013	14,777
Office Supplies & Postage	2,436	1,820	3,072	7,328	2,170	3,851	13,349	18,007
Travel	22,873	11,540	18,002	52,415	1,527	3,737	57,679	66,457
Trainings and Conferences	2,364	1,190	6,493	10,047	612	1,553	12,212	26,079
Total Operating and Other	30,875	19,989	32,162	83,026	8,200	16,684	107,910	141,533
Sub-total Expenses	463,140	250,995	448,801	1,162,936	276,826	260,503	1,700,265	1,536,841
Grant Disbursements	20,000	-	28,000	48,000	-	-	48,000	25,000
Depreciation Expense	1,439	-	-	1,439	2,663	-	4,102	8,315
Total Expenses	484,579	250,995	476,801	1,212,375	279,489	260,503	1,752,367	1,570,156

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

Dogwood Alliance, Inc.
Statement of Cash Flows
Year Ended December 31, 2018

(With summarized comparative totals from the prior year)

	2018	2017
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 267,499	\$ 446,892
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Depreciation Expense	4,102	8,315
Interest Earned on Certificate of Deposit	(1,956)	-
(Increase)/Decrease in Operating Assets		
Grants Receivable	(29,500)	7,000
Contributions Receivable	(2,783)	(295,817)
Security Deposit	116	(4,175)
Prepaid Expenses	9,467	7,219
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	14,058	(3,842)
Accrued Salaries	4,619	2,517
Payroll Tax and Benefit Liabilities	668	(294)
Net Cash Provided by Operating Activities	266,290	167,815
<u>Cash Flows from Investing Activities</u>		
Purchase of Equipment	(4,924)	(2,895)
Purchase of Certificate of Deposit	(400,000)	-
Net Cash Used by Investing Activities	(404,924)	(2,895)
Net Change in Cash and Equivalents	(138,634)	164,920
Cash and Equivalents at Beginning of Year	1,331,908	1,166,988
Cash and Equivalents at End of Year	\$ 1,193,274	\$ 1,331,908

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

Dogwood Alliance, Inc.
Notes to Financial Statements
Year Ended December 31, 2018

1. Description of the Organization, Corporate and Tax-Exempt Status

Dogwood Alliance, Inc. (Dogwood) “mobilizes diverse voices to defend the unique forests and communities of the Southern U.S. from destruction by industrial forestry.”

Our Forests Aren’t Fuel (OFAF) – Biomass energy has emerged as a new threat to Southern forests. Despite the fact that deforestation is the third largest cause of carbon pollution just behind cars and power plants, European policy makers are promoting the burning of Southern forests for electricity to meet their “clean energy” targets. Our standing forests gather and store carbon, which makes them a key solution for carbon pollution. In response, Dogwood Alliance has a major campaign, Our Forests Aren’t Fuel, supporting alternative and competitive energy sources like solar and wind while pressuring companies who stand to gain from this practice to put a stop to it. We’re educating and activating citizens, policy makers and industry on both sides of the Atlantic to the dangers of this false energy solution.

Wetland Forest Initiative (WFI) – Wetland forests span nearly 25 million acres across nine states and are critical for community health and safety. They have some of the highest rates of biodiversity and carbon sequestration of any forest type in the US. In 2016, Dogwood Alliance launched the Wetland Forests Initiative to engage partners, citizens, political leaders, landowners and many others in a legacy landscape conservation initiative that will protect millions of acres throughout the Southeast.

Forests and Climate (F&C) – The Paris Climate Agreement gave the world a charge: decarbonize all energy sectors and simultaneously remove carbon dioxide from the air. The best and most cost-effective technology we have to remove carbon from our atmosphere right now lies in the power of forests. Standing forests are the natural life support that we need to mitigate the worst impacts of climate change. Logging in the US releases large amounts of carbon into the atmosphere while simultaneously degrading the nation’s forests ability to provide critical climate benefits. Despite these facts, forest protection continues to remain on the sidelines of the national climate agenda and renewable energy policy in the US. Dogwood Alliance’s new forest and climate program is designed to shift this dynamic and make forest protection a national priority by building support for the Stand4Forests national platform, developing new partnerships, and educating policymakers that lays the groundwork for new progressive forest policy.

Corporate and Tax-Exempt Status

Dogwood was incorporated in 1998 under the North Carolina Non-Profit Corporation Act, and was recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code in July 1999. Dogwood is classified as a publicly supported organization under Section 509(a)(1).

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require an organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

Investments are reported at fair market value on the statement of financial position with realized and unrealized gains and losses reflected on the statement of activities.

Fair Value Measurements

In accordance with U.S. GAAP, the organization follows "Fair Value Measurements." This standard establishes a single definition of fair value and a framework for measuring fair value in financial statements under U.S. GAAP. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at an agreed upon measurement date. That is, fair value is based on an exit price, which may differ from the price paid to acquire the asset. If there is a principal market for the asset, fair value represents the price in that market." Financial assets carried at fair value on a recurring basis by the organization consist of a certificate of deposit held with one local financial institution.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The capitalization threshold is \$500 per item.

Contributions

Contributions are recognized when cash, securities, other assets, or unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. As restrictions expire, net assets are reclassified to net assets without donor restrictions and are reported on the statement of activities as "Net Assets Released from Restrictions."

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Contributed services are recognized in the financial statements if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. When recognized, contributed services are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function, require managements allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on time and effort.

Income Taxes/Uncertain Tax Positions

The organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2018 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

New Accounting Pronouncement

On August 18, 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 the lack of consistency in the type of information provided about expenses and investment return. Dogwood has implemented ASU 2016-14 and the presentation of these financial statements has been adjusted accordingly. The ASU has been applied retrospectively to all periods presented.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information. 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 reviewed financial statements for the year ended December 31, 2017, from which the summarized information was derived. Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

3. *Liquidity and Availability*

The organization's liquidity management plan is to invest cash in excess of daily requirements in a money market account. Occasionally, the Board may designate a portion of operating surplus to a reserve account.

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

<u>As of December 31:</u>	<u>2018</u>	<u>2017</u>
Financial Assets at year end:		
Cash and Cash Equivalents	\$ 1,193,274	\$ 1,331,908
Certificate of Deposit	401,956	-
Contributions Receivable	1,009,768	1,006,985
Grants Receivable	167,500	138,000
Total Financial Assets	<u>2,772,498</u>	<u>2,476,893</u>
Less amounts not available to be used in one year:		
Net Assets With Donor Restrictions		
Less net assets with purpose restrictions to be met in less than a year	1,510,843	1,381,203
Paper Campaign	-	(2,402)
Forests and Climate	(62,000)	-
Wetland Forest Initiative	(23,114)	(29,736)
Our Forests Aren't Fuel	(410,729)	(349,065)
Organizational Development	(15,000)	-
Time Restricted	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total not available to be used in one year	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,772,498</u>	<u>\$ 2,476,893</u>

The total net assets with donor restrictions detailed in Note 9 are projected to be satisfied in the coming year through achievement of program objectives and operating expenditures.

Dogwood's goal is generally to maintain financial assets to meet a minimum of 90 days of essential operating expenses (approximately \$462,500).

4. Cash and Equivalents

Cash and equivalents consist of the following bank accounts balances:

<u>As of December 31:</u>	<u>2018</u>	<u>2017</u>
Checking Account	\$ 50,350	\$ 23,342
Money Market Accounts	1,141,939	1,306,042
Undeposited Funds	985	2,524
Total Cash and Equivalents	<u>\$ 1,193,274</u>	<u>\$ 1,331,908</u>

5. Certificate of Deposit

Dogwood held one six-month certificate of deposit maturing April 3, 2019. The value of the certificate of deposit and reinvested interest totaled \$401,956 as of December 31, 2018.

6. Pledges Receivable

The year-end pledges receivable balance of \$1,009,768 as of December 31, 2018 comprises one pledge from an individual in the amount of \$1,000,000, in which Dogwood received payment in January 2019, thereby releasing the restriction listed in Note 9. The remaining balance consists of various smaller amounts that are believed to be fully collectible. Accordingly, no allowance account or discount to present value has been established for this account.

7. Grants Receivable

Grants receivable consists of the Foundation Grants to be received in the following year. The balance was \$167,500 and \$138,000 as of December 31, 2018 and 2017, respectively.

8. Property and Equipment

Property and equipment consisted of the following:

<u>As of December 31:</u>	<u>2018</u>	<u>2017</u>
Computer and Telephone Equipment	\$ 38,704	\$ 42,747
Less: Accumulated Depreciation	(31,780)	(36,645)
Property and Equipment, Net	<u>\$ 6,924</u>	<u>\$ 6,102</u>

9. Net Assets With Donor Restrictions

At year-end, temporarily restricted net assets were available for the following purposes:

<u>As of December 31:</u>	<u>2018</u>	<u>2017</u>
Paper Campaign	\$ -	\$ 2,402
Forests and Climate	62,000	-
Wetland Forest Initiative	23,114	29,736
Our Forests Aren't Fuel	410,729	349,065
Organizational Development	15,000	-
Time Restricted	1,000,000	1,000,000
Total Net Assets With Donor Restrictions	<u>\$ 1,510,843</u>	<u>\$ 1,381,203</u>

10. Retirement Plan

Dogwood provides a SIMPLE IRA account for each eligible employee and make a non-elective contribution of two percent of their salary. Total retirement plan expense to the organization was \$17,729 and \$14,289 for the years ended December 31, 2018 and 2017 respectively.

11. Lease Commitments

Dogwood leases office space on a three-year lease expiring July 31, 2020. Rental payments are adjusted for inflation annually. The rental payment at the end of the audit year was \$5,144 per month. Rent expense was \$68,135 and \$55,578 for the years ended December 31, 2018 and 2017 respectively for this lease commitment. Future minimum lease obligations by year are as follows:

<u>Year Ending December 31:</u>	
2019	\$ 61,728
2020	36,008
Total	<u>\$ 97,736</u>

12. Concentration of Support

In 2018, Dogwood received 56% of its total support from a single donor. In 2017, Dogwood received 61% of its total support from the same single donor.

13. Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

<u>Financial Asset:</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Certificate of Deposit	\$ 401,956	\$ 401,956	\$ -	\$ -
Total	\$ 401,956	\$ 401,956	\$ -	\$ -

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

Financial assets valued using Level 3 inputs are based at least partially on unobservable inputs and often require that management make assumptions to value the assets.

14. Subsequent Events

Subsequent Events have been evaluated through May 20, 2019, which is the date the financial statements were available to be issued.