PASQUESI SHEPPARD LLC
ACCOUNTANTS AND CONSULTANTS

ALLIANCE FOR THE GREAT LAKES

FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

PASQUESI
SHEPPARD LLC
ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
ALLIANCE FOR THE GREAT LAKES

We have audited the accompanying financial statements of Alliance for the Great Lakes (a not-for-profit corporation), which comprise the statement of financial position as of August 31, 2019, 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.

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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 Alliance for the Great Lakes as of August 31, 2019, 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 Alliance for the Great Lakes 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pasquesi Sheppard LLC

Pasquesi Sheppard LLC
Lake Forest, Illinois

October 31, 2019

ALLIANCE FOR THE GREAT LAKES

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2019 AND 2018

ASSETS

	2019	2018
CURRENT:		
Cash and cash equivalents	$ 2,794,402	$ 2,764,474
Investments	1,267,691	1,227,747
Accounts receivable	71,037	115,141
Current portion of contributions receivable	574,188	539,663
Prepaid expenses and other assets	62,197	72,505
Total current assets	$ 4,769,515	$ 4,719,530
NONCURRENT:		
Noncurrent portion of contributions receivable, net	$ 491,012	$ -
Security deposits	26,025	26,025
Property and equipment, net	74,748	147,223
Total noncurrent assets	$ 591,785	$ 173,248
Total assets	$ 5,361,300	$ 4,892,778

LIABILITIES AND NET ASSETS

	2019	2018
CURRENT LIABILITIES:		
Accounts payable	$ 179,988	$ 17,926
Accrued expenses and other liabilities	119,126	113,955
Current portion of deferred obligation	12,504	9,117
Total current liabilities	$ 311,618	$ 140,998
NONCURRENT LIABILITIES:		
Noncurrent portion of deferred obligation	67,864	80,368
Total liabilities	$ 379,482	$ 221,366
NET ASSETS:		
Without donor restrictions	$ 2,992,621	$ 3,141,700
With donor restrictions	1,989,197	1,529,712
Total net assets	$ 4,981,818	$ 4,671,412
Total liabilities and net assets	$ 5,361,300	$ 4,892,778

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

ALLIANCE FOR THE GREAT LAKES

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR AUGUST 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total	2018
REVENUES:				
Grants	$ 529,599	$ 1,892,582	$ 2,422,181	$ 2,599,241
Contributed goods and services	71,911	-	71,911	130,255
Contributions	1,074,364	-	1,074,364	1,095,215
Contracts	143,147	-	143,147	243,295
Fundraising events	196,971	-	196,971	185,122
Investment return	27,790	-	27,790	170,608
Contributed securities	58,319	-	58,319	30,400
Other	1,597	-	1,597	9,702
Net assets released from restrictions	1,433,097	(1,433,097)	-	-
Total revenues	$ 3,536,795	$ 459,485	$ 3,996,280	$ 4,463,838
EXPENSES:				
Program services	$ 2,759,168	$ -	$ 2,759,168	$ 2,754,249
Management and general	411,117	-	411,117	381,950
Fundraising	515,589	-	515,589	465,122
Total expenses	$ 3,685,874	$ -	$ 3,685,874	$ 3,601,321
CHANGE IN NET ASSETS	$ (149,079)	$ 459,485	$ 310,406	$ 862,517
NET ASSETS AT BEGINNING OF YEAR	3,141,700	1,529,712	4,671,412	3,808,895
NET ASSETS AT END OF YEAR	$ 2,992,621	$ 1,989,197	$ 4,981,818	$ 4,671,412

ALLIANCE FOR THE GREAT LAKES

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR AUGUST 31, 2018

	Program Services	Management and General	Fundraising	Total	2018
Salaries	$ 1,389,092	$ 231,981	$ 277,061	$ 1,898,134	$ 1,894,902
Payroll taxes	112,919	18,858	22,522	154,299	142,843
Employee benefits	160,871	26,902	32,129	219,902	242,328
Consultants	582,469	16,269	34,905	633,643	536,234
Contributed goods and services —					
Legal	29,613	-	-	29,613	111,130
Fundraising	-	-	42,299	42,299	19,125
Occupancy costs	178,576	25,705	30,299	234,580	226,398
Professional services	-	24,000	-	24,000	23,185
Supplies	25,829	919	1,257	28,005	40,196
Printing and reproduction	9,282	88	26,828	36,198	17,875
Conferences and events	80,155	14,101	12,215	106,471	100,139
Travel, lodging and meals	67,998	215	2,898	71,111	72,469
Postage and shipping	29,402	731	6,275	36,408	20,303
Depreciation	62,587	9,009	10,619	82,215	81,750
Telephone and internet	21,874	3,149	3,711	28,734	22,631
Other	3,404	38,457	11,706	53,567	43,437
Equipment and software rental	5,097	733	865	6,695	6,376
Total functional expenses	$ 2,759,168	$ 411,117	$ 515,589	$ 3,685,874	$ 3,601,321

ALLIANCE FOR THE GREAT LAKES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 310,406	$ 862,517
Adjustments to reconcile changes in net assets to net cash provided by operating activities —		
Depreciation	82,215	81,750
Realized and unrealized net loss (gain) on investments	8,375	(95,155)
Changes in operating assets and liabilities —		
Accounts receivable	44,104	(37,791)
Contributions receivable	(535,184)	(85,805)
Contributions receivable - change in discount	9,647	-
Prepaid expenses and other assets	10,308	896
Accounts payable	162,062	(19,607)
Accrued expenses and other liabilities	5,171	16,509
Deferred rent obligation	(9,117)	(5,730)
Net cash provided by operating activities	$ 87,987	$ 717,584
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	$ (430,562)	$ (377,690)
Contributed investments	(58,319)	(30,400)
Proceeds from sale of investments	440,562	1,277,689
Purchase of property and equipment	(9,740)	(14,978)
Net cash provided by (used for) investing activities	$ (58,059)	$ 854,621
CHANGE IN CASH AND CASH EQUIVALENTS	$ 29,928	$ 1,572,205
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,764,474	1,192,269
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,794,402	$ 2,764,474

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

(1) DESCRIPTION OF THE ALLIANCE:

Alliance for the Great Lakes (the Alliance) believes that Great Lakes water belongs to all people who live in the Great Lakes region, and that healthy, clean and accessible water is a right for all life. As an Illinois not-for-profit corporation serving the Great Lakes, the Alliance adheres to the highest principles of fiscal stewardship in building and maintaining support for its work. The all-volunteer professional board of directors provides consistent oversight of the Alliance's strategic and financial commitments. The Alliance concentrates its efforts in four main areas:

Clean Water for People: The Alliance is working to ensure that Great Lakes communities can invest in drinking water, wastewater, and stormwater infrastructure that creates clean, safe, and affordable water for all people and a healthy Great Lakes. During 2019 we co-led creation of an economic analysis demonstrating that each federal dollar invested in the Great Lakes is returning more than 3 dollars in economic impact. Through this and other efforts, the Great Lakes received full funding of $300 million through the Great Lakes Restoration Initiative and minimized cuts proposed to federal water infrastructure funds. We conducted clean water "education to action" workshops throughout the state of Ohio to listen to feedback from community members on what water issues are important to them, and to build momentum for state-level clean water policy advocacy. In Detroit, we created a platform for green infrastructure linked to transportation policy which is now the basis for ongoing advocacy work to change city policy. In Chicago, we created a new coalition led by community members from the southeast side called "Calumet Connect" that is co-leading efforts to transform the city's industrial land use policy so it becomes a driver for clean water infrastructure and sustainable health and economic benefits to neighborhoods. The Alliance also served on the transition committee for incoming Chicago Mayor Lori Lightfoot, helping ensure the prominence of water equity in policy of the new administration of the largest Great Lakes city and securing a commitment to engaging neighborhood leaders in environmental oversight. In Michigan City, Indiana, the Alliance led efforts to advocate for a "Green Streets" policy and the creation of a large new green infrastructure landscape near downtown. We investigated the diversion of Great Lakes water to Pleasant Prairie, Wisconsin for a potential violation of the Great Lakes Water Resources Compact and advocated extensively to the states for improvements of their implementation of Compact policy that blocks most diversions of Great Lakes water. The Alliance initiated work on its new Great Lakes drinking water strategy and joined numerous public comment letters to advocate against rollbacks of federal clean water and science policy by the Trump administration.

Aquatic Invasive Species: Aquatic invasive species (AIS) pose a serious threat to the ecology and economy of the Great Lakes region. The Alliance led the fight at the federal and state levels to: 1) maintain strong standards that protect the Great Lakes from contaminated ballast water in ships; and 2) prevent Asian carp from getting into the Great Lakes through the Chicago Area Waterway System. During 2019 we educated members of Congress on the importance of maintaining and strengthening pollution standards that require reductions in the amount of biological pollution discharged to the Great Lakes. Congress passed legislation that ensured the federal Clean Water Act would continue to apply to ballast water discharged from all ships operating on the Great Lakes despite industry efforts to weaken these standards and even secure exemptions. We also worked to educate the incoming Pritzker gubernatorial administration on the importance of stopping Asian carp from entering Lake Michigan. As a result, Governor Pritzker made stopping Asian carp a top four environmental priority coming out of his transition effort and committed Illinois as the non-federal sponsor for a barrier construction project at Brandon Road Lock and Dam, reversing the failed policy of the prior administration.

Agriculture and Water: Nonpoint source runoff from agriculture continues to be one of the greatest threats to water quality across the Great Lakes states. The Alliance is working to reduce agricultural pollution so harmful algal blooms and dead zones do not occur in the Great Lakes. Our work is focused on the Western Lake Erie basin and Green Bay. In Green Bay, our work led to the creation of a precedent-setting Northeast Wisconsin Water Quality Pact between four county executives and the Oneida Nation. The Pact commits the local governments to achieving measurable reductions in agricultural pollution from their respective jurisdictions. In Lake Erie, our efforts through the Rescuing Lake Erie report and elsewhere led to the commitment of incoming Governor Mike DeWine to commit his new administration to achieving the goal of 40% phosphorus reduction to Lake Erie by 2025. Additionally, we helped secure the largest state-level commitment of funds to agricultural pollution reduction in the Great Lakes through the H2Ohio program.

Constituent Engagement: We provided more than 20,000 volunteer experiences through our Adopt-a-Beach program. Our beach volunteers removed more than 54,000 pounds of litter from Great Lakes beaches, 90% of which was plastic (or 700,000 individual pieces). Nearly 200 people are now Alliance Ambassadors who have received deep training to speak on a variety of Great Lakes issues in their communities. We generated more than 20,000 advocacy actions where individual constituents sent letters and made phone calls to elected officials in support of Great Lakes policy in our three programs.

(2) ACCOUNTING POLICIES AND PRACTICES:

The financial statements of the Alliance have been prepared on the accrual basis of accounting. The following is a summary of the major accounting policies and practices of the Alliance, which affect significant elements of the accompanying financial statements:

Change in Accounting Principle —

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) — Presentation of Financial Statements of Not-For-Profit Entities. The amendments in this update went into effect for the Alliance on September 1, 2018. The Alliance has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Alliance's financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The notes to the financial statements include a new disclosure about liquidity and the availability of resources (Note 16).

Financial Statement Presentation —

The Alliance prepares its financial statements to present its financial position and activities based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions represent funds, which are available for the Alliance to utilize, at the discretion of management and the Board of Directors, in any of its programs or supporting activities.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that the donor stipulates that resources be maintained in perpetuity.

Cash Equivalents —

For purposes of the statement of cash flows, the Alliance considers liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments —

Under U.S. Generally Accepted Accounting Principles (GAAP), the Alliance reports investments in marketable securities with readily determinable fair values in the statement of financial position. The Alliance states its investments at fair value based on closing prices reported on the active market on which the individual securities are traded or the net value of shares held in the case of mutual funds. The Alliance records purchases and sales of securities on a trade-date basis. Unrealized gains and losses are included in the change in net assets.

Fair Value Measurements —

The Alliance follows GAAP, which has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Alliance has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

GAAP bases the fair value measurement level of the assets or liabilities within the fair value hierarchy on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Accounts and Contributions Receivable —

Management states accounts and contributions receivable at the amounts it expects to collect. Management records an allowance for doubtful accounts if deemed necessary by its historical experience with collection and analysis of current economic conditions.

Property and Equipment —

The Alliance carries property and equipment at cost or fair value for contributed items, net of accumulated depreciation. Management computes depreciation on a straight-line basis over the useful lives of the assets, which are typically three or five years or the remaining lease term in the case of leasehold improvements. The Alliance capitalizes additions with a cost in excess of $1,000 and a useful life greater than one year. The Alliance expenses the cost of maintenance, repairs, and minor improvements, which do not extend the useful life of the asset, as incurred.

Website Development Costs —

The Alliance accounts for website development costs as capital assets and amortizes them on a straight-line method over their estimated useful lives of three years. The Alliance expenses costs related to the planning stage of development projects as well as ongoing website operating and support costs as incurred.

Grants and Contributions —

The Alliance recognizes the full amount of the grants and contributions received in the year that the donor contributed them as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Alliance reports gifts of cash and other assets as with donor restrictions if they are received with donor imposed stipulations that limit the use of donated assets.

When a donor restriction expires, or a stipulated time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Alliance calculates releases from restrictions based on personnel and other costs charged to projects funded by restricted contributions and grants.

Contributed Goods and Services —

The Alliance records non-cash contributions at their estimated fair market value at the date of the contribution. The Alliance recognizes the monetary value of contributed services that represents specialized skills as revenue. The Alliance does not assign monetary value to the work of volunteers who perform unspecialized tasks, as it is not practical to estimate the value of volunteer activity accurately.

Contracts —

For purposes of the statement of activities, contracts are grants that the Alliance considers exchange transactions. Accordingly, the Alliance recognizes contract revenue when it has performed the services or fulfilled the conditions of the agreement. The Alliance recognizes a liability for funds received where conditions have yet to be satisfied at year-end.

Allocation of Expenses —

The Alliance incurs costs that provide program, fundraising, and general and administrative benefit. Directly identifiable expenses are charged to programs and supporting services. Management charges joint functional expenses to programs and support services based on periodic time and expense studies.

Use of Estimates —

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncement —

In May 2014 the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015 the FASB issued ASU 2015-04 which defers the effective date of ASU 2014-09 one year making it effective as of September 1, 2019, for the Alliance. The Alliance has not yet selected a transition method and is currently evaluating the effect that the standard will have on its financial statements.

Prior Period 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 GAAP. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended August 31, 2018, from which the summarized information was derived.

(3) INVESTMENTS:

Investments consisted of the following as of August 31, 2019 and 2018:

	2019	2018
Equity mutual funds	$ 809,043	$ 869,075
Bonds and fixed income mutual funds	458,648	358,672
	$ 1,267,691	$ 1,227,747

Cash held in the investment account as of August 31, 2019 and 2018, was $1,014,567 and $962,602, respectively.

Investment return consisted of the following for the years ended August 31, 2019 and 2018:

	2019	2018
Realized and unrealized net (loss) gain on investments	$ (8,375)	$ 95,155
Interest and dividends	36,165	75,453
	$ 27,790	$ 170,608

(4) FAIR VALUE MEASUREMENTS:

Management has determined that all investments held by the Alliance are level 1 assets within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement.

(5) ALLOWANCE FOR DOUBTFUL ACCOUNTS:

Management considers receivables fully collectible. Accordingly, there was no allowance for doubtful accounts at August 31, 2019 and 2018.

(6) CONTRIBUTIONS RECEIVABLE:

Contributions receivable relate to amounts receivable under unconditional grants from private foundations and other entities. Included in contributions receivable in the accompanying statements of financial position are the following unconditional pledges at June 30:

	2019	2018
Amounts due in:		
Less than one year	$ 574,188	$ 539,663
One to five years	500,659	-
Gross contributions receivable	$ 1,074,847	$ 539,663
Unamortized discount	(9,647)	-
Net contributions receivable	$ 1,065,200	$ 539,663

The interest rate used to discount 2019 unconditional pledges was 1.87%.

(7) PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following as of August 31, 2019 and 2018:

	2019	2018
Website development costs	$ 79,800	$ 79,800
Leasehold improvements	32,948	32,948
Furniture and equipment	240,289	230,549
	$ 353,037	$ 343,297
Less - Accumulated depreciation	(278,289)	(196,074)
	$ 74,748	$ 147,223

Depreciation expense was $82,215 and $81,750 for the years ended August 31, 2019 and 2018, respectively.

(8) DEFERRED RENT OBLIGATION:

The Alliance recognizes rent expense by the straight-line method over the terms of its leases. In connection with its leases detailed in Note 11, the lessors granted the Alliance rent abatement for initial months of the lease agreements. Accordingly, the Alliance recorded a liability for deferred rent.

(9) ENDOWMENT AND BOARD-DESIGNATED FUNDS:

The Lee Botts Endowment (the Endowment) is a board-designated fund named for the Alliance's founder and is included in net assets without donor restrictions. The Alliance held the majority of the assets of the fund in a separate investment account, which the board designated for the long-term purposes of the Alliance. The fund is conservatively invested in money market funds, fixed income mutual funds, and equity mutual funds in order to preserve purchasing power. The Alliance may use investment income for general operating purposes. The Alliance may use principal of the Endowment, including any net appreciation, for general operating purposes upon approval by seventy-five percent of the Board of Directors. Changes in the endowment net assets are as follows for the years ended August 31, 2019 and 2018:

	2019	2018
Net assets, beginning of the year	$ 1,155,957	$ 1,063,658
Contributions	25,331	-
Net (depreciation) appreciation	(11,479)	73,401
Interest and dividends	27,014	26,128
Investment fees	(7,486)	(7,230)
Net assets, end of the year	$ 1,189,337	$ 1,155,957

(10) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions arise primarily from grants received from private foundations to support various environmental projects. The Alliance held net assets with donor restrictions in cash and cash equivalents as well as receivables at August 31, 2019 and 2018. During the years ended August 31, 2019 and 2018, the Alliance released net assets with donor restrictions of $1,433,097 and $1,408,188, respectively, from donor restriction by incurring charges that satisfied the restrictions specified by the donors.

As of August 31, 2019, the Alliance had not received any gifts, which the donor stipulated must be maintained in perpetuity.

(11) OPERATING LEASES:

The Alliance entered into an operating lease that commenced in February 2014 to lease office space in Chicago, Illinois until 2024. In addition, the Alliance leases office space in Cleveland, Ohio under an operating lease which expires May 1, 2020. Future minimum payments under this lease are $5,600. Expense recognized under these leases was approximately $235,000 and $226,000 for the years ended August 31, 2019 and 2018, respectively. Future minimum payments under the Chicago lease as of August 31, 2019, are as follows:

2020	$ 100,199
2021	103,586
2022	106,972
2023	110,360
2024	46,571
Total minimum lease payments	$ 467,688

(12) JOINT COSTS:

The Alliance allocated the following joint costs for the years ended August 31, 2019 and 2018:

	Program Services	Management and General	Fundraising	Total	2018
Consultants	$ 42,755	$ 6,155	$ 7,254	$ 56,164	$ 56,548
Occupancy costs	178,576	25,705	30,299	234,580	226,398
Supplies	6,381	919	1,082	8,382	7,798
Printing and reproduction	609	88	103	800	246
Conferences and events	27,396	3,943	4,649	35,988	19,099
Travel, lodging and meals	1,493	215	253	1,961	352
Postage and shipping	5,079	731	862	6,672	4,958
Depreciation	62,587	9,009	10,619	82,215	81,750
Telephone and internet	21,874	3,149	3,711	28,734	22,631
Other	3,404	490	578	4,472	4,415
Equipment and software rental	5,097	733	865	6,695	6,376
Total joint costs	$ 355,251	$ 51,137	$ 60,275	$ 466,663	$ 430,571

(13) RETIREMENT PLAN:

The Alliance has established a defined contribution retirement plan that allows eligible employees to defer a portion of their compensation until retirement. The Alliance matches employee contributions up to 4% of salary. The Alliance's contribution was approximately $47,000 and $48,000 for the years ended August 31, 2019 and 2018, respectively.

(14) INCOME TAXES:

The Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The Alliance files forms 990 in the U.S. federal jurisdiction and various states. In addition, the Alliance files form 990-T to report unrelated business income as a result of the transportation fringe benefits the Alliance provides to its employees.

There were no unrecognized tax benefits identified or recorded as liabilities for the years ended August 31, 2019 and 2018. The Alliance is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Management periodically reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

(15) CONCENTRATIONS OF CREDIT RISK:

Financial instruments, which potentially subject the Alliance to concentrations of credit risk, consist principally of cash and receivables. Management believes the Alliance has negligible exposure to any significant credit risk on cash and receivables.

The Alliance maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Alliance has not experienced any losses in such accounts.

Receivables from two foundations and other entities represent approximately 79% of total receivables as of August 31, 2019. Receivables from three foundations and other entities represent approximately 73% of total receivables as of August 31, 2018. The Alliance has not experienced significant losses from these organizations.

(16) LIQUIDITY:

The following reflects the Alliance's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts that are available for use within one year for general purposes include pledges receivable within one year for which use is not stipulated by the donor.

	2019	2018
Financial assets at year-end	$ 5,198,330	$ 4,647,025
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions of time or purpose	(1,989,197)	(1,529,712)
Board designated endowment fund	(1,189,337)	(1,155,957)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,019,796	$ 1,961,356

As part of the Alliance's liquidity management, it invests cash in excess of daily requirements in short term investments.

(17) SIGNIFICANT SUPPORT:

The Alliance received significant support from private foundations and similar organizations in the form of restricted and unrestricted grant awards, including multi-year awards. For the year ended August 31, 2019, grants from three organizations comprised 54% of grant revenue and 33% of total revenue. For the year ended August 31, 2018, grants from three organizations comprised 55% of grant revenue and 32% of total revenue.

(18) SUBSEQUENT EVENTS:

The Alliance's management has performed an analysis of activities and transactions subsequent to the report date, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year then ended. Management has performed their analysis through the report date, the date which the financial statements were available to be issued.