

VANDEBURGH HUMANE SOCIETY, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

(With Independent Auditor's Report Thereon)

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Riney Hancock CPAs
PSC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vanderburgh Humane Society, Inc.

We have audited the accompanying financial statements of Vanderburgh Humane Society, Inc. (an Indiana nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, 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 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 qualified audit opinion.

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Basis for Qualified Opinion

As more fully described in Note 3 to the financial statements, the Organization has excluded certain beneficial interests in assets held by others in the financial statements due to its inability to obtain fair value information. In our opinion, accounting principles generally accepted in the United States of America require that such beneficial interests in assets held by others be recorded at fair value at the date of notification of existence. Quantification of the effects on the financial statements of the preceding practice is not practicable.

Qualified Opinion

In our opinion, except for the effects of not including certain beneficial interests in assets held by others in the financial statements, as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Vanderburgh Humane Society, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Riney Hancock CPA ASC

Evansville, Indiana

July 24, 2018

VANDERBURGH HUMANE SOCIETY, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash	\$ 110,017	\$ 256,528
Contributions receivable	29,590	24,628
Other current assets	<u>37,313</u>	<u>26,617</u>
Total current assets	176,920	307,773
Property and equipment, net	2,476,092	2,574,774
Other assets:		
Beneficial interests in assets held by others	546,712	503,771
Cash surrender value of life insurance	64,938	62,300
Other	<u>4,697</u>	<u>6,956</u>
Total other assets	<u>616,347</u>	<u>573,027</u>
Total assets	<u><u>\$ 3,269,359</u></u>	<u><u>\$ 3,455,574</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current maturities of long-term debt	\$ 39,709	\$ 37,560
Accounts payable	39,024	20,671
Accrued expenses	<u>20,762</u>	<u>23,741</u>
Total current liabilities	99,495	81,972
Long-term liabilities:		
Long-term debt	512,588	619,948
Other liabilities	<u>7,375</u>	<u>10,067</u>
Total long-term liabilities	<u>519,963</u>	<u>630,015</u>
Total liabilities	<u>619,458</u>	<u>711,987</u>
Net assets:		
Unrestricted	2,087,454	2,236,325
Temporarily restricted	513,293	462,745
Permanently restricted	<u>49,154</u>	<u>44,517</u>
Total net assets	<u>2,649,901</u>	<u>2,743,587</u>
Total liabilities and net assets	<u><u>\$ 3,269,359</u></u>	<u><u>\$ 3,455,574</u></u>

See Notes to Financial Statements.

VANDERBURGH HUMANE SOCIETY, INC.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Unrestricted net assets:		
Revenues:		
Adoption and surrender fees	\$ 142,141	\$ 139,661
Spay/neuter clinic fees	472,953	468,576
Contributions	587,824	660,375
Resale of donated items	61,001	53,127
Fundraising and special events	134,627	155,357
Investment income	15,159	14,424
Other	20,747	22,965
	<hr/>	<hr/>
Total revenues	1,434,452	1,514,485
Net assets released from restrictions	<hr/> 11,477	<hr/> 13,888
Total revenues and support	<hr/> 1,445,929	<hr/> 1,528,373
Expenses:		
Program service	1,321,386	1,298,359
General and administrative	95,074	97,707
Fundraising	178,340	182,045
	<hr/>	<hr/>
Total expenses	1,594,800	1,578,111
	<hr/>	<hr/>
Increase (decrease) in unrestricted net assets	(148,871)	(49,738)
Temporarily restricted net assets:		
Contributions	15,735	3,491
Change in value of beneficial interest in assets held by others	46,290	29,254
Net assets released from restrictions	<hr/> (11,477)	<hr/> (13,888)
Increase (decrease) in temporarily restricted net assets	<hr/> 50,548	<hr/> 18,857
Permanently restricted net assets:		
Change in value of beneficial interest in assets held by others	<hr/> 4,637	<hr/> 707
Increase (decrease) in permanently restricted net assets	<hr/> 4,637	<hr/> 707
Increase (decrease) in net assets	(93,686)	(30,174)
Net assets, beginning of year	<hr/> 2,743,587	<hr/> 2,773,761
Net assets, end of year	<hr/> <u>\$ 2,649,901</u>	<hr/> <u>\$ 2,743,587</u>

See Notes to Financial Statements.

VANDERBURGH HUMANE SOCIETY, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (93,686)	\$ (30,174)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	140,302	151,404
Change in beneficial interests in assets held by others	(50,927)	(29,961)
Increase in cash surrender value of life insurance	(2,638)	(2,586)
Decrease (increase) in assets:		
Contributions receivable	(4,962)	181,007
Prepaid expenses	(10,696)	921
Other assets	-	(6,956)
Increase (decrease) in liabilities:		
Accounts payable	18,353	2,659
Accrued expenses	(2,979)	6,428
Other liabilities	(2,692)	6,553
Net cash provided by (used in) operating activities	<u>(9,925)</u>	<u>279,295</u>
Cash flows from investing activities:		
Principal payments received from remainder trust	7,986	8,888
Purchases of property and equipment	<u>(38,465)</u>	<u>(39,735)</u>
Net cash provided by (used in) investing activities	<u>(30,479)</u>	<u>(30,847)</u>
Cash flows from financing activities:		
Repayments on long-term debt	<u>(106,107)</u>	<u>(35,419)</u>
Net cash provided by (used in) financing activities	<u>(106,107)</u>	<u>(35,419)</u>
Net increase (decrease) in cash	(146,511)	213,029
Cash, beginning of year	<u>256,528</u>	<u>43,499</u>
Cash, end of year	<u><u>\$ 110,017</u></u>	<u><u>\$ 256,528</u></u>
Supplemental disclosure of cash flow information:		
Interest paid	<u><u>\$ 35,324</u></u>	<u><u>\$ 40,855</u></u>

See Notes to Financial Statements.

VANDERBURGH HUMANE SOCIETY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2017 and 2016

	2017				2016			
	Program	General & Admin.	Fund- raising	Total	Program	General & Admin.	Fund- raising	Total
Advertising	\$ 2,530	\$ 351	\$ 2,370	\$ 5,251	\$ 2,210	\$ 737	\$ 1,321	\$ 4,268
Automobile	3,208	-	-	3,208	2,127	-	-	2,127
Bank charges	3,949	529	3,949	8,427	4,097	530	4,097	8,724
Depreciation & amortization	132,436	2,788	4,182	139,406	143,054	3,012	4,517	150,583
Direct mail	-	-	49,260	49,260	-	-	41,058	41,058
Dues & subscriptions	884	-	-	884	871	-	-	871
Employee benefits	63,894	5,201	5,200	74,295	50,091	4,125	4,715	58,931
Food & supplies	65,606	-	-	65,606	68,687	-	-	68,687
Insurance	31,257	823	822	32,902	31,473	828	828	33,129
Interest	33,524	882	882	35,288	39,592	1,042	1,042	41,676
Maintenance	51,811	1,363	1,364	54,538	55,154	1,451	1,452	58,057
Medical	149,751	-	-	149,751	147,435	-	-	147,435
Miscellaneous	6,184	2,950	6,326	15,460	4,013	3,360	6,208	13,581
Payroll taxes	47,748	3,886	3,887	55,521	46,557	3,834	4,382	54,773
Printing & postage	593	593	2,734	3,920	1,834	1,835	2,861	6,530
Professional fees	-	16,364	-	16,364	-	16,078	-	16,078
Rent	3,228	3,227	-	6,455	4,263	4,263	-	8,526
Salaries	628,728	51,176	51,175	731,079	608,258	50,092	57,248	715,598
Special events	-	-	38,970	38,970	-	-	43,874	43,874
Supplies	-	2,273	4,552	6,825	-	3,967	5,843	9,810
Telephone	3,693	301	300	4,294	3,935	324	370	4,629
Travel & education	2,416	-	-	2,416	-	-	-	-
Utilities	89,946	2,367	2,367	94,680	84,708	2,229	2,229	89,166
	<u>\$ 1,321,386</u>	<u>\$ 95,074</u>	<u>\$ 178,340</u>	<u>\$ 1,594,800</u>	<u>\$ 1,298,359</u>	<u>\$ 97,707</u>	<u>\$ 182,045</u>	<u>\$ 1,578,111</u>

See Notes to Financial Statements.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

1. Organization and Summary of Significant Accounting Policies

Nature of Organization

Vanderburgh Humane Society, Inc. was founded in 1957 as a not-for-profit organization dedicated to the promotion of animal welfare in Vanderburgh County, Indiana, and surrounding areas. The Organization's programs are designed to prevent cruelty to animals, provide care and find homes for homeless animals, educate the public about humane treatment of animals and seek solutions to pet overpopulation. The Organization is supported primarily through donations, program fees, and fundraising events.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of less than 90 days to be cash equivalents. There were no cash equivalents at December 31, 2017 or 2016.

Contributions Receivable

Contributions receivable consist of unconditional promises to give, including bequests, which are recognized as revenues in the period received. Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year.

Management utilizes the allowance method of accounting for uncollectible accounts. The allowance is based on historical collection experience and changes in current economic conditions in the area. Management believes all contributions receivable will be collected in full, therefore no allowance has been recorded.

Beneficial Interest in Assets Held by Others

Beneficial interests in assets held by others are carried at fair market value, if determinable. Assets donated with explicit restrictions regarding their use are reported as restricted support until such restrictions expire. Absent donor stipulations, contributions of beneficial interests in assets held by others are recorded as unrestricted support. The Organization is the recipient of several bequests that the Organization has not recorded due to the inability to obtain sufficient information to properly value these bequests.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

1. Organization and Summary of Significant Accounting Policies, Continued

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Acquisitions of property and equipment in excess of \$500 and with estimated useful lives in excess of one year are capitalized.

Donated furniture and equipment are recorded as contributions at their estimated values at the date of receipt. If donors stipulate a time period during which the assets must be used, the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire in the same reporting period. All other restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services

A substantial number of volunteers donate significant amounts of their time to benefit the Organization's programs. However, the value of these services is not reflected in the financial statements, as it does not meet the criteria for recognition.

Advertising

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of providing various services and 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.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

1. Organization and Summary of Significant Accounting Policies, Continued

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 315,279	\$ 315,279
Buildings and improvements	3,839,914	3,832,219
Equipment	194,751	163,979
Vehicles	<u>75,985</u>	<u>75,985</u>
Total cost	4,425,929	4,387,462
Less accumulated depreciation	<u>(1,949,837)</u>	<u>(1,812,688)</u>
Property and equipment, net	<u>\$ 2,476,092</u>	<u>\$ 2,574,774</u>

3. Beneficial Interests in Assets Held by Others

Beneficial Interest in Remainder Trust

The Organization is a beneficiary of a charitable remainder trust, the assets of which are held by a local bank. The Organization has the irrevocable right to receive one seventh of the distributable net income until termination of the trust in June 2025, at which time the Organization will receive 15% of principal, without restrictions. The fair market value of this interest was \$497,558 and \$459,254 at December 31, 2017 and 2016, respectively. A gain of \$46,290 and \$29,254 were included in the change in temporarily restricted net assets for the years ended December 31, 2017 and 2016, respectively.

This trust is a private foundation under the IRS tax code. As a result, a minimum of 5% of the trust's fair market value is required to be distributed to the charitable beneficiaries annually, and a principal distributions of \$7,986 and \$8,888 were made to the Organization during the years ended December 31, 2017 and 2016, respectively.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

3. Beneficial Interests in Assets Held by Others, Continued

Beneficial Interest in Perpetual Trust

The Organization is a beneficiary of a perpetual trust, the assets of which are held by a local bank. The Organization has the irrevocable right to receive one fifty-eighth of the distributable net income in perpetuity, without restrictions. The fair market value of this interest was \$49,154 and \$44,517 at December 31, 2017 and 2016, respectively. A gain of \$4,637 and \$707 were included in the change in permanently restricted net assets for the years ended December 31, 2017 and 2016, respectively.

Other Estates and Charitable Remainder Trusts

The Organization is also a beneficiary of various other estates and charitable remainder trusts. Due to the difficulty the Organization has encountered in obtaining current fair value information, the Organization has not been able to reasonably value and record its interest in all of these trusts and estates, as required by U. S. generally accepted accounting principles.

4. Fair Value Measurements

Fair value of assets measured on a recurring basis was as follows:

	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<u>December 31, 2017:</u>			
Beneficial interests in assets held by others	\$ 497,558	\$ 49,154	\$ 546,712
Cash surrender value of life insurance	64,938	-	64,938
	<u>\$ 562,496</u>	<u>\$ 49,154</u>	<u>\$ 611,650</u>
<u>December 31, 2016:</u>			
Beneficial interests in assets held by others	\$ 459,254	\$ 44,517	\$ 503,771
Cash surrender value of life insurance	62,300	-	62,300
	<u>\$ 521,554</u>	<u>\$ 44,517</u>	<u>\$ 566,071</u>

Fair value for the cash surrender value of life insurance is determined by the amount that could be realized under the insurance contract and is considered a Level 2 input.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

4. Fair Value Measurements, Continued

Fair value of the beneficial interest in a remainder trust is measured using the fair value of the assets held in the trust as reported by the trustee as of December 31, 2017 and 2016, which approximates the present value of the expected future cash flows, discounted at 2.5%, and is considered a Level 2 input.

Fair value of the beneficial interest in a perpetual trust is measured using the fair value of the assets held in the trust as reported by the trustee as of December 31, 2017 and 2016. The Organization considers the measurement of this trust to be a Level 3 input because even though that measurement is based on unadjusted fair values of the trust assets, the Organization will never receive those assets or have the ability to direct the trustee to redeem them.

The table below presents information about fair value measurements that use significant unobservable inputs (Level 3) for the years ended December 31:

	<u>2017</u>	<u>2016</u>
<u>Beneficial interest in perpetual trust:</u>		
Beginning of year	\$ 44,517	\$ 43,810
Total gains (losses) recognized in the change in permanently restricted net assets:		
Change in value of perpetual trust	<u>4,637</u>	<u>707</u>
End of year	<u>\$ 49,154</u>	<u>\$ 44,517</u>

The Organization recognizes transfers in and out of levels at the end of the reporting period. There were no transfers between levels in 2017 and 2016.

At least annually, management and the Board of Directors review and approve the Organization's fair value measurement policies and procedures and determine if the valuation techniques used in fair value measurements are still appropriate.

5. Leases

The Organization leases equipment under cancelable and noncancelable operating lease agreements, which expire at various dates through December 2020. Total rent expense was \$6,455 and \$8,526 for the years ended December 31, 2017 and 2016, respectively.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

5. Leases, Continued

Future minimum lease payments are as follows:

2018	\$	1,452
2019		1,108
2020		<u>1,108</u>
	\$	<u><u>3,668</u></u>

6. Long-Term Debt

Long-term debt consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Note payable to bank, 5.5% interest, \$6,116 monthly including interest through June 2019, at which time the remaining balance is due if not renewed, secured by all real estate	\$ 553,566	\$ 659,673
Less unamortized debt issuance cost	<u>(1,269)</u>	<u>(2,165)</u>
Debt, net of unamortized debt issuance cost	552,297	657,508
Less current maturities	<u>(39,709)</u>	<u>(37,560)</u>
Long-term debt	\$ <u><u>512,588</u></u>	\$ <u><u>619,948</u></u>

The Organization reports amortization of debt issuance costs as interest expense.

Scheduled long-term debt maturities are as follows for the years ended December 31:

2018	\$	39,709
2019		<u>513,857</u>
	\$	<u><u>553,566</u></u>

7. Related Party Transactions

The Organization paid \$4,351 and \$4,978 for professional services in 2017 and 2016, respectively, to a company owned by a board member. Board members disclose any relationships and abstain from any votes related to services that they may provide.

VANDERBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

8. Restricted Net Assets

The Board has restricted \$1,941 and \$4,065 at December 31, 2017 and 2016, respectively, to be used for animal spays and neuters or animal medical emergencies.

Temporarily restricted net assets consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Specific program use	\$ 15,735	\$ 3,491
Beneficial interest in remainder trust	<u>497,558</u>	<u>459,254</u>
	<u>\$ 513,293</u>	<u>\$ 462,745</u>

Net assets in the amount of \$3,491 and \$5,000 were released from restrictions upon satisfaction of program use restrictions during the years ended December 31, 2017 and 2016, respectively. Net assets in the amount of \$7,986 and \$8,888 were released from restrictions due to IRS required private foundation distribution rules during the year ended December 31, 2017 and 2016, respectively.

Permanently restricted net assets consisted of a beneficial interest in a perpetual trust in the amount of \$49,154 and \$44,517 at December 31, 2017 and 2016, respectively.

9. Income Taxes

The Organization is exempt from income taxes as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

10. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist principally of cash on deposit at financial institutions and contributions receivable. Cash in banks may, at times, exceed federal deposit insurance limits.

The Organization attempts to minimize this risk by using high-credit quality financial institutions. Contributions receivable are periodically reviewed by management for their collectibility and an allowance for doubtful accounts is established, as deemed necessary.

In 2016, the Organization received a contribution of a bequest that represented 11% of total unrestricted revenues.

VANDEBURGH HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016

11. Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under GAAP. This update requires entities to recognize revenue at amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services at the time of transfer. In doing so, entities will need to use more judgment and make more estimates than under today's guidance. Such estimates may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. Entities can either apply a full retrospective adoption or a modified retrospective adoption. The amendments of this ASU are effective for reporting periods beginning after December 15, 2018, with early adoption permitted.

In August, 2016, FASB issued ASU 2016-14 — *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier adoption is permitted.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, a lessee will recognize in the statement of financial position a liability to make lease payments and a right-to-use asset representing its right to use the underlying asset for the lease term for all leases with a lease term of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current GAAP. The amendments of this ASU are effective for reporting periods beginning after December 15, 2019, with early adoption permitted. An entity will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

Management is currently assessing the impact the adoption of these ASUs will have on its financial statements.

12. Subsequent Events

The Organization has evaluated subsequent events through July 24, 2018, the date the financial statements were available to be issued.