

PET COMMUNITY CENTER, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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Independent Auditors' Report

To the Board of Directors
Pet Community Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Pet Community Center, Inc. (a not-for-profit corporation, the "Organization"), which comprise the statements of financial position as of December 31, 2018 and 2017, 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.

Auditors' 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 auditors' 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 Pet Community Center, Inc. as of December 31, 2018 and 2017, 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.

A handwritten signature in blue ink that reads "Blankenship CPA Group, PLLC". The signature is written in a cursive, flowing style.

Blankenship CPA Group, PLLC
Brentwood, Tennessee
September 18, 2019

PET COMMUNITY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets:		
Cash	\$ 263,810	\$ 196,645
Restricted cash	48,790	98,828
Accounts receivable	33,112	42,815
Grants receivable	30,000	10,432
Contributions receivable	6,200	-
Inventory	58,306	22,804
Total Current Assets	<u>440,218</u>	<u>371,524</u>
Contributions receivable, less current portion	37,500	-
Property and equipment, net	56,820	93,697
Cash restricted for capital campaign	102,460	-
Security deposit	<u>1,573</u>	<u>124</u>
Total Assets	<u><u>\$ 638,571</u></u>	<u><u>\$ 465,345</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 22,239	\$ 13,068
Accrued expenses	54,027	39,948
Total Current Liabilities	<u>76,266</u>	<u>53,016</u>
Net Assets:		
Without donor restrictions	337,355	313,501
With donor restrictions	224,950	98,828
Total Net Assets	<u>562,305</u>	<u>412,329</u>
Total Liabilities and Net Assets	<u><u>\$ 638,571</u></u>	<u><u>\$ 465,345</u></u>

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

PET COMMUNITY CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Program revenues:			
Spay and neuter services	\$ 270,057	\$ -	\$ 270,057
Ancillary services	617,630	-	617,630
Total program revenues	<u>887,687</u>	<u>-</u>	<u>887,687</u>
Public support and other revenues:			
Contributions - operations	287,783	-	287,783
Contributions - capital campaign	-	146,160	146,160
Grants	-	167,500	167,500
Special events	191,393	-	191,393
In-kind revenue	24,015	-	24,015
Miscellaneous revenue	733	-	733
Net assets released in satisfaction of restrictions	<u>187,538</u>	<u>(187,538)</u>	<u>-</u>
Total public support and other revenues	<u>691,462</u>	<u>126,122</u>	<u>817,584</u>
Total revenues	<u>1,579,149</u>	<u>126,122</u>	<u>1,705,271</u>
Expenses:			
Program services	1,281,756	-	1,281,756
Management and general	119,088	-	119,088
Fundraising	<u>154,451</u>	<u>-</u>	<u>154,451</u>
Total expenses	<u>1,555,295</u>	<u>-</u>	<u>1,555,295</u>
Change in net assets	23,854	126,122	149,976
Net assets, beginning of year	<u>313,501</u>	<u>98,828</u>	<u>412,329</u>
Net assets, end of year	<u>\$ 337,355</u>	<u>\$ 224,950</u>	<u>\$ 562,305</u>

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

PET COMMUNITY CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Program revenues:			
Spay and neuter services	\$ 218,786	\$ -	\$ 218,786
Ancillary services	518,445	-	518,445
Total program revenues	<u>737,231</u>	<u>-</u>	<u>737,231</u>
Public support and other revenues:			
Contributions	274,936	-	274,936
Grants	70,000	119,782	189,782
Special events	101,285	-	101,285
In-kind revenue	14,065	-	14,065
Miscellaneous revenue	53	-	53
Net assets released in satisfaction of restrictions	<u>144,743</u>	<u>(144,743)</u>	<u>-</u>
Total public support and other revenues	<u>605,082</u>	<u>(24,961)</u>	<u>580,121</u>
Total revenues	<u>1,342,313</u>	<u>(24,961)</u>	<u>1,317,352</u>
Expenses:			
Program services	1,137,674	-	1,137,674
Management and general	90,511	-	90,511
Fundraising	<u>128,188</u>	<u>-</u>	<u>128,188</u>
Total expenses	<u>1,356,373</u>	<u>-</u>	<u>1,356,373</u>
Change in net assets	(14,060)	(24,961)	(39,021)
Net assets, beginning of year	<u>327,561</u>	<u>123,789</u>	<u>451,350</u>
Net assets, end of year	<u>\$ 313,501</u>	<u>\$ 98,828</u>	<u>\$ 412,329</u>

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

PET COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services	Supporting Services			Total	Total Expenses
		Management and General	Fundraising			
	\$	\$	\$	\$		\$
Bad debt expense	105	-	-	-	-	105
Bank and credit card fees	11,675	187	390	577	577	12,252
Contract services	1,104	40,200	-	40,200	40,200	41,304
Cost of goods sold	305,233	-	-	-	-	305,233
Depreciation	40,807	521	-	521	521	41,328
Facilities and maintenance	53,713	15,704	-	15,704	15,704	69,417
Marketing	198	2,879	2,643	5,522	5,522	5,720
Office supplies	7,276	592	442	1,034	1,034	8,310
Other expenses	587	3,967	223	4,190	4,190	4,777
Payroll expenses	773,365	43,640	114,922	158,562	158,562	931,927
Postage and shipping	308	147	957	1,104	1,104	1,412
Printing and copying	2,212	-	2,018	2,018	2,018	4,230
Program supplies and expenses	26,119	-	-	-	-	26,119
Rabies licenses	44,248	-	-	-	-	44,248
Recruitment	2,459	386	-	386	386	2,845
Registration fees	1,549	260	-	260	260	1,809
Special events	-	-	30,504	30,504	30,504	30,504
Subscriptions	3,554	4,951	1,564	6,515	6,515	10,069
Telephone and communications	1,159	1,015	176	1,191	1,191	2,350
Travel and meetings	6,085	4,639	612	5,251	5,251	11,336
	<u>\$ 1,281,756</u>	<u>\$ 119,088</u>	<u>\$ 154,451</u>	<u>\$ 273,539</u>	<u>\$</u>	<u>\$ 1,555,295</u>

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

PET COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Program Services	Supporting Services			Total	Total Expenses
		Management and General	Fundraising			
	\$	1,217	\$	21	\$	21
Bad debt expense		-				\$ 1,238
Bank and credit card fees	9,539	87	439			10,065
Contract services	1,038	22,950	11,000			34,988
Cost of goods sold	273,970	-	-			273,970
Depreciation	47,006	568	-			47,574
Facilities and maintenance	54,700	18,183	-			72,883
Marketing	423	498	7,514			8,435
Office supplies	5,559	1,724	2,176			9,459
Other expenses	3,722	-	-			3,722
Payroll expenses	664,331	42,779	66,648			773,758
Postage and shipping	1,293	-	-			1,293
Printing and copying	3,303	-	-			3,303
Program supplies and expenses	15,177	-	-			15,177
Rabies licenses	45,994	-	-			45,994
Recruitment	485	-	-			485
Registration fees	1,389	-	-			1,389
Special events	-	-	37,275			37,275
Subscriptions	2,380	360	2,488			5,228
Telephone and communications	1,750	1,006	241			2,997
Travel and meetings	4,398	2,356	386			7,140
	<u>\$ 1,137,674</u>	<u>\$ 90,511</u>	<u>\$ 128,188</u>		<u>\$ 218,699</u>	<u>\$ 1,356,373</u>

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

PET COMMUNITY CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 149,976	\$ (39,021)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	41,328	47,574
Gain on sale of property and equipment	-	1,185
Contributions for capital campaign	(102,460)	-
Bad debt expense	105	1,238
Donated investment	-	(29,009)
Realized loss from sale of donated investment	-	485
Proceeds from sale of donated investment	-	28,524
Change in:		
Accounts receivable	9,598	(39,401)
Grants receivable	(19,568)	24,568
Contributions receivable	(43,700)	10,000
Inventory	(35,502)	5,056
Prepaid expenses	-	1,259
Security deposit	(1,449)	1,152
Accounts payable	9,171	8,175
Accrued expenses	14,079	15,787
Total adjustments	<u>(128,398)</u>	<u>76,593</u>
Net cash provided by operating activities	<u>21,578</u>	<u>37,572</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(4,451)</u>	<u>(4,301)</u>
Net cash used by investing activities	<u>(4,451)</u>	<u>(4,301)</u>
Cash flows from financing activities:		
Proceeds received from contributions restricted for capital campaign	<u>102,460</u>	<u>-</u>
Net cash provided by financing activities	<u>102,460</u>	<u>-</u>
Net increase in cash	119,587	33,271
Cash and restricted cash, beginning of year	<u>295,473</u>	<u>262,202</u>
Cash and restricted cash, end of year	<u>\$ 415,060</u>	<u>\$ 295,473</u>
Reconciliation to statement of financial position:		
Cash	\$ 263,810	\$ 196,645
Restricted cash	48,790	98,828
Cash restricted for capital campaign	102,460	-
Total	<u>\$ 415,060</u>	<u>\$ 295,473</u>

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

PET COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Pet Community Center, Inc. (the “Organization”) is a not-for-profit community service agency founded in March 2011. The Organization’s major programs include free and low-cost spay/neuter, pet wellness and outreach services to various private, not-for-profit and government entities in Middle Tennessee. The spay/neuter program is designed to address the issue of pet homelessness and shelter euthanasia in Middle Tennessee. The mobile wellness clinic provides low-cost, walk-in services for pets, including vaccines and preventive medicine. The goal of the mobile clinic is to provide preventive care that can reduce the number of pet owners relinquishing their pets to a shelter due to lack of access to affordable pet care. The mobile clinic also serves as an outreach program to share information about spay/neuter with pet owners.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (generally accepted accounting principles, or “US GAAP”).

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with US GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

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

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

Estimates

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

Cash and Cash Equivalents

Cash consists principally of checking and savings account balances with financial institutions. As of December 31, 2018 and 2017, there were no cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances. Receivables are written off in the period in which management deems the balance to be uncollectible. The Organization expects to fully collect these items; therefore no allowance for uncollectible accounts has been recorded in the financial statements.

PET COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants Receivable

Contributions and grants receivable represent the unconditional promises to give unless specifically restricted by the donor. The Organization has evaluated the allowance for uncollectible contributions and the discount to net present value and determined the estimated amounts are not material to the financial statements.

Inventory

Inventories, representing surgical supplies, vaccinations and medicine, are stated at the lower of cost or market determined by the first-in, first-out method.

Property, Equipment, and Depreciation

Equipment, furniture, vehicles and leasehold improvements purchased in excess of \$500 are capitalized and stated at acquisition cost or at estimated fair value at the time of the gift, if donated. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without donor restrictions.

Depreciation of property and equipment is calculated by the straight-line method over estimated useful lives which range from 3 to 5 years.

Impairment of long-lived assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairment charges recognized during the years ended December 31, 2018 and 2017.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reported in the statements of activities as net assets released in satisfaction of restrictions.

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

PET COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

Donated services are recognized if they create or enhance nonfinancial assets or the donated service requires specialized skills, was performed by a donor who possess such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expense in the period the services were performed.

A number of unpaid volunteers have made significant contributions of their time to assist the Organization in implementing various programs. The value of contributed time is not reflected in these financial statements in accordance with US.GAAP.

Income Taxes

The Organization is exempt from income tax under Internal Revenue Code ("IRC") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Advertising

Advertising is expensed as incurred. Total advertising expense for the years ended December 31, 2018 and 2017 was \$5,720 and \$8,435, respectively.

Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Bank and credit card fees	Time and effort
Contract services	Time and effort
Depreciation	Square footage
Facilities and maintenance	Square footage
Marketing	Time and effort
Office supplies	Time and effort
Other expenses	Time and effort
Payroll expenses	Time and effort
Postage and shipping	Time and effort
Printing and copying	Time and effort
Recruitment	Time and effort
Registration fees	Time and effort
Subscriptions	Time and effort
Telephone and communications	Time and effort
Travel and meetings	Time and effort

PET COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2017 financial statements have been reclassified for comparative purposes to conform to the 2018 presentation.

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 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. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at December 31:

	<u>2018</u>	<u>2017</u>
Financial assets at year end:		
Cash	\$ 415,060	\$ 295,473
Accounts receivable	33,112	42,815
Grants receivable	30,000	10,432
Contributions receivable	43,700	-
Total financial assets	<u>521,872</u>	<u>348,720</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	224,950	98,828
Less net assets with purpose restrictions to be met in less than a year	<u>(78,790)</u>	<u>(98,828)</u>
	<u>146,160</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 375,712</u>	<u>\$ 348,720</u>

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is placed in a money market account.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Less than one year	\$ 6,200	\$ -
Over one year	<u>37,500</u>	<u>-</u>
	<u>\$ 43,700</u>	<u>\$ -</u>

PET COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Clinic equipment	\$ 93,988	\$ 89,537
Leasehold improvements	43,616	43,616
Office furniture and equipment	4,957	4,957
Vehicles	111,881	111,881
	<u>254,442</u>	<u>249,991</u>
Less accumulated depreciation	<u>(197,622)</u>	<u>(156,294)</u>
	<u><u>\$ 56,820</u></u>	<u><u>\$ 93,697</u></u>

NOTE 6 – ACCRUED EXPENSES

Accrued expenses consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Credit card payable	\$ 24,416	\$ 17,284
Payroll taxes and benefits payable	11,066	8,326
Accrued payroll	18,545	12,995
Rabies licenses payable	<u>-</u>	<u>1,343</u>
	<u><u>\$ 54,027</u></u>	<u><u>\$ 39,948</u></u>

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31:

	<u>2018</u>	<u>2017</u>
Spay/neuter/various surgeries	\$ 67,790	\$ 87,130
General programs	10,000	10,163
Wellness	1,000	1,535
Capital campaign	<u>146,160</u>	<u>-</u>
	<u><u>\$ 224,950</u></u>	<u><u>\$ 98,828</u></u>

PET COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 8 – OPERATING LEASES

The Organization leases various office space and storage units. The office space lease expired in May 2019 and is leased on a monthly basis subsequent to the expiration date. The storage leases are currently leased on a monthly basis. The future minimum lease payments under the office space agreement at December 31, 2018 is as follows:

<u>Year ending December 31:</u>	
2019	<u>\$ 10,745</u>

Rent expense for the years ended December 31, 2018 and 2017 was \$57,183 and \$59,109, respectively, and are included in facilities and maintenance costs on the statements of functional expenses.

NOTE 9 – RELATED PARTIES

The Organization has a conflict of interest policy and any related party transactions must be reviewed and approved ahead of time. The Organization paid \$1,584 and \$21,417 for business services provided by companies related to three board members during 2018 and 2017, respectively.

NOTE 10 – CONCENTRATIONS

As of December 31, 2018 and 2017, approximately 77% and 41% of accounts, grants, and contributions receivable, respectively, were receivable from three contributors.

NOTE 11 – RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the statements of activities. The new standard is effective for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of the pending adoption of this guidance.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This standard clarifies the scope and the accounting guidance for contributions received and contributions made. ASU 2018-08 will result in treatment of most federal grants as donor-restricted conditional contributions rather than exchange transactions and applies to all entities that make or receive contributions. This standard is effective for nonpublic entities for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of the pending adoption of this guidance.

NOTE 12 – SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through September 18, 2019, the date which the financial statements were available to be issued.