

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Financial Statements

June 30, 2019

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Financial Statements
June 30, 2019

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Independent Auditors' Report

Board of Directors
Global Outreach Developments International

Report on the Financial Statements

We have audited the accompanying financial statements of Global Outreach Developments International, which comprise the statement of financial position, as of June 30, 2019, 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.

Auditors' 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 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 Global Outreach Developments International as of June 30, 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.

Mount Juliet, Tennessee
October 30, 2019

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL
Statement of Financial Position
June 30, 2019

Assets

Current Assets

Cash	\$ 204,749
Restricted Cash	3,534
Accounts Receivable	119,542
Grant Receivable	10,000
Prepaid Expenses	8,541
Investments	7,913
Total Current Assets	<u>354,279</u>

Property and Equipment

Land	299,938
Construction in Progress	317,280
Buildings and Improvements	2,755,454
Furniture and Equipment	379,029
Automobiles	16,200
	<u>3,767,901</u>
Less Accumulated Depreciation	<u>(615,023)</u>
Total Property and Equipment, Net	<u>3,152,878</u>

Other Assets

Notes Receivable from Affiliate	17,572
Deposits	1,000
Total Other Assets	<u>18,572</u>
Total Assets	<u><u>\$ 3,525,729</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 69,376
Credit Cards Payable	11,972
Deferred Revenue	54,042
Donations Held in Trust	3,534
Current Portion of Notes Payable	113,650
Total Current Liabilities	<u>252,574</u>

Long-Term Liabilities

Notes Payable, Net of Loan Costs of \$15,302	<u>1,372,186</u>
Total Liabilities	<u>1,624,760</u>

Net Assets

Net Assets Without Donor Restrictions	1,728,745
Net Assets With Donor Restrictions	172,224
Total Net Assets	<u>1,900,969</u>
Total Liabilities and Net Assets	<u><u>\$ 3,525,729</u></u>

See notes to financial statements.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL
Statement of Activities
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	\$ 302,897	\$ 298,639	\$ 601,536
Grants	171,885	8,333	180,218
Institute Tuition and Fees	494,272	-	494,272
Academy Tuition and Fees, Net of Discounts of \$108,544	584,779	-	584,779
Service Revenue	318,962	-	318,962
In-Kind Contributions	109,929	-	109,929
Investment Income, Net	594	-	594
Gain on Disposal of Property and Equipment	839	-	839
Other Income	65,495	-	65,495
Net Assets Released from Restrictions	296,924	(296,924)	-
Total Support and Revenues	<u>2,346,576</u>	<u>10,048</u>	<u>2,356,624</u>
Expenses			
Program	1,615,455	-	1,615,455
Supporting Services			
Management and General	691,674	-	691,674
Fundraising	5,909	-	5,909
Total Supporting Services	<u>697,583</u>	<u>-</u>	<u>697,583</u>
Total Expenses	<u>2,313,038</u>	<u>-</u>	<u>2,313,038</u>
Increase in Net Assets	33,538	10,048	43,586
Net Assets - Beginning of Year	<u>1,695,207</u>	<u>162,176</u>	<u>1,857,383</u>
Net Assets - End of Year	<u><u>\$ 1,728,745</u></u>	<u><u>\$ 172,224</u></u>	<u><u>\$ 1,900,969</u></u>

See notes to financial statements.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL
Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Expenses					Supporting Services		Supporting Total	Total
	Academy	Education	3rd World Development	Community Service	Program Total	Management and General	Fundraising		
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,532	\$ -	\$ 2,532	\$ 2,532
Bank and Credit Card Fees	1,883	2,765	793	392	5,833	1,055	-	1,055	6,888
Benevolence	-	4,441	691	440	5,572	2,378	-	2,378	7,950
Consulting Fees	-	15,319	82,540	-	97,859	-	-	-	97,859
Dues and Subscriptions	820	11,541	130	-	12,491	654	265	919	13,410
Facilities Rent	-	38,630	11,553	-	50,183	-	-	-	50,183
Insurance	-	255	-	-	255	39,708	-	39,708	39,963
Interest Expense	-	-	-	-	-	62,848	-	62,848	62,848
IT and Software	3,713	10,488	394	153	14,748	1,510	-	1,510	16,258
In-Kind Expense	44,332	28,177	11,328	5,592	89,429	13,500	-	13,500	102,929
Legal Fees	-	-	286	213	499	378	-	378	877
Miscellaneous	622	1,293	-	402	2,317	6,339	-	6,339	8,656
Other Professional Fees	21,470	25,174	3,530	22,575	72,749	94,914	5,184	100,098	172,847
Payroll Taxes and Benefits	70,974	58,606	150	13,218	142,948	40,894	-	40,894	183,842
Postage	-	754	312	17	1,083	392	-	392	1,475
Printing	-	185	21	100	306	-	-	-	306
Rent	3,645	3,044	906	1,860	9,455	1,495	-	1,495	10,950
Repairs and Maintenance	715	67	-	74	856	34,001	-	34,001	34,857
Salaries	296,272	194,798	1,281	94,804	587,155	146,782	-	146,782	733,937
Supplies	169,780	34,020	107,572	96,845	408,217	32,707	-	32,707	440,924
Taxes and Licenses	-	-	-	-	-	6,522	-	6,522	6,522
Telephone and Communications	-	84	2,045	-	2,129	123	-	123	2,252
Travel Expenses	-	8,457	86,090	10,908	105,455	6,881	460	7,341	112,796
Utilities	-	-	-	-	-	117,609	-	117,609	117,609
Total Before Depreciation	614,226	438,098	309,622	247,593	1,609,539	613,222	5,909	619,131	2,228,670
Depreciation	1,305	3,109	-	1,502	5,916	78,452	-	78,452	84,368
Total Expenses	<u>\$ 615,531</u>	<u>\$ 441,207</u>	<u>\$ 309,622</u>	<u>\$ 249,095</u>	<u>\$ 1,615,455</u>	<u>\$ 691,674</u>	<u>\$ 5,909</u>	<u>\$ 697,583</u>	<u>\$ 2,313,038</u>

See notes to financial statements.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Statement of Cash Flows

For the Year Ended June 30, 2019

Cash Flows from Operating Activities

Increase in Net Assets	\$ 43,586
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	84,368
Amortization	2,532
Unrealized Loss on Investments	198
Donated Property and Equipment	(7,000)
Donated Investments	(4,176)
Gain on Disposal of Property and Equipment	(839)
(Increase) Decrease in:	
Accounts Receivable	69,456
Grant Receivable	(10,000)
Prepaid Expenses	(5,357)
Other Assets	(1,000)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	(14,148)
Deferred Revenue	49,069
Donations Held in Trust	3,534
Total Adjustments	<u>166,637</u>
Net Cash Provided by Operating Activities	<u>210,223</u>

Cash Flows from Investing Activities

Principal Payments Received on Notes Receivable from Affiliate	13,848
Cash Payments for the Purchase of Property and Equipment	(760,163)
Proceeds from the Sale of Property and Equipment	<u>1,500</u>
Net Cash Used by Investing Activities	<u>(744,815)</u>

Cash Flows from Financing Activities

Borrowings on Notes Payable	595,000
Payments on Notes Payable	(98,997)
Payments on Loan Cost	<u>(7,271)</u>
Net Cash Provided by Financing Activities	<u>488,732</u>

Net Decrease in Cash (45,860)

Cash and Restricted Cash - Beginning of Year 254,143

Cash and Restricted Cash - End of Year \$ 208,283

Reconciliation to Statement of Financial Position

Cash	\$ 204,749
Restricted Cash	<u>3,534</u>
	<u><u>\$ 208,283</u></u>

Supplemental Disclosures of Cash Flow Information

Cash Paid During the Year for:	
Interest, Net of Interest Capitalized	<u><u>\$ 62,848</u></u>

See notes to financial statements.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Notes to Financial Statements

June 30, 2019

Note 1. Organization and Nature of Activities

Global Outreach Developments International (the Organization) is a not-for-profit organization that equips a globally conscious community to serve the poor and marginalized through education, advocacy and empowerment, without discrimination, demonstrating unconditional love.

The Organization is an educational institution, a community service organization, and a third world development agency. As an educational institution the Organization operates a college that trains community service leaders and development workers. The Organization also has a K-12 school and tutorial program that focuses on alternative approaches to Primary and Secondary education, utilizing progressive and innovative teaching techniques. With regard to community service, the Organization mobilizes thousands of volunteers per year to perform services for the elderly, the widowed, the disabled, and the poor, including the refugee and immigrant. As a development an agency, the Organization empowers third world communities by initiating works related to meeting their basic needs and advancing their health as a society. This includes works related to accessing water, public health, literacy & education, sustainable building, and agriculture. The Organization also has performing arts programs to create awareness of the causes they champion.

Note 2. Summary of Significant Accounting Policies

A. Basis of Accounting

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

B. Financial Statement Presentation

The financial statements are reported in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification for *Presentation of Financial Statements, Not-For-Profit Entities*. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions may be designated for specific purpose by action of the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

C. Estimates

The preparation of 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.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes cash on hand, demand deposits and restricted cash. As of June 30, 2019, the Organization has no cash equivalents.

E. Accounts Receivable

Accounts receivable represent unpaid tuition and rent for classes and lodging. These receivables are considered collectible within one year; therefore, no allowance for uncollectible accounts has been recorded in the financial statements.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Notes to Financial Statements – Continued

June 30, 2019

Note 2. Summary of Significant Accounting Policies – Continued

F. Investments

Investments are stated at the readily determinable fair market value in accordance with the *Not-For-Profit Entities – Investments - Debt and Equity Securities* topic of the FASB Accounting Standards Codification. All interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law and then reported as increases or decreases in net assets with donor restrictions.

G. Fair Value Measurements

Management has adopted the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification for determining fair value of financial assets and liabilities that are required to be carried at such amounts. Fair value is required to be evaluated and adjusted according to the following valuation techniques:

Level 1: Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2: Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3: Fair value is determined using unobservable market prices in markets that are typically inactive.

H. Property and Equipment

Property and equipment is recorded at cost or at the estimated fair market value at the date of donation. Depreciation is calculated using the straight-line basis over the estimated useful lives of the assets, which range from five to forty years. Expenditures for repairs and maintenance are expensed as incurred. Donations of property are reported as increases to net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation expense for the year ended June 30, 2019 is \$84,368. Capitalized interest of \$5,025 is included in Buildings and Improvements.

I. Service Revenue

The Organization conducts several activities which provide services to the public. These activities are staffed by individuals who are in training or who have been trained by the Organization and the activities are considered part of the Organization's mission. Revenues for these services are recognized when earned.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Notes to Financial Statements – Continued

June 30, 2019

Note 2. Summary of Significant Accounting Policies – Continued

J. Contributions

Contributions are received and recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions received and unconditional promises to give are measured at their estimated fair values and are reported as an increase in net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed goods and assets are recorded at estimated fair market value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as increases to net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as increases to net assets without donor restrictions. Contributed services are reflected in the financial statements at the estimated fair value of the services received only when those services either (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by donation.

K. Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program services – Include activities carried out to fulfill the Organization’s mission, resulting in services such as education, job-training, summer camps, hardship relief and other programs conducted by the Organization.

Supporting services – Management and general – relate to the overall direction of the Organization. These expenses are not identifiable with a particular program, event or fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organization oversight, business management, record keeping, budgeting, financing, and other administrative activities.

Supporting services – Fundraising – include cost of activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

L. Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Some of the costs of providing program and supporting service activities have been directly charged. Accordingly, certain costs require allocation on a reasonable basis that is consistently applied. The costs that include a reasonable allocation method are as follows:

Expense	Method of Allocation
Depreciation	Square Footage
Facilities Rent	Square Footage
Payroll Taxes and Benefits	Time and Effort
Rent	Square Footage
Salaries	Time and Effort

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Notes to Financial Statements – Continued

June 30, 2019

Note 2. Summary of Significant Accounting Policies – Continued

M. Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2015.

Note 3. Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2019:

Financial assets:		
Cash	\$	204,749
Restricted Cash		3,534
Accounts Receivable		119,542
Grant Receivable		10,000
Investments		7,913
Total financial assets at year end		<u>345,738</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions		172,224
Less net assets with time or purpose restrictions to be met in less than a year		<u>(168,690)</u>
		<u>3,534</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>342,204</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization is also dependent on in-kind donations of goods and services to reduce general expenditures.

Note 4. Grant Receivable

Grant receivable as of June 30, 2019 is \$10,000. The full amount is expected to be collected within one year.

Note 5. Investments

Investments at June 30, 2019 are as follows:

<u>Asset</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cumulative Unrealized Gain (Loss)</u>
Cash	\$ 9	\$ 9	\$ -
Corporate Equities	3,401	7,904	4,503
Total	<u>\$ 3,410</u>	<u>\$ 7,913</u>	<u>\$ 4,503</u>

Investment income for the year ended June 30, 2019 consisted of the following:

Unrealized Gains (Losses)	\$ (198)
Interest and Dividend Income	792
Total Investment Income, Net	<u>\$ 594</u>

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL
Notes to Financial Statements – Continued
June 30, 2019

Note 6. Fair Value Measurements

The following assets carried at fair value are reviewed and adjusted on a recurring basis:

Asset	Fair Value 30, 2019	June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)
Cash	\$	9	\$ 9
Corporate Equities		7,904	7,904
Total	\$	7,913	\$ 7,913

Note 7. Donations Held in Trust

For the year ended June 30, 2019, the Organization acted as the intermediary for contributions for the benefit of a recipient party. The Organization received \$67,431 to be used to support a terminally ill member of the Organization and her family. Of the \$67,431 received, \$63,897 had been expended as of June 30, 2019. The remaining amount of \$3,534 is included as a Donations Held in Trust on the Statement of Financial Position.

Note 8. Notes Payable

Notes payable as of June 30, 2019 consist of the following:

Note payable to a financial institution, fixed interest of 4.95%, monthly principal and interest payments of \$6,318 with final payment of \$368,133 due November 2023, secured by property. \$ 575,966

Note payable to a financial institution, fixed interest of 4.60%, six interest payments beginning September 2019 to be followed by monthly principal and interest payments of \$9,190 with final payment of \$894,874 due June 2024, secured by property. 925,172

1,501,138

Less: Unamortized Loan Costs (15,302)

Less: Current portion of Notes Payable (113,650)

Long-Term Notes Payable, Net \$ 1,372,186

Maturities of the notes payable are as follows:

Years ending June 30:	Amount
2020	\$ 113,650
2021	119,208
2022	125,037
2023	772,765
2021	370,478
Total	\$ 1,501,138

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Notes to Financial Statements – Continued

June 30, 2019

Note 9. Net Assets

Net assets with donor restrictions are as follows for the year ended June 30, 2019:

East Africa	\$	110,411
South East Asia Team		36,799
Latin America Team		7,631
Nu Water Works		9,050
Other Time Restrictions		8,333
	\$	<u>172,224</u>

Note 10. Conditional Promise to Give

During the year ended June 30, 2019, the Organization was awarded the Opportunity Now Grant from the Metropolitan Development and Housing Agency. This grant reimburses the Organization for expenses incurred in running summer programs for low- and moderate-income children and youth. Once grant criteria is met, the Organization recognizes grant revenue and a receivable.

Note 11. Donated Property, Equipment and Services

Donated property, equipment and services are used in the ongoing operations of the Organization. The value of donated property, equipment and services included in the financial statements and the corresponding expenditure or asset capitalization for the year ended June 30, 2019 is as follows:

Revenues		
Donated Services	\$	73,536
Donated Equipment and Supplies		36,393
	\$	<u>109,929</u>
Expenses and Assets		
Donated Services and Supplies	\$	102,929
Property and Equipment		7,000
	\$	<u>109,929</u>

Note 12. Concentration of Risks

The Organization receives a substantial amount of its support and revenues from the development training school, from various grants for community projects, and from donor support of specific works overseas. Should enrollment in the institution decline, grants become unavailable, and/or foreign projects become infeasible, the Organization's operations will be affected.

Note 13. Related Party Transactions

Certain management and employees related to the Organization have allowed the Organization to utilize personal credit cards to make purchases related to the activities of the Organization. Cards designated for use by the Organization are not used for personal activity, and the Organization pays all principal and interest.

GLOBAL OUTREACH DEVELOPMENTS INTERNATIONAL

Notes to Financial Statements – Continued

June 30, 2019

Note 13. Related Party Transactions – Continued

The Organization's officers own multiple businesses engaged in various services. During the year ended June 30, 2019, the Organization recognized revenues, including lease income, and expense reimbursements from the following related parties. The receivable and payable columns reflect balances at June 30, 2019 included in accounts receivable and accounts payable.

	Receipts	Receivable	Disbursements	Payable
Center Street Media, LLC	\$ -	\$ 43,136	\$ -	\$ -
Center Street Recording Studios, LLC	1,389	-	17,375	9,500
Details Nashville, LLC	633	1,016	-	11,553
Genovations Consulting, LLC	539	539	104,871	2,293
Genovations Staffing, LLC	1,278	1,278	-	-
GJXMI Group, LLC	-	-	4,500	1,800
Hopewell Family Care, PLLC	2,422	3,177	-	-
Music City Handymen, LLC	-	3	13,480	-
Nova Birth Services, LLC	-	870	6,807	1,188
Nyumba Food Services	13,059	34,336	11,918	-
Nyumbarista - OH Village, LLC	4,348	4,410	3,332	-
Total	<u>\$ 23,668</u>	<u>\$ 88,765</u>	<u>\$ 162,283</u>	<u>\$ 26,334</u>

The receipts are included either in Support and Revenues or have been reflected as direct reductions to the related expense accounts, depending on the nature of the receipt.

Note 14. Upcoming Accounting Pronouncements

In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-08. 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.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. This standard requires organizations to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. ASU 2016-13 is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early application is permitted. Entities are required to apply the amendments at the beginning of the earliest period presented using a modified retrospective approach.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new accounting guidance will increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. This standard is effective for nonpublic entities for fiscal years beginning after December 15, 2019.

The Organization is currently evaluating the effect that implementation of the new standards will have on its financial position, results of operations, and cash flows.

Note 15. Subsequent Events

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2019 through October 31, 2019, the date the financial statements were available to be issued.