NONPROFIT CONNECT

FINANCIAL STATEMENTS

Year Ended December 31, 2017
with
Independent Auditors' Report

NONPROFIT CONNECT

FINANCIAL STATEMENTS

December 31, 2017

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Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nonprofit Connect

We have audited the accompanying financial statements of **Nonprofit Connect** (the "Organization"), which comprise the statement of financial position as of December 31, 2017, 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.

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 auditors consider 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 **Nonprofit Connect** as of December 31, 2017, 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 **Nonprofit Connect**'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Keller & Owens, LLC

Overland Park, Kansas
August 20, 2018

NONPROFIT CONNECT

STATEMENT OF FINANCIAL POSITION
As of December 31, 2017

(with comparative totals as of December 31, 2016)

ASSETS

	2017	2016
Cash and Cash Equivalents	$ 230,026	$ 122,885
Accounts Receivable, net	4,490	5,724
Prepaid Expenses	8,200	9,048
Investments	880,842	777,819
Property and Equipment, net	26,347	48,210
Total Assets	$ 1,149,905	$ 963,686

LIABILITIES AND NET ASSETS

	2017	2016
Liabilities:		
Accounts payable and accrued liabilities	$ 32,861	$ 36,662
Deferred revenue	128,318	129,027
Total Liabilities	161,179	165,689
Net Assets:		
Unrestricted	909,522	723,710
Permanently restricted	79,204	74,287
Total Net Assets	988,726	797,997
Total Liabilities and Net Assets	$ 1,149,905	$ 963,686

See accompanying notes

NONPROFIT CONNECT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

(with comparative totals for the year ended December 31, 2016)

	2017			2016
	Unrestricted	Permanently Restricted	Total	Total
Support and Revenue:				
Membership dues	$ 250,494	$ -	$ 250,494	$ 231,346
JobLink postings	164,000	-	164,000	187,675
Awards luncheon	182,161	-	182,161	185,055
Philly Awards	27,080	-	27,080	21,450
Educational programs	160,383	-	160,383	139,431
Contributions and grants	108,468	-	108,468	98,432
Investment income	102,380	4,917	107,297	48,063
Other	5,180	-	5,180	2,308
Total Support and Revenue	1,000,146	4,917	1,005,063	913,760
Expenses:				
Program services	640,280	-	640,280	641,175
Management and general	149,996	-	149,996	147,931
Fundraising	24,058	-	24,058	24,827
Total Expenses	814,334	-	814,334	813,933
Change in Net Assets	185,812	4,917	190,729	99,827
Net Assets at Beginning of Year	723,710	74,287	797,997	698,170
Net Assets at End of Year	$ 909,522	$ 79,204	$ 988,726	$ 797,997

See accompanying notes

NONPROFIT CONNECT

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

(with comparative totals for the year ended December 31, 2016)

	2017							
	Program Services				Management			2016
	Education	Events	Resources	Total Program	and General	Fundraising	Total	Total
Wages and taxes	$ 103,794	$ 94,837	$ 99,474	$ 298,105	$ 84,752	$ 17,383	$ 400,240	$ 406,695
Employee benefits	16,675	15,236	15,981	47,892	13,616	2,793	64,301	62,763
Professional services	69,387	72,706	776	142,869	19,172	320	162,361	146,165
Facility rent	14,843	10,354	3,119	28,316	6,291	1,559	36,166	34,533
Depreciation	11,645	5,175	2,588	19,408	5,175	1,294	25,877	27,178
Member services	10,716	-	13,759	24,475	-	-	24,475	27,185
Bank and credit card fees	11,227	5,960	2,449	19,636	4,800	28	24,464	22,667
Supplies	7,863	9,522	-	17,385	2,087	-	19,472	15,439
Printing and reproduction	7,669	4,816	-	12,485	3,452	-	15,937	14,648
Office expense	7,470	1,931	898	10,299	2,739	449	13,487	10,961
Marketing and public relations	7,014	81	-	7,095	2,810	-	9,905	9,516
Gifts to others	50	5,711	-	5,761	-	-	5,761	10,257
Other	3,959	2,076	519	6,554	5,102	232	11,888	25,926
Total Expenses	$ 272,312	$ 228,405	$ 139,563	$ 640,280	$ 149,996	$ 24,058	$ 814,334	$ 813,933

See accompanying notes

NONPROFIT CONNECT

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

(with comparative totals for the year ended December 31, 2016)

	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	$ 190,729	$ 99,827
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,877	27,178
Interest and dividends restricted for long-term investment	(2,349)	(2,261)
Net realized and unrealized gains	(88,567)	(31,128)
(Increase) decrease in:		
Accounts receivable	1,234	311
Prepaid expenses	848	(4,559)
Increase (decrease) in:		
Accounts payable	2,771	11,393
Deferred revenue	(709)	27,741
Refundable advances	-	(92,022)
Net Cash Provided by Operating Activities	129,834	36,480
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,014)	(2,840)
Purchases of investments	(157,845)	(241,955)
Proceeds from sales of investments	143,389	103,737
Net Cash Used by Investing Activities	(18,470)	(141,058)
Cash Flows From Financing Activites:		
Interest and dividends restricted for reinvestment	2,349	2,261
Payment of short-term trade accounts used to finance property and equipment acquisitions	(6,572)	-
Net Cash (Used) Provided by Financing Activities	(4,223)	2,261
Net Increase (Decrease) in Cash and Cash Equivalents	107,141	(102,317)
Cash and Cash Equivalents at Beginning of Year	122,885	225,202
Cash and Cash Equivalents at End of Year	$ 230,026	$ 122,885

NONCASH INVESTING AND FINANCING ACTIVITIES

	2017	2016
Purchases of Property and Equipment Using Trade Payables	$ -	$ 6,572

See accompanying notes

NONPROFIT CONNECT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Organization – Nonprofit Connect (the “Organization”) is a membership organization that links the nonprofit community to education, resources, and networking so organizations can more effectively achieve their missions. Founded in 1974, the Organization serves as the hub of Greater Kansas City’s nonprofit sector. The Organization is a regional association uniquely serving individuals in the management of nonprofit organizations. The Organization currently has more than 2,500 professional members from over 600 organizations representing local, regional and national nonprofit organizations of all sizes, as well as for-profit businesses and community funders. Distinctively, the Organization unites nonprofits, foundations, and community and business leaders in a way that is rare across the country to strengthen their organizations and impact the future of Kansas City and the nonprofit sector.

The program service areas for **Nonprofit Connect** are categorized into three areas:

Education

Educational Programs – Professional development programs are offered to meet the diverse training needs of Boards of Directors, Executive Directors, advanced professionals, volunteer managers, fundraisers, operations, communications, funders, and young professionals. The eLearning Center is a component of the Organization’s educational programs, which includes on-demand training, best practice toolkits, and videos on a variety of topics.

Young Nonprofit Professionals Network of Kansas City (YNPNkc) – Promotes the recruitment, development, and retention of young professionals in the nonprofit sector to support and enhance a strong, dynamic nonprofit community.

Events

Philanthropy Awards Luncheon – This is the Organization’s largest event and only fundraiser and is now in its 34^{th} year. The luncheon honors the philanthropist, business philanthropist, volunteer and nonprofit professional of the year, as well as emerging talent in philanthropy. This event, held every May, gathers nearly 1,000 members of the nonprofit and for-profit community.

Philly Awards – The Philly Awards recognize nonprofits and their creative partners for excellence in marketing and communications. This event is held annually in the fall.

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (continued)

Resources

Membership – When a nonprofit joins the Organization, it is connected to a network of 600 members that spans all budget sizes and activity areas in the metro. Because of its expansive membership base, the Organization draws upon the expertise and knowledge of this network to develop programs and services that inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

Website – The website at www.npconnect.org is the region's nonprofit career headquarters, offering one of the premier nonprofit job information portals on the web. On any given day over 200 job openings are posted on JobLink, which receives an average of 150,000 page views per month. Another popular portal on the website is The Foundation Directory, a benefit provided to members, which is a searchable database of nearly 1,000 funders that make grants in Greater Kansas City. Members can also access ResourceLink, a database of best practices, templates, and tools covering all aspects of nonprofit management. The eLearning Center, a component of its educational programs, is also housed on the Organization’s website.

Accounts receivable – Accounts receivable primarily consist of amounts due for memberships, sponsorships, and registration fees. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance as of December 31, 2017 and 2016 was $-0- and $3,175, respectively.

Advertising – The Organization’s policy is to expense advertising costs as the costs are incurred. Total advertising costs for 2017 and 2016 were $3,370 and $295, respectively.

Basis of accounting – The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Unrestricted net assets **–** include unrestricted resources, which represent the portion of funds that are available for the operating objectives of the Organization. Board-designated net assets consist of endowed funds as described in Note 5.

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (continued)

Temporarily restricted net assets **–** consist of donor-restricted contributions. Contributions restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or 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 restriction." Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Permanently restricted net assets – consist of donor-restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

Cash and cash equivalents – For purposes of the statement of cash flows, cash and cash equivalents consists of cash in financial institutions and excludes deposits in money market funds and other cash in brokerage accounts, which are considered to be part of investments on the statement of financial position.

Comparative financial information – The financial statements include certain prior year summarized information in total, but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information is derived.

Concentrations of credit risk – The Organization maintains its cash in bank accounts in amounts that may exceed federally insured limits at times. The Organization has not experienced any losses in these accounts in the past, and management believes the Organization is not exposed to significant credit risks as they periodically evaluate the strength of the financial institutions in which it deposits funds.

Donated services – Donated services consist primarily of graphic design services for the Philanthropy Awards Luncheon and are reflected as contributions at their estimated fair values at date of receipt. Donated services totaled $12,795 and $7,500 for the years ended December 31, 2017 and 2016, respectively. A number of volunteers donated services to the Organization in 2017 and 2016. These services do not meet the criteria for recognition as a contribution and are not reflected in the accompanying financial statements.

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (continued)

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses – Expenses are charged to program services and supporting activities on the basis of directly identifiable costs. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income taxes – The Organization is a non-profit organization exempt from Federal income taxes, except on unrelated income, under Section 501(c)(3) of the Internal Revenue Code (“the Code”). Contributions to the Organization are deductible within the limitations of the Code. The Organization has been classified as a publicly-supported entity, which is not a private foundation under Section 509(a) of the Code.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment return – interest and dividends and gains – restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

Property and equipment – Property and equipment are stated at cost. Expenditures for major renewals and betterments exceeding $1,000 that extend the useful life of assets are capitalized. Depreciation and amortization are charged to operations using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Estimated Useful Life
Computer and office equipment	5 - 7 years
Leasehold improvements	6 years
Website	3 years

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (continued)

Refundable advances – Conditional promises to give are not included as support until the conditions are substantially met; funds collected prior to meeting such conditions are recorded as refundable advances in the statement of financial position.

Revenue recognition – Membership dues are recognized over the term of the membership period. Registrations and sponsorships for educational programs and awards luncheons are recognized when the underlying events occur. JobLink revenue is recognized at the time of sale. Deferred revenue consists primarily of unearned membership dues and event registrations and sponsorships received in advance of the underlying event taking place.

Subsequent events – Management has evaluated events and transactions that have occurred since December 31, 2017 and reflected their effects, if any, in these financial statements through August 20, 2018, the date the financial statements were available to be issued.

2. INVESTMENTS

Investments are carried at their fair value and consist of the following at December 31:

	2017	2016
Money market funds	$ 42,209	$ 35,328
Mutual funds:		
Equity	479,960	427,581
Fixed income	358,673	314,910
Total Investments	$ 880,842	$ 777,819

Investment income consisted of the following for the years ended December 31:

	2017	2016
Interest and dividends	$ 18,730	$ 16,935
Net realized and unrealized gains	88,567	31,128
Total Investment Income	$ 107,297	$ 48,063

3. CONDITIONAL PROMISE TO GIVE

At December 31, 2017, conditional promises to give totaled $100,000, conditioned upon grantor approval of the Organization's progress report after using the first half of the $200,000 total grant. The Organization collected the remaining $100,000 in 2018.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2017	2016
Computer and office equipment	$ 20,785	$ 29,594
Leasehold improvements	139,694	135,680
Website	2,950	2,950
Less accumulated depreciation	(137,082)	(120,014)
Total Property and Equipment, net	$ 26,347	$ 48,210

5. ENDOWMENT

The Organization's endowment consists of a Board-designated endowment and a permanently restricted endowment, which are collectively invested. This endowment was established in conjunction with an agreement from a local foundation (the Foundation) on February 1, 2005. The agreement includes the following key provisions:

- The Organization placed $50,000 in an account during 2005 as a Board-designated investment.
- The Foundation matched the $50,000 with an additional $50,000 in the first month of 2006 as a permanently restricted investment.
- The Foundation may offer annually an additional contribution, which will be funded if the Organization can match the proposed contribution amount.
- On an annual basis, 20% of the net investment return or loss is allocated to the permanently restricted endowment and the remaining 80% is allocated to the Board-designated endowment.

5. ENDOWMENT (continued)

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as Board-designated net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

The Organization’s agreement with the Foundation stipulates that a distribution from the Board-designated endowment can be made at any time, provided that the fair value of the Board-designated endowment is greater than 50% of the fair value of the permanently restricted endowment. The distribution rate is determined by the Board of Directors on an annual basis. During 2017 and 2016, there were no distributions made from the Board-designated endowment.

The endowment’s long-term investment objective is to achieve a total annualized return (aggregate return from interest, dividends and capital appreciation), consistent with acceptable risk levels, that will meet or exceed the sum of the endowment’s spending rate, inflation, and fees. To achieve the endowment objective, the endowment assets are invested following guidance and input from the Foundation.

5. ENDOWMENT (continued)

The following is a summary of the Organization's endowment net asset composition by type of fund as of December 31:

	2017		
	Unrestricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 79,204	$ 79,204
Board-designated endowment funds	98,286	-	98,286
Total Endowment Assets	$ 98,286	$ 79,204	$ 177,490

	2016		
	Unrestricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 74,287	$ 74,287
Board-designated endowment funds	78,619	-	78,619
Total Endowment Assets	$ 78,619	$ 74,287	$ 152,906

Changes in the Organization's endowment net assets for the years ended December 31, 2017 and 2016 are as follows:

	2017		
	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 78,619	$ 74,287	$ 152,906
Investment return:			
Interest and dividends, net of fees	1,879	470	2,349
Net realized and unrealized gains	17,788	4,447	22,235
Total Investment Return	19,667	4,917	24,584
Endowment net assets, end of year	$ 98,286	$ 79,204	$ 177,490

5. ENDOWMENT (continued)

	2016		
	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 70,588	$ 72,280	$ 142,868
Investment return:			
Interest and dividends, net of fees	1,809	452	2,261
Net realized and unrealized gains	6,222	1,555	7,777
Total Investment Return	8,031	2,007	10,038
Endowment net assets, end of year	$ 78,619	$ 74,287	$ 152,906

6. LEASE COMMITMENTS

The Organization has an operating lease for office space expiring June 30, 2018 and another for office equipment expiring December 31, 2018. Rental payments associated with the operating leases are expensed as incurred.

Minimum future lease payments under the non-cancelable operating leases are as follows:

Year Ending December 31:	
2018	$ 21,714
Total	$ 21,714

Rent expense related to these leases was $37,130 and 30,472 for the years ended December 31, 2017 and 2016, respectively.

7. RETIREMENT PLAN

The Organization sponsors a SIMPLE benefit plan for the benefit of its employees, matching 100% of the first 3% of employee elective deferrals. The Organization contributed $9,127 and $11,114 to the plan during the years ended December 31, 2017 and 2016, respectively.

8. FAIR VALUE MEASUREMENTS

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the three broad levels below:

- Level 1 - inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities;
- Level 2 - inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded or other external independent means;
- Level 3 - inputs are unobservable and reflect assumptions on the part of the reporting entity.

The following tables set forth information about the levels within the fair value hierarchy at which the Organization's financial assets and liabilities are measured on a recurring basis at December 31, 2017 and 2016:

December 31, 2017	Level 1	Level 2	Level 3	Total
Money market funds	$ 42,209	$ -	$ -	$ 42,209
Mutual funds:				
Equity	479,960	-	-	479,960
Fixed income	358,673	-	-	358,673
Total	$ 880,842	$ -	$ -	$ 880,842

December 31, 2016	Level 1	Level 2	Level 3	Total
Money market funds	$ 35,328	$ -	$ -	$ 35,328
Mutual funds:				
Equity	427,581	-	-	427,581
Fixed income	314,910	-	-	314,910
Total	$ 777,819	$ -	$ -	$ 777,819

9. NEW ACCOUNTING PRONOUNCEMENTS

ASU 2016-14, Not-for-Profit Entities

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's (NFP's) liquidity, financial performance, and cash flows. The amendments in this ASU are to be applied retrospectively, and are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, with early adoption permitted.

ASU 2014-09, Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires 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 ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard permits the use of either the retrospective or cumulative effect transition method.

In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which deferred the effective date of the new revenue recognition standard for one year. The new standard is effective for fiscal years beginning after December 15, 2018. Early application is permitted.

ASU 2018-08, Not-for-Profit Entities

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU are to be applied on a modified prospective basis. Retrospective application is permitted. For transactions in which the entity serves as the resource recipient, the amendments should be applied for fiscal years beginning after December 15, 2018. For transactions in which the entity serves as the resource provider, the amendments should be applied for fiscal years beginning after December 15, 2019. Early adoption is permitted.

9. NEW ACCOUNTING PRONOUNCEMENTS (continued)

ASU 2016-02, Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this ASU are to be applied using a modified retrospective approach. The amendments are effective for annual financial statements issued for fiscal years beginning after December 15, 2019, with early adoption permitted.

10. SUBSEQUENT EVENTS

In February 2018, the Organization received a $50,000 private grant for the purpose of further developing its eLearning Center platform. The grant period runs from February 2018 to February 2019.