

Audited Financial Statements



June 30, 2018

Quigley & Miron

Amazon Watch
Audited Financial Statements
Table of Contents
June 30, 2018

| | <u>Page Number</u> |
|---|------------------------|
| Independent Auditor's Report | 1 |
| Audited Financial Statements | |
| Statement of Financial Position..... | 3 |
| Statement of Activities..... | 4 |
| Statement of Functional Expenses..... | 5 |
| Statement of Cash Flows..... | 6 |
| Notes to Financial Statements..... | 7 |

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report

Board of Directors
Amazon Watch
Oakland, California

We have audited the accompanying financial statements of Amazon Watch, a nonprofit organization, which comprise the statements of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

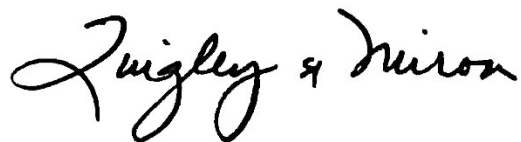
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amazon Watch as of June 30, 2018, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Ziegler & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California
March 22, 2019

Amazon Watch
Statement of Financial Position
June 30, 2018

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|-------------------------|-----------------------------------|--------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 29,247 | \$ 98,449 | \$ 127,696 |
| Grants and contributions receivable—Note 2 | 3,847 | 407,500 | 411,347 |
| Prepaid expenses | 7,625 | | 7,625 |
| Other assets | 12,970 | | 12,970 |
| Total Assets | <u>\$ 53,689</u> | <u>\$ 505,949</u> | <u>\$ 559,638</u> |
| Liabilities and Net Assets | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts payable and accrued expenses | \$ 58,873 | \$ | \$ 58,873 |
| Employee-related accrued expenses | 74,104 | | 74,104 |
| Line of credit—Note 3 | 150,000 | | 150,000 |
| Deferred lease incentive—Note 4 | 5,758 | | 5,758 |
| Total Liabilities | 288,735 | | 288,735 |
| Commitments—Note 4 | | | |
| Net Assets | | | |
| Unrestricted | (235,046) | | (235,046) |
| Temporarily restricted—Note 6 | | 505,949 | 505,949 |
| Total Net Assets | <u>(235,046)</u> | <u>505,949</u> | <u>270,903</u> |
| Total Liabilities and Net Assets | <u>\$ 53,689</u> | <u>\$ 505,949</u> | <u>\$ 559,638</u> |

See notes to financial statements.

Amazon Watch
Statement of Activities
Year Ended June 30, 2018

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-------------------|
| Public Support and Revenue | | | |
| Grants | \$ 354,091 | \$ 647,159 | \$ 1,001,250 |
| Contributions | 468,458 | 32,574 | 501,032 |
| Special event revenue | | | |
| Gross revenue | 178,997 | | 178,997 |
| Less cost of direct benefits to donors | (88,435) | | (88,435) |
| Net Special Event Revenue | 90,562 | | 90,562 |
| Other income | 21,043 | | 21,043 |
| Total Public Support and Revenue | 934,154 | 679,733 | 1,613,887 |
| Net assets released from restrictions | 558,713 | (558,713) | |
| Total Public Support, Revenue, and Net Assets Released from Restrictions | 1,492,867 | 121,020 | 1,613,887 |
| Expenses | | | |
| Program services | 1,300,880 | | 1,300,880 |
| Management and general | 161,637 | | 161,637 |
| Fundraising | 123,527 | | 123,527 |
| Total Expenses | 1,586,044 | | 1,586,044 |
| Change in Net Assets | (93,177) | 121,020 | 27,843 |
| Net Assets at Beginning of Year | (141,869) | 384,929 | 243,060 |
| Net Assets at End of Year | \$ (235,046) | \$ 505,949 | \$ 270,903 |

See notes to financial statements.

Amazon Watch
Statement of Functional Expenses
Year Ended June 30, 2018

| | Program Services | Management and General | Fundraising | Special Event Expense | Total |
|--|-----------------------------|-----------------------------------|--------------------|----------------------------------|---------------------|
| Salaries and wages | \$ 649,683 | \$ 71,534 | \$ 82,256 | \$ | \$ 803,473 |
| Employee benefits | 117,937 | 12,999 | 14,892 | | 145,828 |
| Payroll taxes | 54,154 | 5,935 | 6,921 | | 67,010 |
| Total Personnel | 821,774 | 90,468 | 104,069 | | 1,016,311 |
| Accounting and audit fees | | 49,014 | | | 49,014 |
| Bank charges | 14,622 | 1,755 | 2,478 | | 18,855 |
| Communications and publicity | 13,604 | | | | 13,604 |
| Cost of direct benefits to donors | | | | 88,435 | 88,435 |
| Equipment | 4,408 | 116 | 94 | | 4,618 |
| Grants awarded | 154,771 | | | | 154,771 |
| Insurance | 16,396 | 1,962 | 1,516 | | 19,874 |
| Interest expense | 11,741 | 1,411 | 1,127 | | 14,279 |
| Miscellaneous | 5,342 | 325 | 250 | | 5,917 |
| Outside services | 63,888 | 2,755 | 474 | | 67,117 |
| Postage and delivery | 365 | 53 | 954 | | 1,372 |
| Printing and copying | 11,540 | | | | 11,540 |
| Rent | 105,113 | 12,869 | 9,612 | | 127,594 |
| Supplies | 2,165 | 217 | 251 | | 2,633 |
| Telephone and internet | 7,648 | 262 | 223 | | 8,133 |
| Travel and meetings | | | | | |
| Conferences and meetings | 14,603 | 5 | 1,462 | | 16,070 |
| Delegations | 4,963 | | | | 4,963 |
| Organization travel | 35,698 | 425 | 1,017 | | 37,140 |
| Partner organizations | 12,239 | | | | 12,239 |
| Total Non-Personnel | 479,106 | 71,169 | 19,458 | 88,435 | 658,168 |
| Total Expenses by Function | 1,300,880 | 161,637 | 123,527 | 88,435 | 1,674,479 |
| Less expenses included with revenues on the statement of activities | | | | | |
| Cost of direct benefits to donors | | | | (88,435) | (88,435) |
| Total Expenses Included in Expense Section of the Statement of Activities | \$ 1,300,880 | \$ 161,637 | \$ 123,527 | \$ | \$ 1,586,044 |

See notes to financial statements.

Amazon Watch
Statement of Cash Flows
Year Ended June 30, 2018

Cash Flows from Operating Activities

| | |
|---|-----------|
| Change in net assets | \$ 27,843 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Changes in operating assets and liabilities: | |
| Grants and contributions receivable | (94,823) |
| Prepaid expenses | 3,075 |
| Other assets | (11,522) |
| Accounts payable and accrued expenses | 1,246 |
| Employee-related accrued expenses | (4,134) |
| Deferred lease incentive | (80) |

| | |
|--|-----------------|
| Net Cash Used in Operating Activities | (78,395) |
|--|-----------------|

Cash Flows from Financing Activities

| | |
|----------------------------|-----------|
| Payments on line of credit | (138,000) |
| Draws on line of credit | 185,000 |

| | |
|--|---------------|
| Net Cash Provided by Financing Activities | 47,000 |
|--|---------------|

| | |
|--|-----------------|
| Net Decrease in Cash and Cash Equivalents | (31,395) |
|--|-----------------|

Cash and Cash Equivalents at Beginning of Year

| |
|----------------|
| 159,091 |
|----------------|

| | |
|---|-------------------|
| Cash and Cash Equivalents at End of Year | \$ 127,696 |
|---|-------------------|

Supplementary Disclosures

Cash paid during the year for:

| | |
|--------------|----------|
| Income taxes | \$ |
| Interest | \$ 7,914 |

See notes to financial statements.

Amazon Watch
Notes to Financial Statements
June 30, 2018

Note 1—Nature of Activities and Significant Accounting Policies

Nature of Activities—Amazon Watch (Organization) is a California nonprofit corporation, established in 1996 for the purpose of protecting the rainforest and advancing the rights of indigenous peoples in the Amazon Basin. The Organization partners with indigenous and environmental organizations in campaigns for human rights, corporate accountability, and the preservation of the Amazon’s ecological systems. The Organization receives grants from foundations, as well as contributions from individuals and corporations. The Organization recognizes the negative balance in unrestricted net assets and is actively working, over the next three years, to increase future unrestricted public support through growth in the number of donor individuals, corporations, and foundations. Also, employees, at the direction of management, have implemented cost control measures designed to maintain expenditures relative to service level requirements.

Financial Statement Presentation—The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classification:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Organization.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets that are restricted by the donors for investment in perpetuity. The investment income generated from these funds is available for general support of the Organization’s programs and operations. The Organization had no permanently restricted net assets at June 30, 2018.

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions.

Income Taxes—The Organization is a California nonprofit public benefit corporation that serves charitable and educational purposes and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Amazon Watch

Notes to Financial Statements—Continued

Note 1—Nature of Activities and Significant Accounting Policies—Continued

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for tax liability is not necessary at June 30, 2018. Generally, the Organization’s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Recently Adopted Accounting Principle—In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. The amendment removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share as a practical expedient. The Organization has adopted ASU 2015-07 for the year ended June 30, 2018, however, the retrospective approach requires that an investment for which fair value is measured using NAV as a practical expedient be removed from the fair value hierarchy in all periods presented in the financial statements.

Cash and Cash Equivalents—The Organization considers highly liquid investments with a maturity of less than three months when purchased to be cash equivalents.

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains, and losses are reported as unrestricted income unless use of the earnings is restricted by the donor. As part of the Organization’s advocacy efforts, it holds five shares or less of common stock in three different energy-related, publicly-traded corporations. These small amounts of stock holdings allow the Organization to attend shareholder meetings and to receive information as to the business activities of these energy companies. At June 30, 2018, common stock shareholdings totaled \$614 and are included in “other assets” on the statement of financial position.

Fair Value Measurements—Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity’s assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1—Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. The Organization’s Level 1 assets consist of common stocks at June 30, 2018.

Amazon Watch

Notes to Financial Statements—Continued

Note 1—Nature of Activities and Significant Accounting Policies—Continued

Level 2—Other observable inputs, either directly or indirectly, including:

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

The Organization had no Level 2 assets or liabilities at June 30, 2018.

Level 3—Unobservable inputs that cannot be corroborated by observable market data. The Organization had no Level 3 assets or liabilities at June 30, 2018.

Property and Equipment—Property and equipment is stated at cost when purchased, or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, principally 5 years. Amortization of equipment purchased under capital lease obligations is included in depreciation expense. It is the Organization's policy to expense items purchased or donated with values less than \$2,000. As of June 30, 2018, the Organization did not have any property or equipment obtained pursuant to gifts or capital leases.

Concentrations of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, and grants and contributions receivable.

The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such balances of cash and cash equivalents are in excess of the FDIC coverage limits. Management regularly reviews the financial stability of its cash depositories and deems the risk of loss due to these concentrations to be minimal.

Grants and contributions receivable are due from a variety of foundations, corporations and individuals well-known to the Organization, with favorable past payment histories. At June 30, 2018, the largest grants and contributions receivable from five entities represented 91% of the Organization's total contributions and grants receivable. The Organization's management has assessed the credit risk associated with these contributions and grants receivable and has determined that an allowance for potentially uncollectible amounts is not necessary.

Accrued Sabbatical Leave—Full-time employees are entitled to five weeks of paid sabbatical leave every five years. Sabbatical leave is not a vested benefit and is not payable to employees upon termination of employment. It is the Organization's policy to accrue salary-related sabbatical leave expense. The salary-related accrued sabbatical leave expense balance at June 30, 2018, is \$38,986.

Amazon Watch

Notes to Financial Statements—Continued

Note 1—Nature of Activities and Significant Accounting Policies—Continued

Donated Goods and Services—Donated services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under current accounting standards. In order to expand the reach of its programs, the Organization utilizes the services of a substantial number of volunteers who have donated a significant number of hours to the Organization's program services, management, and fundraising activities. Contributed goods are recorded at fair value at the date of donation. Contributions of such goods received during the year ended June 30, 2018, totaled \$18,564 and are included in "special event revenue" on the statement of activities.

Functional Allocation of Expenses—The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Revenue and Revenue Recognition—Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2—Grants and Contributions Receivable

Grants and contributions receivable at June 30, 2018 consist of the following:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--------------------------------|---------------------|-----------------------------------|-------------------|
| Grants from foundations | \$ | \$ 380,000 | \$ 380,000 |
| Contributions from individuals | 3,847 | 27,500 | 31,347 |
| Totals | \$ 3,847 | \$ 407,500 | \$ 411,347 |

For detail on the composition of temporarily restricted net assets, see Note 6.

Note 3—Line of Credit

During the year ended June 30, 2018, the Organization renegotiated its bank line of credit with Amalgamated Bank (formerly New Resource Bank), increasing the maximum borrowing amount from \$150,000 to \$200,000. The new line of credit bears variable interest at the Prime Rate, as published by the Wall Street Journal, plus 4%. Interest is payable monthly and the loan matures on October 25, 2018. At June 30, 2018, the outstanding balance on the line of credit was \$150,000.

Amazon Watch
Notes to Financial Statements—Continued

Note 4—Commitments

The Organization rented its Oakland office under a non-cancelable operating lease which expired on December 31, 2017. In June 2017, the Organization negotiated a new non-cancelable seven-year operating lease agreement (Agreement) with a different lessor, relocating to a different building in Oakland. This new lease began on January 1, 2018 and ends on December 31, 2024. Additionally, the Agreement offers the Organization the option of extending the lease for an additional five-year period from January 1, 2025 to December 31, 2029. The Organization also leases equipment under a non-cancelable three-year operating lease agreement beginning in September 2017 and expiring in August 2020. Future minimum rental payments due on these operating leases are as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|--------------------------|
| 2019 | \$ 124,729 |
| 2020 | 128,434 |
| 2021 | 131,645 |
| 2022 | 134,958 |
| 2023 | 139,006 |
| Thereafter | <u>215,823</u> |
| Total | <u>\$ 874,595</u> |

Rent expense is recognized on a straight-line basis over the lease terms based on the total payments required under the lease. The deferred lease incentive amount of \$5,758 at June 30, 2018 represents the cumulative difference between the amounts paid and amounts expensed under the leases. Rent expense totaled \$121,352 for the year ended June 30, 2018.

Note 5—Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote since, by accepting the gifts and their terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

Amazon Watch
Notes to Financial Statements—Continued

Note 6—Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 consist of the following:

| | <u>Cash and Cash Equivalents</u> | <u>Grants and Contributions Receivable</u> | <u>Total</u> |
|---------------------------|--|--|--------------------------|
| Restricted due to purpose | | | |
| Brazil | \$ 49,824 | \$ 75,000 | \$ 124,824 |
| Columbia | 3,991 | | 3,991 |
| Ecuador | 35,435 | 50,000 | 85,435 |
| Peru | 9,199 | | 9,199 |
| Restricted due to time | | 282,500 | 282,500 |
| Totals | <u>\$ 98,449</u> | <u>\$ 407,500</u> | <u>\$ 505,949</u> |

The net assets that are temporarily restricted “due to time” are comprised of grants and contributions received late in the year and recorded as receivables at June 30, 2018. The restrictions on these grants and contributions result solely from the timing of the receipt of the gifts and not to any other donor-imposed program- or supporting-services-related restrictions.

Note 7—Employee Benefit Plan

Under the Organization’s SIMPLE IRA retirement plan (Plan), the Organization matches 100% of employee contributions to the Plan, up to 3% of annual salary. All employees are eligible to participate in the Plan after 90 days of employment. Each participant may elect to contribute up to the maximum limit by federal law. Participants are vested immediately upon entering the Plan with 100% nonforfeitability of all employer-matched contributions. The Organization’s matching contributions totaled \$13,514 during the year ended June 30, 2018.

Note 8—Recent Accounting Pronouncements

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

Amazon Watch

Notes to Financial Statements—Continued

Note 8—Recent Accounting Pronouncements—Continued

Net Assets Presentation—In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-14 will have on its financial statements.

Contributions—In June 2018, the Financial Accounting Standards Board (FASB) | FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the definition of an exchange transaction. As a result, not-for-profit entities (NFPs) will account for most federal grants as donor-restricted conditional contributions rather than as exchange transactions (the prevalent practice today). An accommodation ("simultaneous release" option) is provided which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today. Donors will use the same criteria as recipients (i.e., a barrier or hurdle coupled with a right of return/right of release) to determine whether gifts or grants are conditional or unconditional. Expense recognition is deferred for conditional arrangements and is immediate for unconditional arrangements. No new disclosures are required. ASU 2018-08 is effective for resource recipients with fiscal years beginning after December 15, 2018, and for resource providers with fiscal years beginning after December 15, 2019; early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2018-08 will have on its financial statements.

Note 9—Subsequent Events

Subsequent events were evaluated through March 22, 2019, which is the date the financial statements were available to be issued, and it was concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.