

GOT YOUR SIX SUPPORT DOGS
REPORT AND FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2021 AND 2020

GOT YOUR SIX SUPPORT DOGS

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Got Your Six Support Dogs
Maryville, Illinois

We have audited the accompanying financial statements of Got Your Six Support Dogs (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of October 31, 2021, and 2020, and the related statements of support, revenue, expenses and changes in net assets – modified cash basis and statements of functional expenses – modified cash basis 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our 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 auditor's judgment, including the assessment of the risks of material misstatements 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 assets, liabilities, and net assets of Got Your Six Support Dogs as of October 31, 2021, and 2020, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Edwardsville, Illinois

February 4, 2022

GOT YOUR SIX SUPPORT DOGS
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
OCTOBER 31,

<u>ASSETS</u>		
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash - Unrestricted	\$ 444,416	\$ 173,832
Cash - Restricted	-	335,470
Investments	71,580	41,519
Total Current Assets	<u>\$ 515,996</u>	<u>\$ 550,821</u>
FIXED ASSETS:		
Land and Building	\$ 697,310	\$ 697,310
Vehicles	31,722	31,722
Equipment	112,881	19,258
Less, Accumulated Depreciation	(85,502)	(27,662)
Net Fixed Assets	<u>\$ 756,411</u>	<u>\$ 720,628</u>
TOTAL ASSETS	<u>\$ 1,272,407</u>	<u>\$ 1,271,449</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Credit Card Liability	\$ 19,021	\$ 11,684
Payroll Tax Withholdings	5,628	7,828
Current Portion of Note Payable - Building	55,352	53,539
Total Current Liabilities	<u>\$ 80,001</u>	<u>\$ 73,051</u>
LONG-TERM LIABILITIES:		
Note Payable - Building	<u>\$ 391,317</u>	<u>\$ 446,669</u>
TOTAL LIABILITIES	<u>\$ 471,318</u>	<u>\$ 519,720</u>
NET ASSETS:		
Without Donor Restrictions	\$ 801,089	\$ 416,259
With Donor Restrictions	-	335,470
TOTAL NET ASSETS	<u>\$ 801,089</u>	<u>\$ 751,729</u>
TOTAL	<u>\$ 1,272,407</u>	<u>\$ 1,271,449</u>

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

GOT YOUR SIX SUPPORT DOGS
STATEMENT OF SUPPORT, REVENUE, EXPENSES, AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED OCTOBER 31, 2021

<u>REVENUE AND SUPPORT</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Grant Revenue	\$ 162,500	\$ -	\$ 162,500
Contributions	463,600	-	463,600
In-Kind Donations	90,000	-	90,000
PPP Federal Grant	-	60,072	60,072
Unrealized Gain on Investment	4,940	-	4,940
Investment Income	1,121	-	1,121
Fundraising Events			
Revenues	12,246	-	12,246
Direct Expenses	(11,550)	-	(11,550)
Total Revenue and Support	<u>\$ 722,857</u>	<u>\$ 60,072</u>	<u>\$ 782,929</u>
 <u>OTHER SUPPORT</u>			
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	<u>\$ 395,542</u>	<u>\$ (395,542)</u>	<u>\$ -</u>
Total Other Support	<u>\$ 395,542</u>	<u>\$ (395,542)</u>	<u>\$ -</u>
 <u>EXPENSES</u>			
Program Services	\$ 538,238	\$ -	\$ 538,238
General and Administrative	146,778	-	146,778
Fundraising	48,553	-	48,553
Total Expenses	<u>\$ 733,569</u>	<u>\$ -</u>	<u>\$ 733,569</u>
 CHANGE IN NET ASSETS	 \$ 384,830	 \$ (335,470)	 \$ 49,360
NET ASSETS AT BEGINNING OF YEAR	<u>416,259</u>	<u>335,470</u>	<u>751,729</u>
NET ASSETS AT END OF YEAR	<u>\$ 801,089</u>	<u>\$ -</u>	<u>\$ 801,089</u>

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

GOT YOUR SIX SUPPORT DOGS
STATEMENT OF SUPPORT, REVENUE, EXPENSES, AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED OCTOBER 31, 2020

<u>REVENUE AND SUPPORT</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Grant Revenue	\$ 26,700	\$ 542,656	\$ 569,356
Contributions	304,565	-	304,565
PPP Federal Grant	-	44,905	44,905
Unrealized Loss on Investment	(583)	-	(583)
Fundraising Events			
Revenues	5,528	-	5,528
Direct Expenses	(8,860)	-	(8,860)
Total Revenue and Support	<u>\$ 327,350</u>	<u>\$ 587,561</u>	<u>\$ 914,911</u>
 <u>OTHER SUPPORT</u>			
Net Assets Released from Restrictions -			
Satisfaction of Program Restrictions	\$ 455,415	\$ (455,415)	\$ -
Total Other Support	<u>\$ 455,415</u>	<u>\$ (455,415)</u>	<u>\$ -</u>
 <u>EXPENSES</u>			
Program Services	\$ 435,277	\$ -	\$ 435,277
General and Administrative	102,835	-	102,835
Fundraising	39,259	-	39,259
Total Expenses	<u>\$ 577,371</u>	<u>\$ -</u>	<u>\$ 577,371</u>
 CHANGE IN NET ASSETS	 \$ 205,394	 \$ 132,146	 \$ 337,540
NET ASSETS AT BEGINNING OF YEAR	<u>210,865</u>	<u>203,324</u>	<u>414,189</u>
NET ASSETS AT END OF YEAR	<u>\$ 416,259</u>	<u>\$ 335,470</u>	<u>\$ 751,729</u>

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

GOT YOUR SIX SUPPORT DOGS
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED OCTOBER 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Advertising	\$ -	\$ -	\$ 2,193	\$ 2,193
Bank and Related Fees	-	18,089	-	18,089
Depreciation Expense	-	57,840	-	57,840
Dog Acquisition	15,980	-	-	15,980
Dog Supplies, Boarding, and Grooming	43,881	-	-	43,881
Dues and Subscriptions	21,293	-	-	21,293
Employee Benefits	6,100	762	762	7,624
Insurance	9,858	-	-	9,858
Insurance-Liability	-	608	-	608
Job Training	14,580	-	-	14,580
Legal and Professional Fees	-	8,860	-	8,860
Miscellaneous	5,099	637	637	6,373
Office Expenses	1,434	15,555	1,888	18,877
Payroll Tax Expense	26,743	3,343	3,343	33,429
Printed Materials	7,124	890	890	8,904
Printing Expense	986	-	986	1,972
Program Promotion and Marketing	11,703	-	-	11,703
Repairs and Maintenance	8,526	-	-	8,526
Taxes and Licenses	11,311	-	-	11,311
Training Supplies	109	-	-	109
Travel and Meetings	7,797	-	-	7,797
Utilities	16,380	4,680	2,340	23,400
Veterans Placement Costs	28,964	-	-	28,964
Veterinarian Expenses	15,285	-	-	15,285
Volunteer Expenses	975	-	-	975
Wages	284,109	35,514	35,514	355,137
	<u>\$ 538,237</u>	<u>\$ 146,778</u>	<u>\$ 48,553</u>	<u>\$ 733,568</u>
Total				

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

GOT YOUR SIX SUPPORT DOGS
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED OCTOBER 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Advertising	\$ -	\$ -	\$ 767	\$ 767
Bank and Related Fees	-	18,290	-	18,290
Depreciation Expense	-	20,717	-	20,717
Dog Acquisition	3,650	-	-	3,650
Dog Supplies, Boarding, and Grooming	41,046	-	-	41,046
Dues and Subscriptions	5,671	-	-	5,671
Employee Benefits	6,540	817	817	8,174
Insurance	9,765	-	-	9,765
Insurance-Liability	-	1,315	-	1,315
Job Training	4,871	-	-	4,871
Legal and Professional Fees	-	10,186	-	10,186
Miscellaneous	636	79	79	794
Office Expenses	16,505	17,439	3,772	37,716
Payroll Tax Expense	20,209	2,526	2,526	25,261
Printed Materials	5,453	681	681	6,815
Printing Expense	935	-	935	1,870
Professional Fundraising Services	-	-	545	545
Program Promotion and Marketing	15,605	-	-	15,605
Rent-Temporary Locations	2,250	-	-	2,250
Repairs and Maintenance	5,033	-	-	5,033
Taxes and Licenses	183	-	-	183
Training Supplies	12,138	-	-	12,138
Travel and Meetings	4,279	-	-	4,279
Utilities	11,540	3,297	1,649	16,486
Veterans Placement Costs	30,885	-	-	30,885
Veterinarian Expenses	16,209	-	-	16,209
Volunteer Expenses	1,978	-	-	1,978
Wages	219,896	27,488	27,488	274,872
Total	\$ 435,277	\$ 102,835	\$ 39,259	\$ 577,371

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

GOT YOUR SIX SUPPORT DOGS
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Got Your Six Support Dogs (the “Organization”) is a 501(c)(3) nonprofit corporation which supports veterans and first-responders who have risked their lives to serve their country. To help those who struggle with Post Traumatic Stress Disorder (PTSD) as well as sexual trauma, Got Your Six Support Dogs’ goal is to place trained PTSD service dogs with veterans and first-responders at no cost to help them heal from the psychological stress of war and duty through the compassion and healing power of their loyal four-legged companions. The Organization’s main sources of revenue are through public contributions and various grants.

Basis of Accounting

The accompanying financial statements are prepared on the modified cash basis of accounting. The modified cash basis differs from the U.S. generally accepted accounting principles primarily because revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Modifications to the cash basis of accounting include recording depreciation on property and equipment and accruing for payroll taxes, if applicable.

Financial Statement Presentation

Contributions received are recorded as an increase in net assets without donor restrictions and net assets with donor restrictions depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor restrictions. Net Assets without donor restrictions of the Organization are primarily represented by public contributions.

Net Assets With Donor Restrictions – Net assets that have not yet met donor restrictions or for which the ultimate purpose of the assets is a permanent restriction. The Organization does not currently have Net Assets with donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments and certificates of deposit with a maturity of three months or less to be cash equivalents. The Organization places its temporary cash investments with financial institutions. Such investments were in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 at October 31, 2021 and 2020.

Property and Equipment

The organization’s policy is to capitalize, at cost, purchases of property and equipment in excess of \$1,000 and depreciate them on the straight-line basis over their estimated useful lives. The Organization purchased a building on October 31, 2019 and obtained a construction loan for renovations to the building. Depreciation expense was \$57,840 and \$20,717 for the years ended October 31, 2021 and 2020, respectively.

Contributions

Contributions received are recorded as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets are released and reported as an increase in net assets without donor restrictions. Donor-restricted contributions whose restrictions are met within the same reporting period as received are recorded as contributions without donor restrictions.

GOT YOUR SIX SUPPORT DOGS
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of support, revenue, expenses and change in net assets – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

In-kind Contributions

The organization received approximately \$90,000 and \$0 in-kind contributions, which has been reflected in the financial statements for the years ended October 31, 2021, and 2020, respectively. The \$90,000 is the fair value of a database software used for veteran applications and paperwork. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, such as participating on the Board of Directors or other committees, which have not been reflected in the financial statements since they neither require specialized skills nor would have been typically purchased had they not been donated. The value of these services is not readily determinable.

Income Tax Status

The Organization is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made.

Advertising

Advertising costs are charged to operations as paid. Advertising expense was \$2,193 and \$767 for the years ended October 31, 2021, and 2020, respectively.

Use of Estimates

In preparing financial statements in conformity with the modified cash basis of accounting, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

GOT YOUR SIX SUPPORT DOGS
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair Value Measurement (Cont'd)

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy for the Organization's investments is shown in Note 5.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and investment accounts in commercial banks and with brokerage firms. The cash is insured by the Federal Deposit Insurance Corporation (FDIC). Accounts at an institution are insured by the FDIC up to \$250,000, and at times may exceed that limit. Investments are insured by the Securities Insurance Protection Corporation (SIPC) up to \$500,000. The Organization maintains their cash in bank deposit accounts at high credit quality financial institutions. As of October 31, 2021 and 2020, the Organization had one balance in excess of FDIC limits.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is primarily funded through public contributions and various grants. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. All financial assets held at year end are available to meet cash needs for general expenditures within one year.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2021	2020
Financial assets, at year end:	\$ 515,996	\$ 550,821
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions:	-	(335,470)
Financial assets available to meet cash needs for general expenditures:		
Within One Year:	\$ 515,996	\$ 215,351

GOT YOUR SIX SUPPORT DOGS
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2021 AND 2020

NOTE 4. LONG-TERM DEBT

Long-term debt as of October 31, 2021 and 2020 consisted of the following:

Building Loan: During the year ended October 31, 2019, the Organization secured a loan for \$340,000 at an interest rate of 3.337%. The loan is secured by the building. The Organization has a monthly payment on this loan of \$1,944. Balance of \$315,260 and \$327,833 as of October 31, 2021 and 2020 respectively.

Construction Loan: During the year ended October 31, 2019 the Organization secured a loan for \$212,000 at an interest rate of 3.335%. The loan is secured by the building. The Organization has a monthly payment on this loan of \$3,841. Balance of \$131,409 and \$172,375 as of October 31, 2021 and 2020 respectively.

Maturity requirements on the long-term debt are as follows:

<u>Year Ending on October 31,</u>	<u>Building Amount</u>	<u>Construction Amount</u>
2022	12,999	42,353
2023	13,440	43,787
2024	288,821	45,269
TOTAL	<u>315,260</u>	<u>131,409</u>

NOTE 5. FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following methods and assumptions were used to estimate the fair value of each class of investments for which it is practicable to estimate that value:

The fair values of the exchange-traded funds and mutual funds are estimated based on quoted market prices for those or similar investments.

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of October 31, 2021 and 2020:

GOT YOUR SIX SUPPORT DOGS
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2021 AND 2020

NOTE 5. FAIR VALUE MEASUREMENTS (CONT'D)

<u>October 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Exchange Traded Funds:				
Growth	10,885	-	-	10,885
Bond	15,256	-	-	15,256
Blended	14,603	-	-	14,603
Foreign	4,701	-	-	4,701
Mutual Funds:				
US Government	26,000	-	-	26,000
Cash Equivalents	135	-	-	135
Total:	<u>\$ 71,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,580</u>
<u>October 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Exchange Traded Funds:				
Growth	3,788	-	-	3,788
Bond	9,087	-	-	9,087
Blended	4,802	-	-	4,802
Foreign	1,707	-	-	1,707
Mutual Funds:				
US Government	22,135	-	-	22,135
Total:	<u>\$ 41,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,519</u>

NOTE 6. COST ALLOCATION

The financial statements report certain categories of expenses that are attributable to both the program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee benefits, miscellaneous, office expense, payroll tax expense, printed materials, utilities, and wages, which are allocated based on reasonable estimates obtained from key management personnel.

NOTE 7. RESTRICTED CASH

The Organization's restricted cash consisted of \$335,470 of grant money the Organization had received but had not yet spent on grant expenses as of October 31, 2020.

The Organization did not have any restricted cash as of October 31, 2021.

GOT YOUR SIX SUPPORT DOGS
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2021 AND 2020

NOTE 8. INCOME TAXES

The organization applies the provisions of FASB Accounting Standards Codification 740, Income Taxes. The application of FASB Accounting Standards Codification 740 had no impact on the Organization's financial statements and accordingly, no interest or penalties were accrued. Management believes it has no material uncertain tax positions or any related penalties and interest to accrue for the year ended October 31, 2021, and, accordingly, there is no liability for unrecognized tax benefit.

The Organization files tax returns in all appropriate jurisdictions. The open tax years are those years ending October 31, 2018 through October 31, 2021.

NOTE 9. RISK MANAGEMENT

On March 11, 2020, The World Health Organization (WHO) declared the outbreak of coronavirus (COVID-19) a pandemic. The resulting restrictions on travel and quarantines imposed have had a negative impact on the U.S. economy and business activity globally. The full impact of COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations or financial condition for the current fiscal year and beyond.

NOTE 10. NEW ACCOUNTING PRONOUNCEMENT

For the year ended October 31, 2021 the Organization adopted ASU 2014-09, Revenue from Contract with Customer (ASC 606) that introduces a new five-step revenue recognition model in which any entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange from the goods or services. ASC 606 is effective for fiscal years beginning after December 15, 2018 and extended to fiscal years beginning after December 15, 2019. The adoption has no material change in the revenue recognition policies of the Organization.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction. The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The Organization adopted this update on a prospective basis. The adoption of this new guidance had no material changes in revenue related to contributions and grants.

NOTE 11. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for potential recognition or disclosure through February 4, 2022, the date the financial statements were available to be issued. From this evaluation, no events were identified that met the criteria to be classified as a subsequent event subject to disclosure.