

ZAMAN INTERNATIONAL

Inkster, Michigan

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2018 and 2017

ZAMAN INTERNATIONAL

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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Zaman International
Inkster, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Zaman International (the "Organization"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly Virchow Krause, LLP

Southfield, Michigan
July 24, 2019

ZAMAN INTERNATIONAL

STATEMENTS OF FINANCIAL POSITION As of December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 212,192	\$ 134,947
Accounts receivable	23,845	6,714
Grants receivable	46,411	96,721
Inventories	56,883	51,831
Prepaid expenses	<u>2,112</u>	<u>3,136</u>
Total Current Assets	341,443	293,349
PROPERTY AND EQUIPMENT, NET	<u>1,060,869</u>	<u>1,083,714</u>
TOTAL ASSETS	<u>\$ 1,402,312</u>	<u>\$ 1,377,063</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 65,641	\$ 55,685
Accrued expenses	51,399	35,365
Current maturities of long-term debt	<u>313,147</u>	<u>19,299</u>
Total Current Liabilities	430,187	110,349
LONG-TERM DEBT, NET OF CURRENT MATURITIES	<u>-</u>	<u>312,955</u>
Total Liabilities	<u>430,187</u>	<u>423,304</u>
NET ASSETS		
Without donor restrictions	942,301	783,804
With donor restrictions	<u>29,824</u>	<u>169,955</u>
Total Net Assets	<u>972,125</u>	<u>953,759</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,402,312</u>	<u>\$ 1,377,063</u>

See accompanying notes to financial statements.

ZAMAN INTERNATIONAL

STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2018 and 2017

	Without Donor Restrictions	With Donor Restrictions	2018 Total	Without Donor Restrictions	With Donor Restrictions	2017 Total
REVENUE AND PUBLIC SUPPORT						
Contributions	\$ 831,222	\$ 6,506	\$ 837,728	\$ 858,236	\$ 25,748	\$ 883,984
Grants	268,611	17,000	285,611	93,506	110,804	204,310
In-kind contributions						
Food, clothing, and household items	76,820	-	76,820	101,904	-	101,904
Services	219,153	-	219,153	258,684	-	258,684
Sale of donated items	360,330	-	360,330	289,469	-	289,469
Special events, net of expenses of \$110,419 in 2018 and \$97,092 in 2017	(22,873)	-	(22,873)	(14,140)	-	(14,140)
Other revenue	5,428	-	5,428	2,090	-	2,090
Gains (losses) on disposal of property and equipment	1,500	-	1,500	(13,553)	-	(13,553)
Net assets released from restriction	<u>163,637</u>	<u>(163,637)</u>	<u>-</u>	<u>173,585</u>	<u>(173,585)</u>	<u>-</u>
Total Revenue and Public Support	<u>1,903,828</u>	<u>(140,131)</u>	<u>1,763,697</u>	<u>1,749,781</u>	<u>(37,033)</u>	<u>1,712,748</u>
EXPENSES						
Program	1,649,249	-	1,649,249	1,472,248	-	1,472,248
Management and general	50,463	-	50,463	95,536	-	95,536
Fundraising	<u>45,619</u>	<u>-</u>	<u>45,619</u>	<u>50,362</u>	<u>-</u>	<u>50,362</u>
Total Expenses	<u>1,745,331</u>	<u>-</u>	<u>1,745,331</u>	<u>1,618,146</u>	<u>-</u>	<u>1,618,146</u>
CHANGE IN NET ASSETS	158,497	(140,131)	18,366	131,635	(37,033)	94,602
NET ASSETS - Beginning of Year	<u>783,804</u>	<u>169,955</u>	<u>953,759</u>	<u>652,169</u>	<u>206,988</u>	<u>859,157</u>
NET ASSETS - END OF YEAR	<u>\$ 942,301</u>	<u>\$ 29,824</u>	<u>\$ 972,125</u>	<u>\$ 783,804</u>	<u>\$ 169,955</u>	<u>\$ 953,759</u>

See accompanying notes to financial statements.

ZAMAN INTERNATIONAL

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 18,366	\$ 94,602
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	76,797	64,894
In-kind donations of inventory	(5,052)	8,724
(Gain) loss on disposal of property and equipment	(1,500)	13,553
Changes in assets and liabilities		
Accounts receivable	(17,131)	5,210
Grants receivable	50,310	(67,096)
Prepaid expenses	1,024	2,190
Accounts payable	9,956	24,002
Accrued expenses	16,034	(3,366)
Net Cash Flows From Operating Activities	<u>148,804</u>	<u>142,713</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(53,952)	(183,164)
Proceeds from sale of assets	1,500	-
Net Cash Flows Used in Investing Activities	<u>(52,452)</u>	<u>(183,164)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of long-term debt	(19,107)	(18,377)
Net Change in Cash and Cash Equivalents	77,245	(58,828)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>134,947</u>	<u>193,775</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 212,192</u>	<u>\$ 134,947</u>
Supplemental cash flow disclosures		
Cash paid for interest	<u>\$ 12,630</u>	<u>\$ 13,359</u>

See accompanying notes to financial statements.

ZAMAN INTERNATIONAL

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2018 and 2017

	Program	Management and General	Fundraising	2018 Total	Program	Management and General	Fundraising	2017 Total
Salaries and wages	\$ 660,572	\$ 15,839	\$ 3,311	\$ 679,722	\$ 592,574	\$ 32,595	\$ 13,038	\$ 638,207
Fringe benefits	9,198	482	80	9,760	2,335	443	177	2,955
Payroll taxes	<u>68,300</u>	<u>2,337</u>	<u>473</u>	<u>71,110</u>	<u>53,202</u>	<u>3,038</u>	<u>1,215</u>	<u>57,455</u>
Total Salaries and Related Expenses	738,070	18,658	3,864	760,592	648,111	36,076	14,430	698,617
Professional fees	289,369	10,342	1,724	301,435	282,633	34,483	15,794	332,910
Advertising	6,572	917	153	7,642	3,230	613	245	4,088
Postage and office supplies	11,464	1,600	267	13,331	8,227	1,562	625	10,414
Utilities	8,893	1,241	207	10,341	4,528	860	344	5,732
Insurance	3,536	493	82	4,111	1,576	299	120	1,995
Telephone and communication	5,488	766	128	6,382	5,344	1,015	406	6,765
Equip rental and maintenance	1,371	191	32	1,594	19,388	3,681	1,473	24,542
Auto	7,512	1,048	175	8,735	904	172	69	1,145
Depreciation	67,557	7,920	1,320	76,797	51,266	9,734	3,894	64,894
Interest	10,830	1,511	252	12,593	10,541	2,001	801	13,343
Assistance to individuals	457,189	-	36,453	493,642	409,958	-	10,144	420,102
Bank and credit card fees	8,268	1,154	192	9,614	8,900	1,690	676	11,266
Maintenance	15,322	2,138	356	17,816	10,896	2,069	828	13,793
Travel and conferences	1,965	274	46	2,285	-	-	-	-
Licenses and subscriptions	2,254	314	52	2,620	-	-	-	-
Other expenses	<u>13,589</u>	<u>1,896</u>	<u>316</u>	<u>15,801</u>	<u>6,746</u>	<u>1,281</u>	<u>513</u>	<u>8,540</u>
Total Expenses	<u>\$ 1,649,249</u>	<u>\$ 50,463</u>	<u>\$ 45,619</u>	<u>\$ 1,745,331</u>	<u>\$ 1,472,248</u>	<u>\$ 95,536</u>	<u>\$ 50,362</u>	<u>\$ 1,618,146</u>

See accompanying notes to financial statements.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities

Zaman International ("Zaman" or the "Organization"), a not-for-profit organization, provides services to individuals and families located predominantly in Detroit and western Wayne County, Michigan. Zaman's mission is to facilitate change and advance the lives of marginalized women and children, by enabling them to meet essential needs common to all humankind. This is done by providing urgently needed food, clothing, shelter assistance, furniture and other essentials. Once the families' basic needs are met, Zaman offers vocational and educational training programs empowering the underserved to move from dependency to self-reliance. Zaman also operates a thrift shop to generate revenue to support services provided by selling donated goods.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The Organization maintains its cash in bank deposit accounts, which at times throughout the year, may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Accounts and Grants Receivable

Accounts and grants receivable have been adjusted for all known uncollectible amounts. No allowance for doubtful accounts is considered necessary as of December 31, 2018 and 2017, respectively.

Inventories

The Organization receives donations of food, clothing, and household items, certain items of which are offered for sale in the Organization's thrift shop. Inventory is recorded at fair value at the point such items are offered for sale. Prior to being offered for sale, such items are not valued due to significant uncertainty concerning their value. Purchased inventory is priced at the lower of cost or market.

Property and Equipment

Property and equipment are stated at cost if purchased or fair market value at date of the gift if donated. All acquisitions of property and equipment in excess of \$3,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, consisting of property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use and eventual disposition of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, or are required to be maintained permanently by the Organization.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Zaman reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restriction.

Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Grant money received in excess of that earned is recorded as deferred revenue.

Sales Tax

The Organization's policy is to present taxes collected from customers and remitted to governmental authorities on a net basis. The Organization records the amounts collected as a current liability and relieves such liability upon remittance to the taxing authority without impacting revenues or expenses.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes.

The Organization follows guidance included in an accounting standard related to the accounting for uncertainty in income taxes. The tax effects from an uncertain tax position can be recognized in the financial statements, only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized, upon ultimate settlement with the relevant tax authority.

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

The Organization's policy is to recognize interest and penalties related to income tax issues as components of income tax expense. During the years ended December 31, 2018 and 2017, the Organization did not recognize or accrue any interest or penalties.

In-Kind Contributions

As part of its operations, Zaman receives donations of food, clothing and household items. When appropriate, Zaman provides these items to program participants as part of Zaman's program activities. At the time the goods are provided to a program participant, Zaman records the donated items as in-kind program contributions at an estimate of their thrift shop value and a corresponding expense for assistance provided to program participants.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such services totaled \$219,153 and \$258,684 for the years ended December 31, 2018 and 2017, respectively, and are reflected in in-kind contributions of services in the statement of activities.

Donated services are recorded as contributions when the services performed either improve the property owned by the Organization or require specialized skills that Zaman would otherwise need to purchase, are controlled by the Organization, and are clearly measurable at their estimated fair values at the date of receipt.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Other methods may have a different result.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Estimates

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

Adoption of Financial Accounting Standard Board's Accounting Standards Update

In 2018, the Organization adopted the Financial Accounting Standard Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these financial statements accordingly. ASU No. 2016-14 has been applied retrospectively to all periods presented, with the exception of the disclosure about liquidity and availability of resources.

The new standard changes the following aspects of the financial statements:

- > The unrestricted net assets class has been renamed Net Assets Without Donor Restrictions;
- > The temporarily restricted net asset class has been renamed Net Assets with Donor Restrictions;
- > The financial statements include a disclosure about liquidity and availability of resources at December 31, 2018 (Note 7);
- > The financial statements include a statement of functional expenses.

Subsequent Events

Subsequent to year end, the Organization refinanced the mortgage note payable with Old National Bank for \$350,000, with a 5-year term and a 15-year amortization period.

The Organization has evaluated events through July 24, 2019, which is the date the financial statements were approved and available to be issued.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 2 - Property and Equipment, Net

Property and equipment, net is as follows:

	<u>Useful Lives</u>	<u>2018</u>	<u>2017</u>
Land	N/A	\$ 77,000	\$ 77,000
Land improvements	10 - 15 years	6,356	6,356
Building	30 years	454,852	454,852
Building improvements	7 - 30 years	381,766	381,766
Furniture and equipment	5 - 7 years	356,623	337,636
Vehicles	3 years	<u>38,965</u>	<u>16,000</u>
Total		1,315,562	1,273,610
Less: Accumulated depreciation		<u>(254,693)</u>	<u>(189,896)</u>
Property and Equipment, Net		<u>\$ 1,060,869</u>	<u>\$ 1,083,714</u>

NOTE 3 - Long-Term Debt

The Organization entered into a mortgage note payable in June 2014 in the original amount of \$440,000. The note requires monthly installments of \$2,645, including interest at 3.85%, through June 2019 and is secured by the building in Inkster, Michigan. The balance of the note was \$313,147 and \$332,254 at December 31, 2018 and 2017, respectively. The bank has also agreed to allow the Organization to make an additional \$25,000 annual payment on the principal without prepayment penalties. Otherwise, the prepayment premium is equal to the prepaid principal multiplied by a defined premium percentage, not to exceed 5%. Subsequent to year end, the Organization refinanced the mortgage note payable.

Scheduled principal repayments on long-term debt at December 31, 2018, prior to refinancing, were as follows:

Year ending December 31:	
2019	\$ 313,147

Subsequent to year end, the Organization refinanced the mortgage note payable with Old National Bank for \$350,000, with a 5-year term and a 15-year amortization period.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 4 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
Water well project	\$ 900	\$ 1,259
Orphans-local	1,491	3,065
Orphans-international	1,290	11,065
Natural disaster relief	-	2,468
Employment	-	19,025
Tithing and donations	229	20,991
Ford Fund - Backpack program	17,000	-
CFSEM	-	65,000
CANS for the Kitchen	8,914	1,278
Islamic Relief Fund - food pantry	-	45,804
Total	<u>\$ 29,824</u>	<u>\$ 169,955</u>

Net assets with donor restrictions were released from restrictions as follows:

	<u>2018</u>	<u>2017</u>
Water well project	\$ 1,258	\$ -
Orphans-local	2,000	1,915
Orphans-international	11,065	3,150
Natural disaster relief	2,468	1,000
Employment	19,025	53,675
Tariq Farid grant	-	20,000
Tithing and donations	15,739	14,220
CFSEM	65,000	-
CANS for the Kitchen	1,278	-
Islamic relief fund - food pantry	45,804	75,000
Emergency food and shelter program - United Way	-	4,625
Total	<u>\$ 163,637</u>	<u>\$ 173,585</u>

NOTE 5 - Related Party Transactions

During the years ended December 31, 2018 and 2017, the Organization received contributions from related parties who are members of the Board. Related party contributions during 2018 and 2017 totaled \$45,879 and \$38,876, respectively, which represented approximately 5% and 4% of total contributions for each year, respectively.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2018 and 2017

NOTE 6 - Line of Credit

The Organization has a revolving line of credit from a bank totaling \$100,000 at December 31, 2018 and 2017, which bears interest at a fixed rate of 2.95% plus the current prime rate (5.50% and 4.50% at December 31, 2018 and 2017). The Organization has not made any draws as of December 31, 2018 and 2017.

NOTE 7 - Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditure such as operating expenses, scheduled principal payments on debt, and fixed asset additions are as follows:

Financial Assets:

Cash and cash equivalents	\$ 212,192
Accounts and grants receivable	<u>70,256</u>
Financial assets available for meet cash needs for general expenditures within one year	<u>\$ 282,448</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 come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$100,000, of which there was no outstanding balance as of December 31, 2018. The Organization also refinanced the mortgage note payable subsequent to year end.

NOTE 8 - Future Accounting Pronouncements

During May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. During August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Organization is currently assessing the effect that ASU No. 2014-09 will have on their results of operations, financial position and cash flows.

During February 2016, the FASB issued ASU No. 2016-02, *Leases*. ASU No. 2016-02 establishes principles that require a lessee to recognize a lease asset and a lease liability for those leases classified as operating leases under previous accounting principles generally accepted in the United States of America. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020. The Organization is currently assessing the effect that ASU No. 2016-02 will have on their results of operations, financial position and cash flows.

ZAMAN INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2018 and 2017

NOTE 8 - Future Accounting Pronouncements (cont.)

During June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. For not-for-profit entities that have conduit debt, ASU No. 2018-08 is effective for fiscal years beginning after June 15, 2018. All other entities should apply the amendments for fiscal years beginning after December 15, 2018. The Organization is currently assessing the impact that ASU No. 2018-08 will have on its results of operations, financial position and cash flows.